

FINAL OFFICIAL STATEMENT DATED OCTOBER 11, 2018

New Money Issue: Book-Entry-Only

**BOND RATINGS: S&P Global Ratings: "AA+"
Fitch Ratings: "AAA"**

In the opinion of Bond Counsel, assuming the accuracy of and compliance by the City with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), under existing statutes, interest on the Series A Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; the Series A Bonds are not "private activity bonds" and interest on the Series A Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax for individuals; however, for tax years beginning before January 1, 2018, interest on the Series A Bonds is included in the calculation of a corporation's adjusted current earnings for purposes of and thus may be subject to, the federal alternative minimum tax for certain corporations; interest on the Series B Bonds is not excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; interest on the Series A Bonds and the Series B Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds 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 Appendices B-1 "Form of Opinion of Bond Counsel and Tax Status — Series A Bonds" and B-2 "Form of Opinion of Bond Counsel and Tax Status — Series B Bonds" herein.)



City of Bristol, Connecticut

\$22,500,000

Tax-Exempt General Obligation Bonds, Issue of 2018, Series A

Dated: Date of Delivery

**Due: Serially October 15, 2019-2038
as detailed inside the front cover**

Interest on the Series A Bonds will be payable April 15, 2019 and semiannually thereafter on April 15 and October 15 in each year until maturity.

The Series A Bonds are subject to redemption prior to maturity as more fully described under "Redemption Provisions" herein.

BOFA MERRILL LYNCH

\$7,900,000

General Obligation Bonds, Issue of 2018, Series B – Federally Taxable

Dated: Date of Delivery

**Due: Serially October 15, 2019-2038
as detailed inside the front cover**

Interest on the Series B Bonds will be payable April 15, 2019 and semiannually thereafter on April 15 and October 15 in each year until maturity.

The Series B Bonds are subject to redemption prior to maturity as more fully described under "Redemption Provisions" herein.

PNC CAPITAL MARKET LLC

The Series A Bonds and Series B Bonds (collectively the "Bonds") will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC"), New York, New York. The beneficial owners of the Bonds will not receive certificates representing their ownership interest in the Bonds. Principal of, redemption premium, if any, and interest payments on, the Bonds will be made by the City of Bristol, Connecticut (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.)

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 the interest on the Bonds when due. (See "Security and Remedies" herein.)

The Registrar, Transfer Agent, Certifying Agent and Paying Agent will be U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23rd Floor, Hartford, Connecticut 06103.

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut and certain other conditions. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about October 25, 2018.

City of Bristol, Connecticut
\$22,500,000
Tax-Exempt General Obligation Bonds, Issue of 2018, Series A

Dated: Date of Delivery

Due: Serially October 15, 2019-2038
as detailed below

Year	Principal	Coupon	Yield	CUSIP¹	Year	Principal	Coupon	Yield	CUSIP¹
2019	\$ 790,000	5.000%	1.820%	109853Z95	2029	\$ 1,180,000	3.000%	3.130%	1098532K6
2020	800,000	5.000%	1.960%	1098532A8	2030	1,180,000	3.000%	3.250%	1098532L4
2021	975,000	5.000%	2.030%	1098532B6	2031	1,180,000	3.125%	3.360%	1098532M2
2022	1,125,000	5.000%	2.120%	1098532C4	2032	1,180,000	3.250%	3.430%	1098532N0
2023	1,140,000	5.000%	2.210%	1098532D2	2033	1,180,000	3.250%	3.500%	1098532P5
2024*	1,150,000	3.000%	2.450%	1098532E0	2034	1,180,000	3.375%	3.580%	1098532Q3
2025	1,180,000	2.500%	2.560%	1098532F7	2035	1,180,000	3.500%	3.650%	1098532R1
2026*	1,180,000	3.000%	2.730%	1098532G5	2036	1,180,000	3.500%	3.710%	1098532S9
2027*	1,180,000	3.000%	2.870%	1098532H3	2037	1,180,000	3.500%	3.760%	1098532T7
2028	1,180,000	3.000%	3.000%	1098532J9	2038	1,180,000	3.750%	3.750%	1098532U4

* Priced assuming redemption on October 15, 2023; however any such redemption is at the option of the City.

BOFA MERRILL LYNCH

\$7,900,000
General Obligation Bonds, Issue of 2018, Series B – Federally Taxable

Dated: Date of Delivery

Due: Serially October 15, 2019-2038
as detailed below

Year	Principal	Coupon	Yield	CUSIP¹	Year	Principal	Coupon	Yield	CUSIP¹
2019	\$ 280,000	4.000%	2.800%	1098532V2	2029	\$ 415,000	3.700%	3.700%	1098533F6
2020	300,000	4.000%	2.950%	1098532W0	2030	415,000	3.750%	3.750%	1098533G4
2021	335,000	4.000%	3.050%	1098532X8	2031	415,000	3.800%	3.800%	1098533H2
2022	360,000	4.000%	3.150%	1098532Y6	2032	415,000	3.850%	3.850%	1098533J8
2023	400,000	4.000%	3.250%	1098532Z3	2033	415,000	3.900%	3.900%	1098533K5
2024	415,000	4.000%	3.350%	1098533A7	2034	415,000	3.950%	3.950%	1098533L3
2025	415,000	4.000%	3.450%	1098533B5	2035	415,000	4.000%	4.000%	1098533M1
2026	415,000	4.000%	3.500%	1098533C3	2036	415,000	4.050%	4.050%	1098533N9
2027*	415,000	4.000%	3.600%	1098533D1	2037	415,000	4.050%	4.080%	1098533P4
2028	415,000	3.650%	3.650%	1098533E9	2038	415,000	4.050%	4.100%	1098533Q2

* Priced assuming redemption on October 15, 2026; however any such redemption is at the option of the City.

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¹ Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the holders of the Bonds. The City is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations not 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. This Official Statement does not constitute an offer to sell nor 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.

Set forth in Appendix A — "2017 General Purpose Financial Statements" hereto is a copy of the report of the independent auditors for the City with respect to the financial statements of the City included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

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, in reliance upon exemptions contained in such act. In addition, the Bonds have not been registered under any state securities law.

The City deems this Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15(c)(2)-12(b)(1), but it is subject to revision or amendment.

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Series A Tax Exempt Bond Issue Summary

The information in this Series A 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.

Date of Sale:	Thursday, October 11, 2018 at 11:00 A.M. (Eastern Time).
Location of Sale:	Bristol City Hall, Comptroller's Office, 111 Main Street, Bristol, CT 06010.
Issuer:	City of Bristol, Connecticut (the "City").
Issue:	\$22,500,000 Tax Exempt General Obligation Bonds, Issue of 2018, Series A (the "Series A Bonds").
Dated Date:	Date of Delivery.
Interest Due:	April 15 and October 15, in each year until maturity commencing April 15, 2019.
Principal Due:	Serially, October 15, 2019 through October 15, 2038, as detailed on the inside cover of this Official Statement.
Purpose and Authority:	The proceeds of the Series A Bonds are being used to finance various capital improvements and school projects.
Redemption:	The Series A Bonds are subject to redemption prior to maturity as herein provided.
Security:	The Series A Bonds will be general obligations of the City of Bristol, Connecticut, and the City will pledge its full faith and credit to the payment of principal of and interest on the Series A Bonds when due.
Credit Rating:	S&P Global Ratings has rated the Series A Bonds "AA+". Fitch Ratings has rated the Series A Bonds "AAA".
Tax Status:	See Appendix B, "Opinion of Bond Counsel and Tax Status".
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data and notices of certain events with respect to the Series A 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.
Bank Qualification:	The Series A 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 of interest expense allocable to the Series A Bonds.
Registrar, Transfer Agent, Certifying Agent, and Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23 rd Floor, Hartford, Connecticut 06103.
Legal Opinion:	Day Pitney LLP of Hartford, Connecticut will act as Bond Counsel.
Municipal Advisor:	Phoenix Advisors, LLC of Milford, Connecticut will act as Municipal Advisor.
Delivery and Payment:	It is expected that delivery of the Series A Bonds in book-entry-only form will be made on or about October 25, 2018, against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to: Ms. Diane M. Waldron, Comptroller, City Hall, 111 North Main Street, Bristol, Connecticut 06010. Telephone (860) 584-6130.

Series B – Federally Taxable Bond Issue Summary

The information in this Series B – Federally Taxable 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.

Date of Sale:	Thursday, October 11, 2018 at 11:30 A.M. (Eastern Time).
Location of Sale:	Bristol City Hall, Comptroller’s Office, 111 Main Street, Bristol, CT 06010.
Issuer:	City of Bristol, Connecticut (the "City").
Issue:	\$7,900,000 General Obligation Bonds, Issue of 2018, Series B – Federally Taxable (the “Series B Bonds”).
Dated Date:	Date of Delivery.
Interest Due:	April 15 and October 15, in each year until maturity commencing April 15, 2019.
Principal Due:	Serially, October 15, 2019 through October 15, 2038, as detailed on the inside cover of this Official Statement.
Purpose and Authority:	The proceeds of the Series B Bonds are being used to finance various capital improvements projects.
Redemption:	The Series B Bonds are subject to redemption prior to maturity as herein provided.
Security:	The Series B Bonds will be general obligations of the City of Bristol, Connecticut, and the City will pledge its full faith and credit to the payment of principal of and interest on the Series B Bonds when due.
Credit Rating:	S&P Global Ratings has rated the Series B Bonds “AA+”. Fitch Ratings has rated the Series B Bonds “AAA”.
Tax Status:	See Appendix B, “Opinion of Bond Counsel and Tax Status”.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data and notices of certain events with respect to the Series B 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.
Registrar, Transfer Agent, Certifying Agent, and Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23 rd Floor, Hartford, Connecticut 06103.
Legal Opinion:	Day Pitney LLP of Hartford, Connecticut will act as Bond Counsel.
Municipal Advisor:	Phoenix Advisors, LLC of Milford, Connecticut will act as Municipal Advisor.
Delivery and Payment:	It is expected that delivery of the Series B Bonds in book-entry-only form will be made on or about October 25, 2018, against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to: Ms. Diane M. Waldron, Comptroller, City Hall, 111 North Main Street, Bristol, Connecticut 06010. Telephone (860) 584-6130.

I. Bond Information

Introduction

This Official Statement is provided for the purpose of presenting certain information relating to the City of Bristol, Connecticut (the "City") in connection with the original sale of \$22,500,000 Tax Exempt General Obligation Bonds, Issue of 2018, Series A (the "Series A Bonds") and \$7,900,000 General Obligation Bonds, Issue of 2018, Series B – Federally Taxable (the "Series B Bonds" and together with the Series A Bonds, the "Bonds").

U.S. Bank National Association will act as Registrar, Transfer Agent, Paying Agent, and Certifying Agent, for the Bonds.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstance, create any implication that there has been no change in the affairs of the City since the date hereof. Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representation of fact. No representation is made that any of such statements will be realized. All quotations from and summaries and explanations of provisions of laws contained in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof.

Municipal Advisor

Phoenix Advisors, LLC, of Milford, Connecticut serves as Municipal Advisor to the City with respect to the issuance of the Bonds (the "Municipal Advisor"). The Municipal 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 Municipal 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 paid as is indicated on the inside cover of this Official Statement. The Bonds will be dated the Date of Delivery and will bear interest at the rate or rates per annum specified on the inside cover of this Official Statement, payable semiannually on April 15 and October 15 in each year until maturity, commencing April 15, 2019. Interest will be calculated on the basis of twelve thirty-day months and a 360-day year. Interest is payable to the registered owner as of the close of business on the last day of March and September, 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 The Depository Trust Company, or by such other means as The Depository Trust Company and the City shall agree. Principal will be payable at the office of U.S. Bank National Association or through The Depository Trust Company.

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Redemption Provisions

Series A Bonds

The Series A Bonds maturing on or before October 15, 2023 are not subject to redemption prior to maturity. The Series A Bonds maturing on October 15, 2024 and thereafter are subject to redemption prior to maturity, at the election of the City, on or after October 15, 2023 at any time, either in whole or in part, in such amounts and in such order of maturity, (but by lot within a maturity) as the City may determine, at the redemption prices (expressed as a percentage of the principal amount of the Series A Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

Redemption Dates	Redemption Prices
October 15, 2023 and thereafter.....	100%

Series B Bonds

The Series B Bonds maturing on or before October 15, 2026 are not subject to redemption prior to maturity. The Series B Bonds maturing on October 15, 2027 and thereafter are subject to redemption prior to maturity, at the election of the City, on or after October 15, 2026 at any time, either in whole or in part, in such amounts and in such order of maturity, (but by lot within a maturity) as the City may determine, at the redemption prices (expressed as a percentage of the principal amount of the Series B Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

Redemption Dates	Redemption Prices
October 15, 2026 and thereafter.....	100%

The Bonds

Notice of redemption shall be given by the City or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date to the registered owner of the Bonds at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. 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 Direct Participant or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its contents or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the City will reduce the outstanding principal amount of Bonds 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 interests held by Direct 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 Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interest 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 or the responsibility of the City, the Registrar or Paying Agent.

