

**Preliminary Official Statement Dated October 11, 2016**

**New Money Issue: Book-Entry-Only**

**RATINGS: See "Ratings" herein.**

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 imposed 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 Meriden, Connecticut**

**\$68,240,000**

**General Obligation Bonds, Issue of 2016, Series A**

**Dated: Date of Delivery**

**Due: Serially, May 1, 2018-2036,  
as detailed below:**

The City of Meriden, Connecticut (the "City") will pledge its full faith and credit to pay the principal of and the interest on \$68,240,000 General Obligation Bonds, Issue of 2016, Series A (the "Bonds") when due. (See "Security and Remedies" herein.)

Interest on the Bonds will be payable November 1, 2017 and semiannually thereafter on May 1 and November 1, in each year until maturity or earlier redemption. The Bonds will be issued in book-entry-only form whereby the beneficial owners of the Bonds will not receive physical delivery of bond certificates. Principal of, and interest payments on, the Bonds will be made by the City to The Depository Trust Company, New York, New York ("DTC"), or its nominee, as registered owner of the Bonds. DTC will credit its participants in accordance with their respective holdings shown in the records of DTC. It is anticipated that the beneficial owners of the Bonds will receive payment or credit from DTC participants and other nominees of the beneficial owners. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. (See "Book-Entry-Only Transfer System" herein.)

<i>Year</i>	<i>Principal*</i>	<i>Coupon</i>	<i>Yield</i>	<i>CUSIP</i>	<i>Year</i>	<i>Principal*</i>	<i>Coupon</i>	<i>Yield</i>	<i>CUSIP</i>
2018	\$ 3,890,000	___%	___%	589535___	2028	\$ 3,485,000	___%	___%	589535___
2019	3,890,000	___%	___%	589535___	2029	3,485,000	___%	___%	589535___
2020	3,890,000	___%	___%	589535___	2030	3,485,000	___%	___%	589535___
2021	3,890,000	___%	___%	589535___	2031	3,485,000	___%	___%	589535___
2022	3,890,000	___%	___%	589535___	2032	3,485,000	___%	___%	589535___
2023	3,485,000	___%	___%	589535___	2033	3,485,000	___%	___%	589535___
2024	3,485,000	___%	___%	589535___	2034	3,485,000	___%	___%	589535___
2025	3,485,000	___%	___%	589535___	2035	3,485,000	___%	___%	589535___
2026	3,485,000	___%	___%	589535___	2036	3,485,000	___%	___%	589535___
2027	3,485,000	___%	___%	589535___					

**Electronic bids via PARITY will be received until 11:30 A.M. (E.D.T.) for the Bonds on Monday, October 17, 2016 at the office of Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, CT 06460, as described in the Noticed of Sale (see Appendix D herein").**

The Bonds are subject to redemption prior to maturity as herein provided. (See "Optional Redemption" herein.)

The Registrar, Transfer Agent, Paying Agent, and Certifying Agent will be U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about November 1, 2016.



No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement or any supplement, which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. 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.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the City since the date of this Official Statement.

The information set forth herein has been obtained by the City from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. Neither the City, nor the Financial Advisor guaranty the accuracy or completeness of such information, however, and such information is not to be construed as a representation of any of the foregoing.

The independent auditors for the City are not passing upon and do not assume responsibility for the accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in their opinion in Appendix A), and they make no representation that they have independently verified the same.

Other than as to matters expressly set forth in Appendix B, Bond Counsel 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.

The Bonds have not been registered under the Securities Act of 1933, as amended, nor have the Bonds been registered under any state securities laws.

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

The City currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide or cause to be provided (i) annual financial information and operating data, (ii) a notice of the occurrence of certain events within 10 business 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 Continuing Disclosure Agreement shall be executed in substantially the form attached as Appendix C to this Official Statement.

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## **Bond Issue Summary**

*The information in this Bond Issue Summary and the front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.*

<b>Date of Sale:</b>	Monday, October 17, 2016 at 11:30 A.M. (E.D.T.)
<b>Location of Sale:</b>	The offices of Phoenix Advisors, LLC, 53 River Street, Suite #1, Milford, Connecticut 06460. Telephone: (203) 878-4945.
<b>Issuer:</b>	City of Meriden, Connecticut (the "City").
<b>Issue:</b>	\$68,240,000 General Obligation Bonds, Issue of 2016, Series A (the "Bonds").
<b>Dated Date:</b>	Date of delivery.
<b>Interest Due:</b>	November 1, 2017 and semiannually thereafter on May 1 and November 1, in each year until maturity or earlier redemption.
<b>Principal Due:</b>	Serially, May 1, 2018 through 2036, as detailed in this Official Statement.
<b>Purpose and Authority:</b>	The Bonds are being issued to finance various general purpose, school, sewer, water and golf projects as set forth in certain capital budgets of the City authorized by the City Council.
<b>Redemption:</b>	The Bonds are subject to redemption prior to maturity. (See "Optional Redemption" herein).
<b>Security and Remedies:</b>	The Bonds will be general obligations of the City and the City will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
<b>Credit Ratings:</b>	Application for a rating on this issue has been made to S&P Global Ratings. The City's outstanding ratings are as follows: "AA" from S&P Global Ratings and "AA-" from Fitch Ratings.
<b>Bond Insurance:</b>	The City does not expect to direct purchase a credit enhancement facility.
<b>Basis of Award:</b>	Lowest True Interest Cost (TIC), as of the dated date.
<b>Tax Exemption:</b>	See "Tax Matters" herein.
<b>Bank Qualification:</b>	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.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data, 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, and notices of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form attached as Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent, and Paying Agent:</b>	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
<b>Financial Advisor:</b>	Phoenix Advisors LLC, of Milford, Connecticut will act as Financial Advisor. Telephone (203) 878-4945.
<b>Legal Opinion:</b>	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about November 1, 2016 against payment in Federal funds.
<b>Issuer Official:</b>	Questions concerning the Official Statement should be addressed to Mr. Michael Lupkas, Director of Finance/City Treasurer, City of Meriden, 142 East Main Street, Meriden, Connecticut 06450. Telephone (203) 630-4138.

## ***I. Bond Information***

### ***Introduction***

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the City of Meriden, Connecticut (the "City"), in connection with the original issuance and sale of \$68,240,000 General Obligation Bonds, Issue of 2016, Series A (the "Bonds") of the City.

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. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

U.S. Bank National Association, 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent, and Certifying Agent ("Paying Agent") for the Bonds.

Bond Counsel are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinions) and they 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 Rule 15c2-12(b)(1), but is subject to revision or amendment.

### ***Financial Advisor***

Phoenix Advisors, LLC, of Milford, Connecticut has served as financial advisor to the City with respect to the issuance of the Bonds (the "Financial Advisor"). The information in this Official Statement has been prepared by the City with the help of the Financial Advisor. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

### ***Description of the Bonds***

The Bonds will be dated the date of delivery and will mature in the years and in such amounts and shall bear interest at such rate or rates as set forth on the cover page of this Official Statement, payable on November 1, 2017 and semiannually thereafter on May 1 and November 1 in each year until maturity. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. Interest is payable to the registered owner as of the close of business on the fifteenth day of April and October, or the preceding day if such day is not a business day, in each year 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.

## Optional Redemption

The Bonds maturing on or before May 1, 2024 are not subject to redemption prior to maturity. The Bonds maturing on May 1, 2025 and thereafter are subject to redemption prior to maturity, at the election of the City, on and after May 1, 2024 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 a percentage of the principal amount of Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<i><b>Period During Which Redeemed</b></i>	<i><b>Redemption Prices</b></i>
May 1, 2024 and thereafter .....	100%

Notice of redemption shall be given by the City or its agent by mailing a copy of the redemption notice by first-class mail at least 30 days prior to the date fixed for redemption to the registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds, or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the City in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The City, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of portions of the Bonds of any maturity by the City will reduce the outstanding principal amounts of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemption in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocations of reductions of interests in the Bonds to be redeemed will not be governed by the determination of the City authorizing the issuance of the Bonds and will not be conducted by the City, the Registrar or Paying Agent.

## Authorization and Purpose

The Bonds are issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the City of Meriden and certain bond resolutions adopted by the City Council of the City.

## Use of Bond Proceeds

Proceeds of the Bonds will be used to finance certain capital projects authorized under the capital budgets listed below:

<i><b>Project</b></i>	<i><b>This Issue Bonds</b></i>
General Purpose Issue #37.....	\$ 1,812,200
General Purpose Issue #65.....	13,000
General Purpose Issue #68.....	32,662,198
General Purpose Issue #69.....	450,000
General Purpose Issue #71.....	100,000
General Purpose Issue #72.....	215,000
General Purpose Issue #73.....	14,868,410
General Purpose Issue #74.....	18,119,192
<b>Total</b> .....	<u>\$ 68,240,000</u>

<i>General Purpose Issue #37:</i>	Citywide roadwork, fire equipment.
<i>General Purpose Issue #65:</i>	W. Main Street road reconstruction.
<i>General Purpose Issue #68:</i>	Planning, design, acquisition and construction of renovations and additions to Maloney and Orville Platt High Schools.
<i>General Purpose Issue #69:</i>	Westfield Road Water Detention.
<i>General Purpose Issue #71:</i>	Landfill/Transfer station monitoring.
<i>General Purpose Issue #72:</i>	Fire Equipment.
<i>General Purpose Issue #73:</i>	Various projects including Citywide sidewalks and road reconstruction, traffic signal modernization, drainage repairs, flood control measures, public works equipment and vehicles, school roof replacements, demolition, updates for parks, and boiler replacement at Roger Sherman School.
<i>General Purpose Issue #74:</i>	Various projects including Citywide sidewalks and road reconstruction, fire equipment, airplane hanger construction, golf course equipment, water and sewer rehabilitation and equipment, traffic signal modernization, drainage repairs, flood control measures, public works equipment and vehicles, school roof replacements, demolition, updates for parks, and boiler replacement at Roger Sherman School.

## **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 Discount***

The initial public offering price of certain maturities of the Bonds may be less than the principal amount payable on such Bonds 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 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, state and local income tax consequences of the 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 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, state and local income tax consequences of the disposition of and receipt of interest on the Bonds.

## ***Book-Entry-Only Transfer 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 securities 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 Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity 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 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](http://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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on 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 Agent, on 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, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or 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 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-only 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.

## ***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 Connecticut 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 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 a 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 Chapter 9, Title 11 of the United States Code, or by state law or 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 provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

## ***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 certain interest expense allocable to the Bonds.

## ***Availability of Continuing Information***

The City prepares, in accordance with State law, annual independent audited financial statements and files such annual report 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, the City will agree to provide, or cause to be provided, annual financial information and operating data, 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, and timely notice of the occurrence of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form attached as Appendix C to this Official Statement. The underwriter's obligation to purchase the Bonds shall be conditioned upon its receiving at or prior to the delivery of the Bonds an executed copy of the Continuing Disclosure Agreement.

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 annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In the past five years, the City has not failed to comply with any of its undertakings under such agreements.

## **Ratings**

Application for a rating on the Bonds has been made to S&P Global Ratings (“S&P”).

The City’s current underlying ratings are “AA” from S&P and “AA-” from Fitch. The City furnished to the Rating Agencies information and materials that they requested. The ratings, if obtained, will reflect only the view of each rating agency and will be subject to revision or withdrawal, which could affect the market price of the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will continue for any given period of time or that the ratings will not be revised or withdrawn entirely by any agency, if, in the judgment of such rating agency, circumstances so warrant. The rating agencies should be contacted directly for their ratings on the Bonds and the explanation of such rating. However, the City may issue short-term or other debt for which a rating is not required. The City’s Financial Advisor, Phoenix Advisors, LLC, recommends that all bonded debt be submitted for a credit rating.

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## ***II. The Issuer***

### **CT MAP**

#### ***Description of the Municipality***

The City of Meriden (the “City”), population 60,616, is centrally located in Connecticut at the intersections of Interstates I-91, I-691 and the Merritt Parkway (Route 15), midway between Hartford and New Haven and less than two hours from Boston and New York City. Meriden is home to 1,300 businesses employing over 25,000 people, 3,000 acres of park space, and has a distinguished history. Meriden was settled in 1661, incorporated as a town in 1806, and as a city in 1867. The town and city were consolidated in 1922. The City, which covers an area of 24.0 square miles, has had a 4.5% population increase since 2000.

The City includes a unique mix of historic buildings and neighborhoods, affordable housing for working families, more affluent suburban style developments, modern business facilities, a regional mall, the largest municipal park in Connecticut (Hubbard Park) and prominent natural scenic ridge-top areas. The City has local transit bus service, and Amtrak train service and interstate bus service provide passenger transportation connecting the City to major metropolitan centers. The City is a designated stop on the New Haven–Hartford–Springfield rail line, which is scheduled to begin service in 2018. Freight service is provided by Conrail and a number of trucking companies. Meriden-Markham Municipal Airport provides both freight and limited passenger service.

Manufacturing firms produce a diversified product line which includes electronic components, biopharmaceuticals, printing presses, aircraft and spacecraft components, industrial filters and antipollution equipment, corrugated boxes, industrial equipment, lighting fixtures, metal alloys, auto parts, and video/data transmission equipment.

#### ***Form of Government***

The City has operated under a Council/Manager form of government since December 3, 1979.

Under the City Charter, the legislative branch consists of 12 elected members forming the City Council who have exclusive legislative and fiscal powers. The City Council may, by resolution, regulate the internal operation of boards, commissions and offices, which it fills by appointment. The City Council appoints the City Manager and the Mayor is popularly elected to office for a term of two years.

The City Manager is directly responsible to the City Council for the supervision and administration of all departments and offices of the City except those elected by the people or appointed by state or federal authority.

A Director of Finance/City Treasurer is appointed by the City Manager, subject to the approval of the City Council and serves at the pleasure of the City Council. The Director of Finance/City Treasurer is the fiscal officer of the City and is responsible for the operation and supervision of the Department of Finance.

## ***Principal City Officials***

<b><i>City Officials</i></b>	<b><i>Name</i></b>	<b><i>Manner of Selection/Term</i></b>	<b><i>Years of Service</i></b>	<b><i>Prior Employment</i></b>
Mayor .....	Kevin Scarpati	Popularly elected	1	Director at Meriden YMCA
City Manager <sup>1</sup> .....	Guy Scaife	Appointed - indefinite	--	Town Manager, Rocky Hill, CT
Director of Finance/Treasurer .	Michael Lupkas	Appointed - indefinite	8	Director of Finance, Bridgeport, CT
Superintendent of Schools .....	Dr. Mark D. Benigni	Appointed - indefinite	6.5	School Principal

<sup>1</sup> Mr. Scaife's first day as City Manager was September 6, 2016.

**Kevin Scarpati, Mayor:** Kevin Scarpati was elected as Mayor of the City of Meriden in December 2015. Prior to his term as Mayor, Mr. Scarpati served four years on the Meriden City Council and two years on the Meriden Board of Education. He has been a Foundation Board member and is currently a Corporator for Middlesex Community College. While serving as Mayor, Mr. Scarpati has also maintained his position as a Physical Education teacher for the Archdiocese of Hartford, teaching at Our Lady of Mount Carmel and Saint Joseph School. Mr. Scarpati is also the Athletic Director for the Meriden YMCA, where he has been employed for over a decade. As Mayor of Meriden, Mr. Scarpati keeps close ties with the community, attending multiple events every week, listening to citizen concerns and paying close attention to the City's economic development possibilities. He works closely with the City Manager and City departments, always looking for the best way to ensure that Meriden is a great place to live and work.

**Guy Scaife, City Manager:** Guy Scaife joined the City of Meriden as City Manager on September 6, 2016. Prior to that date, he served for two years as Town Manager for Rocky Hill, Connecticut and eight years as Town Administrator for Milford, New Hampshire. Prior to beginning a career in municipal government, he gained extensive senior management experience in customer service in the telecommunications industry. During his career, he has served on the Board of Directors of several Chambers of Commerce the State of New Hampshire's Municipal Association Board of Directors, the State of New Hampshire's Retirement System Board of Trustees, and the Board of Trustees for PRIMEX, a New Hampshire company providing pooled risk management services to New Hampshire municipalities, schools, and counties. Mr. Scaife received a B.S. in Industrial Management from the University of Alabama.

**Michael Lupkas, Director of Finance/City Treasurer:** Michael Lupkas, CPFO, has served for approximately eight years as Director of Finance/City Treasurer in the City, after serving six years as Director of Finance/City Treasurer and 13 years in other finance related positions with the City of Bridgeport. Mr. Lupkas received a bachelor's degree from the University of Connecticut. Mr. Lupkas received the designation of Certified Public Finance Official "CPFO" in June 2002. He is a member of the National Government Finance Officers Association ("GFOA") and the Connecticut chapter of the GFOA ("GFOA-CT"). Mr. Lupkas served as President of the GFOA-CT from 2015-2016, currently serves as Past President on its Board of Directors.

**Dr. Mark D. Benigni, Superintendent of Schools:** Dr. Benigni has been Superintendent of the Meriden Public Schools since 2010. He has a bachelor's degree in business administration, master's in Education and doctorate in educational leadership. He is a former special education teacher who spent eight years as Assistant Principal at Berlin High School, two years as Principal at Cromwell High School and over six years as Mayor of the City of Meriden. He has taught college classes in special education and curriculum development, as well as doctoral level classes, at Southern Connecticut State University. He has published numerous articles in national journals and Rowman and Littlefield, Education Division published his first book, "Mentoring Matters: A Toolkit for Organizing and Operating Student Advisory Programs".

## ***Summary of Municipal Services***

**Police:** The Meriden Police Department (the “Police Department”) provides full-time police services. The staff consists of 128 authorized personnel, supplemented by 19 civilian positions and 35 school crossing guards. There are also 7 Reserve Police Officers. In addition to regular patrol functions, the Police Department operates an active neighborhood initiative community policing service and other specialized units.

**Fire Department:** The Meriden Fire Department (the “Department”) operates out of five career stations, one volunteer station and the Office of the Fire Marshal. The Career Department consists of 100 firefighters of which 20 are on duty at all times, operating 5 engines, and 1 truck company. Each shift is led by an Assistant Chief and the Department has 2 secretaries and an automotive mechanic. Each company is led either by a Captain or a Lieutenant. In addition to the Department’s suppression functions, the Department provides technical rescue services for the City, a First Responder Program that is second to none, as well as a Hazardous Material response program.

**Emergency Communications:** The Emergency Communications Center operates a 24/7/365, modern and recently updated public safety communication center with four public safety answering points, staffed by certified dispatch staff.

**Traffic:** The City is protected by an independent fire alarm signal system, Gamewell Signal, maintained by the Traffic Division of the Department of Public Works. There are over 200 boxes including master boxes at various locations throughout the City.

The Traffic Division installs and maintains all traffic devices, including traffic signals, warning lights, 3 closed loop traffic signal systems, and the Master Closed Loop Computer. This Division also installs and maintains all warning signs, regulatory signs, parking signs, school crossing signs, and pavement markings. In addition, this Division maintains 200 ornamental fixtures and 5 control cabinets in the downtown area and 40 ornamental street lights and associated control cabinets in South Meriden.

**Parks:** The Meriden parks system is the largest municipal parks system in New England. It is comprised of 27 public parks and 17 playgrounds, covering a total area of over 3,134 acres. Recreational facilities include a football/soccer stadium with artificial turf, 10 tennis courts, 41 ball fields, 9 basketball courts, 10 picnic grounds (two with fireplaces), 1 outdoor swimming pool, a bandshell, a waterpark and 18 playscapes. The City of Meriden also owns and operates a 6,604-yard, 18-hole, par-71 golf course with a full-service restaurant. The City’s parks provide a wealth of recreational opportunities including hiking, playgrounds, concert venues and multi-cultural festivals as well as many 5K and 10K races.

**Airport:** The Meriden-Markham Airport is a general aviation facility owned by the City of Meriden and supports both light commercial and general aviation markets. The 119 acre airport facility is located on the boundary line between the South Meriden section of the City and the Yalesville section of the neighboring Town of Wallingford. Physical features include a 3,100’ x 75’ paved and lighted runway and taxiway, 6 T’s and 4 boxes and 2 Quonset Huts for aircraft storage, maintenance service hangar, and operations building. Instrument approach procedures with runway visual aids provide all-weather operation capability and ASOS, automated surface weather observation/reporting service, are located on the airport. Approximately 50 aircraft are based at the airport in single, multi-engine airplane, and rotorcraft categories. The airport master plan, updated in June 2000, addresses the need for additional aircraft hangars (16 hangars will be constructed in the spring of 2017), a new maintenance facility, new operations building, and additional improvements. Airport improvements continue to be implemented through grants from the Federal Aviation Administration and the State of Connecticut Department of Transportation combined with City of Meriden efforts.

The airport is municipally-owned. Services are currently furnished by the City. Services provided currently are self-service 24 hour gas sales, aircraft repairs and mechanics, and a flight school and airplane rentals.

**Water Pollution Control:** Meriden presently has an advanced activated sludge wastewater treatment plant with ammonia removal, denitrification and bio-phosphorus removal. There are approximately 220 miles of sanitary sewers and three pumping stations in the collection system. Approximately 95% of the City’s residents are served by this facility. A \$46 million plant upgrade including denitrification and bio-phosphorus removal was completed in June 2010. Meriden has instituted a sanitary sewer rehabilitation program to reduce extraneous flows and increase the longevity of the collection system. The annual average daily flow is 9.0 million gallons a day.

**Water:** Water service is provided to 17,824 customers in the City of Meriden. Water service is metered throughout the City and furnishes approximately 5.78 million gallons a day. The water system is made up of four surface water treatment facilities, two major well complexes, two seasonal wells, eight pumping stations and 12.65

million gallons of storage. Meriden recently completed two water treatment plant lagoon rehabilitation projects. Meriden's largest water treatment facility, Broad Brook WTP, has undergone a total upgrade of approximately \$20 million. The distribution system consists of approximately 217 miles of water lines. Meriden has instituted a cleaning and cement lining program to rehabilitate its aging distribution system. This water main rehabilitation program is ongoing.

**Municipal Solid Waste Services:** The City and Covanta Projects of Wallingford, L.P. ("Covanta") entered into a Municipal Solid Waste Disposal Agreement, dated December 17, 2008, as amended by the First Amendment to Solid Waste Agreement ("Agreement"), pursuant to which it participates, with four other central Connecticut municipalities (Cheshire, Hamden, North Haven and Wallingford), in the operation by Covanta of a solid waste transfer station in Wallingford, Connecticut (the "Facility").

Under the Agreement, the City is required to deliver or cause to be delivered to the Facility solid waste generated within its boundaries and pay disposal fees for its minimum commitment based on a rolling five year average of the number of tons of acceptable solid waste delivered to the Facility by the City compared to the number of tons delivered by all the participating municipalities, starting with a first contract year minimum of 14,850 tons. The City delivered approximately 17,900 tons during the 2016 fiscal year. The five participating municipalities delivered an aggregate total of approximately 65,200 tons of solid waste during the 2016 fiscal year.

The disposal fee consists of the tip fee and any surcharge for certain change-in-law and facility force majeure costs as due pursuant to the Agreement. No such costs have been imposed to date. The City has pledged its full faith and credit for payment of all amounts to be paid pursuant to the Agreement and to annually appropriate funds or levy taxes to pay its obligation under the Agreement. The City's obligation to pay disposal fees not in dispute pursuant to the Agreement is absolute and unconditional and is not be subject to any set-off, counterclaim, recoupment, defense (other than payment itself) or other right which the City may have against Covanta or any other person for any reason whatsoever.

The tip fee is subject to an annual adjustment in the Consumer Price Index as defined in the Agreement, provided that the tip fee shall increase by a minimum of 1.75% per year but no more than 3.5% per year and provided further that the tip fee shall be reset after every five years of the term of the Agreement based on a local market average, as defined in the Agreement, consisting of at least six representative municipal solid waste agreements similar in scope to the Agreement and also provided further that the tip fee shall not be higher than the tip fee that Covanta charges any other municipality for substantially similar services under any contract having an initial term of at least five years. The tip fee for the initial year of the Agreement was \$65.00 per ton. The tip fee for fiscal year 2016 and fiscal year 2017 remained unchanged at \$66.14 per ton.

The Agreement has a term of 10 years, with 2 5-year renewal terms at the option of the City. The participating municipalities each have a representative on the Policy Board with which Covanta consults in the operation of the Facility. The participating municipalities have established a solid waste project reserve fund by an interlocal agreement established pursuant to Section 7-339a of the Connecticut General Statutes with an initial balance of \$2,000,000, of which the City paid in an initial amount equal to 22.16%. The agreement provides that the fund balance shall be maintained at the initial level either through an add-on to the tip fee or other mechanism as agreed to by the municipalities. The fund reserves may be used to pay anticipated or unanticipated future expenditures for which the municipalities may be liable pursuant to the Agreement.

**Waste Collection:** Waste collection within the inner tax district has been contracted to a private hauler since July 1, 1994. Residents in the outer tax district and all commercial/industrial property owners, are responsible for securing the services of a private hauler to dispose of their solid waste.

**Recycling:** Around 1994, the City entered into an intra-community agreement with fifteen other Connecticut municipalities to establish the Tunxis Recycling Operating Committee ("TROC") for the purposes of meeting the State's recycling mandate. The existing agreement expired in June 2014 and TROC was disbanded effective June 30, 2014. As of July 1, 2014, and the City entered into a contract with ReCommunités for the disposal of acceptable recycling products, and is paid \$8.50 per ton.

## ***Economic Development***

The goal of the Economic Development Office is to sustain and grow the tax base, foster job growth, and create economic activity across our community. Key economic development activities include managing the City's business incentive programs, repurposing brownfield sites, marketing and outreach, and fostering transit-oriented development.

### **Incentive Programs**

The office of Economic Development manages the City's business incentive programs, further described on <http://www.meridenbiz.com/incentives/.Incentives>, and are designed to assist businesses that locate or expand in Meriden. Such programs include the following:

- **Meriden's Enterprise Zone ("EZ") State Incentives:** Meriden has a State-designated Enterprise Zone, which provides tax incentives to manufacturers and warehousing and distribution companies that locate to or expand in Meriden's Enterprise Zone. Fifty percent of these tax abatements are reimbursed by the State.
- **Meriden's Enterprise Zone - City of Meriden Incentives:** Companies locating to or expanding in the Enterprise Zone that do not qualify for the State's EZ program may qualify for Enterprise Zone incentives under the Meriden Enterprise Zone incentive program.
- **Urban Jobs State Incentive Program:** Manufacturing and warehousing/distribution companies located outside of the Enterprise Zone may qualify for the same benefits as those located within the Enterprise Zone. Fifty percent of these tax abatements are reimbursed by the State.
- **Meriden's Information Technology Zone ("ITZ") Incentives:** Meriden has an Information Technology Zone tax incentive program offering real property tax assessment deferrals to property owners who improve their buildings to house IT companies. IT companies locating in the buildings may also receive personal property tax abatements.
- **Meriden's Manufacturing Assistance Program ("MAP"):** Meriden offers subordinate financing to manufacturers planning to expand their operations in the City or who wish to locate to Meriden. The loans are for real estate acquisition or improvements and are only offered in conjunction with private financing. Eight manufacturers have taken advantage of this program to date. One loan is current and one additional loan has been approved. Seven loans have been paid back in full. The program supports the expansion and retention of the City's manufacturing base. This program also offers a relocation incentive up to \$15,000 per business for companies relocating to Meriden.
- **Commercial Property Assessed Clean Energy ("C-PACE"):** A State of Connecticut Energy Program allowing commercial and industrial building owners to finance qualifying energy efficiency and clean energy improvements through placing a voluntary assessment on their property tax bill. Meriden has entered into an agreement with the Connecticut Energy Finance and Investment Authority to participate in this program. To date two companies are participating in the C-PACE program.
- **East Main Street Incentive:** In 2015, the City adopted the East Main Street Incentive to encourage private investment in underutilized and vacant properties, increase traffic to existing businesses, and improve the economic vitality of Meriden's east side. The incentive provides tax abatements related to the improvement of underutilized and vacant properties zoned commercial and located along East Main Street from Bee Street to the Middlefield town line.

Since 2015, the following incentives were approved under these aforementioned incentives programs:

- **State of CT Enterprise Zone(EZ) or Urban Jobs Tax Abatements:**
  - Turbo America Tech, 1400 Old North Colony Street
  - Accel International, 508 North Colony Street
- **City of Meriden EZ Tax Abatements:**
  - C-Town, 160 Colony Street
  - United Laundry, 72 Cook Avenue
- **City of Meriden IT Zone Property Tax Abatement:**
  - The Money Source, 500 South Broad Street
  - Meriden Record Journal, 500 South Broad Street
- **City of Meriden East Main Street Tax Abatement:**
  - JD Byrider, 1187 East Main Street



- City of Meriden Manufacturing Assistance Program (MAP) Relocation Reimbursements (\$15,000 relocation)
  - JD Byrider, 1187 East Main Street
  - Turbo America Tech, 1400 Old North Colony
  - Logan Steel, 119 Empire Avenue
  - Aperture Optical Systems, 170 Pond View Drive
- City of Meriden Manufacturing Assistance Program Loans
  - Aperture Optical Systems, 170 Pond View Drive (\$300,000 approved)
- Two CPACE Energy Retrofit Projects Installed
  - Meriden Enterprise Center, 290 Pratt Street
  - YMCA, 110 West Main Street

### Brownfields Redevelopment

Meriden is engaged in a long-term commitment to assess and clean up brownfield sites in the community and return them to active reuse. Since 1992, the City has evaluated 23 brownfield sites totaling over 36 acres of land. Cleanup of 11 sites has been completed or is ongoing. Since 2002 the City has leveraged over \$23 million for assessment, cleanup and remediation activities of those sites. These grants have supported the creation of more available land for housing and commercial development.

### Marketing and Outreach

Meriden is in its 14th year of a marketing campaign focusing on business retention and business development. The “Meriden 2020: Bringing It/Together” campaign was launched in 2015 to include electronic and print media campaigns allowing the City to update and maintain online communications, including meridenbiz.com and meriden2020.com websites, and to develop and implement a marketing plan for the use of the 2,000 hours/year of electronic billboard space.

The City’s Economic Development Office continues to contract with CoStar Inc., to provide real-time, on-line access to commercial property databases listing all commercial and industrial properties available for lease or sale in the Meriden/New Haven region. The database enables staff to provide real-time “for lease” and “for sale” information to companies wishing to locate to or expand in the City. The database also provides real estate analysis (vacancy rates, lease histories, property trends/photos, and floor plans by building) for distribution to prospects, market research companies and site selection consultants.

## ***Commercial/Industrial Development***

Recently, several industrial and commercial businesses have undertaken major expansion projects in Meriden. Highlights include the following:

- Accel International, located at 508 North Colony Street, is a manufacturer of high performance conductors. In 2016 the company was awarded \$3 million in State bond funds backed by over \$15 million in private funds to expand their operations from 75 employees in 2015 to a projected 150 employees by 2018. Operating from a 100,000 square foot manufacturing facility, the existing plant can accommodate future growth that is anticipated.
- Logan Steel, located at 119 Empire Ave., is a manufacturer and retailer of specialty steel products. In 2016, the company was awarded \$1.078 million in State bond funds backed by over \$1.5 million in local funds to consolidate its operations at the 165,000 square foot facility. In addition, complete building and energy efficiency upgrades were done, and the company expects to hire 15 new employees.
- Aperture Optical Sciences, located at 170 Pond View Drive, recently acquired its facility and plans to complete building and energy efficiency upgrades, relocate 18 jobs to the site, and create up to 10 new jobs in the City of Meriden.
- 290 Pratt Street recently completed a comprehensive, two-party energy efficiency project including a 250,000 kWh solar photovoltaic installation and a total of \$3 million in building and energy efficiency upgrades to the 430,000 square foot industrial/office complex known as the Meriden Enterprise Center.

- Boscov's recently leased 190,000 square foot at the Meriden Westfield Mall taking over the former JC Penney space and several surrounding stores. Boscov's is a family owned retail department store headquartered in Pennsylvania.

## ***Downtown and Transit-Oriented Development Opportunities***

The City has positioned its downtown for significant change. The City's goal is to transform its city center into a modern, urban area that offers new, mixed-use development in a pedestrian-friendly environment with public open space and access to public transit service. The City has worked in close collaboration with State and federal agencies, educational institutions, non-profit organizations, foundations, and private sector partners to resolve historic flooding issues, clean up underutilized brownfield sites, remake the current rail station area and redevelop the obsolete and the distressed public housing complex at the core of the city center. More than \$100 million in federal, State and City funding is or will be invested in these efforts in the next few years.

The Connecticut Department of Transportation is in the process of constructing a \$20 million rail station to replace the aging Amtrak station. The investment is part of the New Haven-Hartford-Springfield ("Hartford Rail") program, a \$467 million commuter/high speed rail service utilizing the existing AMTRAK rail corridor. Meriden has been designated a key station stop along the NHHS rail line. At full capacity, Meriden will have 56 bi-directional trains daily serving the Springfield to New Haven corridor and improved transit bus service.

Adjacent to the new transit station at the Meriden Green, (fka Meriden HUB), the City has completed construction of a \$14 million City park and flood storage area that is part of a \$34 million citywide flood control infrastructure upgrade and the City's Linear Trail system. Implementation of the flood control program will significantly reduce flooding risks for existing and new development downtown and create an attractive public park, linear greenway trail and central town green around which development can be constructed.

In 2013, the City adopted a Transit-Oriented Development ("TOD") District Zoning Regulation to ensure that new development is of high quality and blends with the existing historic character. The zoning regulation is supported by the 2009 Plan of Conservation and Development. The TOD Zoning Regulation, which covers roughly the one-half mile area surrounding the Meriden Transit Center, provides flexibility in terms of use while establishing design criteria, flexible adaptive reuse guidelines and a streamlined permitting process. A new, mixed-use development at 24 Colony Street is under construction and scheduled to be completed in 2016. The \$22 million project is the City's first transit oriented development project. Plans are also underway to transform the Mills Memorial Public Housing Complex using a US Department of Housing and Urban Development ("HUD") "Choice Neighborhoods" planning grant.

New development throughout the TOD District will take advantage of Meriden's central location and proximity to major employment centers. Once the rail service is operational, nearly 140,000 workers located within one mile of a rail station will be able to commute to Meriden within a 40-minute ride. An analysis of residential supply and demand indicates a potential demand for 600 to 1,000 housing units in the TOD District and up to 30,000 square feet of service and specialty retail to support the new development. This new housing and retail will be attractive to young workers and empty nesters seeking high quality affordable and workforce housing.

The City recently selected three developers to complete mixed use development at key development areas around the TOD District. POKO Partners has been selected to develop 116 Cook Ave., the former Factory H site, Pennrose Properties, has been selected to develop the former Hub site at 1-77 State Street, and the Michaels Organization has been selected to develop 11 Crown Street following demolition of the former Record Journal building.