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 an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 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 the Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the

City or the Paying Agent, on 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, Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security 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.

DTC Practices

The City can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

Replacement Bonds

In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the City fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the City determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the City is authorized to issue fully-registered Bond certificates directly to the Beneficial Owner. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

Security and Remedies

The Bonds will be general obligations of the City of Bristol, Connecticut 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 General Statutes to levy ad valorem taxes on all taxable property in the City without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the City. The City may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the City the amount of tax revenue which the City would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income or of qualified disabled persons.

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 power in appropriate proceedings to render a judgment against the City. Courts of competent jurisdiction also have power in appropriate proceedings to order payment of a judgment on such debt from funds lawfully available therefor or, in the absence thereof, to order the City to take all lawful action to obtain the same, including the raising of the required

amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may 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 the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, amended in 1993, 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.

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Authorization and Purpose

The Bonds are issued pursuant to Title 7 of the General Statutes of the State of Connecticut, as amended, the Charter of the City of Bristol, and of bond resolutions approved at various City Council meetings.

Use of Proceeds

<i>Project</i>	<i>Authorized Amount</i>	<i>Series A Tax-Exempt Bonds</i>	<i>Series B Taxable Bonds</i>
BCHS Tennis Courts.....	\$ 350,000	\$ 350,000	\$ -
BEHS Tennis Courts.....	405,000	405,000	-
Brentwood Drive Reconstruction.....	360,000	255,000	-
Broad St. Pump Sta. Force Main Inst.....	1,500,000	125,000	-
Centre Square Infrastructure Project.....	4,000,000	3,525,298	-
Chippens Hill Roof.....	2,909,560	1,650,000	-
Curtiss, Zip, Twining Reconstruction.....	520,000	520,000	-
Divinity Street Culvert Replacement.....	350,000	350,000	-
Downs Street Bridge.....	320,000	275,000	-
DPW Vincent P. Kelly Facility Renovations Phase II..	330,000	330,000	-
Fire Apparatus.....	1,400,000	75,000	-
Fire Department Appartus Replacement.....	572,000	572,000	-
Fire Department Engine 4.....	6,000,000	257,000	-
Fire Department Engine 5.....	600,000	600,000	-
Greene Hills (Forestville) K-8 School.....	53,000,000	1,167,100	-
Heating, Hot Water DMAC.....	200,000	130,000	-
Hillside Place Intersection Reconstruction.....	540,000	540,000	-
HJ Mills Parking Lot Construction	880,000	-	777,020
Lexington Reconstruction.....	440,000	440,000	-
Mall Demolition/Abatement.....	3,500,000	-	615,000
Mall Purchase/Legal.....	6,275,000	-	3,085,000
Memorial Boulevard CCC	13,287,000	153,160	-
Mountain Road Rock Face Stabalization.....	320,000	320,000	-
Munchausen & Bartholomew St. Reconstruction.....	310,000	130,000	-
North Main Street Parking Improvements.....	200,000	200,000	-
Public Works Garage Renovations.....	520,000	332,000	-
Radio Communications System Replacement.....	10,000,000	6,430,000	-
Railroad Bridge Rehabilitation.....	220,000	220,000	-
Replace Engine 7.....	550,000	550,000	-
Senior Center Infrastructure Upgrade Project.....	2,960,700	-	2,394,700
Sharon, Dover, Warren Reconstruction.....	380,000	380,000	-
Shrub Road Storm Drainage.....	340,000	225,000	-
Single Stream Recycling - Phase II.....	800,000	-	664,500
Stevens Street Richard Court Berm Construction.....	550,000	48,000	-
Streetlight Upgrade.....	1,820,000	1,236,638	-
Synthetic Fields.....	3,615,000	344,645	-
West Bristol K-8 School.....	52,000,000	364,159	-
Willis Street - Reconstruction Phase II.....	816,430	-	363,780
Total.....	\$ 173,140,690	\$ 22,500,000	\$ 7,900,000

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 of interest expense allocable to the Bonds.

Availability of Continuing Disclosure Information

The City of Bristol prepares, in accordance with State law, annual independent audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. The City has and will continue to provide Moody's Investors Service, Inc., S&P Global Ratings and Fitch Ratings with ongoing disclosure in the form of comprehensive annual audited financial statements, adopted budgets and other materials relating to its management and financial condition, as may be necessary or requested.

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) timely notice of the occurrence of certain events with respect to the Bonds not in excess of ten business days after the occurrence of such events, and (iii) timely notices of failure by the City to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement to be executed substantially in the form set out in 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 to provide annual financial information and event notices pursuant to Rule 15c2-12(b)(5). Within the last five years from the date hereof, the City has not failed to meet, in any material respect, any of its undertakings under such agreements.

Ratings

S&P Global Ratings ("S&P") has assigned a rating of "AA+" to the Series A and Series B Bonds. Fitch Ratings ("Fitch") has assigned a rating of "AAA" to the Series A and Series B Bonds. The City furnished to the rating agencies certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of the rating agencies and will be subject to revision or withdrawal, which could affect the market price of the Bonds. The rating agencies should be contacted directly for its rating on the Bonds and the explanation of such rating. No application was made to any other rating agencies for the purpose of obtaining ratings on outstanding securities of the City.

Generally, rating agencies base a rating upon such information and materials and upon investigations, studies and assumptions by the rating agencies. There can be no assurance that a rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by the rating agencies if in their judgment circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability or market price of outstanding securities.

The City expects to furnish to the rating agencies information and materials that they may request. However, the City may issue short-term or other debt for which a rating is not requested. The City's Municipal Advisor, Phoenix Advisors, LLC, recommends that all bonded debt be submitted for a credit rating.

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II. The Issuer



Connecticut

Description of the Municipality

Bristol is a city of approximately 61,000 residents with one of the State's largest and best-maintained park systems, a top-rated public school system for its size, a variety of museums and local attractions such as Lake Compounce Amusement Park, and a broad industry base, including its largest taxpayer and employer, ESPN headquarters. Yet, Bristol also has one of the most affordable costs of living in the region. These reasons and others are why *Money Magazine* ranked Bristol 84th in the country as "Best Places to Live" in 2010, and in 2013 *Hartford Magazine* ranked Bristol as one of Greater Hartford's top municipalities in the category "Best Bang for the Buck." In 2016, Bristol was recognized as the "Best Small City for Doing Business in Greater Hartford" by WalletHub.com, a personal finance website, and in 2017 the City of Bristol exhibited the strongest "economic health" of the 25 largest cities in the State of Connecticut, according to the Connecticut Department of Labor (DOL). The DOL ranking is based on four economic indicators: (1) total covered business establishments (2) total covered employment (3) inflation-adjusted covered wages, and (4) the local unemployment rate.

Bristol enjoys the important advantages of a central location close to major metropolitan markets: New York and Boston each lie within 100 miles of Bristol, accessible by interstate highway, train, and air; Hartford is 16 miles away and New Haven is 25 miles south. Connecticut's major east-west highway, Interstate 84, is less than five miles south of Downtown Bristol off Route 229. Route 72 to Bristol connects Interstate 84 with Interstate 91, providing access to Fairfield County, New Haven County, and New York City to the south, Hartford County to the east, and Springfield, Massachusetts to the north. Route 6, one of the country's original transcontinental highways, runs through Bristol as part of its 3,234-mile expanse stretching from Cape Cod to California. Bristol is only 30 miles from Bradley International Airport, and is within two hours of New York's LaGuardia and Kennedy Airports. The City is even closer to several smaller airfields which can accommodate corporate jets. Helicopter service is available in Bristol's 229 Technology Park, and rail freight service is available locally.

Bristol was and continues to be a leader in manufacturing, producing a wide variety of precision-crafted goods. Bristol was once the foremost clock-making center in the nation and remains one of the country's largest centers for the manufacture of precision mechanical springs. Additionally, the City's manufacturing presence is well known in the production of everything from engineered steel, to screw machine products, to robotic-automation systems.

Specialty manufacturers produce for a diverse array of industries, including medical devices, aerospace, and automobile components.

Bristol's economic development efforts began in 1958 with the creation of the redevelopment agency for urban renewal. With a shift in focus from downtown in the 1970s, the City began work on its first industrial development on Middle Street, resulting in the development of 229 Technology Park, widely regarded as one of the most successful industrial parks in the state.

The 229 Technology Park parcels, totaling over 100 acres, were completely sold by 1986. This location was designed as an ideal choice for corporate headquarters, research and development facilities, and light manufacturing and support services. The industrial park is a high-end development. All sites benefit from underground utility service, quality landscaping, and sound protective covenants. Under the administration of the Bristol Development Authority (BDA), the City of Bristol has attracted many companies to the park, such as IDEX Health and Science, Multi/Cable Corp., Etter Engineering Co Inc., the Covanta trash-to-energy plant, the Otis Elevator Quality Assurance Center (North America's tallest elevator test tower), the renovated DoubleTree by Hilton Hotel, and more. Most recently, the City welcomed an Amazon Delivery Station to the 229 Technology Park. The 229 Technology Park has close to 2,000 employees in over 25 businesses. ESPN, established in 1980, is located across from the 229 Technology Park on Route 229 and now employs thousands of people, many of whom live in Bristol.

In 1997, the City partnered with Tilcon Minerals to develop roughly 24 acres adjacent to the 229 Technology Park to create the Halcyon Technology Park. The Halcyon Technology Park shares the guidelines governing development with the 229 Technology Park. It has been developed with the addition of Bauer Aerospace, Nucoil Industries Inc., ACG Construction, Curtis Products, and others. An underutilized 25,000-square foot Reynold's Aluminum Recycling Center was refurbished by Eastern Plastics Inc. (known as IDEX Health and Science) which has expanded twice: a 10,000 square foot addition was added in 1999, and a 15,000 additional square foot addition was constructed in 2004.

In addition to the successful 229 Technology Park and Halcyon Technology Park, the City now offers building lots in the 51-acre Southeast Bristol Business Park, completed in 2008, less than one mile north of the existing industrial parks. Infrastructure for the new business park – including roadway, a traffic light, and utilities – was a jointly funded project of the Federal, State, and City governments. Five end-users have developed sites in the park: CMI Specialty Products is a producer/distributor of specialty electromagnetic steel; Precision Threaded Products (Thompson Aerospace) makes aircraft fasteners; GMN USA is a spindle repair/manufacturer, the Connecticut/Western Massachusetts headquarters of the PODS portable storage company recently constructed a 130,000 square-foot distribution facility, and AMKO LLC is an aerospace manufacturer that recently completed construction on a 16,000 square-foot facility.

Bristol attracts and encourages growth with incentives such as tax abatements and economic development grants. The City has developed a word-of-mouth reputation as a pro-business environment due, in part, to these incentives as well as active marketing efforts. Each grant incentive is evaluated for return on investment. New taxes generated, less any abatement, can be calculated on improvements to a building and, in certain instances, the addition of new equipment and machinery. Every grantee is evaluated for financial viability and projected return to the City. Each business must also sign a grant agreement with clawback provisions: every agreement requires that the business stay in Bristol for 10 years, stay current on property taxes, and make every effort to hire Bristol residents. Pending funding at the State level, the use of the Urban Jobs Program tax abatement and other State-sponsored programs help guarantee the City a percentage reimbursement of the full amount of property taxes otherwise due from expanding businesses.

In 1995, a State Enterprise Zone was established in downtown Bristol to promote additional development, renewed investment, and employment opportunities through the creation of tax and other incentives. The former General Motors plant was added to the Enterprise Zone in 1996. The Bristol Development Authority actively promotes state-assisted tax relief programs (reimbursement for property tax abatement and more income tax reductions) and financial assistance for businesses.

Over 100 companies received economic development grants and abatements from 1994 to 2018. More than 700,000 square feet of new construction has resulted, along with an increase of more than \$100 million in the City's grand list. A total of more than 4,000 new jobs resulted from this effort alone.

Examples of recent business growth include the following projects:

- GMN USA constructed an advanced manufacturing facility

- Bristol Hospital, Inc., the City's second largest employer, is building a 60,000 square foot medical office building downtown
- PODS constructed a large distribution facility
- Faneuil, Inc. recently renovated a large call center, bringing 400 jobs to downtown Bristol
- AMKO LLC completed construction on a 16,000 square foot facility
- Arthur G. Russell built a 20,000 square-foot addition to its existing facility
- Amazon is renovating a 60,000 square foot distribution facility at 71 Horizon Drive

ESPN continues to thrive as it adjusts to the popularity of mobile communications and new methods of reaching its growing audience. The nation's first all-sports cable television network is an affiliate of ABC/Walt Disney. Its broadcast headquarters are in Bristol where it has grown to be the world's largest sports programmer. The \$500 million ESPN Digital Center was brought on line in June 2004, and in summer 2014 ESPN opened its second digital center broadcast studio. At an estimated cost of \$100 million, the 200,000 square foot, state-of-the-art building offers new employment opportunities and provides the City with additional tax revenue. Also, ESPN continues to invest in 383 Middle Street, a roughly 400,000 square foot former factory building now known as "ESPN North." ESPN has steadily increased its footprint within the building and made significant improvements along the way, increasing tax revenue to the City. ESPN's future growth in Bristol was assured by its acquisition of 20 adjoining acres across Birch Street. As part of this project, the City contributed to the expansion by providing \$3.5 million in infrastructure improvements including adding a critical new access road, sewer improvements, re-paving Birch Street, road widening and re-grading of CT Route 229, intersection improvements, realignment of Ronzo and Redstone Hill Roads at CT Route 229, and closing a portion of Ronzo Road to accommodate more growth. Although ESPN recently announced some workplace reduction at its Bristol location it continues to remain on the forefront of sports programming.

Metal working and spring making is an important industrial cluster for Bristol including the Barnes Group Inc. and its associated spring division, which are the largest precision spring manufacturers in North America. Several other spring manufacturers, including Rowley Spring and Stamping Company, Century Spring, Fourslide Spring Products, and Springfield Spring cement the area's designation as the "Spring-Making Capital of the World." These companies and others have been challenged by foreign competition. Nevertheless, there have been few closures and layoffs, and presently these manufacturers are experiencing an influx of new business as work orders return to U.S. companies from overseas.

Covanta, one of Bristol's largest taxpayers, operates a 60,000 square-foot trash-to-energy facility and processes waste for use in generating electricity. A need for additional clean energy production in Connecticut is expected to provide a continuing strong demand as well as production opportunities. Serving Bristol and several of its neighboring communities, this privately-owned complex is located within 229 Technology Park. Growth opportunities that the City is pursuing include clean energy and bioscience. The strategy is being developed and may bear fruit over the coming decade.

Bristol Hospital, Inc. is a nonprofit, 154-bed hospital employing approximately 1,600 healthcare professionals and support staff. Bristol Hospital is the City's second largest employer. Bristol Hospital offers comprehensive inpatient, outpatient, and emergency services with a state-of-the-art intensive care unit and single room maternity care. The hospital also provides a wide range of educational programs and support groups. Within the past several years, Bristol Hospital has opened a new Center for Wound Care and Hyperbaric Medicine, and a Center for Orthopedic and Spine Health. In 2018, Bristol Hospital started constructing a 60,000 square-foot medical office complex on the City's Centre Square development parcel. The project will encompass 4 acres in the heart of downtown, bringing employment opportunities, medical staff, patients, and others downtown. In 2015, Bristol Hospital was officially designated by the American Nurses Credentialing Center (ANCC) Magnet Recognition Program as a "Magnet Recognized Organization." Magnet is the highest recognition an organization can receive for nursing care as established by the ANCC, a division of the American Nurses Association.

The City's two most heavily trafficked retail areas – CT Route 6 and CT Route 229 – continue to grow. CT Route 6 has enjoyed a large amount of retail renovation and expansion, particularly near the Farmington town line. This has included the development of a large LA Fitness facility, Chili's restaurant, and Sonic restaurant. Nearby on CT Route 6, a new fitness facility – The Edge – opened in August 2018 following an impressive renovation of outdated retail space. New retail tenants for the remainder of CT Route 6 in Bristol include Fresh Craft Grille, a fast casual eatery; Pet Valu Pet Store; The Paper Store; Dee's Cleaners and Laundromat; CVS pharmacy; Firehouse Subs; Thomaston Savings Bank; and many more. On or near CT Route 229, the Hospital of Central Connecticut recently opened a new urgent care facility, Cumberland Farms built a new gas station and retail store on a historically underutilized corner, popular retail store Bob's Sports Chalet constructed an exciting new retail destination, popular

restaurant group Max Pizza is currently building a new eatery, ESPN continues its operations, and the Southeast Bristol Business Park is gaining steam at attracting the area's top manufacturers and distributors.

Downtown redevelopment remains a top priority for reasons of economic vitality and quality of life. The City is currently working to redevelop an approximately 15-acre City owned piece of property – dubbed Centre Square – in the heart of the downtown sector. In 2016, the City engaged planning firm Milone & MacBroom to design a “master plan” for development of the site. This dynamic plan determines the locations of critical roadways, streetscape improvements, utility work, and also lays out a plan for future development on the Centre Square site. Bristol Hospital is underway on the construction of a 60,000 square-foot medical complex that will encompass four acres of the Centre Square site. The City of Bristol has nearly completed construction on the site's first roadway that will serve Bristol Hospital and future developments on the property. In addition to ongoing Centre Square work, the City has had several recent downtown projects flourish. Biker's Edge, a popular local retailer, relocated from CT Route 6 to the downtown area. The former Milestone restaurant will soon reopen as Bristol Sports Bar and Grille, Main Street Pint and Plate is an exciting new eatery that opened downtown to rave reviews. Faneuil Inc., a nationally recognized leader for operating customer care centers (call centers), established a large call center downtown that now employs more than 400 people.

Other downtown reinvestments are being contemplated as well. Transportation, shopping and living patterns are all changing, affected to a large degree by increasing energy costs. Long-term trends favor cities and those that plan for quality development in a compact environment, promoting walking, biking, and short commutes. Bristol has been making those infrastructure investments to meet such future demands.

TIF Master Plan Downtown Bristol

The City of Bristol recently approved the use of Tax Increment Financing (TIF) and adopted a TIF Master Plan as an economic development tool to incentivize private development and to provide a funding source for public infrastructure projects in downtown Bristol. Specifically, TIF earmarks the future real property tax revenue increases within the Downtown TIF District to help finance public infrastructure improvements, to fund City administered economic development incentive programs, and/or to help finance private development projects within the TIF District. TIF is NOT a new tax or special assessment on top of the existing property tax.

Form of Government

Adopted by the State legislature in 1911, the City's Charter established a Council-Mayor form of government. The Charter subsequently was amended by many Special Acts, with a major change taking effect on January 1, 1969 through Charter Revision pursuant to the Home Rule Act. The City's general elective officers include the Mayor, City Council (6 members), Treasurer, and Board of Assessment Appeals (3). The Mayor and City Council appoint other City officials and members of various Boards and Commissions.

The Mayor is the chief executive officer of the City and an ex officio member of the City Council and Board of Finance. Elected every odd-numbered year on a partisan basis, the Mayor presides over meetings of the City Council and exercises general supervision over the official acts and conduct of the City's officers.

The City's legislative power is vested exclusively in the City Council, consisting of six members from three City Council Districts who are elected every odd-numbered year on a partisan basis. As the City's elected representatives, the City Council sets policy by resolutions or ordinances and directs the Mayor to ensure that such policies, as well as all the Charter-mandated duties of the City, are implemented.

The Board of Finance consists of nine members with four-year overlapping terms, who are nominated by the Mayor and confirmed by the City Council. The Board of Finance serves as the Board of Estimate and Apportionment of expenditures for the City, responsible for preparing a budget and estimate of expenditures every ensuing fiscal year.

The Joint Board of the City of Bristol is comprised of the members of the Board of Finance, the City Council and the Mayor (who also serves as Chairman). The Joint Board's responsibilities include approval of the budget, authorization of all additional expenditures to the budget, and approval of any expenditure in excess of \$5,000.

The Board of Education consists of nine members, each of whom is elected every fourth year coinciding with the odd-numbered election year of the City's other elective officers. Although the Board of Education's total operating budget must be approved within the City's Annual Budget, the board operates independently of the City Council.

Principal Municipal Officials

Office	Name	Manner of Selection	Term Expiration
Mayor	Ellen A. Zoppo-Sassu	Elected	11/11/2019
Council Member	Mary B. Fortier	Elected	11/11/2019
Council Member	Dave Mills	Elected	11/11/2019
Council Member	David J. Preleski	Elected	11/11/2019
Council Member	Gregory R. Hahn	Elected	11/11/2019
Council Member	Joshua T. Medeiros	Elected	11/11/2019
Council Member	Peter B. Kelley	Elected	11/11/2019
Board of Finance, Chairman	Cheryl Thibeault	Appointed	06/21
Board of Finance, Vice Chairman	John E. Smith	Appointed	06/19
Board of Finance	Jake Carrier	Appointed	06/19
Board of Finance	Orlando Calfe	Appointed	06/21
Board of Finance	Marie O'Brien	Appointed	06/22
Board of Finance	Michael LaMothe	Appointed	06/22
Board of Finance	Ron Burns	Appointed	06/20
Board of Finance	Ellen A. Zoppo-Sassu	Ex-Officio	11/11/2019
Board of Finance	Nicolas Jones, Jr.	Appointed	06/20
Board of Education, Chairperson	Christopher C. Wilson	Elected	11/11/2019
Board of Education, Member	Karen L. Vibert	Elected	11/11/2019
Board of Education, Member.....	Jennifer Dube	Elected	11/11/2019
Board of Education, Member	Jeff Caggiano	Elected	11/11/2019
Board of Education, Member	Joe P. Grabowski	Elected	11/11/2019
Board of Education, Member	Kristen M. Giantonio	Elected	11/11/2019
Board of Education, Member	Tina Marie Taylor	Elected	11/11/2019
Board of Education, Member	Thomas P. O'Brien	Elected	11/11/2019
Board of Education, Secretary	Karen C. Hintz	Elected	11/11/2019
Town and City Clerk	Therese Pac	Appointed	11/18
Comptroller	Diane M. Waldron	Appointed	06/19/2021
Assistant Comptroller	Robin Manuele	Appointed	04/22
Treasurer	Thomas O. Barnes, Jr.	Elected	11/11/2019
Assessor	Thomas DeNoto	Appointed	07/20
Tax Collector	Ann Bednaz	Appointed	08/22
Purchasing Agent	Roger Rousseau	Appointed	01/22
Director of Public Works	Walter E. Veselka III	Appointed	11/19
Police Chief	Brian J. Gould	Appointed	04/20
Fire Chief	Jay Kolakoski	Appointed	01/19
Corporation Counsel	Wyland Dale Clift	Appointed	11/19
Superintendent of Schools	Susan Kalt Moreau	Appointed	6/30/2019
Acting Personnel Director	Linda Milia	Appointed	11/29/2019
Superintendent Parks and Recreation	Brian J. Wilson	Appointed	06/21
Superintendent of Water Department	Robert Longo	Appointed	05/19
Bristol Development Authority Ex. Director	Justin Malley	Appointed	04/22
Registrar of Voters (D)	Kevin McCauley	Elected	1/9/2019
Registrar of Voters (R)	Sharon Krawiecki	Elected	1/9/2019
Director, Department of Aging	Patricia Tomascak	Appointed	Indefinite
Chairman, Inland Wetlands Commission	Zachary Fisk	Appointed	05/20
Director of Youth & Community Services	Eileen McNulty	Appointed	Indefinite
City Planner	Robert Flanagan	Hired	Indefinite
Planning Secretary and City Engineer	Raymond Rogozinski	Appointed	02/21
Zoning Enforcement Officer	Monica Holloway	Hired	Indefinite
Director, Emergency Management	Harland Graime	Appointed	Indefinite
Chief Building Official	Guy Morin	Appointed	07/22
Bristol-Burlington Health District Director.....	Marco Palmieri	Appointed	Indefinite
Library Director	Deborah Prozzo	Appointed	Indefinite
Water Pollution Control Manager.....	Sean Hennessey	Hired	Indefinite

Municipal Services

Police. The Police Department has an authorized strength of 123 sworn personnel and 24 civilian employees, including the Police Chief, two Captains, eleven Lieutenants and thirteen Sergeants. Six Commissioners act as the policy-setting civilian board. The Police Department employs sixteen civilian dispatchers and two Animal Control Officers.

Police services in Bristol include a Patrol Bureau and Support Bureau. Ancillary Support Services include a narcotics enforcement unit, participation in the U.S. Department of Justice Drug Enforcement Administration Task Force, and a regional Emergency Response Team. The Department embraces advanced training and provides a 14-week field training officer program, augments college level classes and provides educational incentives for college education through a Master's Degree.

Fire. The Bristol Fire Department is a career department which provides emergency services through the use of 80 line personnel, six staff personnel, two full-time administrative personnel and one part-time principal clerk. The line personnel are divided into four platoons that work a 24-hour shift followed by three days off. Fire crews responded to 2,431 calls for service between July 1, 2017 and June 30, 2018. There are five engine companies and one truck company which operate under the direction of four Deputy Chiefs acting as shift supervisors. The department's personnel roster currently consists of the Fire Chief, Administrative Assistant, Principal Clerk, four Deputy Chiefs, one Fire Marshal, three Fire Inspectors, one Drill Master, one Equipment Technician, six Captains, eighteen Lieutenants and fifty-two Firefighters. The Board of Fire Commissioners provides oversight for the Bristol Fire Department. Commissioners are appointed to the Board for a term of three years by the Mayor who sits as the ex-officio Chairman of the Board. The Fire Commissioners work hand-in-hand with the Fire Chief to establish the primary policies of the Fire Department. Based on most recent Insurance Service Office surveys of the department's fire suppression capabilities, the City maintains a fire insurance classification of three.