- **116 Cook Avenue:** Once a part of the International Silver manufacturing complex, the complex was converted into medical office space in the 1980's, but has been vacant since the 1990's. The City acquired 116 Cook Ave. in 2010 for redevelopment. The property includes a 74,000 square foot vacant building on 5.64 acres.
- **Factory H:** 77 Cooper Street, 85 Cooper Street, and 104 Butler Street, formerly known as "Factory H" together comprise 7.54 acres. The site, which previously housed an International Silver Company manufacturing facility dating back to the 1890's, ceased operation in the 1970's and was abandoned for over 40 years. The City acquired Factory H in 2010, demolished the former industrial buildings in 2012, and completed extensive environmental assessment and cleanup, and disposal of hazardous materials. The former boiler house remains on the site as well as the slab that was underneath the former factory buildings. The City envisions redevelopment of this parcel into a mixed use area that includes housing units and links to the regional

greenway trail. This site has the potential to be combined with 116 Cook Ave. to comprise a 10-acre development parcel. The site is zoned TOD Hanover.

- **Hub Site:** Located at 1-77 State Street and 30-50 East Main Street, the HUB is a 14.4-acre City-owned parcel that has undergone extensive environmental assessment and cleanup. The City is in the process of transforming the HUB site into a City park that serves the purposes of providing public green space, flood storage and 3.4 acres for economic development. Repurposing this centrally located parcel is key to the success of the new transit center and the transit-oriented development district. The site historically served as a center of industrial and commercial activity in Meriden's downtown, and the City's goal is to make this a premier economic development and community gathering spot again. Construction at the HUB site commenced in January 2014 with an 18-month construction timeline. The \$14 million project includes several key features, including a public park with gathering places and links to the regional greenway system, pedestrian links to the new transit center, an amphitheater and great lawn area for public events, and a day-lighted Harbor Brook. The site is zoned TOD Park. Development parcels, totaling 3.4 acres, are located in the northwest corner along State Street and on the east side along Pratt Street. These areas will lie outside of the 100-year floodplain. Plans for the site include 170 rental housing units and 60,000 square foot of leasable commercial space. Future development must take into consideration the Environmental Land Use Controls that were put in place as part of the construction of the Harbor Brook Flood Control Plan. Completed environmental assessments include Phase I/II/III environmental site assessments, hazardous building materials survey, NEPA Environmental Assessment, soil investigation and other work.
- **11 Crown Street, Record Journal Building:** Overlooking the HUB site is the 30,000 square foot Record Journal Newspaper Building at 11 Crown Street. The City acquired the 1.6-acre property in 2014 for redevelopment purposes. The Record Journal, a locally-owned newspaper, has been headquartered here for over 100 years. The Record Journal relocated their business operations to a leased facility at 500 South Broad Street. Future development of the site must incorporate affordable housing under the requirements of the HUD Sustainable Community Challenge grant that was used for its acquisition. The parcel is zoned TOD Park.
- **1 King Place-Former Meriden Wallingford Hospital:** Located within a half block of the Factory H site is the former Meriden-Wallingford Medical Center (TOD Site #6), located at 1 King Place,. The site includes a 245,000 square foot building occupying two city blocks totaling 5.64 acres. The parcel is zoned TOD Hanover. The City acquired the property through tax foreclosure in 2014.

## ***Municipal and Public Facility Development***

The following represent highlights to the City's recent municipal and public facility development:

In November 2007, the City opened a nature walk/bike recreation trail along the Quinnipiac River, the first phase of a linear trail planned to transect the City diagonally from the southwest to the northeast. It is heavily utilized and popular. It was designated as an official Connecticut Greenway in 2012. Phase II of the trail system, funded by a combination of federal and State funding, was completed in 2013 and was designated an official Connecticut Greenway in June 2014. Design for phases III and IV, which will bring the trail close to the City center, was approved in the City's 2015 Capital Improvement Plan and is awaiting federal TEP funding. In 2008, the City completed construction of Falcon Field, a new state of the art municipal artificial turf football and soccer field facility. The facility, funded by a State grant, hosts numerous events including state-wide playoff games and is rented to private and public users. In 2010, the City completed an irrigation project at Hunter Memorial Golf Course, funded through user fees paid into the golf enterprise fund. City athletic field upgrades, including irrigation, replacement fencing and new lighting, were completed in 2011, bringing to a close the City's five year park and recreation plan for that period. The Park and Recreation Task Force was reconvened in 2011, resulting in a new five year plan beginning in 2012. In addition to the HUB project described below, the City has begun improvements to City and Brookside Parks, located near the City center, funded through a combination of City, State and private foundation grants. Improvements to City Park are nearing completion. The Meriden Green park and flood control project was completed in September 2016 and is now open to the public providing 14 acres of open space and floodwater detention in downtown.

New high efficiency boilers were installed in City Hall in 2009 through American Recovery and Reinvestment Act ("ARRA") funding. Similar high efficiency systems were installed in the Meriden Public Library ("Library"), funded by a combination of State and local sources. Energy costs in both facilities have been reduced by approximately \$75,000 per year. The City also completed an addition to the Library parking lot, repair of its elevator and will complete other interior and exterior Library projects shortly, all of which projects were partially funded through State Library grant funds. Additionally, replacement of oil fired boilers in four City elementary schools, over the next three years, is

currently underway. A backup power generator, funded by a State of Connecticut Department of Public Utility Control grant, was added to City Hall in 2009. Beginning in 2008, the City replaced its traffic signal lights with LED lighting, resulting in energy cost savings. The City completed installation of a compressed natural gas fueling station, with ARRA funds obtained as a sub-recipient to the Clean Cities coalition. The City has nine CNG powered passenger vehicles, one van and traffic sign truck. Cost differential in the purchase price have been funded through grants from the State. The City is pursuing plans to install a second CNG fueling station for use by private businesses that have expressed an interest in such a facility. The City has installed four electric vehicle charging stations, which are open to the public, and purchased one dedicated electric vehicle. Funds for this project were provided by the CT Department of Energy and Environmental Protection. The City has been awarded a \$2.3 million grant in FEMA Hazard Mitigation to replace all its public utility back-up generators.

In 2010, the City completed a \$46 million comprehensive upgrade to its municipal sewer treatment facility. The facility has expanded capacity, improved water pollution results, reduced nitrogen levels (allowing the City to be a seller of nitrogen credits rather than a purchaser of credits) and reduced electricity usage. The project was funded through grants and low interest loans to be repaid through user fees. For more information, refer to the section entitled “Clean Water Fund Program” herein. The City completed work on the \$19 million Broad Brook water treatment plant upgrade in 2016. This upgrade was funded through grants and low interest loans to be repaid through user fees.

The City purchased a new \$1.2 million fire ladder truck, funded 50% through federal Fire Act funds. The City has taken delivery of the new truck. The City has completed renovations to its emergency communications center, including a new fourth public safety answering point, funded through State grant and City funds.

In addition to its regular road maintenance program, the City completed a major road reconstruction and streetscape project on Curtis Street in 2009, a major road reconstruction of Gravel Street which serves as the primary access road to Maloney High School, and in 2015 completed the West Main Street Streetscape Project, reconstructing the roadway and sidewalks with period lighting and other amenities on West Main Street, the main roadway from the City center to the western section of the City, and completed sidewalk reconstruction on West Main Street from Cook Ave. to Grove Street. This project was funded by a combination of federal and State funds. The City has been awarded \$3 million in CMAQ funding approval to undertake a traffic signal modernization and upgrade program and \$3 million in LOTCIP funds to upgrade Pratt Street in downtown Meriden.

The City has continued work on the Harbor Brook Flood Control Project. In 2012, the City was awarded permits from the State Department of Energy and Environmental Protection, the Army Corps of Engineers and FEMA for the entire Harbor Brook flood control plan. The State of Connecticut has completed work on the Cook Avenue Bridge and the installation of the Columbus Avenue Relief Culvert is under construction. The City completed construction of detention projects at Westfield Road and at the Meriden Green/former Hub site in 2015/2016. The Meriden Green/former HUB site project transformed an underutilized City brownfield property in the City Center into a flood control area that will detain 53 acre feet of water in high storm conditions and allow use of the property as a central park and green space in normal conditions. The park features amenities such as a performance amphitheater, public plazas, a great lawn area, an iconic pedestrian bridge and a three-acre footprint for economic development purposes. The final cost of the Meriden Green project is in excess of \$14 million. The City of Meriden received \$615,000 in US Environmental Protection Agency funds, \$4 million in Urban Act, Brownfields Pilot and other funds administered by the State of Connecticut Department of Economic and Community Development (DECD), and \$8.8 million in funds provided through the Connecticut Department of Energy and Environmental Protection (DEEP). The City of Meriden provided local funds for construction administration and flood control engineering services. Engineering work has begun on the Amtrak Railroad Bridge Bypass Culvert, the Dog’s Misery Swamp Mitigation project and the Center Street Bridge project. Completion of the Harbor Brook project will reduce the floodplain from 225 to 95 acres and the number of properties and structures in the floodplain from over 300 to 50. The \$105 million “like new” renovation of Francis T Maloney High School will be substantially complete by the end of 2016 and the \$110 million “like new” renovation of Orville Platt High School will be substantially complete by August 2017. Both of these projects are expected to receive grant funding of approximately 77%.

## ***Residential Development***

During 2015, and in the first half of 2016 residential development activity continued to progress. Some of the major residential developments include:

### **Under Construction:**

- 24 Colony St: 63 multi-family units, to be completed December 1, 2016;
- Marina Court: 13 single-family homes, nine completed;
- Leonard Street: 38 multi-family units, 20 completed; and
- Preston Woods: 13 single-family Active Adult homes, 11 completed.

## ***Comprehensive Planning and Future Mixed Use Developments***

The City is actively implementing its long term Plan of Conservation & Development (“POCD”). Adopted in 2009 by the City Planning Commission and the City Council, the POCD includes specific Plan Actions to promote its objectives, including targeted investments, regulatory changes and economic development. In 2016, a review of progress implementing the POCD found that 33 Plan Actions were completed, and another 40 Plan Actions were in the process of being completed. Other Plan Actions were also in the preliminary stages. The Planning Department is preparing to do an update of the POCD over the next two years.

The City’s comprehensive planning implementation efforts continue to be concentrated in the areas of Land Use, Neighborhood Planning, targeted Open Space, and Economic Development. A major City proposal in 2012 was to rezone over 540 residential properties in nine areas of the City from R-2 Two/Three Family Residential to R-1 Single Family Residential. Staff research indicated that the nine areas were primarily composed of single family homes, and revising zoning would help to maintain the neighborhoods. Following a public hearing, the City Council changed the Zoning Map designation for these properties. A recent review of these areas indicates the neighborhoods are stable or improving – specifically in areas previously showing a decline.

The Transit-Oriented Development (“TOD”) Plan has started to be implemented. The planned increase in rail service and several underdeveloped properties provide opportunities for a full transit center, future high density mixed use development and a new central park (“Meriden Green”) that can support flood control. The Meriden Green was completed in July 2016 and multiple, mixed-use, development proposals surrounding the new park have been given conditional zoning approval.

To ensure that new high quality development is facilitated, the Planning Director has worked closely with the City Manager and Economic Development to review and advise the major mixed use TOD building projects. The first project approved is a four story building will include first floor retail space, 63 units of mixed income housing and a 273 space multi-story parking garage to accommodate the transit center and rail service. The project will be completed and ready for occupancy by December 1, 2016.

Beyond the downtown area, planning to develop large sites for mid to long term economic development has continued. A focus of such efforts in 2016 is a large City owned site on South Mountain Road and a former hospital site in the TOD zone. The former Meriden Wallingford Hospital site includes a 245,000 square foot building occupying two city blocks, a former parking garage, and land totaling 5.64 acres. In addition, the Planning Department, along with the Economic Development Office, contracted a study, “First Mile, Last Mile” to evaluate the area mass transit bus service and how coordination with the new commuter rail line could benefit City residents and those who work within the City.

## ***Community Development Program***

The City is an entitlement community funded under the Housing and Community Development Act of 1974, as amended in 1977 and 1982. The Community Development Block Grant (“CDBG”) Program has awarded over \$35 million in entitlement funds to Meriden since its inception in 1976 through the CDBG’s 42<sup>nd</sup> Program Year.

Meriden has made a major commitment to preserving its “inner core” or target neighborhoods (those with the highest concentration of low/moderate income residents) and CDBG funds have been the main source of funding in that effort. To date over \$18 million in Community Development Block Grants have been expended in those target neighborhoods to rehabilitate and maintain housing.

Community Development funds are being utilized to implement an intense code enforcement effort. The City's housing inspectors, working in conjunction with community police officers, travel throughout the "inner-core" neighborhoods, identifying incipient issues and code violations on an on-going basis. In addition, monthly "code" walks are held with the City Manager, City Planning, Health and Community Development Departments to inspect those houses with violations that have been remedied, those that still require work, and to identify new or additional areas of concern. The City has had good success with this targeted approach, owners and landlords have been responsive to addressing code violations.

The City's focused efforts on maintaining its neighborhoods, and encouraging reinvestment in their "inner core" areas, is also supplemented with the Neighborhood Preservation Program ("NPP") a loan program which encourages owner/occupant investment. Applications for the NPP program are processed on a first come-first served basis. In addition to these activities, CDBG funds are also used to replace sidewalks the City's targeted neighborhoods and to fund 22 public service programs, which provide a wide range of services low/moderate income residents ranging from job training, child crisis intervention and domestic violence, literacy, and home and hospice care.

The Meriden Housing Authority and the City are joint recipients of a \$500,000 HUD Choice Neighborhood Planning grant. The purpose of the grant is to develop a Transformation Plan for the redevelopment of the Mills Memorial public housing site and the surrounding central business district. This activity is coupled with other initiatives already underway in Meriden, including the Meriden Family Zone Promise Neighborhood, the HUB Redevelopment and Remediation/Park project, Transit Oriented Development and the New Haven-Hartford-Springfield High Speed Intercity Passenger Rail Corridor Program and a focus on crime reduction strategies all in the CDBG Target Area. Meriden Children First, a local NGO, was a recipient of a prior U.S. Department of Education ("USDOE") Promise Neighborhood Planning Grant.

## ***Employee Relations and Collective Bargaining***

### ***Municipal Employees <sup>1</sup>***

<b><i>Fiscal Year Ended June 30</i></b>	<b><i>2016</i></b>	<b><i>2015</i></b>	<b><i>2014</i></b>	<b><i>2013</i></b>	<b><i>2012</i></b>
General Government (full-time).....	484	488	490	498	509
Board of Education and State Projects <sup>2</sup> .....	983	986	981	946	933
Grant / Other Funded (Incl. Cafeteria) <sup>2</sup> .....	119	117	105	79	173
<b><i>Total.....</i></b>	<b>1,586</b>	<b>1,591</b>	<b>1,576</b>	<b>1,523</b>	<b>1,615</b>

<sup>1</sup> Includes management and other non-union employees

<sup>2</sup> Changes in 2012 are due to the classification concerning the American Recovery & Reinvestment Act funding. In 2013, certain other funded positions were not classified as municipal employees.

Source: Director of Finance / Treasurer.

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## Employee Bargaining Organizations

<b>Employees</b>	<b>Organization</b>	<b>Number of Employees</b>	<b>Current Contract Expiration Date</b>
<i>General Government</i>			
Nurses (Public Health).....	AFSC, Unit 8, Connecticut Health Care Assoc. District 119, AFL-CIO	22	06/30/2019
Public Works.....	Local 740, AFL-CIO	80	06/30/2018
Fire Department.....	IAFF, Local 1148, AFL-CIO	18	06/30/2018
Municipal Employees.....	Meriden Municipal Employees Local 595 AFSCME, AFL-CIO	102	06/30/2016 <sup>1</sup>
Police Department.....	AFSCME, Local 1016, Council 15, AFL-CIO	113	06/30/2017
Middle Management.....	AFSCME Supervisors, Local 3430	49	06/30/2018
Crossing Guards.....	AFSCME Local 3886	31	06/30/2018
Public Safety Dispatch.....	AFSCME Dispatchers Local, #1303-405	18	06/30/2016 <sup>1</sup>
<b>Total.....</b>		<b>433</b>	
<i>Board of Education</i>			
Paraprofessionals.....	Meriden Federation of Paraprofessionals	186	06/30/2016 <sup>1</sup>
School Teachers.....	Meriden Federation of Teachers	655	06/30/2017
Clerical (Education).....	Meriden Federation of Educational Secretaries	75	06/30/2016 <sup>1</sup>
Custodian (Education).....	Meriden Federation of Municipal Employees	84	06/30/2016 <sup>1</sup>
Cafeteria (Education).....	Hotel and Restaurant Employees and Bartenders Union Local 217, AFL-CIO	47	06/30/2016 <sup>1</sup>
Education Administrators....	Meriden Administrator's Association	40	<i>Reopened for insurance</i>
Education Administrators....	Meriden Federation of Non-Certified Supervisors	3	06/30/2016 <sup>1</sup>
Family School Liasons .....	Meriden Federation of Family School Liasons	5	06/30/2016 <sup>1</sup>
<b>Total.....</b>		<b>1,095</b>	

<sup>1</sup> In negotiation.

Source: Director of Finance / Treasurer.

General Statutes sections 7-473c, 7-474 and 10-153d provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certificated teachers and certain other employees. The legislative body of an affected municipality may reject the arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State will then appoint a new panel of three arbitrators to review the decisions on each of the rejected issues. The panel may accept the last best offer of either party. In reaching its determination, the arbitration panel shall give priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. In light of the employer's financial capability, the panel shall consider prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

## Educational Services

### School Facilities <sup>1,3</sup>

<b>School</b>	<b>Grades</b>	<b>Date Occupied</b>	<b>Dates of Additions/ Renovations</b>	<b>Number of Classrooms</b>	<b>Enrollment 10/1/15 <sup>1</sup></b>	<b>Rated Capacity</b>
John Barry.....	K-5	1929	1953 <sup>2</sup> , 1965, 1996	26	476	620
Benjamin Franklin .....	K-5	1951	1965 <sup>2</sup>	26	365	620
Nathan Hale.....	K-5	1956	1965 <sup>2</sup> , 1990	28	630	670
Hanover.....	K-5	1934	1954 <sup>2</sup> , 1965, 1994,	39	655	785
Thomas Hooker.....	K-5	1963	2005 (roof)	21	421	500
Casimir Pulaski.....	K-5	1972	2005 (roof)	31	557	646
Israel Putnam.....	Pre K-5	1951	1955 <sup>2</sup> , 1990	27	588	620
Roger Sherman.....	Pre K-5	1929	1949, 1990	27	559	620
Lincoln.....	6-8	2005	--	30	743	750
Washington.....	6-8	1984	2007 (roof)	45	690	1,020
Maloney High School..	9-12	1959	1969 <sup>2,4</sup>	47	1,204	1,400
Platt High School.....	9-12	1958	1969 <sup>2,4</sup>	48	1,039	1,270
<b>Totals .....</b>				395	7,927	9,521

<sup>1</sup> There are also 4 parochial schools located in the City with an enrollment of approximately 435 Meriden students as of October 1, 2015.

<sup>2</sup> Original building renovated at the time additions were constructed.

<sup>3</sup> The City owns the Thomas Edison Middle School, a state-of-the-art magnet school focusing on science and technology. As of October 1, 2015, students from the City account for 558 students whose tuition of \$5,314 per student is paid to ACES ("Area Cooperative Education Service"). The Magnet School also includes students from the following cities/towns: Middletown, Waterbury, Wallingford, Durham, Rockfall, Naugatuck, North Haven, Terryville, Hamden and New Britain. In addition, as of October 1, 2013, the Meriden Public Schools sent 91 students to the Wintergreen Magnet School in Hamden whose tuition of \$4,104 per student for 47 of the 91 students is paid to ACES. This school is run by ACES.

<sup>4</sup> Maloney and Orville Platt High Schools are currently undergoing full renovations.

Source: Superintendent of Schools, City of Meriden.

### School Enrollment

<b>As of 10/01</b>	<b>Grades Pre K - 5</b>	<b>Grades 6 - 8</b>	<b>Grades 9-12</b>	<b>Total</b>
		<b><u>Historical</u></b>		
2007	4,634	1,645	2,538	8,817
2008	4,370	2,223	2,399	8,992
2009	4,300	2,189	2,261	8,750
2010	4,416	2,171	2,364	8,951
2011	4,407	2,120	2,382	8,909
2012	4,307	2,115	2,394	8,816
2013	4,241	1,530	2,323	8,094
2014	4,276	2,089	2,296	8,661
2015	4,220	2,091	2,240	8,551 <sup>1</sup>
		<b><u>Projected</u></b>		
2016	4,138	2,081	2,219	8,438
2017	4,087	2,085	2,168	8,340
2018	3,974	2,147	2,108	8,229
2019	3,867	2,162	2,129	8,158
2020	3,775	2,185	2,137	8,097
2021	3,764	2,085	2,181	8,030
2022	3,744	2,014	2,203	7,961

<sup>1</sup> The total includes 624 student enrolled in schools other than the City's public schools.

Source: Superintendent's Office.



### III. Economic and Demographic Information

#### Population and Density

<b>Year</b>	<b>Actual Population<sup>1</sup></b>	<b>% Increase</b>	<b>Density<sup>2</sup></b>
2014 <sup>3</sup>	60,616	-0.4%	2,525.7
2010	60,868	4.5%	2,536.2
2000	58,244	-2.1%	2,426.8
1990	59,479	4.1%	2,478.3
1980	57,118	2.1%	2,379.9
1970	55,959	-	2,331.6

<sup>1</sup> U.S. Department of Commerce, Bureau of Census.

<sup>2</sup> Per square mile: 24.0 square miles.

<sup>3</sup> American Community Survey 2010-2014.

#### Age Distribution of the Population

<b>Age</b>	<b>City of Meriden</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Under 5 years .....	3,625	6.0%	194,338	5.4%
5 to 9 years .....	3,261	5.4	217,491	6.1
10 to 14 years .....	3,274	5.4	234,666	6.5
15 to 19 years .....	3,541	5.8	255,499	7.1
20 to 24 years .....	3,951	6.5	234,482	6.5
25 to 34 years .....	8,781	14.5	433,145	12.1
35 to 44 years .....	8,454	13.9	459,130	12.8
45 to 54 years .....	9,112	15.0	563,772	15.7
55 to 59 years .....	4,579	7.6	253,952	7.1
60 to 64 years .....	3,172	5.2	214,499	6.0
65 to 74 years .....	4,927	8.1	280,541	7.8
75 to 84 years .....	2,460	4.1	162,971	4.5
85 years and over .....	1,479	2.4	87,567	2.4
<b>Total.....</b>	<b>60,616</b>	<b>100%</b>	<b>3,592,053</b>	<b>100%</b>

Median Age (Years) 2014..... 39.3 40.3

Median Age (Years) 2010.....<sup>1</sup> 36.2 37.4

<sup>1</sup> U.S. Department of Commerce, Bureau of Census, 2010.

Source: American Community Survey 2010-2014.

#### Income Distribution

<b>Income</b>	<b>City of Meriden</b>		<b>State of Connecticut</b>	
	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>
\$ 0 - \$ 9,999.....	682	4.4%	30,584	3.4%
10,000 - 14,999.....	504	3.3	18,591	2.1
15,000 - 24,999.....	1,097	7.1	46,537	5.2
25,000 - 34,999.....	1,454	9.4	56,473	6.3
35,000 - 49,999.....	2,320	15.1	85,206	9.5
50,000 - 74,999.....	2,930	19.0	140,776	15.6
75,000 - 99,999.....	2,393	15.5	129,656	14.4
100,000 - 149,999.....	2,878	18.7	184,327	20.5
150,000 - 199,999.....	737	4.8	93,100	10.3
200,000 and over.....	416	2.7	114,307	12.7
<b>Total.....</b>	<b>15,411</b>	<b>100.0%</b>	<b>899,557</b>	<b>100.0%</b>

Source: American Community Survey 2010-2014.

## Income Levels

	<b>City of Meriden</b>	<b>State of Connecticut</b>
Per Capita Income, 2014.....	\$ 27,483	\$ 37,892
Per Capita Income, 2010.....	\$ 24,814	\$ 36,613
Median Family Income, 2014.....	\$ 62,426	\$ 88,217
Median Family Income, 2010.....	\$ 56,092	\$ 84,558

Source: American Community Survey 2010-2014.

## Educational Attainment Population 25 years and over

	<b>City of Meriden</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	2,482	5.8%	106,784	4.3%
9th to 12th grade.....	4,129	9.6	150,227	6.1
High School graduate.....	15,931	37.1	677,887	27.6
Some college, no degree.....	9,036	21.0	431,807	17.6
Associate's degree .....	3,293	7.7	180,321	7.3
Bachelor's degree.....	4,926	11.5	506,662	20.6
Graduate or professional degree.....	3,167	7.4	401,889	16.4
<b>Total.....</b>	<b>42,964</b>	<b>100.0%</b>	<b>2,455,577</b>	<b>100.0%</b>
Total high school graduate or higher (%).....		84.6%		89.2%
Total Bachelor's degree or higher (%).....		18.8%		37.0%

Source: American Community Survey 2010-2014.

## Major Employers As of October 2016

<b>Name</b>	<b>Business</b>	<b>Approximate Number of Employees</b>
MidState Medical Center .....	Hospital	1,200
Hunter's Ambulance and Transportation...	Ambulance/Limousine Services	390
EM (Formerly CUNO).....	Pumping Equipment and Industrial Filters	310
Carabetta Management.....	Property Management	320
Canberra Industries, Inc.....	Radiation Detection	300
RFS Cable.....	Cable Manufacturer	220
Clorox.....	Cleaners Manufacturer	200
Target Corporation.....	Retail Sales	175
The Money Source.....	Loan Servicer	122
Accel International.....	Cable Manufacturer	85
<b>Total.....</b>		<b>3,322</b>

Source: Economic Development Office, City of Meriden.

### **Employment by Industry**

<b>Sector</b>	<b>City of Meriden</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Agriculture, forestry, fishing and hunting, and mining.....	121	0.4%	7,413	0.4%
Construction.....	1,659	5.8	97,974	5.5
Manufacturing.....	4,153	14.4	191,057	10.8
Wholesale trade.....	1,120	3.9	44,195	2.5
Retail trade.....	3,519	12.2	191,267	10.8
Transportation warehousing, and utilities....	1,167	4.0	65,068	3.7
Information.....	633	2.2	41,905	2.4
Finance, insurance, real estate, and leasing..	2,093	7.3	161,926	9.2
Professional, scientific, management, administrative, and waste management....	2,427	8.4	197,880	11.2
Education, health and social services.....	7,192	25.0	467,574	26.5
Arts, entertainment, recreation, accommodation and food services.....	2,054	7.1	154,005	8.7
Other services (except public admin.).....	1,540	5.3	80,179	4.5
Public Administration.....	1,142	4.0	66,491	3.8
<b>Total Labor Force, Employed.....</b>	<b>28,820</b>	<b>100%</b>	<b>1,766,934</b>	<b>100.0%</b>

Source: American Community Survey 2010-2014.

### **Employment Data By Place of Residence**

<b>Period</b>	<b>City of Meriden</b>		<b>Percentage Unemployed</b>		
	<b>Employed</b>	<b>Unemployed</b>	<b>City of Meriden</b>	<b>New Haven Labor Market</b>	<b>State of Connecticut</b>
August 2016 .....	30,196	2,200	6.8	5.6	5.6
<b>Annual Average</b>					
2015.....	30,187	2,312	7.1	5.7	5.6
2014.....	29,743	2,684	8.3	6.9	6.7
2013.....	32,041	3,054	9.5	8.1	7.8
2012.....	32,491	3,254	10.0	8.7	8.4
2011.....	28,760	3,469	10.8	9.3	8.8
2010.....	29,057	3,584	11.0	9.2	9.0
2009.....	29,053	3,477	10.7	8.3	8.5
2008.....	29,719	2,243	7.0	5.9	5.7
2007.....	29,987	1,757	5.5	4.8	4.6
2006.....	29,827	1,706	5.4	4.5	4.3

Source: State of Connecticut, Department of Labor.

### Age Distribution of Housing

<b>Year Built</b>	<b>City of Meriden</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1939 or earlier.....	9,215	33.4%	334,290	22.4%
1940 to 1969.....	9,396	34.0	536,618	36.0
1970 to 1979.....	3,395	12.3	200,288	13.4
1980 to 1989.....	3,556	12.9	193,794	13.0
1990 to 1999.....	984	3.6	113,875	7.6
2000 or 2009.....	988	3.6	104,093	7.0
2010 or later.....	77	0.3	7,423	0.5
<b>Total Housing Units.....</b>	<b>27,611</b>	<b>100.0%</b>	<b>1,490,381</b>	<b>100.0%</b>

Source: American Community Survey 2010-2014.

### Housing Inventory

<b>Housing Units</b>	<b>City of Meriden</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1-unit, detached.....	13,250	48.0%	882,955	59.2%
1-unit, attached.....	1,289	4.7	79,922	5.4
2 units.....	3,784	13.7	120,070	8.1
3 or 4 units.....	3,445	12.5	133,452	9.0
5 to 9 units.....	1,947	7.1	81,574	5.5
10 to 19 units.....	1,058	3.8	55,609	3.7
20 or more units.....	2,749	10.0	124,683	8.4
Mobile home.....	87	0.3	11,819	0.8
Boat, RV, van, etc.....	2	0.0	297	0.0
<b>Total Inventory.....</b>	<b>27,611</b>	<b>100.0%</b>	<b>1,490,381</b>	<b>100.0%</b>

Source: American Community Survey 2010-2014.

### Owner-Occupied Housing Values

<b>Specified Owner-Occupied Units</b>	<b>City of Meriden</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000.....	362	2.5%	24,122	2.6%
\$50,000 to \$99,000.....	493	3.4	26,438	2.9
\$100,000 to \$149,999.....	2,813	19.2	72,756	8.0
\$150,000 to \$199,000.....	4,984	34.1	137,797	15.1
\$200,000 to \$299,999.....	4,599	31.4	257,364	28.2
\$300,000 to \$499,999.....	1,263	8.6	243,882	26.7
\$500,000 to \$999,999.....	57	0.4	109,918	12.0
\$1,000,000 or more.....	55	0.4	40,766	4.5
<b>Total.....</b>	<b>14,626</b>	<b>100.0%</b>	<b>913,043</b>	<b>100.0%</b>
<b>Median Value.....</b>	<b>\$184,300</b>		<b>\$274,500</b>	

Source: American Community Survey 2010-2014.

### Building Permits

	2015-16 Value	2014-15 Value	2013-14 Value	2012-13 Value	2011-12 Value
Single.....	\$ 2,370,350	\$ 4,480,996	\$ 529,950	\$ 526,219	\$ 1,073,410
Apartment.....	45,260	330,197	-	660,120	-
Commercial/Industrial.....	15,773,987	19,320,493	8,453,820	5,365,411	1,579,800
Municipal.....	84,975	1,261,775	87,015,964	91,941,333	3,337,402
Other.....	35,752,230	19,688,298	8,408,675	7,790,547	12,009,068
<b>All Categories (including above).....</b>	<b>\$ 54,026,802</b>	<b>\$ 45,081,759</b>	<b>\$104,408,409</b>	<b>\$ 106,283,630</b>	<b>\$ 27,961,715</b>

Source: Building Department, City of Meriden.

### Land Use Summary

Land Use/Category/Zoning	Total Area		Developed		Undeveloped	
	Acres	Percent	Acres	Percent	Acres	Percent
Residential.....	6,645	43.2%	6,551	98.6%	94	1.4%
Commercial/Industrial.....	2,129	13.9	1,758	83.2	371	17.4
Streets and Utilities.....	2,038	13.3	2,038	100.0	-	-
Open Space Public <sup>1</sup> .....	1,998	13.0	-	-	1,998	100.0
Open Space Private.....	523	3.4	-	-	523	100.0
Tax Exempt <sup>2</sup> .....	1,949	12.7	1,949	100.0	-	-
Other.....	86	0.6	-	-	86	100.0
<b>Totals.....</b>	<b>15,368</b>	<b>100.0%</b>	<b>12,296</b>	<b>80.0%</b>	<b>3,072</b>	<b>20.0%</b>

Source: City of Meriden GIS, CAMA database.

<sup>1</sup> CT DEEP.

<sup>2</sup> Includes schools, churches, government facilities.

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## **IV. Tax Base Data**

### **Property Tax**

#### **Assessments**

The City had a general property revaluation effective October 1, 2011 and is currently in the process of completing a revaluation for the October 1, 2016 grand list. Under Section 12-62 of the Connecticut General Statutes, the City must next revalue all real estate in 2021 and every fifth year thereafter. The next revaluation by physical inspection must be made no later than ten years from the preceding physical inspection. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the City for inclusion onto the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total of assessed values for all taxable real and personal property located within the City on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list of assessments are warranted. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last general revaluation.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last general revaluation. The property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Effective October 1, 2015, Public Act No. 15-244 (the "Act"), allows municipalities to tax motor vehicles at a different rate than other taxable property but caps the motor vehicle tax rate at (i) 32.00 mills for the 2015 assessment year and (ii) 29.36 mills for the 2016 assessment year and thereafter. The Act also diverts a portion of state collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The City's motor vehicle tax rates for the current 2014 assessment year is 37.0 mills.

All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An Assessor's check and audit is completed periodically.

Motor vehicle lists are furnished to the City by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule recommended by the Secretary of the Office of Policy and Management. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next July 1 are subject to a pro-rated property tax, which is a supplement to the preceding Grand List. The tax is not due until January 1, fifteen months after the Grand List date.

#### **Property Tax Collection Procedure**

Effective October 1, 2015, Public Act No. 15-244 (the "Act"), creates certain disincentives on increasing general budget expenditures for municipalities in Connecticut. Beginning in fiscal year 2018, the Office of Policy and Management ("OPM") must reduce the amount of the municipal revenue sharing grant (which is created by the Act) for those municipalities whose increases in general budget expenditures, with certain exceptions, exceed the spending limits specified in the Act. Each fiscal year, OPM must reduce the municipal revenue sharing grant paid to a municipality if the annual increase in its general budget expenditures is equal to or greater than 2.5 percent or the inflation rate, whichever is greater. The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar the municipality spends over the expenditure cap. However, for municipalities that taxed motor vehicles at more than 32 mills for the 2013 assessment year (for taxes levied in fiscal year 15), the reduction shall not be more than the portion of the grant that exceeds the difference between the amount of property taxes the municipality levied on motor vehicles for the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills. (See "Property Tax Assessments" herein.)

The Act requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the increased spending limits, and if so, the amount by which the limit was exceeded.

Under the Act, municipal spending does not include expenditures:

1. for debt service, special education, or costs to implement court orders or arbitration awards;
2. associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; or

3. for any municipal revenue sharing grant the municipality disburses to a district, up to the difference between the amount of property taxes the district levied on motor vehicles in the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills, for fiscal year 17 disbursements, or 29.36 mills, for fiscal year 18 disbursements and thereafter.

Property taxes are levied on all taxable assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Real estate taxes are payable in four quarterly installments (July 1, October 1, January 1 and April 1). Personal property taxes are payable semi-annually (July 1 and January 1) and motor vehicle taxes are due in one single payment on July 1. An estimate for outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Payments not received within one month after the due date become delinquent, with interest charged at the 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. Outstanding real estate tax accounts are lienied each year prior to June 30. All taxes are transferred to suspense 15 years after the due date in accordance with State statutes.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as deferred revenue.

Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes which are deemed to be uncollectible.

### **Comparative Assessed Valuation**

<b>Grand List as of 10/1</b>	<b>Residential Real Property (%)</b>	<b>Commercial/ Industrial Real Property (%)</b>	<b>All Land (%)</b>	<b>Personal Property (%)</b>	<b>Motor Vehicle (%)</b>	<b>Gross Taxable Grand List</b>	<b>Less Exemptions</b>	<b>Net Taxable Grand List</b>	<b>Percent Growth</b>
2015	64.5%	17.4%	0.3%	8.4%	9.4%	\$ 3,307,941	\$ 79,078	\$ 3,228,863	0.3%
2014	64.6	17.8	0.3	8.1	9.2	3,289,089	70,752	3,218,337	-0.2
2013	64.5	18.3	0.3	7.9	9.0	3,289,364	64,462 <sup>2</sup>	3,224,902	0.2
2012	61.1	20.9	0.3	9.3	8.4	3,448,985	230,515	3,218,470	-0.9
2011 <sup>1</sup>	57.8	24.2	0.3	9.2	8.5	3,479,006	230,427	3,248,578	-10.7
2010	62.2	21.8	0.4	8.5	7.1	3,877,407	237,947	3,639,460	0.3
2009	62.2	21.8	0.4	8.6	7.0	3,865,978	236,110	3,629,868	-0.1
2008	62.2	21.8	0.4	8.6	7.0	3,864,377	230,017	3,634,360	-0.7
2007	61.8	21.9	0.4	8.7	7.2	3,879,478	220,274	3,659,204	1.4
2006 <sup>1</sup>	62.2	22.2	0.3	8.1	7.2	3,830,329	221,915	3,608,414	49.1

<sup>1</sup> Revaluation.

<sup>2</sup> The reduction is due to the termination of the NRG exemption contract.

Source: City of Meriden, City Assessor's Office.

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## Property Tax Levies and Collections

Grand List as of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	District	Mill Rate	Total Tax Levy	Uncollected		
						Percent of Annual Levy Collected at End of Fiscal Year <sup>1</sup>	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Collected as of 6/30/16
2015	2017 <sup>2</sup>	\$ 3,228,863,120	First	37.47	\$121,463,472	IN COLLECTION		
			Second	2.23				
2014	2016 <sup>2</sup>	3,218,337,015	First	36.63	119,644,914	97.78%	2.22%	97.78%
			Second	2.14				
2013	2015	3,224,902,777	First	35.73	115,888,454	97.59%	2.41%	99.12%
			Second	2.09				
2012	2014	3,218,470,206	First	34.99	113,390,726	97.33%	2.67%	99.47%
			Second	2.10				
2011	2013	3,248,578,415	First	34.70	113,122,263 <sup>3</sup>	97.46%	2.54%	99.61%
			Second	2.10				
2010	2012	3,639,460,109	First	29.83	109,965,111	97.37%	2.63%	99.71%
			Second	1.82				
2009	2011	3,630,226,863	First	29.53	108,579,493	97.49%	2.51%	99.70%
			Second	1.90				
2008	2010	3,632,830,081	First	28.85	105,217,635	97.49%	2.51%	99.73%
			Second	1.74				
2007	2009	3,659,204,456	First	27.96	102,298,379	97.24%	2.76%	99.74%
			Second	1.93				
2006	2008	3,608,414,217	First	27.96	101,123,487	97.30%	2.70%	99.75%
			Second	2.31				
2005	2007	2,420,649,275	First	42.20	101,900,365	97.30%	2.70%	99.61%
			Second	2.31				
2004	2006	2,373,437,388	First	40.34	95,254,308	96.30%	3.70%	99.47%
			Second	2.31				

<sup>1</sup> Taxes for the fiscal year are paid on the Grand List of October 1 prior to the beginning of the fiscal year, and are due and payable in four quarterly installments (July 1, October 1, January 1, and April 1) for real estate. Personal property taxes are payable semi-annually (July 1 and January 1) and motor vehicle taxes are due in a single payment on July 1. Failure to pay an installment within one month of the installment due date makes the installment delinquent and subject to interest charges of 1.5% per month (18% per annum). Real estate is lienied for delinquent taxes within one year after the due date. The amount collected at the end of each fiscal year represents collection of twelve months.

<sup>2</sup> Subject to audit.

<sup>3</sup> Taxes levied for FY2013 were reduced by \$268,463 due to the City's acquisition of the Bradley Research Center. This transaction closed shortly after the Grand List was compiled.

Source: City of Meriden, Tax Collector's Office.

## Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List <sup>1</sup>
Eversource.....	Public Utility	\$ 65,967,838	2.0%
Meriden Square Partnership.....	Shopping Center	61,512,620	1.9
Yankee Gas.....	Public Utility	34,221,530	1.1
TLS Group.....	Shopping Center	22,050,000	0.7
Computer Sciences Corp.....	Telecommunications Data Center	21,412,020	0.7
Meriden Square #3 LLC et al.....	Shopping Center	19,991,530	0.6
Radio Freq Systems Inc.....	RF Communications Manufacturer	18,089,840	0.6
211 Pomeroy LLC.....	Residential Real Estate	16,024,270	0.5
Carabetta Enterprises Inc.....	Real Estate Developer	13,005,710	0.4
PAR Merriitt LLC.....	Apartment Building Shopping Ctr	10,936,240	0.3
<b>Total</b> .....		<b>\$ 283,211,598</b>	<b>8.8%</b>

<sup>1</sup> Based on a net taxable grand list October 1, 2015 of \$3,228,863,000.

Source: Assessor's Office, City of Meriden.



## **V. Financial Information**

### **Fiscal Year**

The City's fiscal year begins July 1 and ends June 30.

### **Basis of Accounting and Accounting Policies**

The City's accounting system is organized on a fund basis and uses funds and account groups to report on its financial position and results of operations. The City's accounting records are maintained on a modified accrual basis, with revenues recognized as they become both measurable and available and expenditures recognized when incurred. (See Appendix A – "GENERAL PURPOSE FINANCIAL STATEMENTS, Notes to Financial Statements" herein.)

### **Governmental Fund Types**

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund and account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. The various funds and account groups are grouped as follows in the financial statements.

#### **Governmental Funds**

General Fund – is the general operating fund of the City and operates under a legal budget. It is used to account for all financial transactions except those required to be accounted for in another fund.

Special revenue funds – are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Capital projects funds – are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those accounted for in the enterprise funds.

#### **Proprietary Funds**

Enterprise funds – are used to account for operations:

- a. that are financed and operated in a manner similar to private business enterprises;
- b. where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The City's enterprise funds are its water fund, sewer authority, and golf course.

Internal service funds – are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds are its medical self-insurance fund and workers' compensation fund.

#### **Fiduciary Funds**

Trust and agency funds – are used to account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds consist of expendable, nonexpendable, pension trust funds, and the post-employment healthcare fund.

## **Budgetary Procedures**

<b>Budget Calendar</b>	
<b>Timeline</b>	<b>Action</b>
At least 180 days before fiscal year end.....	Final date for budget estimates to be submitted by Department Heads to Finance Director and by Finance Director to City Manager.
Not later than 120 days before fiscal year end .....	Final date for City Manager to submit proposed budget to City Council.
Not later than 75 days before fiscal year end .....	Final date for City Council to hold a public hearing on the proposed budget.
Within 20 days of last public hearing.....	Date by which budget must be adopted by City Council.
Within 5 days of adoption by City Council.....	Final date Mayor has veto power on a line item basis only. City Council may override any line item veto by a two-thirds (2/3) vote of the entire body.
Within 10 days of final adoption.....	Date by which tax rate must be set by City Council.

For additional information, see Appendix A – “FINANCIAL STATEMENTS, Note #3 – “Budgets and Budgetary Accounting” to the “General Purpose Financial Statements” herein.

## **Annual Audit**

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the City is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management, and a copy of said audit report must be filed with the Office of Policy and Management. The City of Meriden is in full compliance with said provisions. For the fiscal year ended June 30, 2015, the financial statements of the City were audited by the firm of Blum Shapiro & Company, P.C. attached hereto as Appendix A.

## **Pension Plans**

The City administers three single-employer, contributory, defined benefit public employee retirement system (PERS) plans to provide pension benefits for its employees (Employees’ Pension Plan, Police Pension Plan and Firefighters’ Plan). The PERS is considered to be a part of the City financial reporting entity and is included in the City’s financial reports as Pension Trust Funds. Stand-alone plan reports are not available for these plans. Although the assets of the plans are commingled for investment purposes, each plan’s assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan. Substantially all full-time employees hired prior to July 1, 2011 of the City are eligible to participate. Full-time employees hired after July 1, 2011 are required to participate in a defined contribution plan.

For the fiscal year ended June 30, 2016, the City’s unaudited contributions are \$3,264,731 (101.42% of the ARC) for the Employees’ Plan, \$4,441,422 (100.0% of the ARC) for the Police Plan and \$3,040,690 (100.0% of the ARC) for the Firefighters’ Plan. Net Pension Liabilities as of June 30, 2015 were as follows: \$34,599,044 for the Employees’ Plan, \$50,524,819 for the Police Plan, and \$36,932,871 for the Firefighters’ Plan.

## Schedule of Funding Progress

### Employees' Retirement Plan

Actual Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded		Covered Payroll (d)	UAAL as % of Covered Payroll (c/d)
			Actuarial Accrued Liability (UAAL) (c)	Funded Ratio (a/b)		
7/1/2014	\$ 154,906,580	\$ 165,531,186	\$ 10,624,606	93.6%	37,477,862	28.3%
7/1/2012	147,647,445	150,068,846	2,421,401	98.4%	38,734,928	6.3%
7/1/2010	140,652,162	133,912,594	(6,739,568)	105.0%	34,128,961	-19.7%
7/1/2008	140,853,728	123,480,133	(17,373,595)	114.1%	31,405,160	-55.3%

### Police Pension Plan

Actual Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded		Covered Payroll (d)	UAAL as % of Covered Payroll (c/d)
			Actuarial Accrued Liability (UAAL) (c)	Funded Ratio (a/b)		
7/1/2014	\$ 67,165,749	\$ 108,764,265	\$ 41,598,516	61.8%	4,122,939	1009.0%
7/1/2012	64,914,508	103,632,267	38,717,759	62.6%	4,462,636	867.6%
7/1/2010	61,620,597	98,013,777	36,393,180	62.9%	5,027,254	723.9%
7/1/2008	60,974,656	89,709,424	28,734,768	68.0%	5,030,979	571.2%

### Firefighters' Pension Plan

Actual Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded		Covered Payroll (d)	UAAL as % of Covered Payroll (c/d)
			Actuarial Accrued Liability (UAAL) (c)	Funded Ratio (a/b)		
7/1/2014	\$ 54,495,663	\$ 83,914,767	\$ 29,419,104	64.9%	4,048,391	726.7%
7/1/2012	53,337,981	79,799,856	26,461,875	66.8%	4,349,943	608.3%
7/1/2010	51,296,883	74,993,738	23,696,855	68.4%	4,800,571	493.6%
7/1/2008	51,281,856	70,302,239	19,020,383	72.9%	4,696,251	405.0%

See Appendix A -- "FINANCIAL STATEMENTS, Note #10 - "EMPLOYEE RETIREMENT PLANS" to "General Purpose Financial Statements" herein.

## Other Post-Employment Benefits

The Postemployment Healthcare Plan ("PHP") is a single-employer defined benefit healthcare plan administered by the City. The PHP provides medical, dental and prescription benefits to eligible retirees and their spouses. All employees of the City hired prior to July 1, 2011 are eligible to participate in the plan. Benefit provisions are established through negotiations between the City and the various unions representing the employees. All employees of the City hired after July 1, 2011 are not eligible for retirement health benefits.

PHP is considered to be part of the City's financial reporting entity and is included in the City's financial report as various pension trust funds. A portion of the employees' pension contributions is required to be recognized in these healthcare plan pension funds: the Employees Healthcare Plan, the Police Healthcare Plan, and the Firefighters' Healthcare Plan. The PHP does not issue a stand-alone financial report.

As of July 1, 2014, the City had an actuarial accrued liability of \$89.5 million with respect to the PHP and \$20.8 million in PHP assets for an unfunded actuarial liability of \$68.7 million. The actuarial assumption includes an 8.0% rate of return and annual health care cost trend at 10.0% initially and reduced by decrements to an ultimate rate of 5.0% after five years. It is estimated that the June 30, 2016 asset accumulation will be approximately \$27.3 million.

The City's Annual Required Contribution and Percentage Contributed by fiscal year is presented below.

<b><i>Fiscal Year Ended</i></b>	<b><i>Annual Required Contribution</i></b>	<b><i>Percentage Contributed</i></b>
6/30/2016	\$ 7,513,565	62.3%
6/30/2015	7,680,809	80.9
6/30/2014	7,725,338	71.0
6/30/2013	7,694,428	74.4
6/30/2012	11,081,681	50.7
6/30/2011	11,043,833	29.6
6/30/2010	10,871,305	32.9

See Appendix A -- "FINANCIAL STATEMENTS, Note #11 - "Postemployment Healthcare Plan" to "General Purpose Financial Statements" herein.

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## Investment Policies and Procedures

The City Charter and Sections 7-400 and 7-402 of the Connecticut General Statutes govern the investments the City is permitted to acquire. Generally, the City may invest in certificates of deposit, municipal notes and bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, and money market mutual funds.

The City manages the investment of its funds in compliance with its Charter and the Connecticut General Statutes.

The City's investment policies and investments relative to the City's retirement and deferred compensation funds are available upon request to the Director of Finance/City Treasurer.

### General Fund - Comparative Balance Sheet

	Actual 2015	Actual 2014	Actual 2013	Actual 2012	Actual 2011
<b>Assets:</b>					
Cash and Cash Equivalents.....	\$ 11,872,523	\$ 9,701,514	\$ 14,305,808	\$ 12,058,010	\$ 19,321,153
Investments.....	14,580,008	14,899,385	12,914,124	12,572,390	10,260,759
Receivables (net):			-		
Property Taxes.....	6,081,798	5,243,963	5,483,526	4,960,733	3,530,684
Accounts Receivable.....	515,639	507,125	434,225	699,123	616,899
Federal and State Governments.....	11,924	26,072	1,612,484	2,256,783	81,152
Inventory.....	149,036	130,799	125,508	133,633	133,373
Other Assets.....	26,199	3,302	1,160	4,869	3,331
Due from Other Funds.....	5,246,509	6,226,873	4,078,835	3,873,866	3,316,023
Advance to Golf Fund.....	-	-	-	-	-
<b>Total Assets.....</b>	<b>\$ 38,483,636</b>	<b>\$ 36,739,033</b>	<b>\$ 38,955,670</b>	<b>\$ 36,559,407</b>	<b>\$ 37,263,374</b>
<b>Liabilities:</b>					
Accounts Payable and					
Other Accrued Liabilities.....	\$ 13,546,063	\$ 12,159,689	\$ 14,560,161	\$ 12,871,307	\$ 12,797,573
Due to Other Funds.....	-	175,905	176,997	462,440	190,968
Unearned Revenue.....	7,617	4,583	-	-	-
Deferred Revenue.....	-	-	6,721,056	5,968,420	6,008,572
<b>Total Liabilities.....</b>	<b>\$ 13,553,680</b>	<b>\$ 12,340,177</b>	<b>\$ 21,458,214</b>	<b>\$ 19,302,167</b>	<b>\$ 18,997,113</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable Revenue - Property Taxes....	\$ 5,306,853	\$ 4,141,962	\$ -	\$ -	\$ -
Unavailable Revenue - Loans Receivable..	1,375,009	1,418,552	-	-	-
Advance Property Tax Collections.....	585,000	1,311,506	-	-	-
<b>Total Deferred Inflows of Resources....</b>	<b>\$ 7,266,862</b>	<b>\$ 6,872,020</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Municipal Equity:</b>					
Fund Balances:					
Nonspendable.....	\$ 149,036	\$ 130,799	\$ 125,508	\$ 133,633	\$ 133,373
Restricted.....	937,864	948,144	1,009,817	520,001	825,001
Committed.....	285,459	404,908	636,972	-	-
Unassigned.....	16,296,211	16,042,985	15,725,159	16,603,606	17,307,887
<b>Total Municipal Equity.....</b>	<b>\$ 17,668,570</b>	<b>\$ 17,526,836</b>	<b>\$ 17,497,456</b>	<b>\$ 17,257,240</b>	<b>\$ 18,266,261</b>
<b>Total Liabilities and Fund Balance .....</b>	<b>\$ 38,489,112</b>	<b>\$ 36,739,033</b>	<b>\$ 38,955,670</b>	<b>\$ 36,559,407</b>	<b>\$ 37,263,374</b>

**General Fund Revenues and Expenditures**  
**Four Year Summary of Audited Revenues and Expenditures (GAAP Basis),**  
**Fiscal Year 2016 Estimated Actual Budget and Current Budget (Budgetary Basis)**

	<b>Budget 2017 <sup>1</sup></b>	<b>Estimated Actual 2016 <sup>5</sup></b>	<b>Actual 2015</b>	<b>Actual 2014</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
<b>Revenues:</b>						
Property Taxes.....	\$ 122,943,507	\$ 120,779,671	\$ 117,378,964	\$ 114,074,859	\$ 113,886,618	\$ 109,910,284
Intergovernmental.....	61,140,942	60,864,947	74,501,716	74,901,851	73,706,875	74,930,580 <sup>3</sup>
Charges for services.....	4,927,338	4,940,370	4,748,576	4,131,564	3,923,416	3,891,852
Investment Income.....	533,380	507,896	356,324	388,525	286,737	431,509
Other Revenues.....	1,094,918	1,233,707	2,278,717	1,403,636	5,056,364	2,682,877
Transfers In.....	241,363	2,725,414	1,680,702	851,982	281,134	434,448
Fund Balance Allocation.....	-	-	-	-	-	-
<b>Total Revenues and Transfers In.....</b>	<b>\$ 190,881,448</b>	<b>\$ 191,052,005</b>	<b>\$ 200,944,999</b>	<b>\$ 195,752,417</b>	<b>\$ 197,141,144</b>	<b>\$ 192,281,550</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government.....	\$ 38,982,383	\$ 38,820,920	\$ 37,475,036	\$ 34,432,669	\$ 37,658,470	\$ 34,351,681
Public safety.....	24,032,726	23,068,213	22,282,907	21,892,068	21,909,060	21,208,646
Public works.....	6,674,892	6,601,596	7,437,557	6,858,765	6,999,166	7,017,255
Health & Welfare.....	2,635,157	2,645,642	6,427,626	2,678,463	2,808,266	2,806,114
Cultural & Recreation.....	4,451,533	4,391,985	4,332,835	4,082,838	4,104,698	4,020,009
Education <sup>2</sup> .....	99,759,840	99,760,883	110,843,185	113,672,829	111,411,471	111,433,666 <sup>4</sup>
Debt Service.....	14,319,917	15,432,580	11,948,428	11,481,944	11,494,596	12,196,166
Capital Outlay.....	-	62,809	17,494	-	515,768	242,034
Transfers Out.....	25,000	28,294	38,197	537,957	90,928	15,000
<b>Total Expenditures and Transfers Out.....</b>	<b>\$ 190,881,448</b>	<b>\$ 190,812,921</b>	<b>\$ 200,803,265</b>	<b>\$ 195,637,533</b>	<b>\$ 196,992,423</b>	<b>\$ 193,290,571</b>
<b>Revenues Over Expenditures...</b>	<b>\$ -</b>	<b>\$ 239,085</b>	<b>\$ 141,734</b>	<b>\$ 114,884</b>	<b>\$ 148,721</b>	<b>\$ (1,009,021)</b>
<b>Other Financing Sources (Uses)</b>						
Refunding Bonds Issued.....	-	-	-	-	6,400,000	-
Premium on Refunding Bonds..	-	-	-	-	144,968	-
Payment to Refunded Bonds						
Escrow Agent.....	-	-	-	-	(6,453,473)	-
<b>Total Other Financing .....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91,495</b>	<b>-</b>
<b>Operating Results .....</b>	<b>-</b>	<b>239,085</b>	<b>141,734</b>	<b>114,884</b>	<b>240,216</b>	<b>(1,009,021)</b>
<b>Fund Balance, July 1 .....</b>	<b>17,907,655</b>	<b>17,668,570</b>	<b>17,526,836</b>	<b>17,411,952 <sup>6</sup></b>	<b>17,257,240</b>	<b>18,266,261</b>
<b>Fund Balance, June 30 .....</b>	<b>\$ 17,907,655</b>	<b>\$ 17,907,655</b>	<b>\$ 17,668,570</b>	<b>\$ 17,526,836</b>	<b>\$ 17,497,456</b>	<b>\$ 17,257,240</b>

<sup>1</sup> Adopted Budget. Subject to audit.

<sup>2</sup> Includes Education Health Insurance.

<sup>3</sup> Increase due to classification of previous Special Revenue Fund (ARRA) funds (\$7.7 million) and additional contribution from the state into the teacher retirement fund (\$2.5 million). Also included is Federal Emergency Management Agency (FEMA) revenue (\$1.4 million).

<sup>4</sup> Increase due to classification of previous Special Revenue Fund (ARRA) funds (\$7.7 million) and additional contribution from the state into the teacher retirement fund (\$2.5 million).

<sup>5</sup> Subject to audit.

<sup>6</sup> As restated.

**Analysis of General Fund Equity  
(GAAP Basis)**

<b>Fund Balances:</b>	<b>Actual 2015</b>	<b>Actual 2014</b>	<b>Actual 2013</b>	<b>Actual 2012</b>	<b>Actual 2011</b>
Nonspendable.....	\$ 149,036	\$ 130,799	\$ 125,508	\$ 133,633	\$ 133,737
Restricted.....	937,864	948,144	1,009,817	520,001	825,001
Committed.....	285,459	404,908	636,972	-	-
Unassigned.....	16,296,211	16,042,985	15,725,159	16,603,606	17,307,887
<b>Total Fund Balance.....</b>	<b>\$ 17,668,570</b>	<b>\$ 17,526,836</b>	<b>\$ 17,497,456</b>	<b>\$ 17,257,240</b>	<b>\$ 18,266,625</b>
Unassigned Fund Balance as % of Total Expenditures	8.1%	8.2%	8.0%	8.6%	9.6%

Source: Comprehensive Annual Financial Reports: City of Meriden.

**Intergovernmental Revenues  
as a Percent of General Fund Revenues**

<b>Fiscal Year Ended June 30</b>	<b>Intergovernmental Revenues</b>	<b>General Fund Revenues and Transfers</b>	<b>Percent</b>
2017 <sup>1</sup>	\$ 61,140,942	\$ 190,881,448	32.0%
2016	60,864,947	191,052,005	31.9
2015	74,501,716	200,944,999	37.1
2014	74,901,851	195,752,417	38.3
2013	73,706,875	197,141,144	37.4
2012	74,930,580	192,281,550	39.0
2011	62,681,718	183,571,494	34.1
2010	61,269,332	175,899,829	34.8

<sup>1</sup> Adopted Budget. Subject to audit.

Source: Comprehensive Annual Financial Reports; 2010-2015; City of Meriden

Budget: 2016 subject to audit.

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**Enterprise Funds**  
**Comparative Balance Sheet**  
**As of June 30, 2015**

	<b>George Hunter</b>		
<b>Assets:</b>	<b>Water</b>	<b>Sewer</b>	<b>Memorial Golf</b>
Current assets:			
Cash and cash equivalents.....	\$ 2,753,160	\$ 2,800,208	\$ 537,694
Investments.....	563,274	559,879	-
Accounts Receivable, net.....	4,234,542	4,050,814	-
Due from other funds.....	3,161,165	2,142,465	18,322
Other Assets.....	-	-	-
<b>Total Current Assets.....</b>	<b>10,712,141</b>	<b>9,553,366</b>	<b>556,016</b>
Noncurrent assets:			
Capital assets (nondepreciable).....	19,766,474	1,489,064	-
Capital assets (net of accumulated depreciation).....	38,116,727	78,309,206	2,820,704
<b>Total Noncurrent Assets.....</b>	<b>57,883,201</b>	<b>79,798,270</b>	<b>2,820,704</b>
<b>Total Assets.....</b>	<b>68,595,342</b>	<b>89,351,636</b>	<b>3,376,720</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding.....	634,540	34,901	-
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and accrued liabilities.....	1,691,735	443,243	69,556
Accrued Interest.....	196,526	82,992	1,502
Due to other funds.....	-	-	3,283,676
Interim funding obligation loans.....	11,847,073	-	-
Current portion of Bonds and Notes payable.....	975,233	2,212,029	15,700
Current portion of compensated absences.....	88,491	21,958	12,545
<b>Total Current Liabilities.....</b>	<b>14,799,058</b>	<b>2,760,222</b>	<b>3,382,979</b>
Noncurrent liabilities:			
Bonds and notes payable, less current portion.....	12,251,672	33,254,002	68,800
Compensated Absences.....	1,005,329	404,453	148,735
OPEB Obligation.....	1,363,801	533,170	73,201
<b>Total Noncurrent Liabilities.....</b>	<b>14,620,802</b>	<b>34,191,625</b>	<b>290,736</b>
<b>Total Liabilities.....</b>	<b>29,419,860</b>	<b>36,951,847</b>	<b>3,673,715</b>
<b>Net Assets:</b>			
Invested in capital assets (net of related debt).....	33,247,237	44,284,148	2,734,702
Unrestricted.....	6,562,785	8,150,542	(3,031,697)
<b>Total Net Assets.....</b>	<b>\$ 39,810,022</b>	<b>\$ 52,434,690</b>	<b>\$ (296,995)</b>



**Water Fund**  
**Historical Comparative Balance Sheet**

<b>Assets:</b>	<b>Actual 2015</b>	<b>Actual 2014</b>	<b>Actual 2013</b>	<b>Actual 2012</b>	<b>Actual 2011</b>
<b>Current Assets:</b>					
Cash and Cash Equivalents.....	\$ 2,753,160	\$ 3,304,230	\$ 3,674,227	\$ 3,611,269	\$ 3,752,779
Investments.....	563,274	557,207	545,475	540,670	508,952
Receivables (net).....	4,234,542	4,150,076	3,340,821	3,503,929	3,757,901
Due from other funds.....	3,161,165	2,506,422	3,646,499	4,313,975	6,057,154
Other Assets.....	-	-	44,484	-	-
<b>Total Current Assets.....</b>	<b>10,712,141</b>	<b>10,517,935</b>	<b>11,251,506</b>	<b>11,969,843</b>	<b>14,076,786</b>
<b>Noncurrent assets:</b>					
Capital assets (nondepreciable).....	19,766,474	4,772,500	4,152,758	2,295,321	1,643,229
Capital assets (net of accumulated depreciation)...	38,116,727	38,920,854	39,189,468	40,692,512	40,863,228
<b>Total Noncurrent Assets.....</b>	<b>\$ 57,883,201</b>	<b>\$ 43,693,354</b>	<b>\$ 43,342,226</b>	<b>\$ 42,987,833</b>	<b>\$ 42,506,457</b>
<b>Total Assets.....</b>	<b>68,595,342</b>	<b>54,211,289</b>	<b>54,593,732</b>	<b>54,957,676</b>	<b>56,583,243</b>
<b>Deferred Outflows of Resources:</b>					
Deferred charge on refunding.....	634,540	691,158	-	-	-
<b>Liabilities and Municipal Equity:</b>					
<b>Liabilities:</b>					
Accounts Payable & Other Accrued Liabilities.....	\$ 1,691,735	\$ 858,640	\$ 712,016	\$ 574,676	\$ 364,589
Accrued Interest.....	196,526	164,864	181,885	212,425	211,363
Due to Other Funds.....	-	-	-	-	-
Interim Funding Obligation Loans.....	11,847,073	-	1,100,026	-	-
Bonds & Notes Payable – Current.....	975,233	1,233,707	1,230,000	1,255,000	1,205,489
Current Portion of Compensated Absences.....	88,491	100,780	40,775	103,319	90,561
Compensated Absences.....	1,005,329	860,879	999,916	1,033,191	981,879
Bonds and notes payable, less current portion.....	12,251,672	11,523,432	10,815,726	11,214,000	12,469,000
Premium on refunding bonds.....	-	-	501,436	470,734	510,514
Deferred amount in refunding.....	-	-	(747,777)	(329,157)	(356,973)
OPEB obligation.....	1,363,801	1,366,858	1,372,045	881,561	-
Temporary Note Payable.....	-	-	-	-	-
<b>Total Liabilities.....</b>	<b>\$ 29,419,860</b>	<b>\$ 16,109,160</b>	<b>\$ 16,206,048</b>	<b>\$ 15,415,749</b>	<b>\$ 15,476,422</b>
<b>Net Assets:</b>					
Invested in Capital Assets.....	\$ 33,247,237	\$ 30,936,215	\$ 31,542,841	\$ 30,377,256	\$ 34,735,581
Unrestricted.....	6,562,785	7,857,072	6,844,843	9,164,671	6,371,300
<b>Total Net Assets.....</b>	<b>\$ 39,810,022</b>	<b>\$ 38,793,287</b>	<b>\$ 38,387,684</b>	<b>\$ 39,541,927</b>	<b>\$ 41,106,881</b>
<b>Total Liabilities and Net Assets Equity and Deferred Outflows of Resources.....</b>	<b>\$ 69,864,422</b>	<b>\$ 55,593,605</b>	<b>\$ 54,593,732</b>	<b>\$ 54,957,676</b>	<b>\$ 56,583,303</b>

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# Sewer Authority

## Historical Comparative Balance Sheet

<b>Assets:</b>	<b>Actual 2015</b>	<b>Actual 2014</b>	<b>Actual 2013</b>	<b>Actual 2012</b>	<b>Actual 2011</b>
<b>Current Assets:</b>					
Cash and Cash Equivalents.....	\$ 2,800,208	\$ 3,197,534	\$ 3,373,396	\$ 3,666,665	\$ 4,963,085
Investments.....	559,879	553,852	542,174	537,414	508,424
Receivable (net).....	4,050,814	4,248,085	4,026,501	4,112,770	4,030,147
Due from other funds.....	2,142,465	1,611,215	2,264,524	2,378,167	3,174,837
Other Accounts Receivables.....	-	-	-	-	-
<b>Total Current Assets.....</b>	<b>9,553,366</b>	<b>9,610,686</b>	<b>10,206,595</b>	<b>10,695,016</b>	<b>12,676,493</b>
Noncurrent assets:					
Capital assets (nondepreciable).....	1,489,064	219,256	219,256	219,256	2,080,829
Capital assets (net of accumulated depreciation)....	78,309,206	81,828,809	85,281,620	88,447,157	89,202,892
<b>Total Noncurrent Assets.....</b>	<b>79,798,270</b>	<b>82,048,065</b>	<b>85,500,876</b>	<b>88,666,413</b>	<b>91,283,721</b>
<b>Total Assets.....</b>	<b>\$ 89,351,636</b>	<b>\$ 91,658,751</b>	<b>\$ 95,707,471</b>	<b>\$ 99,361,429</b>	<b>\$103,960,214</b>
<b>Deferred Outflows of Resources:</b>					
Deferred charge on refunding.....	34,901	37,487	-	-	-
<b>Liabilities:</b>					
Accounts Payable & Other Current Liabilities.....	\$ 443,243	\$ 291,389	\$ 385,994	\$ 380,694	\$ 753,842
Accrued interest.....	82,992	42,616	43,922	41,884	50,538
Due to Other Funds.....	-	-	-	-	-
Bonds & Notes Payable – Current.....	2,212,029	2,060,265	2,071,727	2,170,662	3,263,069
Current Portion of Compensated Absences.....	21,958	26,077	15,260	52,063	42,833
Compensated Absences.....	404,453	355,898	331,138	312,379	349,098
Bonds and notes payable, less current portion.....	33,254,002	33,812,033	35,872,298	37,305,953	38,795,858
Premium on refunding bonds.....	-	-	-	-	-
Deferred amount in refunding.....	-	-	(40,072)	-	-
OPEB obligation.....	533,170	534,366	541,853	293,738	-
Temporary Note Payable.....	-	-	-	-	-
<b>Total Liabilities.....</b>	<b>\$ 36,951,847</b>	<b>\$ 37,122,644</b>	<b>\$ 39,222,120</b>	<b>\$ 40,557,373</b>	<b>\$ 43,255,238</b>
<b>Net Assets:</b>					
Invested in Capital Assets.....	\$ 44,284,148	\$ 46,175,767	\$ 47,596,923	\$ 49,189,798	\$ 52,399,631
Unrestricted.....	8,150,542	8,397,827	8,888,428	9,614,258	8,305,345
<b>Total Net Assets.....</b>	<b>\$ 52,434,690</b>	<b>\$ 54,573,594</b>	<b>\$ 56,485,351</b>	<b>\$ 58,804,056</b>	<b>\$ 60,704,976</b>
<b>Total Liabilities and Net Assets.....</b>	<b>\$ 89,386,537</b>	<b>\$ 91,733,725</b>	<b>\$ 95,707,471</b>	<b>\$ 99,361,429</b>	<b>\$103,960,214</b>

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# Golf Course Historic Comparative Balance Sheet

<b>Assets:</b>	<b>Actual 2015</b>	<b>Actual 2014</b>	<b>Actual 2013</b>	<b>Actual 2012</b>	<b>Actual 2011</b>
Current Assets:					
Cash and Cash Equivalents.....	\$ 537,694	\$ 218,826	\$ 187,260	\$ 164,393	\$ 176,784
Investments.....	-	-	-	-	-
Charges Receivable, Net.....	-	-	28,317	141	-
Due from Other Funds.....	18,322	21,685	21,685	21,685	21,685
Other.....	-	-	-	-	-
<b>Total Current Assets.....</b>	<b>556,016</b>	<b>240,511</b>	<b>237,262</b>	<b>186,219</b>	<b>198,469</b>
Noncurrent assets:					
Capital assets (nondepreciable).....	-	-	-	-	-
Capital assets (net of accumulated depreciation).....	2,820,704	1,862,823	2,002,421	2,104,876	2,227,202
Total Noncurrent Assets.....	2,820,704	1,862,823	2,002,421	2,104,876	2,227,202
<b>Total Assets.....</b>	<b>\$ 3,376,720</b>	<b>\$ 2,103,334</b>	<b>\$ 2,239,683</b>	<b>\$ 2,291,095</b>	<b>\$ 2,425,671</b>
<b>Liabilities and Fund Equity</b>					
<b>Liabilities:</b>					
Accounts Payable and Other Accrued Liabilities..	\$ 69,556	\$ 30,567	\$ 48,380	\$ 64,765	\$ 68,743
Accrued interest.....	1,502	1,244	1,448	1,654	1,677
Due to Other Funds.....	3,283,676	2,960,540	2,922,807	2,812,336	2,746,246
Deferred Revenue.....	-	-	6,270	-	-
Bonds & Notes Payable – Current.....	15,700	15,000	15,000	12,000	15,667
Current Portion of Compensated Absences.....	12,545	13,460	3,009	57,034	33,709
Compensated Absences.....	148,735	137,712	181,961	114,068	147,728
Bonds and notes payable, less current portion.....	68,800	67,000	82,000	97,000	109,000
Premium on refunding bonds.....	-	-	-	-	-
Deferred amount in refunding.....	-	-	-	-	-
OPEB obligation.....	73,201	73,365	73,075	45,035	-
Temporary Note Payable.....	-	-	-	-	-
Advance from General Fund.....	-	-	-	-	-
<b>Total Liabilities.....</b>	<b>\$ 3,673,715</b>	<b>\$ 3,298,888</b>	<b>\$ 3,333,950</b>	<b>\$ 3,203,892</b>	<b>\$ 3,122,770</b>
<b>Net Assets:</b>					
Invested in Capital.....	\$ 2,734,702	\$ 1,780,823	\$ 1,905,421	\$ 1,995,876	\$ 2,124,220
Unrestricted.....	(3,031,697)	(2,976,377)	(2,999,688)	(2,908,673)	(2,821,319)
<b>Total Net Assets.....</b>	<b>\$ (296,995)</b>	<b>\$ (1,195,554)</b>	<b>\$ (1,094,267)</b>	<b>\$ (912,797)</b>	<b>\$ (697,099)</b>
<b>Total Liabilities and Net Assets.....</b>	<b>\$ 3,376,720</b>	<b>\$ 2,103,334</b>	<b>\$ 2,239,683</b>	<b>\$ 2,291,095</b>	<b>\$ 2,425,671</b>

<sup>1</sup> Reclassified for proper illustration.