Public Works. The Department of Public Works is under the direction of the Board of Public Works, consisting of the Mayor, three council representatives and three private citizens. Department programs include the maintenance of the City's streets, storm water infrastructure and bridges; the administration and/or construction of capital public works improvements; the maintenance and upgrading of all public buildings, exclusive of school and park facilities; the administration and/or collection and disposal of solid waste rubbish and recycling materials; the collection and treatment of waste water; purchase, service and maintenance of the Public Works fleet; and land use development planning. The Department of Public Works is divided into the following eight Operating Divisions with 122 employees:

Administration: Performs all office functions for the department including payroll, purchasing, processing bills, word processing, database management, filing and issuance of permits for Transfer Station use, and barrel management for solid waste, recycling and yard waste collections. Administration also acts as the City Hall Switchboard for all calls, manages the Public Works web site, Department social media presence and handles communications and press releases for internal and external customers. This division also manages the citizen request/complaint database, and acts as the initial contact-point on street maintenance, storm water and drainage, solid waste and recycling, land use, permitting and engineering matters.

Engineering: Provides in-house technical and professional services for Public Works and for other City departments, boards and commissions. Performs design, construction administration and inspection of Public Works capital projects. Performs the updating of City maps; reviews plans for subdivisions for the Planning Commission and requests for changes to zoning; and reviews site plans and permit applications for the Inland Wetlands Commission. Performs updates, manages access and assists other Departments using the City's GIS database. The Division is also responsible for oversight of the upkeep on approximately 2 miles of industrial railroad spur with one bridge, 3 signalized crossings and 2 manual crossings plus the City's 5,500 street lights.

Land Use Administration: Provides administrative and technical services for the City's four land agencies (Planning Commission, Zoning Commission, Zoning Board of Appeals and Inland Wetlands Agency) and the local Historic District Commission. These services include receiving, processing and reviewing all applications; preparing legal notices, meeting agendas, correspondence and meeting minutes; and maintaining the official records of the boards. It also provides information, advice and assistance to the development community (e.g., developers, design professionals, attorneys, and real estate agents) and to the public regarding planning, zoning and related land use and development matters, as well as technical expertise and administrative assistance in the preparation and updating of the City's Plan of Conservation and Development, the City's regulatory tools (Zoning Regulations, Zoning Map, Subdivision Regulations, and Inland Wetlands Regulations) and other planning-related studies. The Land Use

Division also has administrative responsibility for implementation of the state's Aquifer Protection Area Program, in conjunction with the Zoning Commission, which has been designated as the City's Aquifer Protection Agency.

Facility Maintenance: Provides custodial and maintenance services for City Hall and the Police/Court Complex, Youth Services (51 High Street), Animal Control Facility (Vincent P. Kelly Road), City Yard (95 Vincent P. Kelly Road) and Transfer Station (685 Lake Street), as well as maintenance and repair services for the firehouses, libraries and senior center. Attends to landscaping and winter snow removal operations for City Hall, Police/Court Complex, Youth Services, Memorial Boulevard School and other City-owned properties as directed. Serves as Custodian for other properties acquired by the City through foreclosure, purchase and other means until transfer of responsibility to another department or sale by the City. Facility Manager works with City's Energy Commission on energy saving/management projects and Sustainable CT certification program initiatives.

Water Pollution Control: This division is charged with the operation and maintenance of the City's wastewater collection and treatment facilities, as accounted for in the Sewer Operating and Assessment Fund, and provides sanitary sewer collection and treatment to approximately 90% of the City's populated area. It operates and maintains an advanced wastewater reclamation plant with 10.75 MGD capacity, 16 pumping stations, and 243 miles of sewer lines and 5,600 manholes. It also provides administrative services for the operation of the City's wastewater collection and treatment facilities, oversees sewer usage billing performed by the City's Water Department, and develops long-term plans to assure the operation will meet the future needs of the community. In accordance with State and Federal regulations, the Division is required to maintain a Capital Reserve Fund adequately funded to meet the financial demands of all facility upgrades, modifications and capital equipment replacement.

Street Maintenance Operations: Maintains and repairs 232 miles of street, 220 miles of storm drains including over 8,000 catch basins, and 25 bridges. Additionally, this division is responsible for cutting, trimming and replanting trees and, winter snow removal and ice control operations.

Solid Waste & Recycling Management: Provides for collection and, by various means, disposal of all solid waste generated by approximately 20,000 dwelling units which house approximately 80 percent of the City's population. The division's activities include: collection of 18,000 tons of refuse; collection of 3,600 tons of recyclable material; collection of 450 tons of bulky material. Operates the City's transfer station/recycling drop-off center as a Pay-As-You Throw Special Revenue Fund operation which receives and transfers 4,000 tons of refuse, 4,600 tons of recyclable material, 3,000 tons of brush, 15,000 gallons of waste oil, and spring and fall leaf collection, including the operation of a leaf composting facility which processes 1,300 tons of leaves collected by the City and brought in by individuals and small businesses. All quantities are annual.

Fleet Maintenance: This division maintains and repairs all Public Works vehicles and equipment and 40 Police Department vehicles, and provides fuel and oil for most City vehicles. The garage averages over 1,500 repair and service orders per year, and dispenses approximately 129,000 gallons of gasoline and 174,000 gallons of diesel fuel annually.

Water Department. The Bristol Water Department is a municipal department of the City of Bristol and is governed by a Board of Water Commissioners appointed by the Mayor and approved by the City Council.

The Water Treatment Plant was constructed and put on-line in 1989 with a filtering capacity of 12 million gallons per day ("MGD") and provisions for increasing this capacity to 24 MGD with future expansion. The project cost of the new plant was \$11.4 million of which \$9,835,000 was bonded and debt service was paid for with revenues from the sale of water. All bonding for the Water Treatment Plant was repaid in 2008. Additional bonding in the amount of \$5,900,000 completed the rehabilitation of dams 2, 4 and 5 and the storage tank at the Filter Plant.

The surface water supply consists of six reservoirs with a combined capacity of 1.2 billion gallons of water. These reservoirs are located in the towns of Burlington, Harwinton, Plymouth and the City. In addition to the surface supply, there are five gravel packed wells with an average daily maximum production of 2.5 million gallons.

The Bristol Water Department has established an interconnection with the New Britain Water Department. The interconnection provides 500,000 gallons per day of additional supply for the Bristol Water Department, as required.

Ten storage structures are spread throughout the City in six different pressure zones with a combined capacity of 16.7 million gallons. The distribution system consists of over 300 miles of cast iron and ductile iron water mains

varying in size from 4" to 36". Ductile iron pipe is used for all new water main installations and for all service connections over 2" in diameter. Copper tubing is used for all service connections under 2" in diameter.

All bills are due and payable on the first day of the regular billing period. Penalty charges of 1.5% of the unpaid balance are added after 30 days from the billing date. Liens are filed in the City land records if the account remains unpaid for a period of six months from the billing date. All accounts in arrears after the 30 day payment period receive a "Second Notice" which includes the past due amount for the water and sewer bill plus any penalty and lien charges. Thirty (30) days after the "Second Notice" is sent, the customer will receive a "Third Notice" as a reminder bill that the account is still delinquent. Approximately seven to ten days after the "Third Notice" is sent, if payment is still not received on the past due account, the customer will receive a "Final Notice". The customer has thirteen (13) days from the date of the "Final Notice" to pay the delinquent account in its entirety or call the office to make arrangements for payment with the Collections Clerk. The "Final Notice" contains information on what a customer should do to prevent the possible termination of their water service. Although not required under the Bristol Water Department Rules and Regulations, seven days prior to the end of the thirteen day payment period a yellow door hanger is left at the service address and/or mailed to the owner of the property. If payment has not been made by the end of the thirteen day payment period, the service is terminated in accordance with the Department of Public Utility Control guidelines. The terminated service will not be turned back on until full payment is made by either cash or bank certified check including all re-instatement fees. For locations that contain tenants that cannot be shut off due to Department of Public Utility Control guidelines, liens are filed in the City land records if the account remains unpaid for a period of six months from the billing date.

***Bristol Water Department Rates
Effective as of July 1, 2018***

Consumption Rate: Billed at \$0.025 per cubic foot.

A service charge dependent upon the meter size is charged to all accounts as follows:

Minimum Quarterly Charges

<i>Meter Size</i>	<i>Quarterly Service Charge</i>
5/8"	\$26.00
3/4"	69.00
1"	104.00
1-1/2"	133.00
2"	161.00
3"	223.00
4"	316.00
6"	403.00
8"	540.00

The Bristol Water Department miscellaneous charges are as follows:

1" Fire Service Connection.....	\$25.00 per quarter
2" Fire Service Connection.....	\$30.00 per quarter
3" Fire Service Connection.....	\$41.00 per quarter
4" Fire Service Connection.....	\$53.00 per quarter
6" Fire Service Connection.....	\$75.00 per quarter
8" Fire Service Connection.....	\$111.00 per quarter
10" Fire Service Connection.....	\$155.00 per quarter
12" Fire Service Connection.....	\$180.00 per quarter
Private Fire Hydrant.....	\$27.50 per hydrant, per quarter
Public Fire Hydrant.....	\$6.00 per hydrant, per quarter

All miscellaneous charges are included with the regular quarterly billing.

Parks and Recreation. In size, Bristol has the second largest municipal parks system in the State of Connecticut. Its staff consists of 21 full-time employees, and more than 175 part-time seasonal employees. Policy is set by a seven-member commission.

With leisure recreation expanding in Bristol, the Bristol Parks and Recreation Department has introduced the total field of organized recreation services. The department provides the people of Bristol with a comprehensive and varied program of public recreation, activities, services and resources for all ages, including:

1. Maintaining and developing public park, playground and recreation facilities;
2. Offering public recreation programs for all ages;
3. Sponsoring special events and special interest programs; and
4. Assisting community groups in recreation-oriented activities.

Department facilities include two major parks over 100 acres each; eight neighborhood parks; a lighted stadium which is used by local baseball, soccer, and football teams; an indoor pool facility; a park on the historic register; the Federal Hill Green; and the Veterans' Memorial Boulevard Park. The Park Department is presently responsible for over 700 acres of park land including Hoppers/Birge Pond Nature Preserve, Kern Park, Pine Lake, Mix Street Field and Nelson Field.

Within these areas are located two outdoor swimming pools, 15 tennis courts (5 lighted), 6 outdoor basketball courts, 6 lighted sand volleyball courts, a supervised ice skating area, 5 fishing areas, a sliding area (Nelson Field), 6 pre-school playscapes, 3 baseball diamonds, 4 softball fields (3 lighted), picnic sites, 3 water spray parks, horseshoe courts, bocce courts, 2 eighteen hole disc golf courses, a para-fitness course, a universal accessible playscape, a jogging and walking path, hiking trails, dog park and a cast-in-place skate park.

The department is fortunate to have had many benefactors over the years, who established numerous Trust and Endowment Funds to benefit some of the City's parks. Major park renovations recently took place at Rockwell Park, Muzzy Field, Casey Field, Pine Lake, Page Park Tennis Courts and Page Park Pool.

Future plans call for improvements to Page Park pool and bathhouse, trail improvements to the Hoppers area and new bleacher seating at Muzzy Field.

Service Contract- Solid Waste Disposal Facility. Covanta Bristol, Inc., a Connecticut corporation operates a 650-ton-per-day mass-burn solid waste disposal, electric power generation, and resource recovery facility at 170 Enterprise Drive. The commercial operation date was April of 1988.

The Company is a subsidiary of Covanta Energy Corporation, a Delaware corporation. The Company was formed in 1984 for the purpose of owning and operating the facility for the processing and disposal of acceptable solid waste from the City of Bristol, Connecticut, Town of Berlin, Connecticut, Town of Branford, Connecticut, Town of Burlington, Connecticut, Town of Hartland, Connecticut, City of New Britain, Connecticut, Town of Plainville, Connecticut, Town of Plymouth, Connecticut, Town of Prospect, Connecticut, Town of Seymour, Connecticut, Town of Southington, Connecticut, Town of Warren, Connecticut, Town of Washington, Connecticut, and Town of Wolcott, Connecticut (14 municipalities collectively referred to as the "Contracting Communities"). The Contracting Communities Agreement operating under the Bristol Resource Recovery Facility Operating Committee ("BRRFOC") expired in 2014 and each municipality has individually contracted with Covanta through a collective agreement through 2034.

The City pays a tipping fee of \$64.31 per ton for refuse delivered, effective July 1, 2018. The City receives a rebate that is to be used for solid waste educational efforts including our Recycle Coach smartphone application and social media presence. The City also receives a Host Fee based on tonnage delivered, processed or handled at the facility to offset the impact of facility traffic on the City's roadway infrastructure.

If the facility is temporarily or permanently shut down and partially or completely unable to receive and process acceptable waste, the Company is obligated to provide waste disposal services by alternative disposal methods.