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**Enterprise Funds**  
**Comparative Statement of Revenues and Expenditures**  
**As of June 30, 2015**

	<b>Water</b>	<b>Sewer</b>	<b>George Hunter Memorial Fund</b>
<b>Operating Revenues</b>			
Charges for services.....	\$ 10,170,731	\$ 8,128,055	\$ 945,970
Miscellaneous.....	977,543	238,558	21,357
<b>Total operating revenues.....</b>	<b>11,148,274</b>	<b>8,366,613</b>	<b>967,327</b>
<b>Operating Expenses</b>			
Salaries, benefits and claims.....	3,719,746	1,784,753	433,182
Materials and supplies.....	703,592	1,489,020	396,223
Utilities.....	1,130,308	1,097,417	-
Administration and operation.....	3,266,470	813,035	-
Depreciation.....	1,753,724	4,019,474	126,616
Other.....	613,858	1,338,957	152,742
<b>Total operating expenses.....</b>	<b>11,187,698</b>	<b>10,542,656</b>	<b>1,108,763</b>
<b>Operating income (loss).....</b>	<b>(39,424)</b>	<b>(2,176,043)</b>	<b>(141,436)</b>
<b>Nonoperating Revenues (Expenses)</b>			
Interest income.....	23,779	42,201	239
Interest expense.....	(486,147)	(831,531)	(44,741)
Loss on disposal of assets.....	-	-	(314,157)
<b>Total nonoperating revenues (expenses).....</b>	<b>(462,368)</b>	<b>(789,330)</b>	<b>(358,659)</b>
<b>Contributions</b>			
Capital Grants and Contributions.....	1,518,527	826,472	1,398,654
<b>Change in Net Position.....</b>	<b>1,016,735</b>	<b>(2,138,901)</b>	<b>898,559</b>
<b>Net Assets (Deficit), beginning.....</b>	<b>38,793,287</b>	<b>54,573,594</b>	<b>(1,195,554)</b>
<b>Net Assets (Deficit), ending.....</b>	<b>\$ 39,810,022</b>	<b>\$ 52,434,693</b>	<b>\$ (296,995)</b>

**Water Fund**  
**Historical Comparative Statement of Revenues and Expenditures**

	<b>Actual 2015</b>	<b>Actual 2014</b>	<b>Actual 2013</b>	<b>Actual 2012</b>	<b>Actual 2011</b>
<b>Operating Revenues:</b>					
Charges for Services.....	\$ 10,170,731	\$ 10,432,734	\$ 9,065,010	\$ 8,255,373	\$ 8,935,137
Miscellaneous.....	977,543	887,856	805,560	787,670	734,747
Fiscal Division.....	-	-	-	-	-
<b>Total Operating Revenue.....</b>	<b>11,148,274</b>	<b>11,320,590</b>	<b>9,870,570</b>	<b>9,043,043</b>	<b>9,669,884</b>
Total Operating Expenses Before Depreciation..	(9,433,974)	(8,783,746)	(9,176,402)	(7,621,343)	(7,902,949)
Operating Income Before Depreciation.....	1,714,300	2,536,844	694,168	1,421,700	1,766,935
Less Depreciation.....	(1,753,724)	(1,750,266)	(1,719,530)	(1,694,904)	(1,688,981)
<b>Operating Income (Loss).....</b>	<b>(39,424)</b>	<b>786,578</b>	<b>(1,025,362)</b>	<b>(273,204)</b>	<b>77,954</b>
Add: Capital Grants.....	-	128,189	283,655	-	-
Add: Interest Income.....	23,779	29,854	25,341	34,863	31,169
Less: Interest Expense.....	(486,147)	(539,018)	(437,877)	(565,865)	(663,936)
Transfer Out.....	1,518,527	-	-	-	-
<b>Net Income (Loss).....</b>	<b>1,016,735</b>	<b>405,603</b>	<b>(1,154,243)</b>	<b>(804,206)</b>	<b>(554,813)</b>
<b>Fund Equities, Beginning.....</b>	<b>38,793,287</b>	<b>38,387,684</b>	<b>39,541,927</b>	<b>41,106,881</b>	<b>41,711,290</b>
Adjustments to Beginning Balances.....	-	-	-	(760,748)	(49,596)
<b>Fund Equities, Beginning - Restated.....</b>	<b>38,793,287</b>	<b>38,387,684</b>	<b>39,541,927</b>	<b>40,346,133</b>	<b>41,661,694</b>
<b>Fund Equities, Ending.....</b>	<b>\$ 39,810,022</b>	<b>\$ 38,793,287</b>	<b>\$ 38,387,684</b>	<b>\$ 39,541,927</b>	<b>\$ 41,106,881</b>

**Sewer Authority**  
**Historical Comparative Statement of Revenues and Expenditures**

	<b>Actual 2015</b>	<b>Actual 2014</b>	<b>Actual 2013</b>	<b>Actual 2012</b>	<b>Actual 2011</b>
<b>Operating Revenues:</b>					
Charges for Services.....	\$ 8,128,055	\$ 8,628,935	\$ 8,228,046	\$ 8,615,265	\$ 8,507,029
Miscellaneous.....	238,558	618,828	850,908	497,248	250,908
<b>Total Operating Revenue.....</b>	<b>8,366,613</b>	<b>9,247,763</b>	<b>9,078,954</b>	<b>9,112,513</b>	<b>8,757,937</b>
Operating Expenses Before Depreciation...	(6,523,182)	(6,345,926)	(6,597,135)	(6,031,469)	(6,492,790)
Operating Income Before Depreciation.....	1,843,431	2,901,837	2,481,819	3,081,044	2,265,147
Less Depreciation.....	(4,019,474)	(4,025,418)	(3,986,301)	(3,897,250)	(2,913,646)
<b>Operating Income (Loss).....</b>	<b>(2,176,043)</b>	<b>(1,123,581)</b>	<b>(1,504,482)</b>	<b>(816,206)</b>	<b>(648,499)</b>
Add: Federal and State Grants.....	-	-	-	-	-
Add: Interest Income.....	42,201	46,221	43,157	56,524	53,299
Less: Interest Expense.....	(831,534)	(834,397)	(857,380)	(887,756)	(252,475)
Capital Contributions.....	826,472	-	-	-	160,555
<b>Net Income (Loss).....</b>	<b>(2,138,904)</b>	<b>(1,911,757)</b>	<b>(2,318,705)</b>	<b>(1,647,438)</b>	<b>(687,120)</b>
<b>Fund Equities, Beginning.....</b>	<b>54,573,594</b>	<b>56,485,351</b>	<b>58,804,056</b>	<b>60,704,976</b>	<b>61,275,853</b>
Adjustments to Beginning Balances	-	-	-	(253,482)	116,243
<b>Fund Equities, Beginning - Restated.....</b>	<b>54,573,594</b>	<b>56,485,351</b>	<b>58,804,056</b>	<b>60,451,494</b>	<b>61,392,096</b>
<b>Fund Equities, Ending.....</b>	<b>\$ 52,434,690</b>	<b>\$ 54,573,594</b>	<b>\$ 56,485,351</b>	<b>\$ 58,804,056</b>	<b>\$ 60,704,976</b>

**Golf Course**  
**Historical Comparative Statement of Revenues and Expenditures**

	<b>Actual 2015</b>	<b>Actual 2014</b>	<b>Actual 2013</b>	<b>Actual 2012</b>	<b>Actual 2011</b>
<b>Operating Revenues:</b>					
Operating Revenues.....	\$ 967,327	\$ 1,033,154	\$ 1,002,575	\$ 1,126,131	\$ 817,905
Less: Operating Expenses Before Depreciation..	(982,147)	(970,375)	(1,016,885)	(1,140,240)	(965,483)
<b>Net Operating Income.....</b>	<b>(14,820)</b>	<b>62,779</b>	<b>(14,310)</b>	<b>(14,109)</b>	<b>(147,578)</b>
Less: Depreciation.....	(126,616)	(119,598)	(122,455)	(122,326)	(121,385)
<b>Net Operating Income (Loss).....</b>	<b>(141,436)</b>	<b>(56,819)</b>	<b>(136,765)</b>	<b>(136,435)</b>	<b>(268,963)</b>
Add: Interest Income.....	239	247	261	281	140
Less: Interest Expense.....	(44,741)	(44,715)	(44,966)	(40,681)	(38,969)
Capital Grants & Contributions.....	1,398,654	-	-	-	-
Loss on Disposal of Assets.....	(314,157)	-	-	-	-
<b>Net Income (Loss).....</b>	<b>898,559</b>	<b>(101,287)</b>	<b>(181,470)</b>	<b>(176,835)</b>	<b>(307,792)</b>
<b>Fund Equities, Beginning.....</b>	<b>(1,195,554)</b>	<b>(1,094,267)</b>	<b>(912,797)</b>	<b>(697,099)</b>	<b>(389,307)</b>
Adjustments to Beginning Balances.....	-	-	-	(38,863)	-
<b>Fund Equities, Beginning - Restated.....</b>	<b>(1,195,554)</b>	<b>(1,094,267)</b>	<b>(912,797)</b>	<b>(735,962)</b>	<b>(389,307)</b>
<b>Fund Equities, Ending.....</b>	<b>\$ (296,995)</b>	<b>\$ (1,195,554)</b>	<b>\$ (1,094,267)</b>	<b>\$ (912,797)</b>	<b>\$ (697,099)</b>

**VI. Debt Summary**  
**Principal Amount of Bonded Indebtedness**  
**As of November 1, 2016**  
**(Pro Forma)**

<b>Date</b>	<b>Purpose</b>	<b>Rate %</b>	<b>Amount of Original Issue</b>	<b>Amount Outstanding</b>	<b>Date of Fiscal Year Maturity</b>
01/26/98	Clean Water Fund Loan 388-C.....	2.00%	\$ 414,230	\$ 33,329	2018
05/04/10	General Purpose Refunding (A&B).....	3.00-5.00	23,418,000	8,815,000	2024
05/04/10	Schools Refunding (A&B).....	3.00-5.00	9,351,000	4,241,000	2024
05/04/10	Sewer Refunding (A&B).....	3.00-5.00	425,000	339,000	2024
05/04/10	Water Refunding (A&B).....	3.00-5.00	5,229,000	3,747,000	2024
05/04/10	Golf Refunding (A&B).....	3.00-5.00	67,000	18,000	2024
07/01/10	General Purpose .....	1.00-5.75	16,555,086	11,759,000	2030
07/01/10	School .....	1.00-5.75	2,209,000	1,568,000	2030
07/01/10	Sewer .....	1.00-5.75	2,360,914	1,678,000	2030
07/01/10	Water .....	1.00-5.75	1,185,000	841,000	2030
07/01/10	Golf .....	1.00-5.75	20,000	14,000	2030
06/30/11	Clean Water Fund Loan - 382-C.....	2.00	35,860,708	26,587,269	2031
12/27/12	General Purpose Refunding.....	1.80-3.00	5,459,000	5,231,000	2029
12/27/12	Schools Refunding.....	1.80-3.00	941,000	903,000	2029
12/27/12	Sewer Refunding.....	1.80-3.00	283,000	272,000	2029
12/27/12	Water Refunding.....	1.80-3.00	3,212,000	3,079,000	2029
12/27/12	Golf Refunding.....	1.80-3.00	5,000	5,000	2029
12/31/12	Clean Water Fund Loan - 209-CSL.....	2.00	1,785,546	1,403,850	2031
02/15/13	General Purpose.....	2.00-4.00	14,209,576	12,943,000	2033
02/15/13	Schools.....	2.00-4.00	10,213,627	9,301,000	2033
02/15/13	Sewer.....	2.00-4.00	604,071	549,000	2033
02/15/13	Water.....	2.00-4.00	452,726	412,000	2033
12/31/13	Drinking Water Fund Loan - 2012-7008...	2.00	1,597,153	1,325,907	2033
09/08/14	General Purpose - Lot A.....	3.00-5.00	15,869,400	15,238,500	2035
09/08/14	Schools - Lot A.....	3.00-5.00	31,646,300	30,388,100	2035
09/08/14	Sewer - Lot A.....	3.00-5.00	1,178,700	1,131,800	2035
09/08/14	Water - Lot A.....	3.00-5.00	1,593,100	1,529,800	2035
09/08/14	Golf - Lot A.....	3.00-5.00	17,500	16,800	2035
09/08/14	General Purpose - Lot B (taxable).....	2.00-3.00	2,191,500	1,956,900	2025
09/08/14	Schools - Lot B (taxable).....	2.00-3.00	672,500	600,500	2025
09/08/14	Sewer - Lot B (taxable).....	2.00-3.00	475,300	424,500	2025
09/08/14	Water - Lot B (taxable).....	2.00-3.00	154,700	138,100	2025
11/03/15	Drinking Water Fund Loan - 2014-7034...	2.00	17,299,858	16,146,483	2036
<b>Total Outstanding Long-Term Debt.....</b>			<b>\$ 206,956,495</b>	<b>\$ 162,636,838</b>	
<b>This Issue</b>					
11/01/16	General Purpose .....	<i>tbd</i>	\$ 25,965,049	\$ 25,965,049	2036
11/01/16	School .....	<i>tbd</i>	33,690,851	33,690,851	2036
11/01/16	Sewer .....	<i>tbd</i>	3,875,000	3,875,000	2036
11/01/16	Water .....	<i>tbd</i>	4,049,700	4,049,700	2036
11/01/16	Golf .....	<i>tbd</i>	659,400	659,400	2036
<b>Sub-Total This Issue.....</b>			<b>68,240,000</b>	<b>68,240,000</b>	
<b>Total All Bonds.....</b>			<b>\$ 275,196,495</b>	<b>\$ 230,876,838</b>	

**Short Term Debt**  
**As of November 1, 2016**  
**(Pro Forma)**

The City of Meriden does not have any short term debt outstanding.

**Annual Bonded Debt Maturity Schedule**  
**As of November 1, 2016**  
**(Pro Forma)**

Fiscal Year	Pro-forma: This Issue										Cumulative Principal Retired
	Principal	Interest <sup>2</sup>	Total	General Purpose	Schools	Sewer	Water	Golf	Total This Issue	Total All	
2017 <sup>1</sup>	\$ 6,759,943	\$ 3,195,448	\$ 9,955,391		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,759,943	2.93%
2018	11,479,863	4,988,955	16,468,818	1,667,049	1,776,851	203,000	213,700	29,400	3,890,000	15,369,863	9.59%
2019	11,191,557	4,546,056	15,737,613	1,661,000	1,773,000	204,000	217,000	35,000	3,890,000	15,081,557	16.12%
2020	11,248,563	4,118,087	15,366,649	1,661,000	1,773,000	204,000	217,000	35,000	3,890,000	15,138,563	22.67%
2021	10,256,618	3,704,561	13,961,179	1,661,000	1,773,000	204,000	217,000	35,000	3,890,000	14,146,618	28.80%
2022	10,300,745	3,340,493	13,641,239	1,661,000	1,773,000	204,000	217,000	35,000	3,890,000	14,190,745	34.95%
2023	10,365,964	2,968,819	13,334,784	1,261,000	1,773,000	204,000	212,000	35,000	3,485,000	13,850,964	40.95%
2024	10,072,298	2,623,507	12,695,805	1,261,000	1,773,000	204,000	212,000	35,000	3,485,000	13,557,298	46.82%
2025	9,779,769	2,300,010	12,079,779	1,261,000	1,773,000	204,000	212,000	35,000	3,485,000	13,264,769	52.56%
2026	10,058,400	2,022,943	12,081,343	1,261,000	1,773,000	204,000	212,000	35,000	3,485,000	13,543,400	58.43%
2027	10,093,214	1,735,704	11,828,918	1,261,000	1,773,000	204,000	212,000	35,000	3,485,000	13,578,214	64.31%
2028	10,124,236	1,441,940	11,566,176	1,261,000	1,773,000	204,000	212,000	35,000	3,485,000	13,609,236	70.21%
2029	10,156,489	1,139,412	11,295,901	1,261,000	1,773,000	204,000	212,000	35,000	3,485,000	13,641,489	76.12%
2030	8,559,999	860,991	9,420,990	1,261,000	1,773,000	204,000	212,000	35,000	3,485,000	12,044,999	81.33%
2031	6,406,932	605,447	7,012,379	1,261,000	1,773,000	204,000	212,000	35,000	3,485,000	9,891,932	85.62%
2032	5,303,524	443,236	5,746,760	1,261,000	1,773,000	204,000	212,000	35,000	3,485,000	8,788,524	89.42%
2033	5,222,809	288,652	5,511,461	1,261,000	1,773,000	204,000	212,000	35,000	3,485,000	8,707,809	93.20%
2034	3,834,439	135,420	3,969,858	1,261,000	1,773,000	204,000	212,000	35,000	3,485,000	7,319,439	96.37%
2035	999,208	19,294	1,018,502	1,261,000	1,773,000	204,000	212,000	35,000	3,485,000	4,484,208	98.31%
2036	422,266	2,114	424,380	1,261,000	1,773,000	204,000	212,000	35,000	3,485,000	3,907,266	100.00%
<b>Total.....</b>	<b>\$ 162,636,838</b>	<b>\$ 40,481,086</b>	<b>\$ 203,117,925</b>	<b>\$ 25,965,049</b>	<b>\$ 33,690,851</b>	<b>\$ 3,875,000</b>	<b>\$ 4,049,700</b>	<b>\$ 659,400</b>	<b>\$ 68,240,000</b>	<b>\$ 230,876,838</b>	

<sup>1</sup> Excludes \$7,509,235 in principal payments and \$2,500,914 in interest payments from July 1, 2016 through November 1, 2016.

<sup>2</sup> Interest subsidy payments due from the Federal Government related to the City's Build America Bond issue of 2010 have not been accounted for in this table.

**Overlapping/Underlying Debt**  
**As of November 1, 2016**

The City of Meriden has neither overlapping nor underlying debt.

**THE CITY OF MERIDEN HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.**

**Debt Statement**  
**As of November 1, 2016**  
**(Pro Forma)**

**Long-Term Debt Outstanding:**

General Purpose (Includes this issue) .....	\$ 81,908,449
Revitalization.....	-
Schools (Includes this issue) .....	80,692,451
Sewers (Includes this issue) .....	36,293,748 <sup>1</sup>
Water (Includes this issue) .....	31,268,990 <sup>1</sup>
Golf Course (Includes this issue) .....	713,200 <sup>1</sup>
<b>Total Long-Term Debt</b> .....	<b>230,876,838</b>

**Short-Term Debt** .....

**Total Direct Debt** .....

Less: Amount to be provided by the State for school construction (As of 6/30/16).....	-
Self Supporting Long-Term .....	(68,275,938)

**Total Net Direct Debt** .....

Plus: Overlapping/Underlying Debt .....

**Total Overall Net Debt** .....

<sup>1</sup> Self-Supporting Debt.

**Current Debt Ratios**  
**As of November 1, 2016**  
**(Pro Forma)**

Population (2014) <sup>1</sup> .....	60,616
Net Taxable Grand List (10/1/15) .....	\$ 3,228,863,000
Estimated Full Value (70%).....	\$ 4,612,661,429
Equalized Grand List (10/1/13) <sup>2</sup> .....	\$ 4,618,313,461
Per Capita Income (2014) <sup>1</sup> .....	\$ 27,483

	<b>Total Direct Debt</b>	<b>Total Net Direct Debt</b>	<b>Total Overall Net Debt</b>
	<b>\$230,876,838</b>	<b>\$162,600,900</b>	<b>\$162,600,900</b>
Per Capita.....	\$3,808.84	\$2,682.47	\$2,682.47
Ratio to Net Taxable Grand List.....	7.15%	5.04%	5.04%
Ratio to Estimated Full Value.....	5.01%	3.53%	3.53%
Ratio to Equalized Grand List.....	5.00%	3.52%	3.52%
Debt per Capita to Money Income per Capita.....	13.86%	9.76%	9.76%

<sup>1</sup> U.S. Bureau of Census, American Community Survey, 2010-2014 estimates.

<sup>2</sup> Office of Policy and Management, State of Connecticut.



## **Bond Authorization Procedure**

The City has the power to incur indebtedness as provided by the Connecticut General Statutes and the City Charter. The issuance of bonds and notes is authorized by the City Council. Bonds and notes may be issued to meet certain emergency appropriations as provided in the Connecticut General Statutes.

## **Temporary Financing**

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable and the legislative body schedules principal reductions starting at the end of the third and continuing in each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for school and sewer projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for school and sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes must be permanently funded no later than ten years from the initial borrowing date except for school and sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment. Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

## **Clean Water Fund Program**

The City is a participant in the State of Connecticut's Clean Water Fund Program (General Statutes Sections 22a-475 et seq., as amended), which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects and phosphorus removal projects which are each financed with a 50% grant and a 50% loan and denitrification projects which are financed with a 30% grant and a 70% loan).

Loans to each municipality are made pursuant to Project Grant and Project Loan Agreements ("Loan Agreement"). Each municipality is obligated to repay only that amount which it draws down for the payment of project costs (Interim Funding Obligations). Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality, and/or a dedicated source of revenue of such municipality.

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the Loan Agreement or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are made (1) in equal monthly installments commencing one month after the scheduled completion date, or (2) in a single annual installment representing 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement, repayable thereafter in monthly installments. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty.

The City has the following Clean Water Fund loans outstanding:

<i>Project</i>	<i>Original 2% Loan Amount</i>	<i>Amount Outstanding as of November 1, 2016</i>
Clean Water Fund Loan 388-C.....	\$ 571,352	\$ 33,329
Clean Water Fund Loan - 382-C.....	35,860,708	26,587,269
Clean Water Fund Loan - 209-CSL.....	1,785,546	1,403,850
<b>TOTAL.....</b>	<b>\$ 38,217,606</b>	<b>\$ 28,024,448</b>

### **Drinking Water State Revolving Fund Program**

The City is a participant in the State of Connecticut's Drinking Water State Revolving Fund Program (General Statutes Sections 22a-475 et seq., as amended), which provides financial assistance to the City through a combination of subsidies and loans bearing interest at a rate not exceeding one-half the rate of the average net interest cost as determined by the last previous similar bond issue by the State of Connecticut as determined by the State Bond Commission. In April 2012, the City entered into a funding agreement under the Drinking Water State Revolving Fund ("DWSRF") Program and the American Recovery and Reinvestment Act ("ARRA") or stimulus funds. As a result as of November 1, 2016, the City has one Permanent Loan Obligation ("PLO") outstanding in the amount of \$1,325,907 which matures December 31, 2032.

Pursuant to the Project Loan and Subsidy Agreement, the City is obligated to repay only that amount that it draws down for the repayment of project costs (Interim Fund Obligation). The City delivered to the State an obligation secured by the full faith and credit of the City.

The amortization requirements, payment schedule and prepayment provisions are the same as under the Clean Water Fund Program.

The City received bonding authorization for the Broad Brook Water Treatment Plant upgrade. The State of Connecticut DWSRF program offers subsidies of 5% of the total project, along with a low interest loan funding rate of 2% per annum. The cost of the facility upgrade was \$18,551,168. The project loan and subsidy agreement with the State of Connecticut for the Broadbrook Water Treatment Plant upgrade has been executed. The amount of the project loan for the Broadbrook Water Treatment Plant is \$17,299,858 and project grant subsidy is \$1,251,310. As a result as of November 1, 2016, the City has two Permanent Loan Obligations ("PLO") outstanding in the amount of (i) \$17,299,858 which matures November 30, 2035, and (ii) \$1,597,153 which matures on December 31, 2032. The city also has, as of November 1, 2016, an Interim Funding Obligations ("IFO") outstanding in the amount of \$1,583,339 which matures on February 28, 2017 for DWSRF 2016-7041.

The City has three DWSRF loans outstanding as follows:

<b>Project</b>	<b>Amount</b>	
	<b>Original 2% Loan Amount</b>	<b>Outstanding as of November 1, 2016</b>
Drinking Water Fund Loan - 2012-7008.....	\$ 1,597,153	\$ 1,325,907
Drinking Water Fund Loan - 2014-7034.....	17,299,858	16,146,483
Drinking Water Fund Loan - 2016-7041.....	1,583,339	1,583,339 <sup>1</sup>
<b>TOTAL.....</b>	<b>\$ 20,480,350</b>	<b>\$ 19,055,729</b>

<sup>1</sup> IFO to be permanently financed at or prior to maturity date of February 28, 2017.

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**Statement of Debt Limitation**  
**As of November 1, 2016**  
**(Pro Forma)**

**Total Tax Collections** (including interest and lien fees):

For the year ended June 30, 2015..... \$ 117,706,000

**Reimbursement For Revenue Loss On:**

Tax Relief for Elderly..... 462,000

**BASE** ..... \$ 118,168,000

	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Unfunded Pension</b>
<b>Debt Limitation:</b>					
2 1/4 times base.....	\$ 265,878,000	-	-	-	-
4 1/2 times base.....	-	\$ 531,756,000	-	-	-
3 3/4 times base.....	-	-	\$ 443,130,000	-	-
3 1/4 times base.....	-	-	-	\$ 384,046,000	-
3 times base.....	-	-	-	-	\$ 354,504,000
<b>Total Debt Limitation.....</b>	<b>265,878,000</b>	<b>531,756,000</b>	<b>443,130,000</b>	<b>384,046,000</b>	<b>354,504,000</b>
<b>Indebtedness:</b>					
Outstanding Debt <sup>1,2</sup> :					
Outstanding Bonds Payable.....	55,943,400	47,001,600	32,418,748	-	-
Bonds of This Issue.....	25,965,049	33,690,851	3,875,000	-	-
Bonds Authorized But Unissued....	-	-	-	-	-
<b>Total Indebtedness.....</b>	<b>81,908,449</b>	<b>80,692,451</b>	<b>36,293,748</b>	<b>-</b>	<b>-</b>
Less School Construction Grants.....	-	-	-	-	-
<b>Total Net Indebtedness For Debt Limitation Calculation.....</b>	<b>81,908,449</b>	<b>80,692,451</b>	<b>36,293,748</b>	<b>-</b>	<b>-</b>
<b>DEBT LIMITATION IN EXCESS OF INDEBTEDNESS.....</b>	<b>\$ 183,969,551</b>	<b>\$ 451,063,549</b>	<b>\$ 406,836,252</b>	<b>\$ 384,046,000</b>	<b>\$ 354,504,000</b>

<sup>1</sup> Water debt is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes. Excluded from above is \$27,219,290 of outstanding water bonds and \$4,049,700 of water bonds in this issue.

<sup>2</sup> Excludes outstanding self-supporting Golf Course bonds in the amount of \$53,800, \$659,400 of golf bonds in this issue, and \$659,400 of authorized but unissued.

Note: Total debt limit is equal to seven times of base \$827,176,000.

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**Debt Authorized but Unissued  
As of November 1, 2016  
(Pro Forma)**

Project	Authorized	Estimated Grants/Subsidy	Debt		Debt Authorized but Unissued				
			Previously Issued	This Issue: The Bonds	General Purpose	Schools	Sewers	Water	Golf
General Purpose Issue #37....	\$ 1,987,685	\$ -	\$ 175,485	\$ 1,812,200	\$ -	\$ -	\$ -	\$ -	\$ -
General Purpose Issue #65....	1,200,000	1,187,000	-	13,000	-	-	-	-	-
General Purpose Issue #68....	215,974,648	144,700,478	38,611,972	32,662,198	-	-	-	-	-
General Purpose Issue #69....	450,000	-	-	450,000	-	-	-	-	-
General Purpose Issue #71....	100,000	-	-	100,000	-	-	-	-	-
General Purpose Issue #72....	215,000	-	-	215,000	-	-	-	-	-
General Purpose Issue #73....	16,179,513	1,164,403	146,700	14,868,410	-	-	-	-	-
General Purpose Issue #74....	19,670,321	1,650,768	-	18,119,192	-	-	-	-	-
<b>Total.....</b>	<b>\$ 255,777,167</b>	<b>\$ 148,702,649</b>	<b>\$ 38,934,157</b>	<b>\$ 68,240,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Principal Amount of Outstanding Debt  
(Last Five Fiscal Years)**

Fiscal Year	Bonds	Water, Sewer and Golf <sup>1</sup>	Total
2015	\$ 118,714,700	\$ 16,664,300	\$ 135,379,000
2014	77,383,203	14,796,797	92,180,000
2013	85,617,203	16,417,797	102,035,000
2012	68,929,000	16,611,000	85,540,000
2011	77,888,161	18,416,839	96,305,000

<sup>1</sup> Self-supporting.

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### Ratios of Long-Term Debt to Valuation, Population and Income

<b>Fiscal Year Ended 6/30</b>	<b>Net Assessed Value</b>	<b>Estimated Full Value</b>	<b>Net Long- Term Debt<sup>1</sup></b>	<b>Ratio of Net Long- Term Debt to Assessed Value</b>	<b>Ratio of Net Long- Term Debt to Estimated Full Value</b>	<b>Population<sup>2</sup></b>	<b>Net Long- Term Debt per Capita</b>	<b>Ratio of Net Long-Term Debt per Capita to Per Capita Income<sup>3</sup></b>
2015	\$ 3,224,902	\$ 4,607,003	\$ 168,354	5.22%	3.65%	60,616	\$ 2,777.39	10.11%
2014	3,218,470	4,597,814	126,997	3.95%	2.76%	60,616	2,095.11	7.62%
2013	3,248,578	4,640,826	137,129	4.22%	2.95%	60,616	2,262.26	8.23%
2012	3,639,460	5,199,229	122,484	3.37%	2.36%	60,616	2,020.65	7.35%
2011	3,629,868	5,185,526	133,746	3.68%	2.58%	60,616	2,206.45	8.03%
2010	3,634,360	5,191,943	119,904	3.30%	2.31%	60,868	1,969.90	7.17%
2009	3,659,204	5,227,434	100,745	2.75%	1.93%	59,186	1,702.18	6.19%
2008	3,608,414	5,154,877	79,795	2.21%	1.55%	59,186	1,348.21	4.91%

<sup>1</sup> Consists of all General and Business-Type debt, including United States Department of Housing & Urban Development and Clean Water & Drinking Water Fund loans.

<sup>2</sup> U.S. American Community Survey, 2010-2014 estimates for 2011-2015. U.S. Department of Commerce, Bureau of Census, for 2010. State of Connecticut Department of Public Health, 2008-2009.

<sup>3</sup> Income per Capita: \$27,483 U.S. Bureau of Census, American Community Survey, 2010-2014 estimates.

### Ratios of Annual Debt Service to Total General Fund Expenditures and Other Financing Uses (in 000's)

<b>Fiscal Year Ended 6/30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Total General Fund Expenditures</b>	<b>Ratio of General Fund Debt Service To Total General Fund Expenditures</b>
2016 <sup>1</sup>	\$10,108	\$2,824	\$12,932	\$195,638	6.61%
2015	9,048	2,900	11,948	200,803	5.95%
2014	8,234	3,248	11,482	195,638	5.87%
2013	8,597	2,898	11,495	196,992	5.84%
2012	8,959	3,237	12,196	193,291	6.31%
2011	9,542	3,055	12,597	180,127	6.99%
2010	10,986	3,413	14,399	176,068	8.18%
2009	10,151	3,787	13,938	183,777	7.58%

<sup>1</sup> Subject to audit.

Source: Comprehensive Annual Financial Reports; 2011-2015. Finance Department, 2016 Adopted Budget.