**Municipal Employees
Full-Time**

Fiscal Year Ended June 30	2018	2017	2016	2015	2014
Board of Education.....	1,027	1,071	1,068	1,057	1,061
General Government.....	501	505	506	510	488
Total.....	1,528	1,576	1,574	1,567	1,549

Source: City of Bristol, Personnel Office and Board of Education.

The table below shows an analysis of general government employees by department:

Department	Full Time	Part-Time & Temporary
Police	143	1
Fire	88	1
Administrative and Financial ...	69	7
Youth Services.....	6	2
Recreation	21	84
Library	27	7
Public Works	111	1
Water	36	-
Total	501	103

Source: City of Bristol, Personnel Office.

Employee Relations

Almost all full and permanent part-time City employees, with the exception of management, are represented by a bargaining organization as follows:

Board of Education	Employees Represented¹	Current Contract Expiration Date
Bristol Federation of Teachers Local 1464	587	6/30/2021
Bristol Association of Principals & Supervisors	33	6/30/2020
Bristol Educational Secretaries Association	71	6/30/2020
Bristol Municipal Employees Local 2267 Board of Education, Custodial, Maintenance & Teachers Aides	252	6/30/2020
AFL Local 2267 Council No. 4 (Board of Education Cafeteria)	50	6/30/2020
#818 Council 4	4	6/30/2020
Non-Bargaining Employees	30	--
Sub-total	1,027	
City Groups		
Local 1338 of Council No. 4, AFSCME, AFL-CIO	119	6/30/2018 ²
Police Local 754 of Council No. 15	116	6/30/2019
Local 773, International Association of Fire Fighters	86	6/30/2019
Bristol City Hall Employees, Local 233	116	6/30/2018 ²
Bristol Professionals & Supervisors Association	46	6/30/2022
Non-Bargaining Employees	18	--
Sub-total	501	
Total	1,528	

¹ Excludes part-time employees.

² In negotiation.

Source: City of Bristol, Personnel Office and Board of Education.

General Statutes Sections 7-473c, 7-474 and 10-153a to 153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives 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. Effective October 1, 1997, for binding arbitration of teachers' contracts, in assessing the financial capability of a city, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

Educational Services

The Bristol Public School system provides educational services ranging from pre-school programs through adult education programs. Within the system, there are six elementary schools which accommodate grades pre-kindergarten through five; two schools which accommodate grades pre-kindergarten through eighth, two middle schools, which provide programs for grades six, seven and eight; and two high schools which are comprehensive high schools for grades nine through twelve.

In addition to these schools, alternative education programs are provided at the Bristol Early Childhood Center. Bristol maintains a special education program with services provided to special needs students from pre-school to age twenty-one. Bristol's program for gifted students includes special programs and resource services for students identified as gifted in grades three through twelve. The academic programs are complimented by a wide variety of extracurricular activities, including intramural and interscholastic sports, instrumental and vocal music programs, and many student organizations which are available to all students.

The community is further served by a parochial school system of two grammar schools (K-8) and one high school. The Bristol Technical Educational Center is open to adults and high school students in grades 11 and 12, and is approved for veterans. Opportunities for post-secondary education in technical, professional, and the liberal arts field abound in the area through both public and private schools. A regional community/technical college is situated one mile over the Bristol border in the Town of Farmington and Central Connecticut State University is in nearby New Britain. Branches of the University of Connecticut and State technical colleges are located in both Waterbury and Hartford, twenty minutes away. Also available in the area are nursery schools and day care facilities, as well as child care programs in all of the elementary schools in Bristol.

Educators

Teachers and administrators belong to the retirement program provided by the State Teachers' Retirement Board and contribute 8.25% (7% + 1.25% health insurance). The State of Connecticut makes appropriations from the General Fund for its contributions to the Retirement Fund. The contributions are calculated using the terminal funding method. Neither the City nor the Board of Education is currently required to contribute to the Retirement Fund.

Support Staff

Support staff who qualify for benefits are also participants in the City retirement plan.

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School Facilities

School	Grades	Construction		Actual Enrollment 10/1/2017 ^{2,3}
		(Remodeling or Renovation)	Number of Classrooms ¹	
Bristol Central High School	9-12	1967, 2000	55	1,582
Bristol Eastern High School	9-12	1959 (65), 2000	60	1,700
Chippens Hill Middle School ..	6-8	1993	45	911
Northeast Middle School	6-8	1922 (65,83)	41	1,050
Greene-Hills	K-8	2012	53	1,100
West Bristol	K-8	2012	53	1,100
Stafford School	K- 5	1951 (54,85)	41	1,050
Edgewood School	K- 5	1957 (64,86,12)	24	497
Ellen Hubbell	K- 5	1991	28	529
Ivy Drive School	K- 5	1967 (2007)	29	480
Mountain View School	K- 5	1967 (2007)	27	441
South Side School	K- 5	1974	28	569
Totals			484	11,009
				7,666

¹ New England School Development Annual Report.

² The Bristol Board of Education reports Current Operating Capacity as of 10/1 every year based upon square footage and other requirements of the State Department of Education; however, the Bristol Board of Education's actual utilization of Current Operating Capacity is maximized by scheduling classes in interchangeable classrooms that are available for instruction. The Bristol Board of Education's Actual Enrollment, therefore, may exceed Current Operating Capacity in some schools.

³ Excludes 79 out-of-district placements and 335 pre-school students, but includes Special Education students.

Source: City of Bristol, Board of Education.

School Enrollment

School Year	Pre K	K - 5	6 - 8	9-12	Total ²
Historical¹					
2008-2009	340	3,728	2,002	2,713	8,783
2009-2010	326	3,628	2,039	2,700	8,693
2010-2011	309	3,585	1,960	2,714	8,568
2011-2012	276	3,628	2,039	2,641	8,584
2012-2013	287	3,581	1,836	2,546	8,250
2013-2014	290	3,585	1,750	2,509	8,134
2014-2015	337	3,546	1,772	2,448	8,103
2015-2016	335	3,554	1,734	2,408	8,031
2016-2017	333	3,551	1,858	2,394	8,136
2017-2018	298	3,406	1,862	2,260	7,826
Projected³					
2018-2019	298	3,393	1,892	2,299	7,882
2019-2020	298	3,395	1,807	2,335	7,835

¹ Bristol Board of Education (excludes 79 out-of-district placements).

² Special Education students are included in counts of regular education.

³ State of Connecticut, Department of Education.

Source: City of Bristol, Board of Education.

III. Economic and Demographic Information

Population and Density

Year	Population ¹	% Increase (Decrease)	Density ²
2016 ³	60,437	-0.1%	2,230.1
2010	60,477	0.7%	2,231.6
2000	60,062	-1.0%	2,216.3
1990	60,640	5.7%	2,237.6
1980	57,370	3.4%	2,117.0
1970	55,487	--	2,047.5

¹ 1970-2010, U.S. Department of Commerce, Bureau of Census

² Per square mile: 27.0 square miles

³ American Community Survey 2012-2016

Age Distribution of the Population

Age	City of Bristol		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	2,791	4.6%	188,812	5.3%
5 to 9 years	3,446	5.7	210,557	5.9
10 to 14 years	3,865	6.4	228,543	6.4
15 to 19 years	3,621	6.0	252,522	7.1
20 to 24 years	3,583	5.9	242,007	6.8
25 to 34 years	8,509	14.1	438,471	12.3
35 to 44 years	7,646	12.7	439,606	12.3
45 to 54 years	8,758	14.5	545,977	15.3
55 to 59 years	4,906	8.1	263,778	7.4
60 to 64 years	3,681	6.1	223,274	6.2
65 to 74 years	4,652	7.7	303,959	8.5
75 to 84 years	3,201	5.3	163,137	4.6
85 years and over	1,778	2.9	87,927	2.5
Total	60,437	100.0%	3,574,097	100.0%
Median Age (Years) 2016.....	41.2		40.6	
Median Age (Years) 2010! ¹	40.0		40.0	

¹ U.S. Department of Commerce, Bureau of Census, 2010.

Source: American Community Survey 2012-2016

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Income Distribution

	City of Bristol		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	382	2.5%	29,623	3.3%
\$10,000 to \$14,999.....	362	2.4	17,060	1.9
\$15,000 to \$24,999.....	1,006	6.7	44,354	5.0
\$25,000 to \$34,999.....	1,013	6.8	54,456	6.1
\$35,000 to \$49,999.....	1,664	11.1	81,300	9.1
\$50,000 to \$74,999.....	2,961	19.7	137,336	15.4
\$75,000 to \$99,999.....	2,382	15.9	124,033	13.9
\$100,000 to \$149,999...	3,173	21.1	186,214	20.8
\$150,000 to \$199,999...	1,373	9.1	96,075	10.7
\$200,000 or more.....	691	4.6	123,962	13.9
Total.....	15,007	100.0%	894,413	100.0%

Source: American Community Survey 2012-2016

Income Levels

	City of Bristol	State of Connecticut
Per Capita Income, 2016.....	\$32,374	\$39,906
Median Family Income, 2016.....	\$76,991	\$91,274
Median Household Income, 2016....	\$61,551	\$71,755

Source: American Community Survey 2012-2016

Employment Data

Period	City of Bristol		Percentage Unemployed		
	Employed	Unemployed	City of Bristol	Hartford Labor Market	State of Connecticut
July 2018.....	32,007	1,621	4.8	4.5	4.1
Annual Average					
2017.....	31,467	1,771	5.3	4.8	4.7
2016.....	31,038	1,958	5.9	5.3	5.3
2015.....	30,772	2,127	6.5	5.6	5.6
2014.....	31,282	2,406	7.2	6.7	6.7
2013.....	30,635	2,742	8.2	7.9	7.9
2012	31,220	2,947	8.6	8.4	8.3
2011	31,618	3,181	9.2	8.9	8.8
2010	31,557	3,444	9.8	9.1	9.0
2009	31,932	3,161	9.0	8.3	8.2
2008	32,315	2,092	6.1	5.9	5.8

Source: Department of Labor, State of Connecticut

Employment by Industry

Sector	City of Bristol		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	46	0.1%	7,209	0.4%
Construction.....	1,990	6.5	101,497	5.7
Manufacturing.....	4,456	14.5	190,713	10.6
Wholesale trade.....	876	2.8	45,110	2.5
Retail trade.....	3,590	11.7	193,853	10.8
Transportation warehousing, and utilities....	880	2.9	66,516	3.7
Information.....	1,636	5.3	42,374	2.4
Finance, insurance, real estate, and leasing..	3,335	10.8	163,765	9.1
Professional, scientific, management, administrative, and waste management.....	2,382	7.7	206,042	11.5
Education, health and social services.....	6,699	21.8	474,976	26.5
Arts, entertainment, recreation, accommodation and food services.....	2,464	8.0	153,754	8.6
Other services (except public admin.).....	1,115	3.6	81,588	4.5
Public Administration.....	1,315	4.3	66,291	3.7
Total Labor Force, Employed.....	30,784	100.0%	1,793,688	100.0%

Source: American Community Survey 2012-2016

Educational Attainment Years of School Completed Age 25 & Over

	City of Bristol		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	1,937	4.2%	103,279	4.4%
9th to 12th grade, no diploma.....	2,799	5.8	139,653	6.1
High School graduate (includes equivalency)...	15,213	26.7	673,220	27.5
Some college, no degree.....	8,175	18.1	427,232	17.8
Associate degree.....	3,597	8.7	184,426	7.4
Bachelor's degree.....	7,895	20.3	524,370	20.5
Graduate or professional degree.....	3,515	16.3	413,949	16.4
Total.....	43,131	100.0%	2,466,129	100.0%
Percent high school graduate or higher.....		89.0%		90.1%
Percent bachelor's degree or higher.....		26.5%		38.0%

Source: American Community Survey 2012-2016

Age Distribution of Housing

Year Built	City of Bristol		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	5,922	22.0%	334,202	22.4%
1940 to 1969.....	10,448	38.8	533,202	35.7
1970 to 1979.....	3,374	12.5	200,614	13.4
1980 to 1989.....	4,475	16.6	190,755	12.8
1990 to 1999.....	1,550	5.8	113,584	7.6
2000 or 2009.....	1,026	3.8	104,308	7.0
2010 or later.....	122	0.5	17,133	1.1
Total Housing Units.....	26,917	100.0%	1,493,798	100.0%

Source: American Community Survey 2012-2016

Housing Inventory

Housing Units	City of Bristol		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	14,886	55.3%	882,236	59.1%
1-unit, attached.....	1,308	4.9	80,639	5.4
2 units.....	2,986	11.1	123,152	8.2
3 or 4 units.....	2,553	9.5	130,686	8.7
5 to 9 units.....	1,674	6.2	82,581	5.5
10 to 19 units.....	955	3.5	56,858	3.8
20 or more units.....	2,364	8.8	125,758	8.4
Mobile home.....	172	0.6	11,534	0.8
Boat, RV, van, etc.....	19	0.1	354	0.0
Total Inventory.....	26,917	100.0%	1,493,798	100.0%

Source: American Community Survey 2012-2016

Owner-Occupied Housing Values

Specified Owner-Occupied Units	City of Bristol		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	390	2.4%	24,343	2.7%
\$50,000 to \$99,999.....	726	4.4	29,703	3.3
\$100,000 to \$149,999.....	3,276	20.0	81,158	9.0
\$150,000 to \$199,999.....	4,399	26.9	139,979	15.5
\$200,000 to \$299,999.....	5,520	33.8	246,071	27.3
\$300,000 to \$499,999.....	1,718	10.5	233,345	25.9
\$500,000 to \$999,999.....	271	1.7	104,952	11.7
\$1,000,000 or more.....	51	0.3	40,672	4.5
Total.....	16,351	100.0%	900,223	100.0%

Median Value..... \$192,500 \$269,300

Source: American Community Survey 2012-2016

Major Employers Employment Levels As of September 2018

Name	Business	Estimated Number of Employees
ESPN Inc.....	Broadcasting Facility Headquarters	4,200
Bristol City	Municipality	1,580
Bristol Hospital.....	Healthcare	1,160
Faneuil, Inc.	Call Center	370
Amazon	Distribution Center	250
Sheriden Woods Health Care Ctr.....	Health Care	225
IDEX Health & Science	Manufacturing	200
Shop & Stop.....	Retail	175
Quality Coils Inc.....	Manufacturing	170
The Pines @ Bristol	Healthcare	140
Total.....		8,470

Source: City of Bristol Comptroller's Office.