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**Capital Improvement Program**  
**Fiscal Year 2017 through Fiscal Year 2022**

<b>Proposed Projects</b>	<b>Outstanding Prior Authorizations</b>	<b>2016-17<sup>1</sup></b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Total</b>
Aviation .....	\$ -	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400,000
Civil Preparedness....	-	30,000	-	-	-	-	-	30,000
Drainage.....	5,875,000	6,100,000	7,200,000	5,900,000	5,900,000	6,400,000	11,050,000	48,425,000
Education .....	45,202,127 <sup>2</sup>	2,519,421	798,796	166,000	557,100	-	-	49,243,444
Emergency Comm....	-	50,000	100,000	200,000	750,000	-	-	1,100,000
Engineering .....	4,301,713	1,755,697	2,730,000	2,430,000	1,780,000	2,430,000	4,880,000	20,307,410
Fire .....	783,000	370,000	185,000	4,410,000	480,000	2,265,000	772,500	9,265,500
Health .....	4,100	-	40,735	15,000	20,000	-	-	79,835
Highway / Garage ....	422,500	585,000	1,184,000	365,000	280,000	685,000	1,095,000	4,616,500
Library .....	50,000	60,000	150,000	-	5,000,000	-	-	5,260,000
MIS.....	2,525,000	-	-	-	-	-	-	2,525,000
Parks & Recreation ..	1,113,000	726,000	1,202,000	490,000	410,000	1,548,000	529,000	6,018,000
Planning.....	195,000	110,000	150,000	150,000	150,000	150,000	150,000	1,055,000
Police .....	100,000	50,000	95,000	95,000	25,000	25,000	-	390,000
Public Buildings .....	100,000	675,000	2,415,000	95,000	75,000	75,000	75,000	3,510,000
Traffic.....	180,000	355,000	475,000	528,100	439,500	401,800	728,200	3,107,600
Golf Course .....	-	659,400	300,000	-	-	-	-	959,400
Water .....	2,321,200	1,728,500	2,430,000	5,615,000	22,520,000	2,155,000	2,490,000	39,259,700
Sewer .....	853,000	3,022,000	21,110,000	2,530,000	500,000	575,000	540,000	29,130,000
<b>TOTAL .....</b>	<b>\$ 64,025,640</b>	<b>\$ 20,196,018</b>	<b>\$ 40,565,531</b>	<b>\$ 22,989,100</b>	<b>\$ 38,886,600</b>	<b>\$ 16,709,800</b>	<b>\$ 22,309,700</b>	<b>\$ 225,682,389</b>

**Proposed Funding**

<b>Sources</b>	<b>Outstanding Prior Authorization</b>	<b>2016-17<sup>1</sup></b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>Total</b>
User Fees.....	\$ 3,174,200	\$ 5,409,900	\$ 13,840,000	\$ 8,015,500	\$ 10,673,000	\$ 2,646,000	\$ 3,030,000	\$ 46,788,600
Federal/State Grants..	35,516,831	2,176,465	11,970,697	655,197	15,255,597	609,697	525,697	66,710,181
City Funded.....	25,334,609	12,609,653	14,754,834	14,318,403	12,958,003	13,454,103	18,754,003	112,183,608
<b>TOTAL .....</b>	<b>\$ 64,025,640</b>	<b>\$ 20,196,018</b>	<b>\$ 40,565,531</b>	<b>\$ 22,989,100</b>	<b>\$ 38,886,600</b>	<b>\$ 16,709,800</b>	<b>\$ 22,309,700</b>	<b>\$ 225,682,389</b>

<sup>1</sup> Fiscal Year 2016-2017 is the adopted budget, authorized on June 6, 2016.

<sup>2</sup> Of the remaining \$45,202,127 authorized for high school renovations, approximately 77% is expected to be paid through the State of Connecticut school building grant program. The City plans to complete its bonding needs with this bond sale. The original value of these renovations was \$215,974,648 of which \$166,300,478 is ultimately expected to be paid through the State of Connecticut school building grant program.

**School Projects**

Pursuant to Public Act No. 97-11, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on school building projects approved after July 1, 1996. Under this program, the City will receive progress payments for eligible construction costs.

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## ***VII. Legal and Other Information***

### ***Litigation***

The City, its officers, employees and commissions are defendants in numerous lawsuits. In the opinion of the Corporation Counsel, none of the pending litigation is likely to result, either individually or in the aggregate, in final judgment against the City that would materially adversely affect its financial position, taking into account current applicable insurance coverages. The following significant pending cases are noted.

Following the 2011 Grand List property revaluation, numerous property tax assessment appeals have been filed. While most appeals have been settled, several assessment appeals are still pending, these properties are expected to not have a material adjustment to value. Generally, in past years, assessment appeals have been settled without significant reductions in the amounts of the assessment which would in turn impact revenues. The City is currently in the process of the state mandated revaluation. This will set values as of October 1, 2016. Following the 2016 Grand List property revaluation, numerous property tax assessment appeals are expected to be filed. While many appeals will be settled, several assessment appeals including a number involving properties of significant value are expected. Generally, in past years, assessment appeals have been settled without significant reductions in the amounts of the assessment which would in turn impact revenues.

### ***Transcript and Closing Documents***

The original purchaser(s) will be furnished the following documents when the Bonds are delivered:

1. Signature and No Litigation Certificates 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. Certificates on behalf of the City, signed by the City Manager and the Director of Finance / City Treasurer 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, at the time bids were accepted on the Bonds the description 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. Receipts for the purchase price of the Bonds.
4. The approving opinions of Robinson & Cole LLP, Bond Counsel.
5. Executed continuing disclosure agreements for the Bonds in substantially the forms attached hereto as Appendices C.

The City of Meriden has prepared an Official Statement for the Bonds, which is dated October \_\_, 2016. The City deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(1), but it is subject to revision or amendment. The City will make available to the winning purchaser of the Bonds one hundred (100) copies of the Official Statement at the City's expense. The copies of the Official Statement will be made available to the winning purchasers within seven business days of the bid opening. If the City's Financial Advisor, Phoenix Advisors, LLC, is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any. The purchaser shall arrange with the Financial Advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

A transcript of the proceedings taken by the City with respect to the Bonds will be kept on file at the offices of U.S. Bank National Association and will be available for examination upon reasonable notice.

## ***Concluding Statement***

This Official Statement is not to be construed as a contract or agreement between the City and the purchaser or holders of any of the Bonds. Any statements 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 of 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. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

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

### ***CITY OF MERIDEN, CONNECTICUT***

By:

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GUY SCAIFE, *City Manager*

Dated as of October \_\_, 2016

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MICHAEL LUPKAS, *Director of Finance/City Treasurer*



## ***Appendix A***

### ***2015 General Purpose Financial Statements (Excerpted from the City's Comprehensive Annual Financial Report)***

The following includes the General Purpose Financial Statements of the City of Meriden, Connecticut for the fiscal year ended June 30, 2015. The supplemental data and letter of transmittal, which were a part of that report, have not been reproduced herein. A copy of the complete report is available upon request from Matthew Spoerndle, Managing Director, Phoenix Advisors LLC, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 878-4945.



Accounting | Tax | Business Consulting

## **Independent Auditors' Report**

To the Honorable Mayor and Members of the City Council  
City of Meriden, Connecticut

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Meriden, Connecticut's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of June 30, 2015 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Change in Accounting Principle***

As discussed in Note 13 to the financial statements, during the fiscal year ended June 30, 2015, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The net position of the City has been restated to recognize the net pension liability required in implementing GASB No. 68. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the pension schedules on pages 72 through 81 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Meriden, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2015 on our consideration of the City of Meriden, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Meriden, Connecticut's internal control over financial reporting and compliance.

*Blum, Shapiro & Company, P.C.*

West Hartford, Connecticut  
December 4, 2015

**CITY OF MERIDEN, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

As management of the City of Meriden, Connecticut, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Meriden for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

**Financial Highlights**

- ◆ On a government-wide basis, the assets of the City of Meriden exceeded its liabilities resulting in total net position at the close of the fiscal year of \$159.8 million. Total net position for Governmental Activities at fiscal year-end was \$67.9 million and total net position for Business-Type Activities was \$91.9 million. (Exhibit I)
- ◆ On a government-wide basis, during the year, the City's net position increased by \$51.5 million or 47.6%, from \$108.3 million to \$159.8 million. Net position increased by \$51.7 million for Governmental Activities and decreased by \$0.2 million for Business-Type Activities. Governmental Activities expenses were \$240.7 million, while revenues were \$292.4 million. The large increase in governmental activities net position is primarily due to the receipt of education capital grants and construction in progress during the year. (Exhibit II)
- ◆ At the close of the year, the City of Meriden's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$59.2 million, an increase of \$47.1 million from the prior fiscal year. The increase is primarily attributable to the receipt of bond proceeds of \$50.4 million in the Bonded Projects Fund. (Exhibit IV)
- ◆ At the end of the current fiscal year, the total fund balance for the General Fund was \$17.7 million, an increase of \$0.2 million from the prior fiscal year. Of the total General Fund, fund balance as of June 30, 2015, \$16.3 million represents unassigned General Fund fund balance. Unassigned General Fund, fund balance at year-end represents 8.1% of total General Fund expenditures and transfers out (\$200.8 million), a decrease of 0.1% from the prior year. (Exhibit III, Exhibit IV)

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City of Meriden's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains other supplementary information as well as the basic financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the City of Meriden's finances, in a manner similar to private-sector business. All of the resources the City has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is portrayed because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the City's overall financial status.

## **Government-Wide Financial Statements**

The statement of net position presents information on all of Meriden's assets and liabilities, with the difference reported as net position. One can think of the City's net position - the difference between assets and liabilities - as one way to measure the City's financial health or financial position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating. It speaks to the question of whether or not the City, as a whole, is better or worse off as a result of this year's activities. To assess the overall health of the City of Meriden, the reader needs to consider other non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period. Uncollected taxes and earned but unused vacation leave are examples.

Both of the government-wide financial statements distinguish functions of the City of Meriden that are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business type activities).

- ◆ Governmental activities of the City of Meriden encompass most of the City's basic services and include governmental and community services, administration, public safety, health and welfare, operations and education. Property taxes, charges for services and state and federal grants finance most of these activities.
- ◆ Business-type activities of the City of Meriden include the Water Pollution Control Authority, Water Division and the George Hunter Memorial Golf Course. They are reported here as the City charges a fee to customers to help cover all or most of the cost of operations.

The government-wide financial statements (statement of net position and statement of activities) can be found on Exhibits I and II of this report.

## **Fund Financial Statements**

The City of Meriden, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The City of Meriden has three kinds of funds:

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Meriden maintains 37 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Bonded Projects Fund, which are considered to be major funds. Data from the other 35 governmental funds are combined into a single, aggregated column and is presented as nonmajor governmental funds.

Individual fund data for each of these nonmajor governmental funds is provided in the combining balance sheet on Exhibit B-1 and in the combining statement of revenues, expenditures and changes in fund balance on Exhibit B-2.

The City of Meriden adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the authorized budget. The statement of revenues, expenditures and changes in fund balance on a budgetary basis can be found on Exhibit V.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on Exhibits III and IV of this report.

**Proprietary funds.** The City of Meriden maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Meriden uses enterprise funds to account for its Water Pollution Control Authority, the Water Division and the Hunter Golf Course. Internal service funds are an accounting device used to accumulate and allocate certain costs internally among the City of Meriden's various functions. The City of Meriden uses internal service funds to account for its risk management costs including risks related to Workers' Compensation and Employee Health Insurance. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority and the Water Division, both of which are considered to be major funds of the City of Meriden. The Hunter Golf Course is also provided separately and identified as a nonmajor fund of the City of Meriden. Individual fund data for the internal service fund is also provided as a separate column in the proprietary fund financial statements.

The City of Meriden adopts annual appropriated budgets for its Proprietary Funds. A budgetary comparison statement has been provided for the proprietary funds to demonstrate compliance with the authorized budget. The proprietary fund financial statements can be found on Exhibits VI-VIII of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the City's constituency. The City has three pension trust funds, one post retirement benefit trust fund, five agency funds and two private purpose funds. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits IX and X of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-71 of this report.

The notes to this report also contain certain supplementary information concerning the City of Meriden's pension plan such as the net pension liability, employer contributions and investment returns on pension assets. Required supplementary information can be found on pages 72-81 of this report.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. City of Meriden total net position exceeded liabilities by \$159.8 million on June 30, 2015. Governmental activities assets exceeded liabilities by \$67.9 million. Business-type activities assets exceeded liabilities by \$91.9 million.

### City of Meriden, Connecticut Statement of Net Position (\$000s) Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 105,838	\$ 64,321	\$ 17,538	\$ 17,409	\$ 123,376	\$ 81,730
Capital assets, net of accumulated depreciation	310,052	255,167	140,502	127,604	450,554	382,771
Total assets	<u>415,890</u>	<u>319,488</u>	<u>158,040</u>	<u>145,013</u>	<u>573,930</u>	<u>464,501</u>
Deferred outflow of resources	<u>16,741</u>	<u>2,248</u>	<u>669</u>	<u>729</u>	<u>17,410</u>	<u>2,977</u>
Current liabilities	48,740	52,390	17,659	4,839	66,399	57,229
Long-term liabilities outstanding	313,669	251,874	49,102	48,732	362,771	300,606
Total liabilities	<u>362,409</u>	<u>304,264</u>	<u>66,761</u>	<u>53,571</u>	<u>429,170</u>	<u>357,835</u>
Deferred inflow of resources	<u>2,368</u>	<u>1,312</u>			<u>2,368</u>	<u>1,312</u>
Net Position:						
Net investment in capital assets	237,700	187,903	80,266	78,893	317,966	266,796
Restricted	1,357	1,357			1,357	1,357
Unrestricted	<u>(171,203)</u>	<u>(173,100)</u>	<u>11,682</u>	<u>13,278</u>	<u>(159,521)</u>	<u>(159,822)</u>
Total Net Position	<u>\$ 67,854</u>	<u>\$ 16,160</u>	<u>\$ 91,948</u>	<u>\$ 92,171</u>	<u>\$ 159,802</u>	<u>\$ 108,331</u>

A portion of net position was restricted in June 30, 2015 as a result of the Wallingford Regional Solid Waste Reserve (\$.4 million), Flood Control (\$.5 million) and the corpus of various trusts (\$.4 million). Governmental Accounting Standards Board (GASB) Statement 46, *Net Assets Restricted by Enabling Legislation - An Amendment to GASB Statement 34* pertains to the Wallingford Regional Solid Waste Reserve.

By far the largest portion of the City of Meriden's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Meriden's



investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

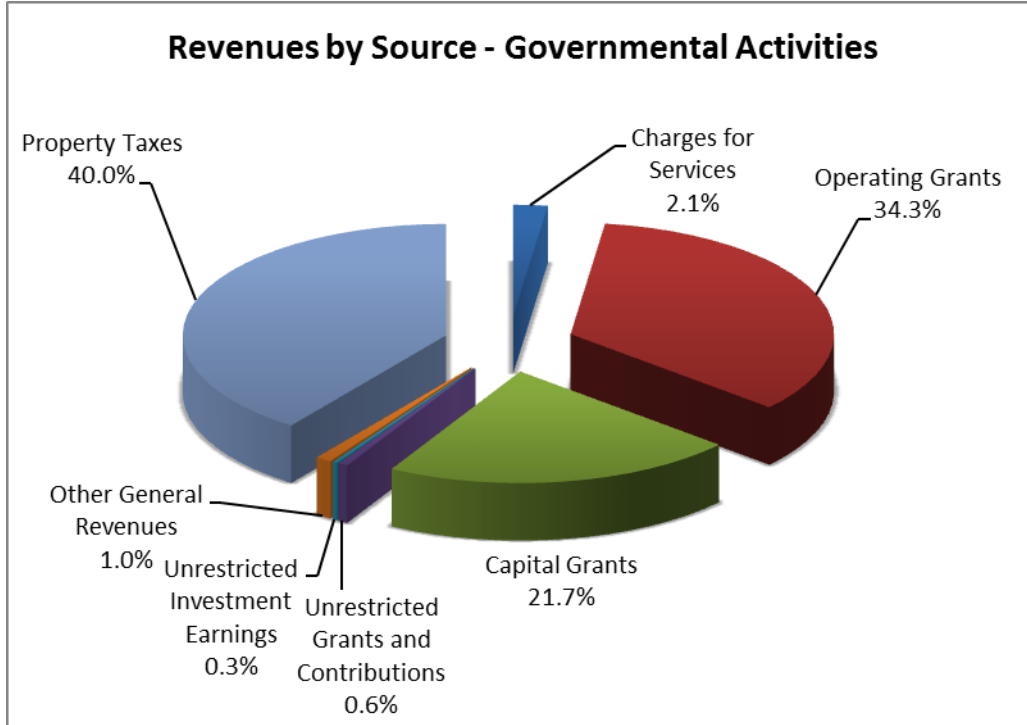
**City of Meriden, Connecticut**  
**Changes in Net Position (\$000s)**  
**Primary Government**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Revenues:						
Program revenues:						
Charges for services	\$ 6,076	\$ 5,453	\$ 19,245	\$ 20,043	\$ 25,321	\$ 25,496
Operating grants and contributions	100,182	100,071			100,182	100,071
Capital grants and contributions	63,460	41,292	3,744	128	67,204	41,420
General revenues:						
Property taxes	117,045	113,452			117,045	113,452
Grants not restricted to specific programs	1,728	1,752			1,728	1,752
Unrestricted investment earnings	856	1,327	66	76	922	1,403
Miscellaneous income	3,017	2,904	1,237	1,558	4,254	4,462
Total revenues	<u>292,364</u>	<u>266,251</u>	<u>24,292</u>	<u>21,805</u>	<u>316,656</u>	<u>288,056</u>
Expenses:						
General government	12,020	15,304			12,020	15,304
Education	137,161	141,547			137,161	141,547
Public safety	54,674	42,606			54,674	42,606
Public works	12,378	14,168			12,378	14,168
Human services	13,029	11,513			13,029	11,513
Cultural and recreation	7,180	5,721			7,180	5,721
Interest on long-term debt	4,228	3,340			4,228	3,340
Sewer Authority			11,374	11,206	11,374	11,206
Water Authority			11,674	11,073	11,674	11,073
George Hunter Golf Course			1,467	1,134	1,467	1,134
Total expenses	<u>240,670</u>	<u>234,199</u>	<u>24,515</u>	<u>23,413</u>	<u>265,185</u>	<u>257,612</u>
Change in Net Position	51,694	32,052	(223)	(1,608)	51,471	30,444
Net Position at Beginning of Year	<u>16,160</u>	<u>62,635</u>	<u>92,171</u>	<u>93,779</u>	<u>108,331</u>	<u>156,414</u>
Restatements for GASB 68		<u>(78,527)</u>				<u>(78,527)</u>
Net Position at End of Year	<u>\$ 67,854</u>	<u>\$ 16,160</u>	<u>\$ 91,948</u>	<u>\$ 92,171</u>	<u>\$ 159,802</u>	<u>\$ 108,331</u>

The City's net position increased by \$51.5 million during the fiscal year, with net position of governmental activities increasing by \$51.7 million and business-type activities decreasing by \$0.2 million.

## **Governmental Activities**

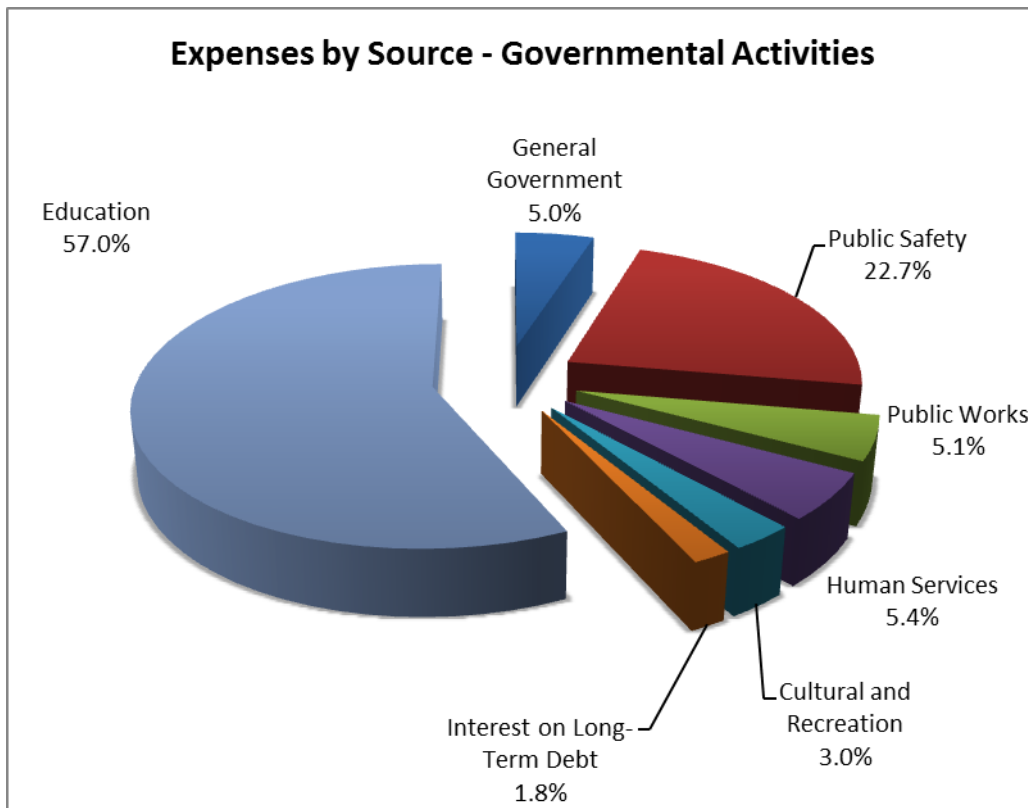
56.6% of the revenues were derived from State and Federal Government program revenues, followed by 40.0% from property taxes, and 2.1% from charges for services.



Major revenue factors included:

- ◆ Capital grants and contributions increased by \$22.2 million from 2014. The Maloney High School and Platt High School “renovation-like-new” construction continued in fiscal year 2015. \$26.1 million was reimbursed by the State for Maloney renovation expenditures and \$29.6 million was reimbursed by the State for Platt renovation expenditures. (Capital Grants)
- ◆ Property tax revenues increased \$3.6 million or 3.2% from 2014 due to an increase in the mill rate resulting in an increased original tax levy for 2015 and increased collections on back taxes owed.

For Governmental Activities, 57.0% of the City’s expenses relate to education, 22.7% relate to public safety, 5.4% to health and human services, 5.1% to public works, 5.0% to general government, 3.0% to culture and recreation and 1.8% on interest on long-term debt.



Major expense factors include:

- ◆ Increases in employee wages, resulting from general wage increases, ranged from 0% to 2.5% depending on the employee group. Some employees also received negotiated step increases.
- ◆ General government expenses for fiscal year 2015 decreased by \$3.3 million or 21.4% and public safety expenses increased by \$12.1 million or 28.3% primarily due to the allocation of the net pension liability.
- ◆ Interest on long-term debt increased by \$.9 million or 26.6% due to a bond issuance in fiscal year 2015.

### **Business-Type Funds**

Business-type activities capital grants and contributions increased by \$3.6 million due to \$1.4 million in capital contributions from the general fund related to golf course improvements and \$2.2 million in federal and state grants.

### **Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

### **Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the City's financing requirements.

The General Fund is the chief operating fund of the City of Meriden. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$16.3 million while total fund balance was \$17.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both

unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 8.1% of total General Fund expenditures and transfers out (\$200.8. million), while total fund balance represents 8.8% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund increased by \$0.2 million during the current fiscal year. This fund balance increase was attributed to the prudent review and containment of expenditure accounts.

The Bonded Projects Fund has a total fund balance of \$35.8 million, an increase of \$48.4 million from the prior year. This increase can be explained by the timing of expenditures and the issuance of long-term bonds.

The Nonmajor Governmental Funds have a total fund balance of \$5.7 million, down from \$7.1 million in the prior year. The \$1.4 million decrease related primarily to the spending of accumulated fund balance in the educational grants and programs fund and the transfer of the Meriden Gas Turbine, LLC performance bond from the capital and nonrecurring fund to the general fund during the current year.

### Proprietary Funds

The City of Meriden's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Water Fund at the end of the year was \$39.8 million, with unrestricted net position of \$6.6 million. The Water Fund experienced an operating loss of \$39,000 but also had capital grants of over \$1.5 million from the drinking water state revolving funds received from the State of Connecticut Department of Public Health which fueled the increase in net position in fiscal year 2015.

Net position of the Sewer Fund was \$52.4 million. Unrestricted net position was \$8.2 million. The Sewer Fund experienced an operating loss of \$2.2 million, due primarily to depreciation expense, which was \$4.0 million in 2015 and is not budgeted.

The George Hunter Memorial Golf Course Fund had a deficit in net position at the end of the year of \$0.3 million. The Golf Fund experienced an operational loss of \$0.1 million, incurred a loss on disposal of assets damaged in a fire of \$0.3 million, and had interest expenses of \$0.1 million but also received \$1.4 million in capital contributions from the general fund which resulted in an increase in net position for the year of \$0.9 million.

### **General Fund Budgetary Highlights**

There were no additional appropriations made from the original \$185.0 million that was legally adopted. The original budget included a contingency of \$0.5 million that was budgeted in the General Fund expenses to cover certain items, including unsettled labor contracts and other unanticipated expenses.

During the year, actual revenues on a budgetary basis were \$185.0 million, which was extremely consistent with the estimated budget as adopted. Intergovernmental revenues were \$1.1 million less than budget, which is mainly due to the E-911, ECS, and special education grant revenues coming in under budget. Actual transfers in on a budgetary basis were \$1.1 million, which was significantly higher than budget primarily due to the transfer of the performance bond from the Capital and Non-recurring fund.

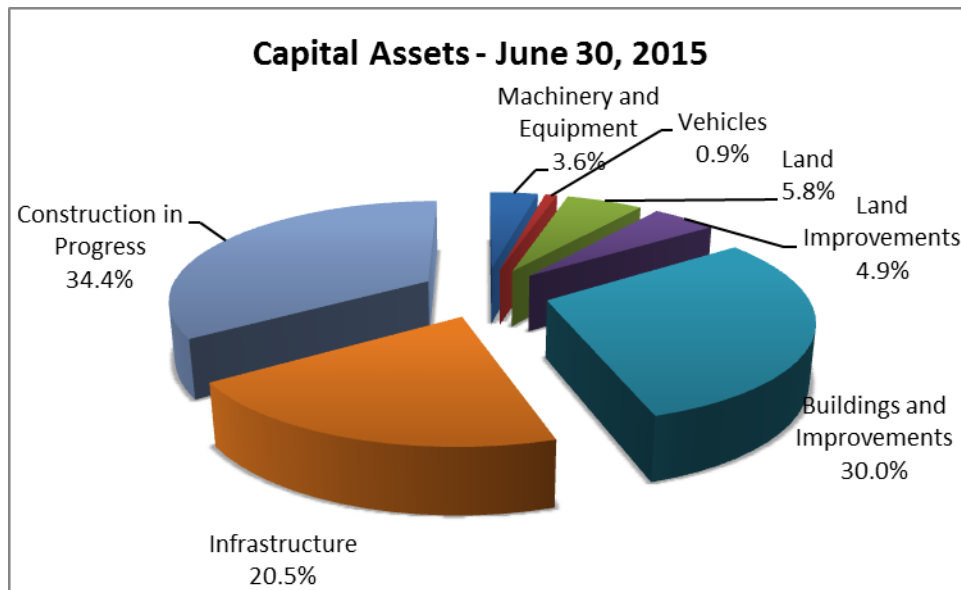
Actual revenues and other financing sources on a budgetary basis totaled \$185.0 million, exceeding actual expenditures and other financing uses on a budgetary basis by \$0.3 million.

## Capital Asset and Debt Administration

**Capital Assets.** The City of Meriden's investment in capital assets for its governmental and business-type activities as of June 30, 2015 amount to \$450.6 million (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Land	\$ 24,800	\$ 24,749	\$ 1,138	\$ 1,138	\$ 25,938	\$ 25,887
Land improvements	8,685	7,808	13,310	12,872	21,995	20,680
Buildings and improvements	99,452	102,650	35,696	36,366	135,148	139,016
Infrastructure	33,928	32,788	58,447	60,245	92,375	93,033
Machinery and equipment	4,741	4,860	11,359	12,780	16,100	17,640
Vehicles	3,635	3,442	435	350	4,070	3,792
Construction in progress	134,811	78,870	20,117	3,853	154,928	82,723
<b>Total</b>	<b>\$ 310,052</b>	<b>\$ 255,167</b>	<b>\$ 140,502</b>	<b>\$ 127,604</b>	<b>\$ 450,554</b>	<b>\$ 382,771</b>

### City of Meriden, Connecticut Capital Assets (Net of Depreciation) (\$000s) Primary Government



Major capital asset events during the current fiscal year included the following:

- ◆ \$25.5 million for the Maloney High School Renovation
- ◆ \$24.0 million for the Platt High School Renovation
- ◆ \$14.2 million on the Broad Brook Treatment Plant Upgrade
- ◆ \$8.1 million on HUB demolition and other redevelopment activities
- ◆ \$3.7 million for Public Works Projects (Road Construction, Paving, Improvements, Flood Control)

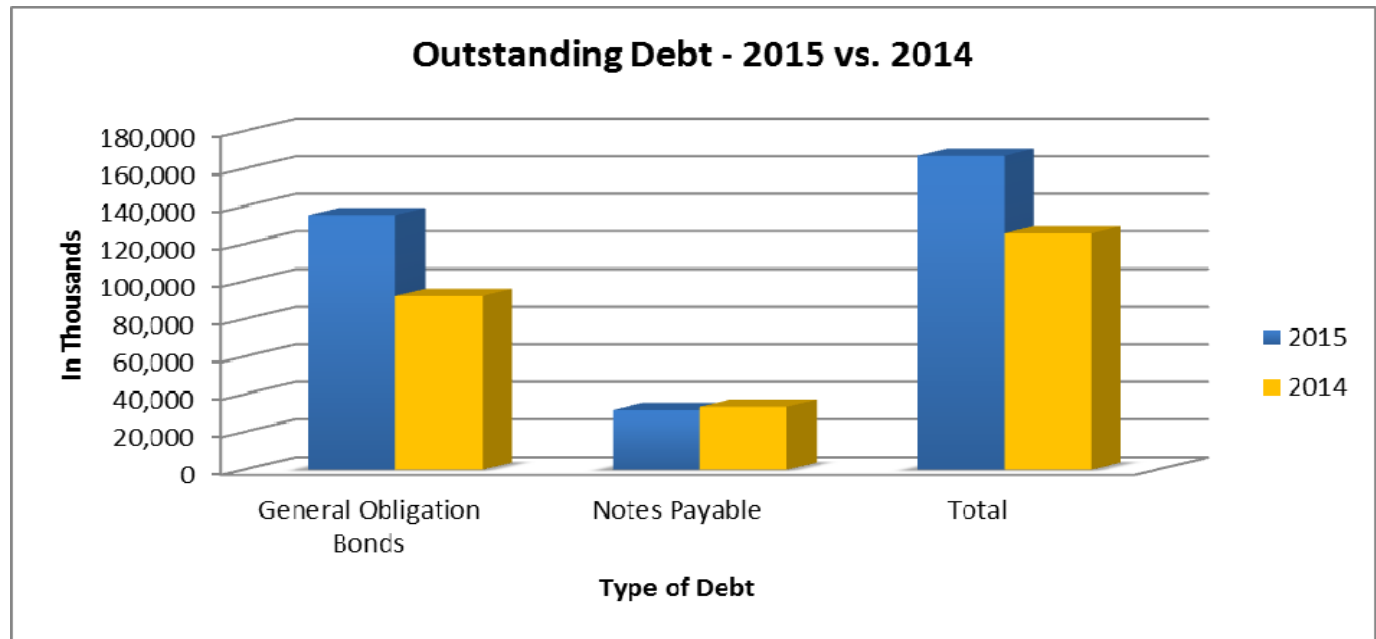
- ◆ \$2.4 million on water and sewer generators
- ◆ \$1.3 million on the Quinnipiac Trail Improvements
- ◆ \$.8 million for the Nathan Hale School Roof
- ◆ \$.8 million on Elmore Lagoon Improvements
- ◆ \$.5 million for the Israel Putnam School Boiler Replacement

Additional information on the City of Meriden's capital assets can be found in Note 5 on pages 40-41 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of \$135.4 million. All of this debt is backed by the full faith and credit of the City.

**City of Meriden, Connecticut**  
**Outstanding Debt (\$000s)**  
**General Obligation and Revenue Bonds**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
General obligation bonds	\$ 118,715	\$ 77,383	\$ 16,644	\$ 14,797	\$ 135,359	\$ 92,180
Notes payable			31,720	33,458	31,720	33,458
<b>Total</b>	<b>\$ 118,715</b>	<b>\$ 77,383</b>	<b>\$ 48,364</b>	<b>\$ 48,255</b>	<b>\$ 167,079</b>	<b>\$ 125,638</b>



The City of Meriden's bonded debt increased by \$43.2 million or 46.9% during fiscal year 2015.

On August 26, 2014, the City issued \$50.3 million of tax exempt general obligation bonds and also issued \$3.5 million in taxable general obligation bonds.

The City of Meriden has received an underlying rating from Standard & Poor's Inc. of AA and Fitch of AA-.

In reviewing the City's financial management, Standard & Poor's Inc. *"considers Meriden's management practices "strong" under its FMA methodology, indicating practices that are strong, well embedded, and likely sustainable."* This is the highest level for "Financial Management Assessment."

The overall statutory debt limit for the City of Meriden is equal to seven times annual receipts from taxation or \$827.2 million. As of June 30, 2015, the City recorded long-term debt of \$133.3 million related to Governmental Activities and none related to Business-Type Activities that are paid through taxes, well below its statutory debt limits.

Additional information on the City of Meriden's long-term debt can be found in Note 7 on pages 43-50 of this report.

### **Economic Factors (Updated through September 2015)**

The national economic downturn continued to ease during 2015. As of September 2015, the unemployment rate for Meriden was 7.0%, a decrease from 7.4% in the prior year. Although Meriden's unemployment rate is above the September 2015 New Haven Labor Market Area, which had an unemployment rate of 5.2%, Meriden's unemployment rate in September 2015 remained lower than larger Connecticut cities including the City of New Haven at 9.8% and the City of Hartford at 11.0%. In September 2015, Connecticut's overall unemployment rate stood at 5.8% (seasonally adjusted) compared with 6.4% for the same time a year ago. The United States' September 2015 unemployment rate stood at 5.8% compared to 5.9% percent in September 2014.

The City of Meriden's reliance on property taxes has helped it weather the national economic downturn. Meriden's income stream is rather stable, even during a recession. Moreover, the City's high-quality tax base lends even more stability to the City's revenue. To foster economic development and continued expansion of the tax base, the City administers several business incentive programs, including Enterprise Zone, the Manufacturing Assistance Loan Program, and the C-PACE program, designed to attract, retain and grow business entities in Meriden.

### **Requests for Information**

The financial report is designed to provide a general overview of the City of Meriden's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City Hall Room 212, 142 East Main Street, Meriden, Connecticut 06450.

# Basic Financial Statements



**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 70,576,852	\$ 6,091,062	\$ 76,667,914
Investments	21,714,888	1,123,153	22,838,041
Receivables, net	15,347,460	8,285,356	23,632,816
Internal balances	(2,038,276)	2,038,276	-
Inventory	208,646		208,646
Other assets	28,996		28,996
Capital assets, nondepreciable	159,611,848	21,255,538	180,867,386
Capital assets, net of accumulated depreciation	150,439,953	119,246,637	269,686,590
Total assets	<u>415,890,367</u>	<u>158,040,022</u>	<u>573,930,389</u>
<b>Deferred Outflows of Resources:</b>			
Difference between expected and actuarial experience for pensions	14,209,736		14,209,736
Difference between projected and actual earnings on pension plan investments	484,509		484,509
Deferred charge on refunding	2,046,835	669,441	2,716,276
Total deferred outflows of resources	<u>16,741,080</u>	<u>669,441</u>	<u>17,410,521</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	30,072,214	2,204,534	32,276,748
Accrued interest	2,408,389	281,020	2,689,409
Unearned revenue	767,554		767,554
Interim funding obligation loans		11,847,073	11,847,073
Noncurrent liabilities:			
Due within one year	15,492,610	3,325,956	18,818,566
Due in more than one year	313,668,997	49,103,163	362,772,160
Total liabilities	<u>362,409,764</u>	<u>66,761,746</u>	<u>429,171,510</u>
<b>Deferred Inflows of Resources:</b>			
Difference between expected and actuarial experience for pensions	1,782,842		1,782,842
Advance property tax collections	585,000		585,000
Total deferred inflows of resources	<u>2,367,842</u>	<u>-</u>	<u>2,367,842</u>
<b>Net Position:</b>			
Net investment in capital assets	237,700,445	80,266,087	317,966,532
Restricted:			
Expendable - Wallingford Regional Solid Waste Reserve	445,133		445,133
Expendable - Flood Control	480,001		480,001
Nonexpendable - purposes of trust	431,547		431,547
Unrestricted	<u>(171,203,285)</u>	<u>11,681,630</u>	<u>(159,521,655)</u>
Total Net Position	<u>\$ 67,853,841</u>	<u>\$ 91,947,717</u>	<u>\$ 159,801,558</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**JUNE 30, 2015**

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 12,019,987	\$ 2,642,880	\$ 1,907,278	\$ 5,714,492	\$ (1,755,337)	\$	\$ (1,755,337)
Education	137,160,968	1,138,751	88,324,783	56,055,906	8,358,472		8,358,472
Public safety	54,674,184	78,701	1,073,338	148,867	(53,373,278)		(53,373,278)
Public works	12,377,791	1,981,538	198	1,419,443	(8,976,612)		(8,976,612)
Human services	13,029,426	203,900	8,453,154		(4,372,372)		(4,372,372)
Culture and recreation	7,179,633	29,113	423,318	121,125	(6,606,077)		(6,606,077)
Interest on long-term debt	4,228,084				(4,228,084)		(4,228,084)
Total governmental activities	<u>240,670,073</u>	<u>6,074,883</u>	<u>100,182,069</u>	<u>63,459,833</u>	<u>(70,953,288)</u>	<u>-</u>	<u>(70,953,288)</u>
Business-type activities:							
Sewer Authority	11,374,190	8,128,055		826,472		(2,419,663)	(2,419,663)
Water Authority	11,673,845	10,170,731		1,518,527		15,413	15,413
George Hunter Golf Course	1,467,661	945,970		1,398,654		876,963	876,963
Total business-type activities	<u>24,515,696</u>	<u>19,244,756</u>	<u>-</u>	<u>3,743,653</u>	<u>-</u>	<u>(1,527,287)</u>	<u>(1,527,287)</u>
Total	<u>\$ 265,185,769</u>	<u>\$ 25,319,639</u>	<u>\$ 100,182,069</u>	<u>\$ 67,203,486</u>	<u>(70,953,288)</u>	<u>(1,527,287)</u>	<u>(72,480,575)</u>
General revenues:							
Property taxes					117,045,240		117,045,240
Grants and contributions not restricted to specific programs					1,727,673		1,727,673
Unrestricted investment earnings					856,211	66,219	922,430
Miscellaneous income					3,017,669	1,237,458	4,255,127
Total general revenues					<u>122,646,793</u>	<u>1,303,677</u>	<u>123,950,470</u>
Change in net position					51,693,505	(223,610)	51,469,895
Net Position at Beginning of Year, as Restated					<u>16,160,336</u>	<u>92,171,327</u>	<u>108,331,663</u>
Net Position at End of Year					<u>\$ 67,853,841</u>	<u>\$ 91,947,717</u>	<u>\$ 159,801,558</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,872,523	\$ 50,781,769	\$ 5,978,563	\$ 68,632,855
Investments	14,580,008		1,806,550	16,386,558
Receivables, net of allowance for uncollectibles	6,635,560	2,592,849	5,682,214	14,910,623
Inventory	149,036		59,610	208,646
Other assets	5,476			5,476
Due from other funds	<u>5,246,509</u>			<u>5,246,509</u>
Total Assets	<u>\$ 38,489,112</u>	<u>\$ 53,374,618</u>	<u>\$ 13,526,937</u>	<u>\$ 105,390,667</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 13,546,063	\$ 11,041,212	\$ 3,582,966	\$ 28,170,241
Due to other funds		5,387,285	1,897,500	7,284,785
Unearned revenue	<u>7,617</u>	<u>634,283</u>	<u>125,654</u>	<u>767,554</u>
Total liabilities	<u>13,553,680</u>	<u>17,062,780</u>	<u>5,606,120</u>	<u>36,222,580</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	5,306,853			5,306,853
Unavailable revenue - loans receivable	1,375,009	483,118	2,233,711	4,091,838
Advance property tax collections	<u>585,000</u>			<u>585,000</u>
Total deferred inflows of resources	<u>7,266,862</u>	<u>483,118</u>	<u>2,233,711</u>	<u>9,983,691</u>
Fund Balances:				
Nonspendable	149,036		491,157	640,193
Restricted	937,864	35,828,720	3,353,624	40,120,208
Committed	285,459		1,842,325	2,127,784
Unassigned	<u>16,296,211</u>			<u>16,296,211</u>
Total fund balances	<u>17,668,570</u>	<u>35,828,720</u>	<u>5,687,106</u>	<u>59,184,396</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 38,489,112</u>	<u>\$ 53,374,618</u>	<u>\$ 13,526,937</u>	<u>\$ 105,390,667</u>

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**CITY OF MERIDEN, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2015**

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Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$ 59,184,396
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 497,501,637	
Less accumulated depreciation	<u>(187,449,836)</u>	
Net capital assets		310,051,801

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:

Property tax receivables greater than 60 days	5,306,853
Build America Bonds long-term interest receivable	29,490
Loans receivable greater than 60 days	4,091,838
Deferred outflows related to pension actuarial experience	484,509
Deferred outflows related to changes in projected investment earnings	14,209,736

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.	(1,467,131)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(118,714,700)
Notes payable	(1,275,000)
Bond premium	(5,141,764)
Deferred charge on refunding	2,046,835
Interest payable on bonds and notes	(2,408,390)
Compensated absences	(20,077,351)
Landfill post-closure monitoring	(497,434)
OPEB obligation	(42,771,274)
Pollution remediation	(9,823,997)
Deferred inflows related to pension actuarial experience	(1,782,842)
Net pension liability	(122,056,734)
Claims and judgments	<u>(1,535,000)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 67,853,841</u>
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The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>General</b>	<b>Bonded Projects</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Revenues:				
Property taxes, interest and lien fees	\$ 117,378,964	\$	\$	\$ 117,378,964
Federal and state government	74,501,716	57,586,742	32,487,184	164,575,642
Charges for services	4,748,576		1,326,307	6,074,883
Investment income	356,324	220,540	101,283	678,147
Other local revenues	2,278,717	475,978	1,058,154	3,812,849
Total revenues	<u>199,264,297</u>	<u>58,283,260</u>	<u>34,972,928</u>	<u>292,520,485</u>
Expenditures:				
Current:				
General government	37,475,036		289,805	37,764,841
Public safety	22,282,907		985,389	23,268,296
Public works	7,437,557		1,547	7,439,104
Health and welfare	6,427,626		6,015,362	12,442,988
Culture and recreation	4,332,835		184,349	4,517,184
Education	110,843,185		23,082,069	133,925,254
Debt service:				
Principal retirement	9,048,203		75,000	9,123,203
Interest and other charges	2,900,225		49,530	2,949,755
Capital outlay	17,494	61,785,309	4,834,953	66,637,756
Total expenditures	<u>200,765,068</u>	<u>61,785,309</u>	<u>35,518,004</u>	<u>298,068,381</u>
Deficiency of Revenues over Expenditures	<u>(1,500,771)</u>	<u>(3,502,049)</u>	<u>(545,076)</u>	<u>(5,547,896)</u>
Other Financing Sources (Uses):				
Bond issuance		50,379,700		50,379,700
Bond premium		2,280,878		2,280,878
Transfers in	1,680,702		38,197	1,718,899
Transfers out	(38,197)	(778,190)	(902,512)	(1,718,899)
Total other financing sources (uses)	<u>1,642,505</u>	<u>51,882,388</u>	<u>(864,315)</u>	<u>52,660,578</u>
Net Change in Fund Balances	141,734	48,380,339	(1,409,391)	47,112,682
Fund Balances at Beginning of Year	<u>17,526,836</u>	<u>(12,551,619)</u>	<u>7,096,497</u>	<u>12,071,714</u>
Fund Balances at End of Year	<u>\$ 17,668,570</u>	<u>\$ 35,828,720</u>	<u>\$ 5,687,106</u>	<u>\$ 59,184,396</u>

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because of the following:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 47,112,682
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	64,375,060
Depreciation expense	(9,471,505)
Loss on disposal of capital assets	(18,306)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Property taxes collected after 60 days	(327,057)
Loan principal collected	(539,027)
Change in Build America Bonds interest receivable	(1,247)
Change in interest and liens receivable	(6,668)
Change in deferred outflows related to pension actuarial experience	484,509
Change in deferred outflows related to changes in projected investment earnings	14,209,736

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond proceeds	(50,379,700)
Principal payments on bonds and notes	9,123,203
Premium on bonds issued	(2,280,878)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest on bonds and notes	(1,365,634)
Amortization of premium on refunding	288,794
Amortization of deferred charge on refunding	(201,489)
Change in long-term compensated absences	(231,372)
Change in landfill post-closure monitoring	88,414
Change in pollution remediation obligation	860,480
Change in net pension liability	(18,621,481)
Change in OPEB obligation	(1,373,016)
Change in deferred inflows related to changes in projected investment earnings	(1,782,842)
Change in claims and judgments	(186,199)

The net expense of the internal service funds is reported with governmental activities.	<u>1,937,048</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 51,693,505</u>
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The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Revenues:				
Property taxes, interest and lien fees	\$ 117,310,498	\$ 117,310,498	\$ 117,378,964	\$ 68,466
Intergovernmental revenues	61,880,036	61,880,036	60,807,761	(1,072,275)
Charges for services	4,352,569	4,352,569	4,748,576	396,007
Investment income	404,652	323,535	355,699	32,164
Other revenues	859,964	859,964	622,471	(237,493)
Total revenues	<u>184,807,719</u>	<u>184,726,602</u>	<u>183,913,471</u>	<u>(813,131)</u>
Expenditures:				
Current:				
General government	36,731,223	36,224,625	35,931,587	293,038
Finance	1,850,314	1,706,688	1,706,674	14
Public safety	22,111,413	22,012,740	22,012,713	27
Public works	6,600,343	7,402,943	7,402,907	36
Health and welfare	2,723,328	2,572,378	2,572,361	17
Culture and recreation	4,221,837	4,304,416	4,304,403	13
Education	99,609,840	99,609,840	99,609,840	-
Debt service:				
Principal retirement	9,048,203	9,048,203	9,048,203	-
Interest and other charges	2,096,218	2,096,218	2,114,168	(17,950)
Total expenditures	<u>184,992,719</u>	<u>184,978,051</u>	<u>184,702,856</u>	<u>275,195</u>
Deficiency of Revenues over Expenditures	<u>(185,000)</u>	<u>(251,449)</u>	<u>(789,385)</u>	<u>(537,936)</u>
Other Financing Sources (Uses):				
Transfers in	200,000	281,117	1,122,590	841,473
Transfers out	<u>(15,000)</u>	<u>(29,668)</u>	<u>(54,195)</u>	<u>(24,527)</u>
Total other financing sources	<u>185,000</u>	<u>251,449</u>	<u>1,068,395</u>	<u>816,946</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u>-</u>	\$ <u>-</u>	279,010	\$ <u>279,010</u>
Fund Balance at Beginning of Year			<u>17,127,007</u>	
Fund Balance at End of Year			\$ <u>17,406,017</u>	

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2015**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Major Funds</b>		<b>Nonmajor Fund</b>		
	<b>Water</b>	<b>Sewer</b>	<b>George Hunter Memorial Golf Course</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Assets:</b>					
Current assets:					
Cash and cash equivalents	\$ 2,753,160	\$ 2,800,208	\$ 537,694	\$ 6,091,062	\$ 1,943,997
Investments	563,274	559,879		1,123,153	5,328,330
Accounts receivable, net	4,234,542	4,050,814		8,285,356	407,346
Due from other funds	3,161,165	2,142,465	18,322	5,321,952	
Other assets				-	23,520
Total current assets	<u>10,712,141</u>	<u>9,553,366</u>	<u>556,016</u>	<u>20,821,523</u>	<u>7,703,193</u>
Noncurrent assets:					
Capital assets, nondepreciable	19,766,474	1,489,064		21,255,538	
Capital assets, net of accumulated depreciation	<u>38,116,727</u>	<u>78,309,206</u>	<u>2,820,704</u>	<u>119,246,637</u>	
Total noncurrent assets	<u>57,883,201</u>	<u>79,798,270</u>	<u>2,820,704</u>	<u>140,502,175</u>	<u>-</u>
Total assets	<u>68,595,342</u>	<u>89,351,636</u>	<u>3,376,720</u>	<u>161,323,698</u>	<u>7,703,193</u>
<b>Deferred Outflows of Resources:</b>					
Deferred charge on refunding	<u>634,540</u>	<u>34,901</u>		<u>669,441</u>	
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable and accrued liabilities	1,691,735	443,243	69,556	2,204,534	18,465
Accrued interest	196,526	82,992	1,502	281,020	
Due to other funds			3,283,676	3,283,676	
Current portion of claims incurred but not reported				-	2,422,784
Interim funding obligation loans	11,847,073			11,847,073	
Current portion of bonds payable	906,900	508,700	15,700	1,431,300	
Current portion of notes payable	68,333	1,703,329		1,771,662	
Current portion of compensated absences	88,491	21,958	12,545	122,994	
Total current liabilities	<u>14,799,058</u>	<u>2,760,222</u>	<u>3,382,979</u>	<u>20,942,259</u>	<u>2,441,249</u>
Noncurrent liabilities:					
Claims incurred but not reported					6,729,075
Bonds payable, less current portion	10,902,682	4,654,300	68,800	15,625,782	
Notes payable, less current portion	1,348,990	28,599,702		29,948,692	
Compensated absences	1,005,329	404,453	148,735	1,558,517	
OPEB obligation	1,363,801	533,170	73,201	1,970,172	
Total noncurrent liabilities	<u>14,620,802</u>	<u>34,191,625</u>	<u>290,736</u>	<u>49,103,163</u>	<u>6,729,075</u>
Total liabilities	<u>29,419,860</u>	<u>36,951,847</u>	<u>3,673,715</u>	<u>70,045,422</u>	<u>9,170,324</u>
<b>Net Position:</b>					
Net investment in capital assets	33,247,237	44,284,148	2,734,702	80,266,087	
Unrestricted	<u>6,562,785</u>	<u>8,150,542</u>	<u>(3,031,697)</u>	<u>11,681,630</u>	<u>(1,467,131)</u>
<b>Total Net Position</b>	<u>\$ 39,810,022</u>	<u>\$ 52,434,690</u>	<u>\$ (296,995)</u>	<u>\$ 91,947,717</u>	<u>\$ (1,467,131)</u>

The accompanying notes are an integral part of the financial statements



**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Major Funds</b>		<b>Nonmajor Fund</b>		
	<b>Water</b>	<b>Sewer</b>	<b>George Hunter Memorial Golf Course</b>	<b>Total</b>	<b>Internal Service Funds</b>
Operating Revenues:					
Charges for services	\$ 10,170,731	\$ 8,128,055	\$ 945,970	\$ 19,244,756	\$ 28,807,446
Miscellaneous	977,543	238,558	21,357	1,237,458	1,586,736
Total operating revenues	<u>11,148,274</u>	<u>8,366,613</u>	<u>967,327</u>	<u>20,482,214</u>	<u>30,394,182</u>
Operating Expenses:					
Salaries and benefits	3,719,746	1,784,753	433,182	5,937,681	
Medical claims				-	23,519,747
Materials and supplies	703,592	1,489,020	396,223	2,588,835	
Utilities	1,130,308	1,097,417		2,227,725	
Administration and operation	3,266,470	813,035		4,079,505	2,515,387
Depreciation	1,753,724	4,019,474	126,616	5,899,814	
Other	613,858	1,338,957	152,742	2,105,557	2,600,065
Total operating expenses	<u>11,187,698</u>	<u>10,542,656</u>	<u>1,108,763</u>	<u>22,839,117</u>	<u>28,635,199</u>
Operating Income (Loss)	<u>(39,424)</u>	<u>(2,176,043)</u>	<u>(141,436)</u>	<u>(2,356,903)</u>	<u>1,758,983</u>
Nonoperating Revenues (Expenses):					
Interest income	23,779	42,201	239	66,219	178,065
Interest expense	(486,147)	(831,534)	(44,741)	(1,362,422)	
Loss on disposal of assets			(314,157)	(314,157)	
Total nonoperating revenues (expenses)	<u>(462,368)</u>	<u>(789,333)</u>	<u>(358,659)</u>	<u>(1,610,360)</u>	<u>178,065</u>
Income (Loss) Before Contributions	<u>(501,792)</u>	<u>(2,965,376)</u>	<u>(500,095)</u>	<u>(3,967,263)</u>	<u>1,937,048</u>
Contributions:					
Capital grants and contributions	<u>1,518,527</u>	<u>826,472</u>	<u>1,398,654</u>	<u>3,743,653</u>	
Change in Net Position	<u>1,016,735</u>	<u>(2,138,904)</u>	<u>898,559</u>	<u>(223,610)</u>	<u>1,937,048</u>
Net Position at Beginning of Year	<u>38,793,287</u>	<u>54,573,594</u>	<u>(1,195,554)</u>	<u>92,171,327</u>	<u>(3,404,179)</u>
Net Position at End of Year	<u>\$ 39,810,022</u>	<u>\$ 52,434,690</u>	<u>\$ (296,995)</u>	<u>\$ 91,947,717</u>	<u>\$ (1,467,131)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Water	Sewer	George Hunter Memorial Golf Course		
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 11,063,808	\$ 8,563,884	\$ 967,327	\$ 20,595,019	\$ 30,264,731
Payments to suppliers	(4,881,133)	(4,586,575)	(509,976)	(9,977,684)	(28,253,101)
Payments to employees	(3,590,642)	(1,741,513)	(423,238)	(5,755,393)	
Net receipts from interfund transactions	(654,743)	(531,250)	326,499	(859,494)	(1,849,095)
Net cash provided by operating activities	1,937,290	1,704,546	360,612	4,002,448	162,535
Cash Flows from Capital and Related Financing Activities:					
Receipts of capital grants	1,518,527	826,472		2,344,999	
Purchase of capital assets	(15,943,571)	(1,769,679)		(17,713,250)	
Receipts of interim funding drinking water loans	11,847,073			11,847,073	
Issuance of bonds	1,747,800	1,654,000	17,500	3,419,300	
Principal payments of bonds	(1,166,726)	(390,071)	(15,000)	(1,571,797)	
Principal payments of clean water fund loans	(66,981)	(1,670,196)		(1,737,177)	
Interest paid on capital debt	(442,194)	(788,572)	(44,483)	(1,275,249)	
Net cash used in capital and related financing activities	(2,506,072)	(2,138,046)	(41,983)	(4,686,101)	-
Cash Flows from Investing Activities:					
Purchases of investments	(6,067)	(6,027)		(12,094)	(1,870,739)
Sale of investments				-	1,792,125
Interest on investments	23,779	42,201	239	66,219	177,523
Net cash provided by investing activities	17,712	36,174	239	54,125	98,909
Net Increase (Decrease) in Cash and Cash Equivalents	(551,070)	(397,326)	318,868	(629,528)	261,444
Cash and Cash Equivalents at Beginning of Year	3,304,230	3,197,534	218,826	6,720,590	1,682,553
Cash and Cash Equivalents at End of Year	\$ 2,753,160	\$ 2,800,208	\$ 537,694	\$ 6,091,062	\$ 1,943,997
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating income (loss)	\$ (39,424)	\$ (2,176,043)	\$ (141,436)	\$ (2,356,903)	\$ 1,758,983
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	1,753,724	4,019,474	126,616	5,899,814	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(84,466)	197,271		112,805	(129,451)
(Increase) decrease in due from other funds	(654,743)	(531,250)	3,363	(1,182,630)	
Increase (decrease) in accounts payable and accrued items	833,095	151,854	38,989	1,023,938	382,098
Increase (decrease) in compensated absences	132,161	44,436	10,108	186,705	
Increase (decrease) in OPEB obligation	(3,057)	(1,196)	(164)	(4,417)	
Increase (decrease) in due to other funds			323,136	323,136	(1,849,095)
Total adjustments	1,976,714	3,880,589	502,048	6,359,351	(1,596,448)
Net Cash Provided by Operating Activities	\$ 1,937,290	\$ 1,704,546	\$ 360,612	\$ 4,002,448	\$ 162,535
Noncash Investing, Capital and Financing Activities:					
Construction in progress completed	\$ (335,113)			\$ (335,113)	\$
Capital contributions			1,398,654	-	

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2015**

	<u>Trust Funds</u>	<u>Agency Funds</u>
Assets:		
Cash and cash equivalents	\$ 16,199,147	\$ 2,190,629
Investments, at fair value:		
US treasury bonds	6,671,132	
Corporate bonds	18,212,489	
Equities	174,845,477	
Mutual funds	11,532,289	
Other	45,903,395	232,166
Total investments	<u>257,164,782</u>	<u>232,166</u>
Accounts receivable	<u>906,163</u>	<u>30,034</u>
Total assets	274,270,092	2,452,829
Liabilities:		
Other liabilities	<u>45,262</u>	<u>2,452,829</u>
Net Position:		
Held in Trust for Pension		
Benefits and Other Purposes	\$ <u>274,224,830</u>	\$ <u>-</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Trust Funds</u>
Additions:	
Contributions:	
Employer	\$ 15,294,859
Plan members	<u>7,326,921</u>
Total contributions	<u>22,621,780</u>
Investment earnings:	
Net increase in fair value of investments	78,127
Interest and dividends	<u>5,057,426</u>
Total investment earnings	<u>5,135,553</u>
Less investment expenses:	
Investment management fees	<u>1,452,594</u>
Net investment earnings	<u>3,682,959</u>
Total additions	<u>26,304,739</u>
Deductions:	
Benefits	28,437,648
Administrative expense	635,410
Other	<u>298,761</u>
Total deductions	<u>29,371,819</u>
Change in Net Position	(3,067,080)
Net Position at Beginning of Year	<u>277,291,910</u>
Net Position at End of Year	<u>\$ 274,224,830</u>

The accompanying notes are an integral part of the financial statements

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Reporting Entity**

The City of Meriden, Connecticut (the City) was settled in 1661, incorporated as a Town in 1806 and as a City in 1867. It operates under a Council/Manager form of government. The City Manager is appointed by the Council and serves as the Chief Executive Officer.

The City provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning and general administrative services to its residents.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Discretely presented component units are presented in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

### **B. Basis of Presentation**

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### **Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, have no measurement focus.

Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, special assessments, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to long-term liabilities such as debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Bonded Projects Fund* is used to account for resources used for capital expenditures or for the acquisition or construction of capital facilities, improvements and equipment. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants, current tax revenues and low interest State loans.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the operations of the City's water supply system. Its operations are financed from direct charges to the users of the service.

The *Sewer Fund* accounts for the operations of the City's wastewater treatment system. The City operates its own sewage treatment plant, sewage pumping stations and collection system. Its operations are financed from direct charges to the users of the service.

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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Additionally, the City reports the following fund types:

The *Internal Service Funds* account for employee health insurance and workers' compensation insurance provided to departments of the City and Board of Education.

The *Private Purpose Trust Funds* accounts for assets held by the City in a trustee capacity for various scholarship and cemetery trusts.

The *Pension Trust Funds* are used to account for activities of the City's three defined benefit plans that accumulate resources for pension benefit payments to qualified employees. As part of these trust funds, an amount is segregated to pay for retiree health benefits. These funds are also presented with the pension trust funds.

The *OPEB (Other Post Employment Benefit) Trust Fund* is used to account for the activities for both City and Board of Education for other post employment benefits (e.g., health insurance, life insurance) that accumulate resources for other post employment benefit payments to qualified employees.

The *Agency Funds* account for monies held on behalf of outside groups such as student activity funds, senior trip funds, performance bonds, and South Meriden Volunteer Fire Department Award Program.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

### **C. Cash Equivalents**

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

### **D. Investments**

Investments are stated at fair value.

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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**E. Inventories**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of donated commodities are stated at fair market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**F. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables, including those for the Water and Sewer Funds, are shown net of an allowance for uncollectible accounts.

An estimate has been recorded for utility service provided, but not billed, at the end of the fiscal year.

**G. Capital Assets**

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$20,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the City is depreciated using the straight-line method over the following estimated useful lives.

<b>Assets</b>	<b>Years</b>
Land improvements	20
Buildings	40-50
Building improvements	7-30
Infrastructure	65
Machinery and equipment	5-30
Vehicles	7



#### **H. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resources for advance property tax collections and for differences between expected and actual experience related to pensions in the government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pension results from differences between expected and actual experience, these amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

#### **I. Compensated Absences**

Under the terms of its various union contracts, City and Board of Education employees are granted vacation and sick time in varying amounts based on length of service. Certain employees may also carry over a limited number of unused vacation and sick days to subsequent years based on the terms of an employment or union contract. In the event of termination, these employees are paid for accumulated vacation and sick time. The City recognizes a liability for the vested portion, as well as the unvested portion, to the extent expected to be paid, as compensated absences. Compensated absences are reported in governmental funds only if they have matured.

#### **J. Net Pension Liability**

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

#### **K. Net Other Post Employment (OPEB) Obligations**

The net OPEB obligation represents the cumulative difference between the annual OPEB cost and the City's contributions to the plans. This amount is calculated on an actuarial basis and is recorded as a noncurrent liability in the government-wide financial statements and proprietary fund statements as applicable.

#### **L. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### **M. Equity**

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

##### **Net Investment in Capital Assets**

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

##### **Restricted Net Position**

Restrictions are externally imposed on net position by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

##### **Unrestricted Net Position**

This component consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

The equity of the fund financial statements is defined as "fund balance" and is classified in the following categories:

##### **Nonspendable Fund Balance**

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

##### **Restricted Fund Balance**

This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

**Committed Fund Balance**

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

**Assigned Fund Balance**

This balance represents amounts constrained for the intent to be used for a specific purpose by the Director of Purchasing for the City, who has been delegated authority to assign amounts by the City Charter.

**Unassigned Fund Balance**

This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

The City has a written minimum fund balance policy that states that the goal of the City is that uncommitted fund balance of the City equal one month's expenditures or 8.33% of the City's most recent approved operating budget. The City has revised the policy to conform to the language contained in the Governmental Accounting Standards Board No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

**N. Property Taxes**

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real estate taxes are payable in four quarterly installments (July 1, October 1, January 1 and April 1). Personal property taxes are payable semi-annually (July 1 and January 1) and motor vehicle taxes are due in one single payment on July 1. Liens are filed on delinquent real estate taxes within one year. Statutory interest at the rate of 1.5% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. The City files a lien on the property for taxes that were due July 1 and remain unpaid on the following May 1.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The City defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

**O. Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

The annual budget is adopted by the City Council and employed for management control of the General Fund, Water Fund, Sewer Fund and Golf Fund.

The budget process is as follows:

- a. At least 180 days prior to the beginning of the fiscal year, the manager of each department, office and agency submits to the Director of Finance, at such date he determines, estimates of revenues and expenditures for the following year.
- b. At least 180 days prior to the beginning of the fiscal year, the City Manager reviews these estimates and may revise them as he deems advisable, except that in the case of the department of education, he has the authority to revise only the total estimated expenditures.
- c. On or before March 1, not later than 120 days prior to the beginning of the fiscal year, the City Manager submits to the City Council a balanced annual budget.
- d. The City Council shall hold one (1) public hearing on the budget to obtain public comments not later than seventy five (75) days prior to the beginning of the fiscal year.
- e. Within 20 days after the final public hearing, the City Council shall adopt a budget. The budget is legally enacted through passage of an ordinance.
- f. The Mayor shall have veto power on a line item basis only, and must submit any veto message within five (5) days after the Council has adopted the budget.
- g. The City Council may override any line item veto by a two-thirds (2/3) vote of the entire body.
- h. Budget referendum on the adopted budget must be held if a petition is filed within thirty days of the adoption of the final approved budget.
- i. The City Manager is authorized to transfer budgeted amounts within departments. However, any transfers between departments or additional appropriations must be approved by the City Council. Additional appropriations by the City Council may not exceed 1-1/2% of the General Fund budget as established for the current year, without levying a special tax.

There were additional appropriations of \$60,500 for the Water Fund during the year ended June 30, 2015, which was funded through fund balance/net position.

- j. The Board of Education may transfer unexpended balances from one account to another within its line appropriation. A number of such transfers occurred during the year.
- k. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or commitment is issued, and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.

**CITY OF MERIDEN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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The City's budgeting system requires accounting for certain transactions to be on a basis other than GAAP. The major difference between the budgetary and GAAP basis is that encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order, contract or commitment is issued, and, accordingly, encumbrances outstanding at year-end are recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as either assigned, committed or restricted fund balance.

A reconciliation of revenues, expenditures and fund balance of the General Fund between the accounting treatment required by GAAP and budgetary requirements is as follows:

	<b>Revenues and Other Financing Sources</b>	<b>Expenditures and Other Financing Uses</b>	<b>Fund Balance</b>
Balance, budgetary basis	\$ 185,036,061	\$ 184,757,051	\$ 17,406,017
Excess cost grant (net for budgetary)	902,638	902,638	
BABs subsidy	227,945	227,945	
Premium on bonds	558,112	558,112	
State Teachers' Retirement on-behalf payment	10,334,706	10,334,706	
State of Connecticut WIC on-behalf payment	2,456,611	2,456,611	
Funds consolidated for GASB 54 purposes	<u>1,428,926</u>	<u>1,566,202</u>	<u>262,553</u>
Balance, GAAP Basis	<u>\$ 200,944,999</u>	<u>\$ 200,803,265</u>	<u>\$ 17,668,570</u>

**B. Overexpended Appropriations**

The debt service interest in the legally-adopted budget was overspent by \$17,950 due to federal sequestration.

**C. Deficit Fund Equity**

For the year ended June 30, 2015, the following funds had deficit balances:

Nonmajor Enterprise Fund:	
George Hunter Memorial Golf Course	\$ 296,995
Internal Service Fund:	
Workers' Compensation Fund	5,300,000

These amounts will be funded through local general fund contributions or future revenues.

### **3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit, in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate-of-return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

#### **Deposits**

##### **Deposit Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposit will not be returned. The City does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$80,949,992 of the City’s bank balance of \$84,195,357 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 72,554,991
Uninsured and collateral held by the pledging bank’s trust department, not in the City’s name	<u>8,395,001</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 80,949,992</u></u>

**CITY OF MERIDEN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**Cash Equivalents**

At June 30, 2015, the City's cash equivalents amounted to \$14,611,013. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<b>Standard &amp; Poor's</b>
State Short-Term Investment Fund (STIF)	AAAm
Multi-Bank Securities, Inc.	*
Northern Capital Investments	*
Wells Fargo	*
Stifel Nicolaus & Company, Incorporated	*

\* Not rated

**Investments**

As of June 30, 2015, the City had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)			
			N/A	Less Than 1	1-10	More Than 10
U.S. Government Agencies	AAA	\$ 11,505,533	\$	\$ 5,334,372	\$ 6,170,835	\$ 326
U.S. Treasury Bonds	AAA	55,526				55,526
Corporate and Foreign Bonds	AAA	573,694			573,694	
Corporate and Foreign Bonds	Aa2	807,344			807,344	
Corporate and Foreign Bonds	A1	2,505,311		791,236	1,714,075	
Corporate and Foreign Bonds	A2	2,087,721		541,580	1,546,141	
Corporate and Foreign Bonds	A3	1,100,877			1,100,877	
Corporate and Foreign Bonds	Baa1	2,276,148		19,036	2,257,112	
Corporate and Foreign Bonds	Baa2	1,724,047		25,062	1,698,985	
Corporate and Foreign Bonds	Baa3	68,057			68,057	
Corporate and Foreign Bonds	Ba3	25,000		25,000		
Foreign Obligations	A2	1,846,928			1,846,928	
Foreign Obligations	Baa1	329,409			329,409	
Mutual Funds	N/A	1,265,521	1,265,521			
Certificates of Deposit	N/A	15,795,778		2,853,773	12,942,005	
Common Equity Securities	N/A	935,007	935,007			
Preferred Equity Securities	N/A	19,808	19,808			
Fixed Income Securities	N/A	13,304,289	13,304,289			
Closed End Fixed Income	N/A	194,519	194,519			
Stocks and Options	N/A	181,402,784	181,402,784			
Other	N/A	42,411,688	42,411,688			
Total Investments		\$ 280,234,989	\$ 239,533,616	\$ 9,590,059	\$ 31,055,462	\$ 55,852

N/A - Not applicable

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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**Interest Rate Risk**

The City's investment policy states that the weighted average maturity of the portfolio shall not exceed 12 years and the maturity of any single issue shall not exceed 30 years. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements.

**Credit Risk - Investments**

As indicated above, State Statutes limit the investment options of cities and towns. It is the City's policy to invest only in securities that meet the ratings requirements set by General State Statute Chapter 112, Section 7-400.

**Concentration of Credit Risk**

The City's investment policy states that the exposure of the portfolio to any one issuer, other than securities of the U.S. government or agencies, shall not exceed 8% of the fair value of the fixed income portfolio.

**Custodial Credit Risk**

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2015, the City did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

**Pension**

The investments of the City's pension funds have their own policies and limitations on investments.

Investment managers and advisors must discharge their responsibilities in accordance with the fiduciary provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and supporting regulations, unless specifically exempted by a vote of the Board.

Equity investments in any one company by any one advisor shall be limited at purchase of 10% of the total assets under management and/or 5% of the company's total outstanding equity. Corporate fixed income investments shall be limited to the first four quality grades as established by one or more of the nationally recognized bond rating services, except by a specific vote of the Board to permit inclusion of some lesser-rated issues within an investment grade portfolio. In no event should the debt securities of any corporation exceed 10% of the assets under management of any one advisor.

There shall be no investments in:

- Securities of foreign issuers, other than those of the Canadian government, and also excepting American Depositary Receipts (ADRs) of foreign securities, and further excepting foreign securities purchased by an investment advisor specifically designated by the Board as an "international" or "global" manager;
- Securities issued by a participating employer, except to the extent permitted under ERISA;
- Private placements, without affirmative Board approval;
- Real estate, other than securities of exchange-traded or non-traded Real Estate Investment Trusts.

Uninvested cash balances should be kept at a minimum through the prompt investment of available funds in short-term or more permanent security holdings.