Land Use Summary

Category	All Land	
	Acreage	Percent
Residential	7,867	45.82%
Industrial and Commercial	1,760	10.25%
Community Facilities/Institutions	1,331	7.75%
Open Space	1,695	9.87%
Other (Farms, Misc. Public Land)	552	3.21%
Transportation and Utilities	2,132	12.42%
Vacant	1,833	10.68%
Totals.....	17,170	100.00%

Source: City of Bristol, Land Use Department.

Building Permits Ten-Year Comparison

Calendar Year	Residential		Commercial & Industrial		Apartments & Condominiums		Total Estimates	
	No.	Value	No.	Value	No.	Value	No.	Value
2017	1,145	\$ 15,290,398	242	\$ 18,235,634	-	\$ -	1,387	\$ 33,526,032
2016	1,100	12,707,765	221	41,687,869	-	-	1,321	54,395,634
2015	1,229	11,855,263	257	19,797,336	-	-	1,486	31,652,599
2014	1,206	14,205,476	252	16,384,301	-	-	1,458	30,589,777
2013	1,122	15,498,865	238	18,636,294	1	1,000,000	1,361	35,135,159
2012	1,076	11,621,730	234	16,704,090	-	-	1,310	28,325,820
2011 ¹	826	8,643,765	180	16,542,180	-	-	1,006	25,185,945
2010	1,169	12,966,812	275	20,080,414	-	-	1,444	33,047,226
2009	1,113	9,993,010	297	37,602,324	-	-	1,410	47,595,334
2008	1,323	13,158,760	318	16,255,135	-	-	1,641	29,413,895

Note: Does not include mechanicals.

Source: City of Bristol, Building Department.

¹Missing 1/1/11 through 4/30/11 data due to change in recording system.

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IV. Tax Base Data

Property Tax

Assessments

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the limits of the City of Bristol for inclusion on the Grand List is the responsibility of the Assessor. The Grand List represents the total assessed value for all taxable real and personal property and motor vehicles located within the City as of October 1st. The three classes of taxable property that create the Grand List are Real Estate, Motor Vehicles, and Personal Property. Real Property includes land and improvements that are permanently attached to the land. Personal Property includes all other property not classified as real property, such as machinery, equipment, furniture, fixtures, registered and non-registered motor vehicles. Assessments for real property are computed at seventy percent (70%) of the estimated market value at the time of the last revaluation. The last City-wide revaluation was 2017. The Board of Assessment Appeals is charged with the duty of hearing appeals on assessments from aggrieved taxpayers, and reviewing and changing valuation set by the Assessor.

Public Act No. 04-2 of the May 2004 Special Session of the Connecticut General Assembly modified the required cycle of revaluation and lengthened the cycle from four to five years. Generally, the law requires a revaluation every five years and a general revaluation based on physical observation where the preceding revaluation in the five-year cycle was a statistical revaluation. The City of Bristol's next general revaluation is scheduled to take effect October 1, 2022.

New construction of real estate and modifications to existing structures completed after any assessment date are liable for payment of municipal taxes from the date Certificate of Occupancy is issued by the Building Inspector. This involves the physical inspection of the property and computing the assessment. The prorated increment is the increase in the building assessment prorated on a daily basis from the Certificate of Occupancy date to the next assessment year.

Pursuant to the Connecticut General Statutes 14-163, the Commissioner of Motor Vehicles is required to furnish to the assessor in each town, a list containing the names and addresses of the owners of motor vehicles, residing in their respective towns, as they appear on October 1st of each year. Appraisals of motor vehicles are accomplished in accordance with an automobile pricing schedule recommended by Connecticut Association of Assessing Officers to the State Office of Policy and Management. In the past five years National Automobile Dealers Association ("NADA") has been the recommended schedule. 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 August 1st are subject to a property tax as if the motor vehicle had been included on the October 1st Grand List. The tax is prorated and is based on the number of months of ownership between October 1 and the following July 31st. Motor vehicles purchased in August and September are not taxed until the next October 1st Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October Grand List, the taxpayer is entitled to certain credits. If the motor vehicle is sold, destroyed, or stolen and not replaced, the tax bill will be prorated for the number of months of ownership.

Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. The State of Connecticut's 2017-2019 biennium budget legislation, adopted after the beginning of the City's fiscal year ending June 30, 2018, amended that statute to provide that (1) for the assessment year October 1, 2016 (the fiscal year ending June 30, 2018), the mill rate for motor vehicles shall not exceed 39 mills, and (2) for the assessment year October 1, 2017 (the fiscal year ending June 30, 2019), and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 45 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town or city in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps. The City did not issue supplemental motor vehicle property tax bills for the current fiscal year as permitted up to the new 39 mills rate cap.

For the fiscal year ending June 30, 2018, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 39 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 39 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2013 (the fiscal year ending June 30, 2015), and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 39 mills. For the fiscal year ending June 30, 2019, and each fiscal year thereafter, motor vehicle property tax grants to

municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 45 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 45 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 45 mills.

The Personal Property list consists of all businesses located within the corporate City limits of Bristol. In general terms, personal property is everything needed to engage in a business enterprise, excluding land and any improvements thereon. The common categories are machinery, furniture and fixtures, equipment, data processing equipment, and unregistered motor vehicles. Discovery of new accounts are obtained by telephone directories, newspaper articles, advertisements, trade names filed with the City Clerk, and a physical canvass of the business districts. State Statutes require all owners of business personal property to file annual lists of such property no later than November 1st, or be subject to a 25% penalty. All business personal property is assessed annually. Site inspections and audits are completed periodically.

Connecticut General Statutes 12-81(72) allows a five year, 100% property tax exemption for eligible new manufacturing machinery and equipment acquired and installed on or after October 2, 1991, and for "newly acquired" used manufacturing machinery and equipment acquired and installed on or after July 1, 1992. The State of Connecticut reimburses each municipality for the revenue loss sustained as a result of this exemption.

Levy

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. At the discretion of the City and for the convenience of the taxpayer, in compliance with Connecticut General Statutes, tax bills are payable in two installments - July 1 and January 1. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor corrections, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. A modest estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed at least three times a year, with interest charged at the rate of one and one-half percent per month in accordance with Connecticut General Statutes, with a minimum charge of \$2. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Auto accounts and personal property accounts are transferred to suspense when deemed least likely to be collected and all accounts become uncollectible 15 years after the due date in accordance with Connecticut General Statutes.

Tax Abatement Policy

The City of Bristol employs a number of statutory tax abatement mechanisms to incentivize economic growth in the community. Some of these programs include:

Connecticut City and Town Development Act

In November of 2014, Bristol voters approved a five-year extension of the Connecticut City and Town Development Act pursuant to Chapter 114 of the General Statutes which provides the community with a broad range of financial tools to foster the development of residential, industrial, commercial, and manufacturing facilities including the power to exempt development property from local taxation.

Enterprise Zone

The Enterprise Zone primarily encompasses the geographic center of downtown Bristol. Two important business incentives available in the Enterprise Zone are a five-year, 80% abatement of local property taxes on qualifying real and personal property and a ten-year, 25% credit on that portion of the state's corporation business tax. Additionally, qualifying newly formed corporations located in the zone are eligible for corporate tax credits. In order to qualify for the State of CT Enterprise Zone Program, the business occupying the space must be deemed eligible for the program by the State. Generally, manufacturers or service-based organizations that do not conduct business with the general public are eligible.

The Enterprise Zone property tax abatement revenue loss is reported annually to the State Department of Economic and Community Development as part of the Distressed Municipalities initiative granting the City 50% abatement revenue loss reimbursement. The following table represents the City's 50% abatement revenue loss reported to the State of Connecticut Department of Economic and Community Development for the last five years:

Grand List Year	Revenue Abatement		Total
	Real Estate	Personal Property	
2013	\$ 151,199	\$ 54,279	\$ 205,478
2014	115,915	58,252	174,167
2015	70,793	54,073	124,866
2016	62,680	40,439	103,119
2017	38,297	22,769	61,066
Total.....			\$ 668,696

If a business does not qualify for the State of Connecticut Enterprise Zone Program, an opportunity exists to pursue tax abatement through the City of Bristol Enterprise Zone Program. The City of Bristol program offers a 7-year abatement of real property improvements: 100% (Year 1), 100% (Year 2), 50% (Year 3), 40% (Year 4), 30% (Year 5), 20% (Year 6), and 10% (Year 7). Per Article XIV, Section 18-201 of the City of Bristol Code of Ordinances, assessments on commercial or residential real property within the Enterprise Zone which is improved are eligible to be fixed for a period of seven (7) years from the time of such improvement and shall defer any increase in assessment attributable to such improvements based on the schedule noted above.

Bioscience Zone

The Bioscience Zone is located in downtown areas and the southeastern portion of Bristol. Businesses engaged in bioscience development or production including the study of genes, cells, tissues, and chemical and physical structures of living organisms will be able to benefit from the same incentives available to businesses located in the State of Connecticut Enterprise Zone Program.

Urban Jobs Program

The Urban Jobs Tax Abatement Program is designated for manufacturers moving to or expanding in Bristol. In addition, warehouse/distribution firms engaging in new construction are also eligible. The program has the same eligibility requirements and benefits as the State Sponsored Enterprise Zone Track, with the exception that the property in question does not need to be located within the City/State-designated Enterprise Zone.

Opportunity Zone Program

The City successfully applied for federal “Opportunity Zone” designation for Census tract 4061, which encompasses the majority of downtown Bristol. Opportunity Zones are a creation of the federal Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income communities. The program provides a federal tax incentive for investors to re-invest unrealized capital gains into Opportunity Zones. Each governor may designate up to 25% of the qualified Census tracts in the state as Opportunity Zones. Qualified Census tracts are those that have a poverty rate of at least 20% or a median income that does not exceed 80% of the area median income.

Comparative Assessed Valuation

Grand List as of 10/1	Commercial/Industrial		All Land	Personal Property	Motor Vehicle	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	Percent Change
	Residential Real Property	Industrial Real Property							
2017 ¹	56.1	21.0	0.6	13.1	9.1	\$ 4,206,276,093	\$ 288,658,108	\$ 3,917,617,985	0.16%
2016	56.3	20.4	0.8	13.4	9.2	4,204,366,433	292,906,704	3,911,459,729	1.72%
2015	57.1	20.5	0.8	12.6	9.0	4,134,126,831	288,994,455	3,845,132,376	0.60%
2014	56.8	20.5	0.8	12.8	9.0	4,134,114,218	312,023,752	3,822,090,466	-0.36%
2013	57.7	20.8	0.8	11.6	9.1	4,067,924,600	232,210,578	3,835,714,022	1.56%
2012 ¹	58.4	20.8	0.9	10.8	9.1	4,003,522,190	226,672,927	3,776,849,263	-12.53%
2011	63.0	18.9	1.0	9.0	8.1	4,542,091,190	223,986,450	4,318,104,740	1.09%
2010	63.8	19.0	1.1	8.6	7.6	4,482,728,180	211,187,671	4,271,540,509	-0.05%
2009	64.0	18.9	1.1	8.6	7.4	4,454,637,840	181,046,126	4,273,591,714	0.64%
2008	64.4	18.8	1.0	8.4	7.3	4,420,750,050	174,309,060	4,246,440,990	0.27%

¹ Revaluation.

Source: City of Bristol, City Assessor. The numbers listed above are before Board of Assessment Appeals action.