**CITY OF MERIDEN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

Each investment advisor, consultant, custodian or contractor shall be required to be available for at least one annual meeting with the Meriden Retirement Board. Results based on a total rate of return (including both realized and unrealized capital gains and losses) will be evaluated for each advisor to the Board over a complete market cycle. However, the Board retains the right (and obligation) to address issues of lagging performance at any time during a contract cycle.

**4. RECEIVABLES**

The receivables as of June 30, 2015 for the City's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	<b>Governmental and Fiduciary Type Funds</b>			
	<b>General Fund</b>	<b>Bonded Projects Fund</b>	<b>Nonmajor, Internal Service, and Fiduciary Funds</b>	<b>Total</b>
Property taxes	\$ 8,588,228	\$	\$	\$ 8,588,228
Interest and liens	8,147,615			8,147,615
Accounts	515,639	31,679	453,263	1,000,581
Intergovernmental	11,924	2,078,052	3,400,364	5,490,340
Loans		483,118	2,472,434	2,955,552
Other	26,199		938,419	964,618
Gross receivables	17,289,605	2,592,849	7,264,480	27,146,934
Less: Allowance for collection losses	10,654,045		238,722	10,892,767
Net Total Receivables	\$ 6,635,560	\$ 2,592,849	\$ 7,025,758	\$ 16,254,167

	<b>Business-Type Funds</b>		
	<b>Water Authority</b>	<b>Sewer Authority</b>	<b>Total</b>
Use charges	\$ 1,347,205	\$ 1,367,197	\$ 2,714,402
Interest and liens	188,697	201,528	390,225
Assessments		144,454	144,454
Unbilled	3,072,974	2,754,325	5,827,299
Other	5,872	2,557	8,429
Gross receivables	4,614,748	4,470,061	9,084,809
Less: Allowance for collection losses	380,206	419,247	799,453
Net Total Receivables	\$ 4,234,542	\$ 4,050,814	\$ 8,285,356

The table above does not contain Build America Bond interest receivable.

**CITY OF MERIDEN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 24,747,963	\$ 53,215	\$	\$ 24,801,178
Construction in progress	78,869,933	58,974,047	3,033,310	134,810,670
Total capital assets not being depreciated	<u>103,617,896</u>	<u>59,027,262</u>	<u>3,033,310</u>	<u>159,611,848</u>
Capital assets being depreciated:				
Land improvements	19,339,030	1,600,798		20,939,828
Buildings and improvements	187,892,037	1,159,675		189,051,712
Machinery and equipment	12,510,772	680,573		13,191,345
Vehicles	14,312,747	1,085,332	271,874	15,126,205
Infrastructure	95,725,969	3,854,730		99,580,699
Total capital assets being depreciated	<u>329,780,555</u>	<u>8,381,108</u>	<u>271,874</u>	<u>337,889,789</u>
Less accumulated depreciation for:				
Land improvements	11,531,253	723,835		12,255,088
Buildings and improvements	85,241,666	4,358,168		89,599,834
Machinery and equipment	7,650,944	799,504		8,450,448
Vehicles	10,870,312	874,859	253,568	11,491,603
Infrastructure	62,937,724	2,715,139		65,652,863
Total accumulated depreciation	<u>178,231,899</u>	<u>9,471,505</u>	<u>253,568</u>	<u>187,449,836</u>
Total capital assets being depreciated, net	<u>151,548,656</u>	<u>(1,090,397)</u>	<u>18,306</u>	<u>150,439,953</u>
Governmental Activities Capital Assets, Net	<u>\$ 255,166,552</u>	<u>\$ 57,936,865</u>	<u>\$ 3,051,616</u>	<u>\$ 310,051,801</u>

**CITY OF MERIDEN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,138,531	\$	\$	\$ 1,138,531
Construction in progress	<u>3,853,225</u>	<u>16,598,895</u>	<u>335,113</u>	<u>20,117,007</u>
Total capital assets not being depreciated	<u>4,991,756</u>	<u>16,598,895</u>	<u>335,113</u>	<u>21,255,538</u>
Capital assets being depreciated:				
Land improvements	16,349,745	1,270,589		17,620,334
Buildings and improvements	68,973,364	1,398,654	902,966	69,469,052
Machinery and equipment	27,162,490			27,162,490
Vehicles	2,288,919	178,879		2,467,798
Infrastructure	<u>120,692,592</u>			<u>120,692,592</u>
Total capital assets being depreciated	<u>235,467,110</u>	<u>2,848,122</u>	<u>902,966</u>	<u>237,412,266</u>
Less accumulated depreciation for:				
Land improvements	3,479,119	832,343		4,311,462
Buildings and improvements	32,607,068	1,754,662	588,809	33,772,921
Machinery and equipment	14,382,698	1,420,686		15,803,384
Vehicles	1,938,528	94,041		2,032,569
Infrastructure	<u>60,447,211</u>	<u>1,798,082</u>		<u>62,245,293</u>
Total accumulated depreciation	<u>112,854,624</u>	<u>5,899,814</u>	<u>588,809</u>	<u>118,165,629</u>
Total capital assets being depreciated, net	<u>122,612,486</u>	<u>(3,051,692)</u>	<u>314,157</u>	<u>119,246,637</u>
Business-Type Activities Capital Assets, Net	\$ <u>127,604,242</u>	\$ <u>13,547,203</u>	\$ <u>649,270</u>	\$ <u>140,502,175</u>

Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
General government	\$ 328,303
Education	3,534,446
Public safety	1,097,669
Public works	3,536,318
Library	71,664
Recreation	814,506
Human services	<u>88,599</u>
Total Depreciation Expense - Governmental Activities	\$ <u>9,471,505</u>
Business-type activities:	
Water Authority	\$ 1,753,724
Sewer Authority	4,019,474
Golf Course	<u>126,616</u>
Total Depreciation Expense - Business-Type Activities	\$ <u>5,899,814</u>

**CITY OF MERIDEN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The outstanding balances between funds result mainly from the timing between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. The composition of interfund balances as of June 30, 2015 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Bonded Projects Fund	\$ 65,333
	Nonmajor Governmental Funds	1,897,500
	Nonmajor Proprietary Fund	3,283,676
		<u>5,246,509</u>
Water Fund	Bonded Projects Fund	3,161,165
Sewer Fund	Bonded Projects Fund	2,142,465
Nonmajor Proprietary Fund	Bonded Projects Fund	<u>18,322</u>
		<u>\$ 10,568,461</u>

For the most part, all balances are expected to be repaid within a year.

During the year, transfers are used to 1) move resources from the health grants and programs fund to the general fund, 2) provide resources from the bonded projects fund to the general fund for debt service relief, and 3) provide local match spending requirements from the general fund to nonmajor funds for grants requiring local spending.

In addition, during the year ended June 30, 2015, the City made a one-time transfer of \$702,512 from the Capital and Nonrecurring Fund to the General Fund as the City fulfilled its spending obligation under a performance bond it originally took ownership of in 2014.

	<u>Transfers In</u>		<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	
Transfers out:			
General Fund	\$	\$ 38,197	\$ 38,197
Bonded Projects Fund	778,190		778,190
Nonmajor Governmental Funds	<u>902,512</u>		<u>902,512</u>
Total Transfers In	<u>\$ 1,680,702</u>	<u>\$ 38,197</u>	<u>\$ 1,718,899</u>

**CITY OF MERIDEN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**7. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 77,383,203	\$ 50,379,700	\$ 9,048,203	\$ 118,714,700	\$ 10,107,700
Premium on bonds	3,149,680	2,280,878	288,794	5,141,764	
Notes payable	1,350,000		75,000	1,275,000	75,000
Compensated absences	19,845,979	1,503,847	1,272,475	20,077,351	1,313,729
Workman's compensation	2,125,020	799,237	1,198,645	1,725,612	575,169
Heart and hypertension	4,757,305	3,487,718	2,702,282	5,542,741	1,847,615
Landfill post-closure monitoring	585,848		88,414	497,434	81,000
Net pension liability	103,435,253	18,621,481		122,056,734	
OPEB obligation	41,398,258	7,309,205	5,936,189	42,771,274	
Pollution remediation	10,684,477		860,480	9,823,997	1,377,397
Claims and judgments	1,348,801	336,199	150,000	1,535,000	115,000
Total Governmental Activities Long-Term Liabilities	<u>\$ 266,063,824</u>	<u>\$ 84,718,265</u>	<u>\$ 21,620,482</u>	<u>\$ 329,161,607</u>	<u>\$ 15,492,610</u>
Business-Type Activities:					
General obligation bonds	\$ 14,796,797	\$ 3,419,300	\$ 1,571,797	\$ 16,644,300	\$ 1,431,300
Premium on bonds	457,109		44,327	412,782	
Compensated absences	1,494,806	186,705		1,681,511	122,994
OPEB obligation	1,974,589	274,586	279,003	1,970,172	
Clean water/drinking water notes	33,457,531		1,737,177	31,720,354	1,771,662
Total Business-Type Activities Long-Term Liabilities	<u>\$ 52,180,832</u>	<u>\$ 3,880,591</u>	<u>\$ 3,632,304</u>	<u>\$ 52,429,119</u>	<u>\$ 3,325,956</u>

For the governmental activities, compensated absences, net pension obligations and net other post employment benefits obligations are generally liquidated by the General Fund.

**General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds are direct obligations of the City for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the City. Certain general obligation bonds are to be repaid by revenues of the enterprise funds.

**CITY OF MERIDEN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2015</u>
Governmental:						
General purpose:						
General obligation	8/1/06	8/1/16	4-5%	\$ 16,134,700	various	\$ 3,440,000
General obligation	8/1/08	8/1/28	3-4.9%	21,369,000	various	2,140,000
General obligation, Series A	5/4/10	8/1/22	3-5%	11,627,000	various	6,029,000
General obligation, Series B	5/4/10	8/1/23	3-5%	21,142,000	various	12,606,000
General obligation BABs	7/13/10	5/15/30	1-5.75%	18,764,086	various	14,277,000
General obligation	12/18/12	8/1/28	1-2.65%	6,400,000	various	6,290,000
General obligation	1/31/13	2/15/33	1-3%	24,423,203	various	23,553,000
General obligation, Series A	9/8/14	3/1/34	3-5%	47,515,700	various	47,515,700
General obligation, Series B	9/8/14	3/1/34	2-3%	2,864,000	various	2,864,000
Total governmental activities						<u>118,714,700</u>
Business-Type:						
General purpose:						
General obligation	8/1/06	8/1/16	4-5%	4,110,300	various	740,000
General obligation	8/1/08	8/1/28	3-4.9%	11,681,000	various	1,170,000
General obligation, Series A	5/4/10	8/1/22	3-5%	163,000	various	61,000
General obligation, Series B	5/4/10	8/1/23	3-5%	5,558,000	various	4,084,000
General obligation BABs	7/13/10	5/15/30	1-5.75%	3,565,914	various	2,713,000
General obligation	12/18/12	8/1/28	1-2.65%	3,500,000	various	3,440,000
General obligation	1/31/13	2/15/33	1-3%	1,056,797	various	1,017,000
General obligation, Series A	9/8/14	3/1/34	3-5%	2,789,300	various	2,789,300
General obligation, Series B	9/8/14	3/1/34	2-3%	630,000	various	630,000
Total business-type activities						<u>16,644,300</u>
Total Outstanding						<u>\$ 135,359,000</u>

**CITY OF MERIDEN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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Annual debt service requirements to maturity for general obligation bonds are as follows:

		<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
		<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2016	\$	10,107,700	\$ 5,088,960	\$ 1,431,300	\$ 650,081
2017		10,318,700	3,776,269	1,446,300	536,198
2018		7,852,300	3,397,703	1,087,700	485,038
2019		7,539,300	3,066,746	1,075,700	439,483
2020		7,543,300	2,752,758	1,076,700	394,305
2021		6,495,300	2,453,265	1,079,700	350,643
2022		6,484,300	2,203,530	1,080,700	308,236
2023		6,492,200	1,950,606	1,082,800	262,503
2024		6,142,200	1,724,573	1,082,800	217,819
2025		5,862,800	1,515,522	1,012,200	179,726
2026		6,081,000	1,346,397	1,014,000	151,073
2027		6,065,000	1,169,297	1,005,000	121,803
2028		6,047,000	988,437	993,000	91,755
2029		6,029,000	801,207	981,000	60,972
2030		4,955,000	630,341	395,000	39,173
2031		4,001,000	471,290	214,000	25,791
2032		4,001,000	344,530	214,000	18,976
2033		4,000,900	217,770	214,100	12,161
2034		2,696,700	91,014	158,300	5,343
Total		\$ 118,714,700	\$ 33,990,215	\$ 16,644,300	\$ 4,351,079

Interest requirements to maturity are disclosed net of interest payments to be received from the federal government on Build America Bonds of \$2,044,466 for governmental activities and \$388,582 for business-type activities.

**General Obligation Bonds - New Issue**

On August 26, 2014, the City issued \$50,305,000 of Tax Exempt General Obligation Bonds, Issue of 2014 - Lot A, with fixed interest rates ranging from 3% to 5% and a final maturity of March 1, 2034. The City also issued \$3,494,000 Taxable General Obligation Bonds, Issue of 2014 - Lot B, with fixed interest rates ranging from 2% and 3% and a final maturity of March 1, 2024.

**Prior Year Defeasance of Debt**

In prior years, the City had defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

The balance in escrow for the refunding issuance dated May 4, 2010 was \$12,024,277 at June 30, 2015. The outstanding balance of the defeased bonds as of June 30, 2015 is \$11,560,000.

The balance in escrow for the refunding issuance dated December 27, 2012 was \$8,768,936 at June 30, 2015. The outstanding balance for the defeased bonds as of June 30, 2015 is \$8,250,000.

### **Build America Bonds**

The Federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009), enacted February 17, 2009 (the Recovery Act), authorizes state and local governments to issue two general types of taxable Build America Bonds (Taxable BABs) with the federal government providing subsidies for a portion of their borrowing cost. One type of Taxable BAB provides a federal tax credit to the bondholder; the other provides a credit in the form of an interest subsidy payment directly to the issuer (Taxable BABs - Direct Payment). General Obligation Bonds, Issue of 2010 were issued as Taxable BABs - Direct Payment on July 1, 2010 for \$22,330,000. Pursuant to the Recovery Act, the City will receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the General Obligation Bonds, Issue of 2010 on or about each interest payment date. Such subsidy payment will be revenue to the City under the General Bond Resolution. No holders of the General Obligation Bonds, Issue of 2010 will be entitled to a tax credit. The receipt of the subsidy by the City is not a condition of payment of any portion of the principal and interest on the General Obligation Bonds, Issue of 2010. However, if the subsidy payments are reduced or eliminated, the General Obligation Bonds, Issue of 2010 are subject to extraordinary optional redemption. In fiscal year 2015, subsidy payments received were reduced by 7.3% or \$21,361.

### **Water Fund Loans Payable**

#### *Clean Water Fund Loans*

The State of Connecticut under the Clean Water Fund Program issued the project loan obligation. The loan proceeds financed the sanitary sewer construction projects. The obligation will be paid from future user fees.

#### *Drinking Water Fund Loans*

The Drinking Water Fund Program issued a permanent funding obligation loan, which is recorded in the Water Fund, for the year ended June 30, 2015. The loan proceeds are being used to finance the upgrade to the Broad Brook Treatment Plant. The obligation will be paid from future user fees.



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Project loan obligations payable to the State of Connecticut mature as follows:

Year Ending June 30	Clean Water Notes		Drinking Water Notes		Total Business-Type	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 1,703,329	\$ 590,502	\$ 68,333	\$ 27,722	\$ 1,771,662	\$ 618,224
2017	1,737,133	556,127	69,712	26,343	1,806,845	582,470
2018	1,757,336	521,129	71,119	24,936	1,828,455	546,065
2019	1,778,235	485,863	72,554	23,501	1,850,789	509,364
2020	1,814,127	449,970	74,019	22,036	1,888,146	472,006
2021	1,850,744	413,353	75,513	20,542	1,926,257	433,895
2022	1,888,100	375,997	77,037	19,018	1,965,137	395,015
2023	1,926,211	337,887	78,592	17,463	2,004,803	355,350
2024	1,965,090	299,008	80,178	15,877	2,045,268	314,885
2025	2,004,754	259,344	81,797	14,258	2,086,551	273,602
2026	2,045,218	218,879	83,448	12,607	2,128,666	231,486
2027	2,086,500	177,598	85,132	10,923	2,171,632	188,521
2028	2,128,615	135,483	86,850	9,205	2,215,465	144,688
2029	2,171,580	92,518	88,603	7,451	2,260,183	99,969
2030	2,215,411	48,687	90,392	5,663	2,305,803	54,350
2031	1,177,269	8,473	92,216	3,839	1,269,485	12,312
2032	53,380	313	94,078	1,977	147,458	2,290
2033			47,749	279	47,749	279
	<u>\$ 30,303,032</u>	<u>\$ 4,971,131</u>	<u>\$ 1,417,322</u>	<u>\$ 263,640</u>	<u>\$ 31,720,354</u>	<u>\$ 5,234,771</u>

**HUD Loan**

The United States Department of Housing and Urban Development issued the City a Section 108 Loan on October 14, 2011, which carries interest at 0.2% above London Interbank Offered Rate (LIBOR). The loan proceeds financed part of the demolition and cleanup of Factory H. The obligation will be paid from future CDBG allocations.

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Project loan obligations payable to the United States Department of Housing and Urban Development mature as follows:

		<b>HUD Note</b>	
		<b>Principal</b>	<b>Interest</b>
2016	\$	75,000	\$ 32,336
2017		75,000	31,530
2018		75,000	30,495
2019		75,000	29,254
2020		75,000	27,821
2021		75,000	26,134
2022		75,000	24,255
2023		75,000	22,282
2024		75,000	20,179
2025		75,000	17,978
2026		75,000	15,739
2027		75,000	13,451
2028		75,000	11,130
2029		75,000	8,764
2030		75,000	6,337
2031		75,000	3,855
2032		75,000	1,297
		<u>\$ 1,275,000</u>	<u>\$ 322,837</u>

**Authorized but Unissued Bonds**

The total of authorized but unissued bonds at June 30, 2015 is \$13,351,598, which is net of all expected grant revenue. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

**Landfill Post-Closure Monitoring**

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The liability for the landfill post-closure care, aggregating \$497,434, is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfills as of June 30, 2015. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through future property taxes and/or state and federal grants. The landfill was considered to be at capacity and was closed during 1991.

## **Pollution Remediation**

“Factory H” includes two City parcels (77 Cooper Street and 104 Butler Street), which have contaminated soils. The liability is \$7,752,000, which is made up of \$10,352,000 less estimated recoveries from the state and federal governments of \$2,600,000. Management has estimated this liability taking into account data based on estimates from the engineering department. Major assumptions were made since the remediation of the Factory H site will be fully integrated into the Harbor Brook Flood Control project and redevelopment plans for the site, which are yet to be finalized. Costs are likely to change based on the final flood control design, site re-use and redevelopment plans, as well as other factors. It is assumed that no active groundwater remediation will be required, environmental land use restrictions will be placed on the site, and operations and maintenance of the engineered control will be minimal, similar to that approved for the Meriden HUB project. The obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2015, the City has received \$800,000 from the United States Environmental Protection Agency, a loan of \$1,500,000 from the United States Department of Housing and Urban Development and \$300,000 from the State of Connecticut Department of Economic and Community Development (DECD).

The “HUB” also includes two City parcels (1-77 State Street and 50 East Main Street), which also have contaminated soils. The liability is \$1,337,397, which is made up of \$2,694,811 less estimated recoveries from the federal and state governments of \$1,357,414. Management has estimated this liability taking into account data based on estimates from its consulting firm. The current estimate of environmental liabilities for the Meriden HUB is based on environmental reports prepared for the City of Meriden by AECOM, including “Remedial Action Plan, Meriden HUB Site, Prepared by AECOM, June 2012,” and “Engineer’s Opinion of Probable Costs for Flood Control, Site Remediation, and Site Improvements to Harbor Brook/HUB Meriden, Meriden, Connecticut MMI No. 1261-30 September 13, 2013.” Projected environmental liabilities assumes the removal of contaminated soils that exceed specific Connecticut Remediation Standard Regulations (RSR) criteria, including extractable petroleum hydrocarbons, semi-volatile organic compounds, volatile organic compounds (including trichloroethylene) and a number of metals (antimony, arsenic, lead and mercury); soil management during construction of a flood storage basin; and construction of an Engineered Control (EC) cap to gain compliance with the Connecticut RSR Direct Exposure Criteria for soil/fill that will remain on-site following construction of the flood control storage area. Following the construction of the flood basin and implementation of the Remedial Action Plan, an Environmental Land Use Restriction will remain on the site in perpetuity to ensure that there will be no disturbance of the EC cap and materials beneath the cap. The obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2015, the City was awarded \$200,000 from the United States Environmental Protection Agency for cleanup of 50 East Main Street, which is part of the HUB site, and was awarded \$1,157,414 from the State of Connecticut DECD and Department of Energy and Environmental Protection for cleanup activities.

116 Cook Avenue has contaminated soil and a 70,000 square foot structure. Projected environmental liabilities assume the removal of hazardous substances, including PCBs, asbestos, mercury and lead, from the building, which is comprised of three sections and 85,944 total square feet. The liability is \$734,600, which is made up of \$1,269,600 less estimated recoveries from the federal government of \$535,000. Management has estimated this liability taking into account data based on estimates from its consulting firm. The current estimate of environmental liabilities for 116 Cook Avenue is based on environmental reports prepared for the City of Meriden by Tighe and Bond, including “Phase III Environmental Site Assessment report, dated July 2012,” and “Opinion of Probable Demolition Costs, dated July 2012.” Further remediation costs associated with soils below the existing building slab are unknown and may require further remediation depending on the future land use. The City assumes

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removal of all known environmental hazards in five to seven years. The obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2015, the City was awarded \$200,000 from the United States Environmental Protection Agency, and of that amount \$118,528 has been spent. The City also received approval to use the \$335,000 of unspent Section 108 Federal funds to offset the remediation cost.

The City acquired 11 Crown Street in May 2014 for redevelopment purposes. In 2014, the City retained Tighe and Bond to complete Phase II/III Environmental Assessments and a Remedial Action plan for the site. Estimated cleanup costs (soil remediation and hazardous building materials) include engineering, oversight and monitoring. The liability at June 30, 2014 was \$525,480. Management estimated this liability taking into account data based on estimates from its consulting firm. In fiscal year 2015, the City received a state grant to cover all the estimated costs to remediate this property.

The City acquired 177 State Street in May 2014 for redevelopment purposes. In 2014, the City retained AECOM to complete Phase II/III Environmental Assessments and a Remedial Action plan for the site. Estimated cleanup costs include engineering, oversight and monitoring. There is no liability recorded as a result of costs of \$597,257 less estimated recoveries from the State of \$597,257. Management has estimated this liability taking into account data based on estimates from its consulting firm. As of June 30, 2015, the City was awarded \$597,257 in DECD cleanup funds to remediate the City. The City spent \$2,587 in legal and startup costs in fiscal year 2015 and expects to complete the remediation in fiscal year 2016.

The City acquired the former Meriden Wallingford hospital site, located at 1 King Place, in January 2014 in a tax foreclosure. In 2014, the City retained VHB to complete a Phase I assessment. A Phase II and hazardous building materials survey was recommended. In 2014, the City was awarded \$180,000 to further assess the building and property. As of June 30, 2015, the City did not expend any funds on the remediation of this property. Interim remediation of this property, totaling \$221,000, is expected to be completed in fiscal year 2016. Additional remediation will be completed in future fiscal years as additional funding is obtained.

**Overlapping Debt**

The City's indebtedness does not exceed the legal debt limitations as established by Connecticut General Statutes as reflected in the following schedule (in thousands):

<u>Category</u>	<u>Debt Limitation</u>	<u>Indebtedness</u>	<u>Balance</u>
General purposes	\$ 265,878	\$ 70,450	\$ 195,428
Schools	531,756	62,890	468,866
Urban Renewal	384,046		384,046
Sewers	443,130		443,130
Pension bonding	354,504		354,504

In no case shall total indebtedness exceed seven times annual receipts from taxation (\$827,176).

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**8. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2015 are as follows:

	<u>General Fund</u>	<u>Bonded Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$ 149,036	\$	\$ 59,610	\$ 208,646
Permanent fund principal			431,547	431,547
Restricted for:				
Flood control	480,001			480,001
Wallingford Regional Solid Waste Reserve	445,939			445,939
Federal and State grants	11,924		1,380,928	1,392,852
Bonds		35,828,720		35,828,720
Park trusts			1,808,422	1,808,422
Library trusts			156,022	156,022
Education trusts			7,801	7,801
Health trusts			328	328
Capital and nonrecurring			123	123
Committed to:				
Special assessment project			176,482	176,482
Education			1,164,841	1,164,841
Planning and development			53,329	53,329
School readiness			128,647	128,647
Anti-blight			152,394	152,394
Misc. programs			78,406	78,406
Meals on wheels			81,749	81,749
Airport improvement			5,178	5,178
Dog fund			1,299	1,299
Insurance refunds	94,486			94,486
Tree preservation	25,610			25,610
Downtown property management	124,851			124,851
Vehicle replacement	40,512			40,512
Unassigned	16,296,211			16,296,211
Total Fund Balances	<u>\$ 17,668,570</u>	<u>\$ 35,828,720</u>	<u>\$ 5,687,106</u>	<u>\$ 59,184,396</u>

Significant encumbrances of \$94,987,766 are included in the bonded projects fund and \$7,185,517 are included in the nonmajor funds as of June 30, 2015.

## **9. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; employee health; and natural disasters. The City generally obtains commercial insurance for these risks, but has chosen to retain the risks of workers' compensation and employee health and medical claims. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2015.

The workers' compensation fund purchases a self-insured retention workers' compensation excess policy for claims exceeding \$600,000. All other claims are funded by the General Fund, Sewer Authority, Water Authority and George Hunter Memorial Golf Fund. Payments to the fund are estimated based on payroll amounts, job classification rates, experience and second injury fund assessments.

The City's Health Insurance Fund purchases a stop loss policy for claims in excess of \$250,000 per claim. The City also purchases the aggregate maximum per year. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The health insurance fund is funded by contributions from all funds incurring payroll charges. The health benefits consultant provides the City with suggested rates for various types of coverage. The BOE and City enterprise funds use employee counts and suggested rates to compute fund contributions.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs) and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate. Changes in the claims liability for the past two years are as follows:

	<b>Accrued Liability Beginning of Fiscal Year</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Accrued Liability Claim Payments</b>	<b>Accrued Liability End of Fiscal Year</b>
<b>Workers' Compensation and Heart and Hypertension</b>				
2014-15	\$ 6,882,325	\$ 3,900,927	\$ 3,514,899	\$ 7,268,353
2013-14	7,011,658	3,252,941	3,382,274	6,882,325
<b>Health Insurance</b>				
2014-15	\$ 1,883,506	\$ 19,618,820	\$ 19,618,820	\$ 1,883,506
2013-14	2,210,781	21,700,312	22,027,587	1,883,506

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**10. EMPLOYEE RETIREMENT PLANS**

**A. Pension Trust Fund**

The City administers three single-employer, contributory, defined benefit public employee retirement system (PERS) plans to provide pension benefits for its employees. The PERS is considered to be a part of the City's financial reporting entity and is included in the City's financial reports as Pension Trust Funds. Stand-alone plan reports are not available for these plans. Although the assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

Management of the plans rest with the Pension Board, which consists of eleven members: three elected by plan members, six appointed by City Council and the City Treasurer and Personnel Director who both serve as ex-officio members.

**Plan Description and Benefits Provided**

Substantially all full-time employees of the City are eligible to participate. Participants in the State Teachers' Retirement System are excluded. The Plans' provisions are as follows:

<b>Provisions</b>	<b>Employees' Retirement Plan</b>	<b>Police Pension Plan</b>	<b>Firefighters' Pension Plan</b>
Benefit	<p>Firefighters and BOE employees receive 2% of average final pay (average of three highest calendar years out of the last ten) multiplied by the years of continuous service in the plan, with a maximum of 60% of salary.</p> <p>Police and nonBOE City employees receive 2% of average final pay for the first 20 years, plus 2½% of average final pay multiplied by years of service for years 21-32 thereafter, with a maximum of 70% of salary.</p>	<p>2% of base pay times years of service up to 20 years plus 1.6% of base pay times years of service in excess of 20 and less than 30 years plus 50% of current emoluments.</p>	<p>2.2% of base pay times the years of service up to 30 years plus 50% of emoluments.</p>
Eligibility requirements	Vested after 10 years of service.	Vested after 10 years of continuous service.	Earlier of 25 years of service or age 65
Cost of living adjustment	<p>Retirement prior to July 1, 1989: No COLA adjustments.</p> <p>Retirement after July 1, 1989 and prior to July 1, 2000: 3% every other year beginning after the later of 3 years from retirement age or age 65 with a lifetime cap of 50% of original pension.</p> <p>Retirement after July 1, 2000: 2% each year beginning after the later of 2 years from retirement date or age 62. For police and firefighters with 25 years of service the COLA begins 1 year from date of retirement with a lifetime cap of 50% of original pension.</p>	<p>Retirement prior to January 1, 2003: based on increases to base pay for the rank held at retirement.</p> <p>Retirement after January 1, 2003 (25 or more years of service): 3% of base pay, excluding emoluments.</p> <p>Retirement after January 1, 2003 (between 20-25 years of service): 2% of base pay, excluding emoluments.</p> <p>Retirement after January 1, 2003 (less than 20 years of service): none.</p>	<p>Retirement prior to January 1, 2003: based on increase in base pay for the rank held at retirement.</p> <p>Retirement after January 1, 2003 (with at least 25 years of service): 3% of base pay, excluding emoluments.</p>
Early retirement provisions	City and police employees - 10 years of service and age 55. Firefighters- none.	None.	None.

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<b>Provisions</b>	<b>Employees' Retirement Plan</b>	<b>Police Pension Plan</b>	<b>Firefighters' Pension Plan</b>
Contributions	<p>NonBOE City employees 11% of earnings (includes 7% of earnings to pension and 4% of earnings as contributed for post-employment healthcare benefits).</p> <p>BOE employees - 8% of earnings (includes 4% of earnings to pension and 4% of earnings as contributed for post-employment healthcare benefits)</p> <p>Police employees - (hired prior to July 1, 2012) - 8.5% of earnings (includes 6% of earnings to pension and 2.5% of earnings as contributed for post-employment healthcare benefits).</p> <p>Police employees - (hired after July 1, 2012) - 7% of earnings (includes 4.5% of earnings to pension and 2.5% of earnings as contributed for post-employment healthcare benefits).</p> <p>Fire employees - 6% of earnings (includes 4% of earnings to pension and 2% of earnings contributed for post-employment healthcare benefits).</p> <p>Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.</p>	<p>Employee - 8% of earnings (includes 6% of earnings to pension and 2% of earnings as contributed for post-employment healthcare benefits).</p> <p>Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.</p>	<p>Employee - 8% of earnings (includes 6% of earnings to pension and 2% of earnings as contributed for post-employment healthcare benefits).</p> <p>Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.</p>

At July 1, 2014, Plan membership consisted of the following:

	<b>Employees' Retirement Plan</b>	<b>Police Pension Plan</b>	<b>Firefighters' Pension Plan</b>
Retirees and beneficiaries currently receiving benefits	459	141	117
Vested terminated employees	93	1	
Active participants	598	52	54
Total Participants	1,150	194	171

The Employees' Retirement Plan was closed to nonpolice personnel as of July 1, 2011 and to police personnel as of July 1, 2012. The Police and Firefighter's plans were closed to new entrants as of March 18, 2003.



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**Summary of Significant Accounting Policies**

**Basis of Accounting**

Financial statements are prepared using the accrual basis of accounting for the three defined benefit pension plans. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

**Method Used to Value Investments**

Investments are reported at market value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

**Administrative Costs**

Administrative costs of the Plan are financed through investment earnings.