**Exempt Property
Assessed Value**

The following categories of exempt properties are not included in the Grand List:

Public	Assessed Value
State of Connecticut	\$ 2,699,240
City of Bristol	255,293,870
United States of America	5,856,760
Sub-Total Public	\$263,849,870
Private	
Recreation Facilities	\$ 4,864,930
Churches	68,456,690
Hospitals and Sanitariums	55,649,580
Veterans' Organizations	837,900
Scientific, Educational, Historical and Charitable	26,452,480
Cemeteries	2,215,640
Sub-Total Private	\$158,477,220
Total Tax Exempt Property	\$422,327,090
Percent Compared to Net Taxable Grand List ¹	10.78%

¹Based on a Net Taxable Grand List as of October 1, 2017 of \$3,917,617,985.

Source: City of Bristol, Assessor.

Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
ESPN (Entertainment & Sports TV) ²	Broadcasting Facility Headquarters	\$ 218,205,850	5.57%
Eversource	Utility	61,328,340	1.57%
Covanta	Trash to energy facility	33,993,170	0.87%
Bristol Center LLC	Manufacturing/Warehouse facility	33,513,690	0.86%
Bristol Sports DST	Office Complex	25,245,150	0.64%
Federal Realty Investment Trust	Shopping Plaza	22,658,300	0.58%
Festival Fun Parks/LakeCompounce	Amusement Park	21,571,610	0.55%
Carpenter Realty Company	Real Estate owner/developer	21,073,800	0.54%
D'Amato Construction/Affiliated LLCs ..	Real Estate owner/developer	18,621,913	0.48%
Yankee Gas Service Company	Utility	17,742,970	0.45%
Total		\$ 473,954,793	12.11%

¹Based on a Net Taxable Grand List as of October 1, 2017 of \$3,917,617,985.

² The Walt Disney Company owns 80% and the Hearst Corporation owns 20% of ESPN, Inc. The Walt Disney Company is traded on the New York Stock Exchange, and the Hearst Corporation is privately-held.

Source: City of Bristol, Assessor.

Property Tax Levies and Collections

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Adjusted Annual Levy	Percent Collected at End of Fiscal Year	Uncollected	
						Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/2018 ²
2017 ¹	2019 ²	\$3,917,617,985	36.88	\$140,625,450		IN COLLECTION	
2016	2018 ²	3,525,167,050	36.03	126,652,686	98.76	1.24	1.24
2016 (MV) ³	2018 ²	379,623,698	32.00	11,968,704	94.09	5.91	5.91
2015	2017	3,845,132,376	36.03	140,557,058	98.82	1.18	0.00
2014	2016	3,822,090,466	34.61	135,392,014	98.68	1.32	0.00
2013	2015	3,835,714,022	34.61	134,241,698	98.47	1.53	0.00
2012 ¹	2014	3,776,849,263	33.50	127,846,858	98.46	1.54	0.00
2011	2013	4,318,104,740	28.75	125,219,747	98.75	1.25	0.00
2010	2012	4,271,540,509	27.24	117,025,188	98.74	1.26	0.00
2009	2011	4,273,591,714	27.24	116,072,405	98.63	1.37	0.00
2008	2010	4,246,440,990	25.99	110,504,691	98.32	1.68	0.00

¹ Revaluation.

² Subject to audit.

³ State legislation at the time of budget adoption capped the motor vehicle mill rate at 32 mills.

⁴ Excludes the motor vehicle supplement billed on January 1, 2019.

Source: City of Bristol, Tax Collector.

Property Taxes Receivable Last Five Fiscal Years (In Thousands)

As of June 30	Total Uncollected Taxes	Current Year Levy
2017	\$ 3,454	\$ 1,998
2016	4,155	2,541
2015	3,592	2,397
2014	3,462	2,242
2013	2,762	1,691
2012	2,732	1,406

Source: City of Bristol, Tax Collector.

V. Debt Summary
Long-Term Debt
As of October 25, 2018
Principal Only
(Pro-Forma)

Date	Purpose	Rate %	Amount of Original Issue	Amount Outstanding	Date of Fiscal Year Maturity
06/26/02	Clean Water PLO (415-D/C)	2.00	\$ 1,409,533	\$ 226,642	2021
06/26/02	Clean Water PLO (498-D/C)	2.00	1,483,380	238,516	2021
12/31/03	Clean Water PLO (504-C)	2.00	1,488,101	364,352	2022
05/28/04	Clean Water PLO (562-C)	2.00	693,527	204,578	2023
04/20/06	Clean Water PLO (464-C)	2.00	470,225	199,331	2026
08/24/11	General Purpose Refunding	3.00-5.00	15,589,000	6,222,000	2023
08/24/11	Schools Refunding	3.00-5.00	6,234,000	2,779,000	2023
08/24/11	Water Refunding	3.00-5.00	2,112,000	924,000	2023
06/27/14	Water PLO	2.00	501,000	395,795	2033
07/31/15	Clean Water PLO (622-C).....	2.00	631,833	529,102	2035
09/30/15	Water PLO	2.00	344,155	290,681	2035
11/17/15	General Purpose Refunding	3.00-5.00	4,126,000	3,086,000	2025
11/17/15	Schools Refunding	3.00-5.00	2,991,000	149,000	2025
05/30/17	General Purpose	2.00-5.00	17,739,000	17,739,000	2035
05/30/17	Schools	2.00-5.00	3,391,000	3,391,000	2035
11/09/17	General Purpose Refunding	3.00-5.00	5,437,000	5,185,000	2031
11/09/17	Schools Refunding	3.00-5.00	16,094,000	15,351,000	2031
11/09/17	Sewer Refunding	3.00-5.00	3,401,000	3,244,000	2031
11/09/17	Water Refunding	3.00-5.00	503,000	480,000	2031
08/30/18	Clean Water PLO (640-DC).....	2.00	7,530,046	7,504,503	
Total Outstanding Long-Term Debt.....			\$ 92,168,800	\$ 68,503,500	

This Issue:

Lot A - Tax Exempt

10/25/18	General Purpose	2.50-5.00	\$ 18,094,096	\$ 18,094,096	2039
10/25/18	Schools	2.50-5.00	4,280,904	4,280,904	2039
10/25/18	Sewer	2.50-5.00	125,000	125,000	2039
Sub-total Lot A Tax-Exempt Bonds.....			22,500,000	22,500,000	

Lot B - Taxable

10/25/18	General Purpose	3.65-4.05	\$ 7,900,000	\$ 7,900,000	2039
Sub-total Lot B Taxable Bonds.....			\$ 7,900,000	\$ 7,900,000	
Total This Issue.....			\$ 30,400,000	\$ 30,400,000	

Grand Total..... \$122,568,800 \$ 98,903,500

¹ The City has a Memorandum of Agreement and Understanding regarding the financing commitment of the Water Department to ensure the self-funding of the Water Department's debt.

Note: The City's debt service for general obligation sewer bonds is paid completely from the General Fund.

**Short-Term Debt
As of October 25, 2018**

The City does not have outstanding short-term debt as of October 25, 2018.

**General Fund
Bonded Debt Maturity Schedule ¹
As of October 25, 2018
(Pro-Forma)**

Fiscal Year	Principal	Interest	Total	Pro-forma: This Issue			Cumulative Principal Retired
				Lot A: Tax-Exempt	Lot B: Taxable	Total	
2019 ²	\$ 1,730,940	\$ 1,647,213	\$ 3,378,153	\$ -	\$ -	\$ -	1.79%
2020	6,520,350	2,308,739	8,829,089	790,000	280,000	1,070,000	9.63%
2021	6,929,661	2,023,777	8,953,438	800,000	300,000	1,100,000	17.92%
2022	6,801,650	1,721,862	8,523,512	975,000	335,000	1,310,000	26.30%
2023	5,506,022	1,460,952	6,966,974	1,125,000	360,000	1,485,000	33.52%
2024	4,190,789	1,245,875	5,436,664	1,140,000	400,000	1,540,000	39.44%
2025	4,215,542	1,053,533	5,269,075	1,150,000	415,000	1,565,000	45.41%
2026	3,710,576	910,239	4,620,815	1,180,000	415,000	1,595,000	50.89%
2027	3,717,068	784,355	4,501,423	1,180,000	415,000	1,595,000	56.38%
2028	3,730,020	666,700	4,396,720	1,180,000	415,000	1,595,000	61.88%
2029	3,733,137	547,278	4,280,415	1,180,000	415,000	1,595,000	67.38%
2030	3,741,415	424,679	4,166,094	1,180,000	415,000	1,595,000	72.90%
2031	3,744,860	295,814	4,040,674	1,180,000	415,000	1,595,000	78.41%
2032	1,675,474	208,428	1,883,902	1,180,000	415,000	1,595,000	81.79%
2033	1,684,266	162,448	1,846,714	1,180,000	415,000	1,595,000	85.18%
2034	1,693,233	116,281	1,809,514	1,180,000	415,000	1,595,000	88.57%
2035	1,686,496	69,986	1,756,482	1,180,000	415,000	1,595,000	91.96%
2036	433,042	24,073	457,115	1,180,000	415,000	1,595,000	94.06%
2037	441,785	15,330	457,115	1,180,000	415,000	1,595,000	96.16%
2038	450,702	6,413	457,115	1,180,000	415,000	1,595,000	98.27%
2039	75,996	190	76,186	1,180,000	415,000	1,595,000	100.00%
Total.....	\$ 66,413,024	\$ 15,694,165	\$ 82,107,189	\$ 22,500,000	\$ 7,900,000	\$ 30,400,000	

¹ Includes debt service related to Clean Water Fund Loans from the State of Connecticut outstanding as of October 25, 2018 but excludes self-supporting water debt and refunded bonds.

² Excludes \$5,056,408 of principal and \$892,883 of interest paid between July 1, 2018 and October 25, 2018.

Note: The City's debt service for general obligation sewer bonds is paid completely from the General Fund.

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Self-Supporting Water Debt Maturity Schedule
As of October 25, 2018
(Pro-Forma)

Fiscal Year	Principal	Interest	Total	Cumulative Principal Retired
2019 ¹	\$ 28,001	\$ 40,272	\$ 68,273	1.34%
2020	307,002	67,713	374,715	16.03%
2021	316,770	54,644	371,414	31.18%
2022	318,554	41,135	359,689	46.42%
2023	285,354	29,800	315,154	60.07%
2024	81,169	23,202	104,371	63.95%
2025	83,002	20,367	103,369	67.92%
2026	84,851	17,443	102,294	71.98%
2027	85,717	14,687	100,404	76.08%
2028	86,601	12,108	98,709	80.22%
2029	87,503	9,541	97,044	84.41%
2030	88,423	6,941	95,364	88.64%
2031	89,362	4,322	93,684	92.91%
2032	48,319	2,518	50,837	95.22%
2033	49,296	1,548	50,844	97.58%
2034	35,156	615	35,771	99.26%
2035	15,395	129	15,524	100.00%
Total.....	\$2,090,475	\$ 346,985	\$2,437,460	

¹ Excludes \$267,248 of principal and \$79,035 of interest paid between July 1, 2018 and October 25, 2018.

Overlapping/Underlying Debt

The City of Bristol has neither overlapping nor underlying debt.

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

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Debt Statement
As of October 25, 2018
Principal Only
(Pro Forma)

Long-Term Debt Outstanding:

General Purpose (Including This Issue).....	\$ 58,226,096
Schools (Including This Issue)	25,950,904
Sewers (Including This Issue).....	12,636,024
Water	<u>2,090,475</u>
Total Long-Term Debt	98,903,500
Short-Term Debt	-
Total Direct Debt	98,903,500
Less: Self Supporting Water Debt ¹	<u>(2,090,475)</u>
Total Net Direct Debt	96,813,024
Plus: Overlapping/Underlying Debt	<u>-</u>
Total Overall Net Debt	<u>\$ 96,813,024</u>

¹ The City has a Memorandum of Agreement and Understanding regarding the financing commitment of the Water Department to ensure the self-funding of the Water Department's debt.

Current Debt Ratios
As of October 25, 2018
(Pro Forma)

Population (2016) ¹	60,437
Net Taxable Grand List (10/1/17) ²	\$ 3,917,617,985
Estimated Full Value (70%).....	\$ 5,596,597,121
Equalized Grand List (10/1/15) ³	\$ 5,566,370,035
Income per Capita (2016) ¹	\$ 32,374

	Total	Total Net	Total Overall
	Direct Debt	Direct Debt	Net Debt
	<u>\$98,903,500</u>	<u>\$96,813,024</u>	<u>\$96,813,024</u>
Per Capita.....	\$ 1,636.47	\$ 1,601.88	\$ 1,601.88
Ratio to Net Taxable Grand List.....	2.52%	2.47%	2.47%
Ratio to Estimated Full Value.....	1.77%	1.73%	1.73%
Ratio to Equalized Grand List.....	1.78%	1.74%	1.74%
Debt per Capita to Income per Capita (2016).....	5.05%	4.95%	4.95%

¹ U.S. Bureau of Census, American Community Survey (2012-2016).

² Revalued: October 1, 2017.

³ Office of Policy and Management, State of Connecticut.