The individual plan net position at June 30, 2015 and changes in net position for the year then ended are as follows:

	Pension Trust Funds						
	Employees' Retirement Plan	Police Pension Fund	Firefighters' Pension Plan	Employees' Healthcare Plan	Police Healthcare Plan	Firefighters' Healthcare Plan	Total Pension Trust Funds
Assets:							
Cash and cash equivalents	\$ 8,435,634	\$ 3,596,747	\$ 2,989,223	\$ 73,820	\$ -	\$ -	\$ 15,095,424
Interest receivable	473,073	203,874	162,771	4,594	-	-	844,312
Investments, at fair value:							
U.S. treasury bonds	4,505,595	1,179,825	941,960	43,752	-	-	6,671,132
Corporate bonds	10,150,276	4,345,631	3,469,507	98,566	-	-	18,063,980
Equities	85,700,315	37,402,365	29,861,666	832,208	-	-	153,796,554
Mutual funds	7,257,278	2,337,946	1,866,592	70,473	-	-	11,532,289
Other	22,885,305	11,492,744	9,175,690	222,232	-	-	43,775,971
Total investments	130,498,769	56,758,511	45,315,415	1,267,231	-	-	233,839,926
Total assets	139,407,476	60,559,132	48,467,409	1,345,645	-	-	249,779,662
Liabilities:							
Other liabilities	12,005	6,378	6,379	-	-	-	24,762
Net Position:							
Held in Trust for Pension Benefits and Other Purposes	\$ 139,395,471	\$ 60,552,754	\$ 48,461,030	\$ 1,345,645	\$ -	\$ -	\$ 249,754,900

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	Pension Trust Funds						
	Employees' Retirement Plan	Police Pension Fund	Firefighters' Pension Plan	Employees' Healthcare Plan	Police Healthcare Plan	Firefighters' Healthcare Plan	Total Pension Trust Funds
Additions:							
Contributions:							
Employer	\$ 2,307,742	\$ 3,941,030	\$ 2,568,521	\$	\$ 286,258	\$ 255,128	\$ 9,358,679
Plan members	2,099,957	248,967	253,190	1,234,330	82,989	84,397	4,003,830
Total contributions	<u>4,407,699</u>	<u>4,189,997</u>	<u>2,821,711</u>	<u>1,234,330</u>	<u>369,247</u>	<u>339,525</u>	<u>13,362,509</u>
Investment earnings:							
Net increase (decrease) in fair value of investments	(521,205)	(180,238)	(143,318)	(4,887)			(849,648)
Dividends and interest	2,643,239	1,108,400	895,545	24,783			4,671,967
Total investment earnings	2,122,034	928,162	752,227	19,896	-	-	3,822,319
Less investment expenses:							
Investment management fees	814,892	352,730	284,972				1,452,594
Net investment earnings	<u>1,307,142</u>	<u>575,432</u>	<u>467,255</u>	<u>19,896</u>	<u>-</u>	<u>-</u>	<u>2,369,725</u>
Total additions	<u>5,714,841</u>	<u>4,765,429</u>	<u>3,288,966</u>	<u>1,254,226</u>	<u>369,247</u>	<u>339,525</u>	<u>15,732,234</u>
Deductions:							
Benefits	8,960,559	6,775,097	5,350,549	1,439,565	369,247	339,525	23,234,542
Administration	29,710	29,710	29,710	7,643			96,773
Other	231,874	7,692	7,771				247,337
Total deductions	<u>9,222,143</u>	<u>6,812,499</u>	<u>5,388,030</u>	<u>1,447,208</u>	<u>369,247</u>	<u>339,525</u>	<u>23,578,652</u>
Change in net position	(3,507,302)	(2,047,070)	(2,099,064)	(192,982)	-	-	(7,846,418)
Net Position at Beginning of Year	<u>142,902,773</u>	<u>62,599,824</u>	<u>50,560,094</u>	<u>1,538,627</u>	<u>-</u>	<u>-</u>	<u>257,601,318</u>
Net Position at End of Year	<u>\$ 139,395,471</u>	<u>\$ 60,552,754</u>	<u>\$ 48,461,030</u>	<u>\$ 1,345,645</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249,754,900</u>

## Investments

### Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of January 10, 2012, reaffirmed February 10, 2015:

Asset Class	Target
Equity - domestic	35 %
Equity - international	20
Fixed Income	20
Real Estate	4
Hedge Funds	7
Private Equity	7
Commodities	2
Cash	5
Total	<u>100 %</u>

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**Rate of Return**

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

City	0.76%
Police	0.92%
Firefighters'	0.93%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability**

The components of the net pension liability of the City at June 30, 2015 were as follows:

	<u>City</u>	<u>Police</u>	<u>Firefighters'</u>	<u>Total</u>
Total pension liability	\$ 173,994,515	\$ 111,077,573	\$ 85,393,901	\$ 370,465,989
Plan fiduciary net position	<u>139,395,471</u>	<u>60,552,754</u>	<u>48,461,030</u>	<u>248,409,255</u>
City's Net Pension Liability	\$ <u>34,599,044</u>	\$ <u>50,524,819</u>	\$ <u>36,932,871</u>	\$ <u>122,056,734</u>
Plan fiduciary net position as a percentage of the total liability	80.11 %	54.51 %	56.75 %	

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>City</u>	<u>Police</u>	<u>Firefighters'</u>
Inflation	3.0%	3.0%	3.5%
Salary increases	3.0%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 50 and beyond, including inflation	3.0%, per annum (compounded), including inflation	3.0%, per annum (compounded), including inflation
Investment rate of return	8.0%, net of pension plan investment expense	8.0%, net of pension plan investment expense	8.0%, net of pension plan investment expense

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Real Rate of Return</u>	
Equity - domestic	5.5	%
Equity - international	7.9	
Fixed Income	2.5	
Real Estate	6.2	
Hedge Funds	5.8	
Private Equity	8.2	
Commodities	3.6	
Cash	0.5	

**Discount Rate**

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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**Changes in the Net Pension Liability**

	<b>City</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of June 30, 2014	\$ 167,487,666	\$ 142,902,773	\$ 24,584,893
Changes for the year:			
Service cost	4,197,148		4,197,148
Interest on total pension liability	13,383,258		13,383,258
Differences between expected and actual experience	(2,112,998)		(2,112,998)
Employer contributions		2,307,742	(2,307,742)
Member contributions		2,099,957	(2,099,957)
Net investment income		1,307,142	(1,307,142)
Benefit payments, including refund of employee contributions	(8,960,559)	(8,960,559)	-
Administrative expenses		(29,710)	29,710
Other changes		(231,874)	231,874
Net changes	6,506,849	(3,507,302)	10,014,151
Balances as of June 30, 2015	\$ 173,994,515	\$ 139,395,471	\$ 34,599,044

	<b>Police</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of June 30, 2014	\$ 108,584,553	\$ 62,599,903	\$ 45,984,650
Changes for the year:			
Service cost	959,988		959,988
Interest on total pension liability	8,483,287		8,483,287
Differences between expected and actual experience	194,089		194,089
Employer contributions		4,227,288	(4,227,288)
Member contributions		331,956	(331,956)
Net investment income		575,432	(575,432)
Benefit payments	(7,144,344)	(7,144,344)	-
Administrative expenses		(29,710)	29,710
Other changes		(7,771)	7,771
Net changes	2,493,020	(2,047,149)	4,540,169
Balances as of June 30, 2015	\$ 111,077,573	\$ 60,552,754	\$ 50,524,819

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	<b>Firefighters'</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of June 30, 2014	\$ 83,425,804	\$ 50,560,094	\$ 32,865,710
Changes for the year:			
Service cost	628,936		628,936
Interest on total pension liability	6,501,155		6,501,155
Differences between expected and actual experience	528,080		528,080
Employer contributions		2,823,649	(2,823,649)
Member contributions		337,587	(337,587)
Net investment income		467,255	(467,255)
Benefit payments	(5,690,074)	(5,690,074)	-
Administrative expenses		(29,710)	29,710
Other changes		(7,771)	7,771
Net changes	1,968,097	(2,099,064)	4,067,161
Balances as of June 30, 2015	\$ 85,393,901	\$ 48,461,030	\$ 36,932,871

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the City, calculated using the discount rate of 8.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.00%) or 1 percentage point higher (9.00%) than the current rate:

	<b>City</b>		
	<b>1% Decrease (7.00%)</b>	<b>Current Discount Rate (8.00%)</b>	<b>1% Increase (9.00%)</b>
Net Pension Liability	\$ 54,373,507	\$ 34,599,044	\$ 17,792,559

	<b>Police</b>		
	<b>1% Decrease (7.00%)</b>	<b>Current Discount Rate (8.00%)</b>	<b>1% Increase (9.00%)</b>
Net Pension Liability	\$ 63,044,167	\$ 50,524,819	\$ 40,065,970

	<b>Firefighters'</b>		
	<b>1% Decrease (7.00%)</b>	<b>Current Discount Rate (8.00%)</b>	<b>1% Increase (9.00%)</b>
Net Pension Liability	\$ 46,108,018	\$ 36,932,871	\$ 29,196,099

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**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2015, the City recognized pension expense of \$15,068,757. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

		<b>City</b>	
		<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$		\$ (1,782,842)
Net difference between projected and actual earning on pension plan investments		7,963,520	
Total	\$	<u>7,963,520</u>	<u>\$ (1,782,842)</u>
		<b>Police</b>	
		<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	116,453	\$
Net difference between projected and actual earning on pension plan investments		3,464,228	
Total	\$	<u>3,580,681</u>	<u>\$ -</u>
		<b>Firefighters'</b>	
		<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	368,056	\$
Net difference between projected and actual earning on pension plan investments		2,781,988	
Total	\$	<u>3,150,044</u>	<u>\$ -</u>

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**Year Ending June 30,**

2016	\$	3,459,938
2017		3,421,119
2018		3,270,286
2019		3,222,278
2020		(330,156)
Thereafter		(132,062)

**B. Pension Plan - Money Purchase Pension Plan**

The City is the administrator of the money purchase pension plan, a single employer, defined contribution pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan covers substantially all City employees hired after July 1, 2011. The plan was amended effective July 1, 2012 to reflect changes applicable to newly hired police officers. Contributions are established and amended by the approval of the City Council. The plan is intended to be a governmental plan, as defined in Section 414(d) of the Internal Revenue Code.

**Summary Plan Description**

Any employee hired on or after July 1, 2011 (i) who is not eligible to participate in any defined benefit plan maintained or contributed to by the City, (ii) is not eligible to participate in the State Teacher's Retirement System during the time such individual is an employee, or (iii) is not employed pursuant to a collective bargaining agreement with the Police or Fire departments unless such collective bargaining agreement provides for participation in this plan. Any employee of the Board of Education hired prior to July 1, 2011 who was not eligible to participate in any defined benefit plan maintained by the City shall be eligible to participate in this plan. Normal retirement will be on the member's sixty-fifth (65th) birthday. A police officer or a firefighter who attains age 65 shall be retired automatically by the City, effective the first day of the month following his 65th birthday. A City employee will be fully vested after 10 years of service. The vesting percentage will be an accumulating 20% per year for years 6-10. Any nonvested City contributions and related interest thereon of employees who leave employment are reserved in a forfeiture account to offset future City contributions. Plan provisions and the authority to amend the provisions are established by City ordinance.

**Employee Obligations**

All participating members shall make a mandatory contribution in the amount of 5% of the member's compensation and the City will reduce the member's compensation otherwise payable currently by that percentage, credit the amount to the Employee Contribution Account on behalf of the member and contribute such amount to the Funding Vehicle. With respect to employees other than employees of the Board of Education, effective the first pay period following the date the member has been credited with 10 years of service, the amount of such employee contributions shall increase to 6% of the member's compensation. Notwithstanding the foregoing, each member who is a police officer hired on or after July 1, 2012 shall make a mandatory contribution in the amount of 10% of the member's non-base pay, including private duty compensation.



## **Employer Obligations**

The City shall make a contribution in an amount equal to 5% of the member's compensation. With respect to employees other than employees of the Board of Education, effective the first pay period following the date the member has been credited with 10 years of service, the amount of such City contributions shall increase to 6% of the member's compensation. City contributions shall be allocated as of the last day of each week to a member's City Contribution Account, provided that the member is employed on such date. Notwithstanding the foregoing, the City shall make a contribution on behalf of police officers hired on or after July 1, 2012 of 3% of the member's non-base pay, but excluding private duty pay. The amount of City contributions at any time shall be reduced by the amount of forfeitures available at that time to be allocated to the member's City Contribution Account. Employer contributions are calculated and paid each pay period.

## **Contribution Requirements/Contributions Made**

The total City contribution during the year ended June 30, 2015 was \$260,272 and represented 5% of covered payroll. The employees' required contributions were \$310,240 and represented 6% of covered payroll.

## **C. Teachers Retirement**

### **Plan Description**

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov).

### **Benefit Provisions**

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

#### **Normal Retirement**

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

#### **Early Retirement**

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

#### **Disability Retirement**

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

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**Contributions**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

*Employer (School Districts)*

School District employers are not required to make contributions to the plan.

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

*Employees*

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2015, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	<u>137,743,578</u>
Total	\$ <u>137,743,578</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2015, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2015, the City recognized pension expense and revenue of \$10,334,706 in Exhibit II for on-behalf amounts for the benefits provided by the State.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

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Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2%.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Large Cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (Non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.0%
Total	100.0%	

#### **Discount Rate**

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### **Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The City's proportionate share of the net pension liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

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**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

**Other Information**

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the City has no obligation to contribute to the plan.

**11. POSTEMPLOYMENT HEALTHCARE PLAN - CITY OF MERIDEN AND MERIDEN BOARD OF EDUCATION**

**Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements of the Postemployment Healthcare Plan (PHP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the Plan.

Investments are reported at fair value. Investment income is recognized as earned.

**Plan Description**

The PHP is a single-employer defined benefit healthcare plan administered by the City. The PHP provides medical, dental and prescription benefits to eligible retirees and their spouses. City employees hired prior to July 1, 2011 are eligible to participate in the plan. Benefit provisions are established through negotiations between the City and the various unions representing the employees.

The plan is considered to be part of the City's financial reporting entity and is included in the City's financial report as various pension trust funds. A portion of the employees' pension contributions is required to be recognized in these healthcare plan pension funds: the Employees Healthcare Plan, the Police Healthcare Plan and the Firefighters' Healthcare Plan. The plan does not issue a stand-alone financial report.

At July 1, 2014, plan membership consisted of the following:

	<b>City</b>			<b>Board of Education</b>		
	<b>Police</b>	<b>Fire</b>	<b>Other</b>	<b>Teachers</b>	<b>Other</b>	<b>Total</b>
Active employees	106	98	238	690	249	1,381
Retired employees*	70	66	200	85	100	521
Total Participants	176	164	438	775	349	1,902

\* Counts do not include spouses of retirees

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**Funding Policy**

The contribution requirements of plan members and the City are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits also are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

City	4.00% of salary
Non-Teacher BOE	4.00% of salary
Police (in City Plan)	2.50% of salary
Police (in Police Plan)	2.00% of salary
Fire	2.00% of salary
Teachers	2.00% of salary

For the year ended June 30, 2015, plan members contributed \$3,323,091. The City is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the City in order to prefund benefits.

Employer contributions to the plan were \$6,215,192 which represent 80.92% of the actuarially determined annual required contribution.

**Annual OPEB Cost and Net OPEB Obligations**

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement Number 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

	<b>Retiree Health Plan</b>
Annual required contribution (ARC)	\$ 7,680,809
Interest on net OPEB obligation	3,469,828
Adjustment to annual required contribution	<u>(3,566,846)</u>
Annual OPEB cost (expense)	7,583,791
Contributions made	<u>6,215,192</u>
Increase in net OPEB obligation	1,368,599
Net OPEB obligation, beginning of year	<u>43,372,847</u>
Net OPEB Obligation, End of Year	<u><u>\$ 44,741,446</u></u>

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The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2015 is presented below.

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2015	\$ 7,583,791	\$ 6,215,192	81.95 %	\$ 44,741,446
6/30/2014	7,633,127	5,483,979	71.84	43,372,847
6/30/2013	7,606,424	5,726,019	75.28	41,223,699

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Schedule of Funding Progress**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Liability (AAL) Projected Unit Credit</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll</b>
<b>Postemployment Healthcare Plan</b>						
7/1/2014	\$ 20,830,636	\$ 89,516,332	\$ 68,685,696	23.3 %	\$ 95,450,755	72.0 %
7/1/2012	10,416,198	80,957,206	70,541,008	12.9	95,772,885	73.7
7/1/2010	5,142,767	104,364,393	99,221,626	4.9	94,310,588	105.2

**Schedule of Employer Contributions**

<b>Year Ended</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
6/30/2015	\$ 7,680,809	80.92 %
6/30/2014	7,725,338	70.99
6/30/2013	7,694,428	74.42

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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In the July 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include an 8.0% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual medical/dental cost trend rate is 9% for 2014, decreasing 0.5% per year, to an ultimate rate of 5% for 2022 and later. The annual dental cost trend rate is 5%. The general inflation assumption is 3%. Projected salary increases were not a factor in the calculation. The actuarial value of assets was determined using the market value method. The UAAL is being amortized as a level payments method on an open basis.

## **12. CONTINGENCIES AND COMMITMENTS**

### **Contingent Liabilities**

There are various suits and claims pending against the City, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the City's financial position. Management has estimated a liability of \$1,535,000 at June 30, 2015, which is recorded in the government-wide financial statements.

The City has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, City management believes such disallowances, if any, will not be material.

The City may be subject to rebate penalties to the federal government relating to various bond and note issues. The City expects such amounts, if any, to be immaterial.

**CITY OF MERIDEN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**Construction Commitments**

The government has active construction projects as of June 30, 2015. At year end, the government's commitments with contractors are as follows:

<u><b>Project</b></u>	<u><b>Commitment</b></u>
Platt School Addition and Replacement	\$ 47,592,011
Maloney School Addition and Replacement	43,507,664
Water Treatment Plant Upgrade	2,972,150
Flood Control	982,714
Replacement Boilers	451,680
School Roof Replacement	449,176
Citywide Road/Sidewalk Reconstruction	402,372
Railroad Bridge	384,404
HUB Renovation	349,685
Other School Improvements	297,092
Generator Replacement	160,462
City Building Repair/Upgrade	145,057
Airport Construction	111,601
Landfill	99,372
Vehicles	73,632
Citywide Drainage	66,245
WPCF - Facility/Collection Improvements	47,434
City Parks Upgrades	45,923
Linear Trail	44,465
Upgrade/Replace Pump Stations	27,200
Fuel Islands/Pumps/Tanks	6,307
Public Safety Improvements/Equipment	5,166
	<u>\$ 98,221,812</u>

The commitments are being financed with bonds, bond anticipation notes and state and federal grants.



**CITY OF MERIDEN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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**13. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT**

The following restatements were recorded to the beginning of net position of the governmental activities as a result of implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27:

Net position balance at June 30 2014, as previously reported	\$ 94,687,029
Adjustments:	
Eliminate net pension obligation reported per GASB No. 27	25,226,920
Eliminate net pension assets reported per GASB No. 27	(318,360)
Record starting net pension liability per GASB No. 68	<u>(103,435,253)</u>
Net Position Balance at July 1, 2014, as Restated	\$ <u>16,160,336</u>

## **Required Supplementary Information**

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**CITY**  
**LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Service cost	\$ 4,197,148	\$ 4,260,041
Interest	13,383,258	12,718,166
Differences between expected and actual experience	(2,112,998)	
Benefit payments, including refunds of member contributions	<u>(8,960,559)</u>	<u>(8,256,310)</u>
Net change in total pension liability	6,506,849	8,721,897
Total pension liability - beginning	<u>167,487,666</u>	<u>158,765,769</u>
Total pension liability - ending	<u>173,994,515</u>	<u>167,487,666</u>
Plan fiduciary net position:		
Contributions - employer	2,307,742	2,316,905
Contributions - member	2,099,957	2,096,283
Net investment income	1,307,142	18,083,974
Benefit payments, including refunds of member contributions	(8,960,559)	(8,256,310)
Administrative expense	(29,710)	(29,362)
Other	<u>(231,874)</u>	<u>(308,727)</u>
Net change in plan fiduciary net position	(3,507,302)	13,902,763
Plan fiduciary net position - beginning	<u>142,902,773</u>	<u>129,000,010</u>
Plan fiduciary net position - ending	<u>139,395,471</u>	<u>142,902,773</u>
Net Pension Liability - Ending	<u>\$ 34,599,044</u>	<u>\$ 24,584,893</u>
Plan fiduciary net position as a percentage of the total pension liability	80.11%	85.32%
Covered-employee payroll	\$ 38,311,000	\$ 41,094,000
Net pension liability as a percentage of covered-employee payroll	90.31%	59.83%

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**POLICE**  
**LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Service cost	\$ 959,988	\$ 1,078,300
Interest	8,483,287	8,304,594
Differences between expected and actual experience	194,089	
Benefit payments	<u>(7,144,344)</u>	<u>(6,921,764)</u>
Net change in total pension liability	2,493,020	2,461,130
Total pension liability - beginning	<u>108,584,553</u>	<u>106,123,423</u>
Total pension liability - ending	<u>111,077,573</u>	<u>108,584,553</u>
Plan fiduciary net position:		
Contributions - employer	4,227,288	4,201,553
Contributions - member	331,956	359,530
Net investment income	575,432	8,188,947
Benefit payments	(7,144,344)	(6,921,764)
Administrative expense	(29,710)	(29,361)
Other	<u>(7,771)</u>	<u>(2,171)</u>
Net change in plan fiduciary net position	(2,047,149)	5,796,734
Plan fiduciary net position - beginning	<u>62,599,903</u>	<u>56,803,169</u>
Plan fiduciary net position - ending	<u>60,552,754</u>	<u>62,599,903</u>
Net Pension Liability - Ending	<u>\$ 50,524,819</u>	<u>\$ 45,984,650</u>
Plan fiduciary net position as a percentage of the total pension liability	54.51%	57.65%
Covered-employee payroll	\$ 3,790,000	\$ 4,302,000
Net pension liability as a percentage of covered-employee payroll	1,333.11%	1,068.91%

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**FIREFIGHTERS'**  
**LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Total pension liability:		
Service cost	\$ 628,936	\$ 769,596
Interest	6,501,155	6,385,020
Differences between expected and actual experience	528,080	
Benefit payments	<u>(5,690,074)</u>	<u>(5,439,284)</u>
Net change in total pension liability	1,968,097	1,715,332
Total pension liability - beginning	<u>83,425,804</u>	<u>81,710,472</u>
Total pension liability - ending	<u>85,393,901</u>	<u>83,425,804</u>
Plan fiduciary net position:		
Contributions - employer	2,823,649	2,808,242
Contributions - member	337,587	360,575
Net investment income	467,255	6,653,019
Benefit payments	(5,690,074)	(5,439,284)
Administrative expense	(29,710)	(29,361)
Other	<u>(7,771)</u>	<u>(1,002)</u>
Net change in plan fiduciary net position	(2,099,064)	4,352,189
Plan fiduciary net position - beginning	<u>50,560,094</u>	<u>46,207,905</u>
Plan fiduciary net position - ending	<u>48,461,030</u>	<u>50,560,094</u>
Net Pension Liability - Ending	<u>\$ 36,932,871</u>	<u>\$ 32,865,710</u>
Plan fiduciary net position as a percentage of the total pension liability	56.75%	60.59%
Covered-employee payroll	\$ 3,430,000	\$ 3,554,000
Net pension liability as a percentage of covered-employee payroll	1,076.76%	925.01%

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**CITY**  
**LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 2,307,742	\$ 2,302,606	\$ 2,038,150	\$ 1,898,009	\$ 479,981	\$ 354,382	\$ 764,137	\$ 649,414	\$ 185,534	\$ 74,741
Contributions in relation to the actuarially determined contribution	2,307,742	2,316,905	2,056,897	1,906,102	489,450	362,432	764,137	659,542	195,528	74,736
Contribution Deficiency (Excess)	\$ -	\$ (14,299)	\$ (18,747)	\$ (8,093)	\$ (9,469)	\$ (8,050)	\$ -	\$ (10,128)	\$ (9,994)	\$ 5
Covered-employee payroll	\$ 38,311,000	\$ 41,094,000	\$ 39,897,000	\$ 38,734,928	\$ 34,128,961	\$ 34,128,961	\$ 31,405,160	\$ 31,405,160	\$ 30,170,844	\$ 30,170,844
Contributions as a percentage of covered-employee payroll	6.02%	5.64%	5.16%	4.92%	1.43%	1.06%	2.43%	2.10%	0.65%	0.25%

**Notes to Schedule**

Valuation date: July 1, 2014  
Measurement date: June 30, 2015  
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age  
Amortization method Level dollar, closed  
Remaining amortization period 23 years  
Asset valuation method 5-year smoothed market  
Inflation 3.5%  
Salary increases 3.0%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond  
Investment rate of return 8.00%, net of pension plan investment expense  
Retirement age City:  
- Later of 10 years of service and age 65  
- Any combination of years of service and age equaling 80, with a minimum of 10 years of service  
Police:  
- Completion of 25 years of service  
- Any combination of years of service and age equaling 80, with a minimum of 10 years of service  
- Age 65  
Firefighters:  
- Completion of 25 years of service  
- Age 65

Mortality In the 2014 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2000 Healthy Annuitant Mortality Table.

**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE  
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 4,227,288	\$ 4,201,533	\$ 4,066,540	\$ 4,028,938	\$ 3,683,113	\$ 3,646,850	\$ 3,556,861	\$ 3,509,801	\$ 3,601,188	\$ 3,540,516
Contributions in relation to the actuarially determined contribution	4,227,288	4,201,553	4,066,540	4,028,938	3,683,113	3,646,850	3,556,861	3,509,592	3,611,172	3,240,504
Contribution Deficiency (Excess)	\$ -	\$ (20)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 209	\$ (9,984)	\$ 300,012
Covered-employee payroll	\$ 3,790,000	\$ 4,302,000	\$ 4,382,000	\$ 4,462,636	\$ 5,027,254	\$ 5,027,254	\$ 5,030,979	\$ 5,030,979	\$ 5,940,009	\$ 5,940,009
Contributions as a percentage of covered-employee payroll	111.54%	97.67%	92.80%	90.28%	73.26%	72.54%	70.70%	69.76%	60.79%	54.55%

**Notes to Schedule**

Valuation date: July 1, 2014  
Measurement date: June 30, 2015  
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age  
Amortization method Level dollar, closed  
Remaining amortization period 28 years  
Asset valuation method 5-year smoothed market  
Inflation 3.0%  
Salary increases 3.0%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 50 and beyond  
Investment rate of return 8.00%, net of pension plan investment expense  
Retirement age Earlier of:  
- 20 years of service  
- Age 65 and 10 years of service

Mortality In the 2014 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2000 Healthy Annuitant Mortality Table.

**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS'  
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially determined contribution	\$ 2,823,649	\$ 2,808,242	\$ 2,643,414	\$ 2,620,905	\$ 2,441,615	\$ 2,419,234	\$ 2,464,361	\$ 2,435,594	\$ 2,605,081	\$ 2,574,201
Contributions in relation to the actuarially determined contribution	<u>2,823,649</u>	<u>2,808,242</u>	<u>2,643,414</u>	<u>2,620,905</u>	<u>2,441,615</u>	<u>2,419,234</u>	<u>2,464,361</u>	<u>2,435,400</u>	<u>2,615,076</u>	<u>2,206,320</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>194</u>	\$ <u>(9,995)</u>	\$ <u>367,881</u>
Covered-employee payroll	\$ 3,430,000	\$ 3,554,000	\$ 3,902,000	\$ 4,349,943	\$ 4,800,571	\$ 4,800,571	\$ 4,696,251	\$ 4,696,251	\$ 4,791,096	\$ 4,791,096
Contributions as a percentage of covered-employee payroll	82.32%	79.02%	67.75%	60.25%	50.86%	50.39%	52.48%	51.86%	54.58%	46.05%

**Notes to Schedule**

Valuation date: July 1, 2014

Measurement date: June 30, 2015

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	28 years
Asset valuation method	5-year smoothed market
Inflation	3.0%
Salary increases	3.0%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond
Investment rate of return	8.00%, net of pension plan investment expense
Retirement age	Earlier of: - 25 years of service - Age 65

Mortality In the 2014 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2000 Healthy Annuitant Mortality Table.



**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
CITY  
LAST TWO FISCAL YEARS**

---

	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expense	0.76%	13.97%

**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
POLICE  
LAST TWO FISCAL YEARS**

---

	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expense	0.92%	14.68%

**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
FIREFIGHTERS'  
LAST TWO FISCAL YEARS**

---

	<u><b>2015</b></u>	<u><b>2014</b></u>
Annual money-weighted rate of return, net of investment expense	0.93%	14.72%

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS RETIREMENT PLAN**  
**LAST FISCAL YEAR**

---

	<b>2015</b>
City's proportion of the net pension liability	0.00%
City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	<u>137,743,578</u>
Total	<u>\$ 137,743,578</u>
City's covered-employee payroll	\$ 52,602,518
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%

**Notes to Schedule**

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

## ***Appendix B***

### ***Form of Opinion of Bond Counsel***

## FORM OF OPINION OF BOND COUNSEL

November \_\_\_, 2016

City of Meriden,  
Meriden, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of Meriden, Connecticut (the "City"), a Tax Regulatory Agreement of the City, dated November \_\_\_, 2016 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of \$68,240,000 City of Meriden, Connecticut General Obligation Bonds, Issue of 2016, Series A, dated November \_\_\_, 2016 (the "Bonds"), maturing on May 1 in each of the years, in the principal amounts and bearing interest payable on November 1, 2017 and semiannually thereafter on May 1 and November 1 in each year until maturity or earlier redemption, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate Per Annum</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate Per Annum</u>
2018	\$3,890,000	%	2028	\$3,485,000	%
2019	3,890,000		2029	3,485,000	
2020	3,890,000		2030	3,485,000	
2021	3,890,000		2031	3,485,000	
2022	3,890,000		2032	3,485,000	
2023	3,485,000		2033	3,485,000	
2024	3,485,000		2034	3,485,000	
2025	3,485,000		2035	3,485,000	
2026	3,485,000		2036	3,485,000	
2027	3,485,000				

with principal payable at the principal office of U.S. Bank National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of business on the fifteenth day of April and October in each year, or the preceding business day if such fifteenth day is not a business day, by check mailed to such registered owner at his address as shown on the registration books of the City kept for such purpose. The Bonds are subject to redemption prior to maturity as therein provided.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid general obligation of the City the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the City.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The City has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, 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. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the City with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under 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. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Bonds.

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.

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

The rights of owners of the Bonds and the enforceability of the Bonds and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

Very truly yours,

ROBINSON & COLE LLP

## ***Appendix C***

### ***Form of Continuing Disclosure Agreement***



## FORM OF CONTINUING DISCLOSURE AGREEMENT

### CONTINUING DISCLOSURE AGREEMENT

City of Meriden, Connecticut  
\$68,240,000 General Obligation Bonds, Issue of 2016, Series A  
Dated November \_\_\_, 2016

November \_\_\_, 2016

WHEREAS, the City of Meriden, Connecticut (the “City”) has heretofore authorized the issuance of \$68,240,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2016, Series A, dated November \_\_\_, 2016 (the “Bonds”), and to mature on the dates and in the amounts as set forth in the City’s Official Statement dated October \_\_\_, 2016 describing the Bonds (the “Official Statement”); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale, dated November \_\_\_, 2016 (the “Notice of Sale”); and

WHEREAS, in the Notice of Sale, the City has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the City has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the “Rule”), and the City desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the City is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement (this “Agreement”) is to be made, executed and delivered by the City in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, the City hereby represents, covenants and agrees as follows:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 2 and 3 of this Agreement.

“Fiscal Year End” shall mean the last day of the City’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“SEC” shall mean the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Annual Reports.

(a) The City shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the City:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End prepared in accordance with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

(ii) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in (i) above:

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the City per capita;

(G) the ratios of total direct debt and total overall net debt of the City to the City's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the City's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the City's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the City which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the City reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the City agrees that any such modification will be done in a manner consistent with the Rule. The City also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The City shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the City shall provide such financial information and operating data no later than eight months

after the close of such preceding Fiscal Year End. The City agrees that if audited financial statements are not available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. The City agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material.

Section 5. Notice of Failure. The City agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the City to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The City's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The City may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the City may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the City, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the City chooses to include any other information in any Annual Report or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include or provide such information or notice of the occurrence of such event in the future.

Section 10. Indemnification. The City agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the City under this Section shall survive termination of this Agreement.

Section 11. Enforceability. The City agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the City shall fail to perform its duties hereunder, the City shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the City does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the City's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the City with respect to the Bonds.

**IN WITNESS WHEREOF**, the City has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

**City OF Meriden, CONNECTICUT**

By: \_\_\_\_\_  
Guy Scaife  
City Manager

By: \_\_\_\_\_  
Michael Lupkas  
Director of Finance

***Appendix D***

***Notice of Sale***

**NOTICE OF SALE**  
**\$68,240,000**  
**CITY OF MERIDEN, CONNECTICUT**  
**GENERAL OBLIGATION BONDS, ISSUE OF 2016, SERIES A**

Electronic bids (as described herein) will be received by the **CITY OF MERIDEN, CONNECTICUT** (the "City"), until 11:30 A.M. (E.D.T.) Monday,

**OCTOBER 17, 2016**

for the purchase of all, but not less than all, of the \$68,240,000 City of Meriden, Connecticut General Obligation Bonds, Issue of 2016, Series A (the "Bonds"). Electronic bids must be submitted via **PARITY®**. (See "Electronic Bidding Procedures").

The City reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through **PARITY®**. Prospective bidders are advised to check for such **PARITY®** postings prior to the above stated sale time.

**The Bonds**

The Bonds will be dated November 1, 2016, mature in the principal amounts of \$3,890,000 on May 1 in each of the years 2018-2022, and \$3,485,000 in each of the years 2023-2036 both inclusive, bear interest payable on November 1, 2017 and semiannually thereafter on May 1 and November 1 in each year until maturity, or earlier redemption, as further described in the Preliminary Official Statement for the Bonds dated October 11, 2016 (the "Preliminary Official Statement").

The Bonds maturing on or before May 1, 2024 are not subject to redemption prior to maturity. The Bonds maturing on and after May 1, 2025 are subject to redemption prior to maturity, at the election of the City, on and after May 1, 2024, 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 price (expressed as percentages of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
May 1, 2024 and thereafter	100%

**Nature of Obligation**

The full faith and credit of the City will be pledged for the prompt payment of the principal of and interest on the Bonds when due. The Bonds will be general obligations of the City payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

## **Bank Qualification**

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.

## **Registration**

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the City or its agent in Federal funds to DTC or its nominee as registered owner of the Bonds. Principal and interest payments to participants of DTC will be the responsibility of DTC. Principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

## **Electronic Bidding Procedures**

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY®**. Subscription to i-Deal LLC's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY®** shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, **PARITY®**, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Notice of Sale shall conflict with information provided by **PARITY®** as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY®**, including any fee charged, may be obtained from **PARITY®**, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department, (telephone: (212) 849-5021; email notice - [parity@i-deal.com](mailto:parity@i-deal.com)).

For purposes of the electronic bidding process, the time as maintained by **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the City, computed and rounded to six decimal places, as described under "Bid Specifications/Basis of Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

## **Bid Specifications/Basis of Award**

Each bid must be for the entire \$68,240,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state more than one interest rate for any Bonds having the same maturity date. The highest interest rate bid for a maturity and the lowest rate bid for any other maturity may not differ by more than two (3%) percentage points. Interest shall be computed on the basis of twelve 30 day months and a 360 day year. No bid for less than all of the Bonds or for less than par and accrued interest, if any, will be considered.

For the purpose of determining the successful bidder, the true interest cost to the City will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to November 1, 2016, the date of the Bonds, results in an amount equal to the purchase price for the Bonds. It is requested that each bid be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as a part of the proposal. The Bonds will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.D.T.) on October 17, 2016. The purchase price must be paid in Federal funds.

The City reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any proposal. The City further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The City will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless all bids are rejected or the bid is postponed, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

## **Closing Documents and Legal Opinion**

The Bonds will be certified by U.S. Bank National Association, Hartford, Connecticut. The legality of the Bonds will be passed upon by Robinson & Cole LLP, Bond Counsel, Hartford, Connecticut, and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the City relating to the accuracy and completeness of information contained in the final Official Statement, and an executed continuing disclosure agreement.

The legal opinion will further state that, (i) under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, but is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations, (iii) under 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 (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering the legal opinion, Robinson & Cole LLP will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the City for the benefit of the owners of the Bonds, and further, will assume compliance by the City with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank National Association, Hartford, Connecticut, and will be available for examination upon request.



## **Settlement of the Bonds**

It shall be the responsibility of the winning bidder to certify to the City before delivery of the Bonds the prices at which a substantial amount of the Bonds of each maturity were initially offered and sold to the public.

The Bonds will be available for delivery on or about November 1, 2016. The deposit of the Bonds with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Bonds prior to delivery, and the City will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply them to the City in a timely manner. The City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder.

The Preliminary Official Statement is in a form "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 100 copies of the final Official Statement prepared for the Bonds at the City's expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the City's financial advisor. If the City's financial advisor is provided with the necessary information from the winning bidder by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds

## **Continuing Disclosure**

The City will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

## **Related Information**

For more information regarding the Bonds and the City, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement may be obtained from the undersigned, or from Matthew A. Spoerndle, Managing Director, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460, Telephone No. (203) 878-4945.

**GUY SCAIFE**  
City Manager

**MICHAEL LUPKAS**  
City Treasurer

October 11, 2016