Bond Authorization Procedure

Authorization to incur indebtedness through the issuance of bonds or notes must be approved by the Board of Finance which has the sole power by Charter to determine the necessity for and manner of issuing bonds by the City of Bristol. Special appropriations which are financed by bond issues must be approved by the Board of Finance and the Joint Board. Refunding bonds are authorized by resolution of City Council.

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 by the end of the third year and for all subsequent years during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school 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 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 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).

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Statement of Debt Limitation
As of October 25, 2018
(Pro Forma)

Total Tax Collections (including interest and lien fees) for the year ended June 30, 2017	\$ 141,428,000
Reimbursement for Revenue Loss on Tax Relief for Elderly-Freeze	3,000
Base	<u>\$ 141,431,000</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Unfunded Pension</u>
Debt Limitation:					
2 1/4 times base.....	\$ 318,219,750	-	-	-	-
4 1/2 times base.....	-	\$ 636,439,500	-	-	-
3 3/4 times base.....	-	-	\$ 530,366,250	-	-
3 1/4 times base.....	-	-	-	\$ 459,650,750	-
3 times base.....	-	-	-	-	\$ 424,293,000
Total Debt Limitation	318,219,750	636,439,500	530,366,250	459,650,750	424,293,000
Indebtedness:					
Outstanding Debt: ¹					
Bonds Payable.....	32,232,000	21,670,000	12,511,024	-	-
Bonds of This Issue.....	25,994,096	4,280,904	125,000	-	-
Bonds Authorized But Unissued ² ..	9,416,753	78,947,584	4,401,456	-	-
Total Indebtedness	67,642,849	104,898,488	17,037,480	-	-
Less School Construction Grants ³ ..	-	-	-	-	-
Total Net Indebtedness For Debt					
Limitation Calculation	67,642,849	104,898,488	17,037,480	-	-
DEBT LIMITATION IN EXCESS					
OF INDEBTEDNESS	<u>\$ 250,576,901</u>	<u>\$ 531,541,012</u>	<u>\$ 513,328,770</u>	<u>\$ 459,650,750</u>	<u>\$ 424,293,000</u>

¹ Because water debt is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes, excluded from above is \$2,090,475 of water bonds outstanding, and \$781,000 of authorized but unissued water debt.

² Amount authorized but unissued for school projects has been reduced by grants received from the State of Connecticut. For school projects authorized by the General Assembly after July 1, 1996, a bond authorization is required for the portion of the project that is eligible for state grants.

³ The State of Connecticut Bureau of School Building Grants reimburses municipalities for eligible principal and interest costs over the life of any bonds issued for projects authorized by the Connecticut General Assembly prior to July 1, 1996. The City does not expect to receive any principal reimbursement from the State of Connecticut under this program going forward.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$990,017,000.

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Authorized but Unissued Debt
As of October 25, 2018
(Pro Forma)

Project	Authorized Amount	Debt Previously Issued	Taxable Notes Due: 10/25/18	Tax-Exempt Notes Due 10/25/18	Series B Taxable Bonds	Series A Tax-Exempt Bonds	Gross Authorized but Unissued	Grants Received ¹ or Other Funds to Reduce Bond Authorization		Net Authorized but Unissued
BCHS Tennis Courts.....	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ 350,000	\$ -	\$ -	\$ -	
BEHS Tennis Courts.....	405,000	-	-	-	-	405,000	-	-	-	
Birch Street - Roadway Reclamation.....	480,000	453,400	-	-	-	-	26,600	26,600	-	
Brentwood Drive Reconstruction.....	360,000	-	-	-	-	255,000	105,000	-	105,000	
Bristol Central High School Track Replacement.....	750,000	672,000	-	-	-	-	78,000	78,000	-	
Broad St. Pump Sta. Force Main Inst.....	1,500,000	631,833	-	-	-	125,000	743,167	-	743,167	
Broad Street Pump Station Force Main	5,460,000	5,400,000	-	-	-	-	60,000	60,000	-	
Casey Field Improvements.....	408,000	200,000	-	-	-	-	208,000	208,000	-	
Centre Square Infrastructure Project.....	4,000,000	-	-	-	-	3,525,298	474,702	-	474,702	
Chippens Hill Roof.....	2,909,560	-	-	-	-	1,650,000	1,259,560	590,379	669,181	
City Hall Office Building Program.....	350,000	-	-	-	-	-	350,000	-	350,000	
City Hall Unit Heater/AC Perimeter Replacement.....	675,000	-	-	-	-	-	675,000	-	675,000	
Clark Ave, Terryville Rd, & Barlow St Water Main.....	250,000	-	-	-	-	-	250,000	-	250,000	
CBFC - Removal of Private Bridge.....	380,000	-	-	-	-	-	380,000	380,000	-	
Curtiss, Zip, Twining Reconstruction.....	520,000	-	-	278,500	-	520,000	-	-	-	
DeWitt Drive Water Storage Tank.....	531,000	-	-	-	-	-	531,000	-	531,000	
Divinity Street Culvert Replacement.....	350,000	-	-	-	-	350,000	-	-	-	
Dorset Horn & Great Pyreness Way Reconstruction..	400,000	-	-	-	-	-	400,000	400,000	-	
Downs Street Bridge.....	320,000	-	-	91,000	-	275,000	45,000	-	45,000	
DPW Vincent P. Kelly Facility Renovations Phase II.	330,000	-	-	-	-	330,000	-	-	-	
Fern Hill Road Reclamation.....	690,000	294,200	-	-	-	-	395,800	395,800	-	
Fire Apparatus.....	1,400,000	-	-	-	-	75,000	1,325,000	-	1,325,000	
Fire Department Appartus Replacement.....	572,000	-	-	-	-	572,000	-	-	-	
Fire Department Engine 4.....	6,000,000	5,655,700	-	257,000	-	257,000	87,300	-	87,300	
Fire Department Engine 5.....	600,000	-	-	600,000	-	600,000	-	-	-	
Fredericks St. Bridge/Channel Improv.....	1,572,000	1,445,000	-	-	-	-	127,000	127,000	-	
Greene Hills (Forestville) K-8 School.....	53,000,000	12,650,000	-	-	-	1,167,100	39,182,900	31,242,632	7,940,268 ⁴	
Heating, Hot Water DMAC.....	200,000	-	-	-	-	130,000	70,000	-	70,000	
Hillside Place Intersection Reconstruction.....	540,000	-	-	540,000	-	540,000	-	-	-	
HJ Mills Parking Lot Construction	880,000	-	-	-	777,020	-	102,980	-	102,980	
Hubbell School - Roof Replacement/Repointing.....	2,108,305	1,400,000	-	-	-	-	708,305	-	708,305	
HVAC Replacement - DMAC.....	400,000	254,000	-	-	-	-	146,000	146,000	-	
Lake Avenue Bridge Replacement.....	140,000	-	-	-	-	-	140,000	-	140,000	
Lexington Reconstruction.....	440,000	-	-	-	-	440,000	-	-	-	
Louisiana Bridge.....	1,800,000	-	-	-	-	-	1,800,000	-	1,800,000	
Mall Demolition/Abatement.....	3,500,000	-	615,000	-	615,000	-	2,885,000	2,885,000	-	
Mall Purchase/Legal.....	6,275,000	-	3,195,000	-	3,085,000	-	3,190,000	3,080,000	110,000	
Memorial Boulevard CCC	13,287,000	-	-	136,000	-	153,160	13,133,840	13,133,840	-	
Memorial Boulevard Intradistrict Arts Magnet School.	54,890,300	-	-	-	-	-	54,890,300	-	54,890,300 ²	
Mountain Road Rock Face Stabilization.....	320,000	-	-	320,000	-	320,000	-	-	-	
Munchausen & Bartholomew St. Reconstruction.....	310,000	-	-	127,000	-	130,000	180,000	-	180,000	
Muzzy Field Improvements - Phase I & II.....	2,825,000	2,761,000	-	-	-	-	64,000	64,000	-	
North Main Street Parking Improvements.....	200,000	-	-	-	-	200,000	-	-	-	
Northeast Middle School Roof Replacement.....	1,829,641	879,759	-	-	-	-	949,882	949,882	-	
Page Park Pool and Bathhouse.....	3,000,000	-	-	-	-	-	3,000,000	-	3,000,000	
Pequabuck River Stabilization - Rockwell Park.....	420,912	71,100	-	-	-	-	349,812	349,812	-	
Purchase Street Lights.....	731,720	731,700	-	-	-	-	20	20	-	
Public Works Garage Renovations.....	520,000	-	-	332,000	-	332,000	188,000	120,000	68,000	
Radio Communications System Replacement.....	10,000,000	-	-	6,565,700	-	6,430,000	3,570,000	3,434,300	135,700	
Railroad Bridge Rehabilitation.....	220,000	-	-	-	-	220,000	-	-	-	
Replace Engine 7.....	550,000	-	-	539,800	-	550,000	-	-	-	
Roadway Reclamation, Elizabeth, UConn.....	580,000	420,400	-	-	-	-	159,600	159,572	28	
Roof Replacement - Administration Building.....	326,848	147,000	-	-	-	-	179,848	179,848	-	
Senior Center Infrastructure Upgrade Project.....	2,960,700	566,000	-	-	2,394,700	-	-	-	-	
Sharon, Dover, Warren Reconstruction.....	380,000	-	-	-	-	380,000	-	-	-	
Shrub Road Storm Drainage.....	340,000	-	-	-	-	225,000	115,000	-	115,000	
Single Stream Recycling - Phase II.....	800,000	135,500	-	-	664,500	-	-	-	-	
South Street Widening.....	80,000	-	-	-	-	-	80,000	80,000	-	
Southside School HVAC Upgrade.....	3,597,160	-	-	-	-	-	3,597,160	-	3,597,160	
Stafford School Roof.....	2,043,575	-	-	-	-	-	2,043,575	-	2,043,575	
Stevens Street Richard Court Berm Construction.....	550,000	-	-	13,000	-	48,000	502,000	-	502,000	
Streetlight Upgrade.....	1,820,000	-	-	1,655,000	-	1,236,638	583,362	583,362	-	
Synthetic Fields.....	3,615,000	3,180,000	-	345,000	-	344,645	90,355	90,355	-	
Water Pollution Control Facility Upgrades.....	18,442,800	7,530,045	-	-	-	-	10,912,755	7,254,466	3,658,289 ³	
Waterbury Road Construction.....	3,560,000	1,771,000	-	-	-	-	1,789,000	1,789,000	-	
West Bristol K-8 School.....	52,000,000	13,192,241	-	-	-	364,159	38,443,600	29,344,805	9,098,795 ⁴	
Willis Street - Reconstruction Phase II.....	816,430	-	-	-	363,780	-	452,650	451,607	1,043	
Wolcott Street Reconstruction.....	130,000	-	-	-	-	-	130,000	-	130,000	
Total.....	\$ 281,992,951	\$ 60,441,878	\$ 3,810,000	\$ 11,800,000	\$ 7,900,000	\$ 22,500,000	\$ 191,151,073	\$ 97,604,280	\$ 93,546,793	

¹ This column contains actual grants received. It does not include estimates for grants to be received.

² The City expects to receive approximately \$35 million in school construction grants from the State of Connecticut for this project.

³ The City does not expect to bond the remaining authorization as the project has been completed.

⁴ The City does not expect to bond the remaining authorization. School construction grants from the State of Connecticut are expected to be received to fund the remaining amounts.

Principal Amount of Outstanding Debt ¹
Last Five Fiscal Years

General Obligation

Bonds Payable From:	2018	2017	2016	2015	2014
General Fund ²	\$ 71,469,433	\$ 79,002,963	\$ 60,208,703	\$ 64,164,390	\$ 70,637,000
Water Enterprise Fund ³	2,361,000	1,990,000	2,466,000	3,430,000	3,931,000
Sub-Total	73,830,433	80,992,963	62,674,703	67,594,390	74,568,000

Short-Term Debt

Bond Anticipation Notes	15,800,000	4,000,000	4,500,000	5,000,000	5,300,000
Total	\$ 15,800,000	\$ 4,000,000	\$ 4,500,000	\$ 5,000,000	\$ 5,300,000

¹ Amounts rounded.

² Includes Clean Water Fund Loans.

³ The City has a memorandum of agreement and understanding regarding the financing commitment by the Water Department to ensure the self-funding of the Water Department's debt.

Ratio of Net Long-Term Debt to Valuation, Population and Income

Fiscal Year Ended 6/30	Net Assessed Value (000s)	Estimated Full Value (000s)	Net Long-Term Debt ¹	Ratio of Net Long-Term Debt to Assessed Value	Ratio of Net Long-Term Debt to Estimated Full Value	Population ²	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income ³
2018	\$ 3,910,693	\$ 5,586,704	\$ 71,469	1.83%	1.28%	60,437	\$1,182.54	3.65%
2017	3,842,669	5,489,527	79,002	2.06%	1.44%	60,437	1,307.18	4.04%
2016	4,239,714	6,056,734	60,209	1.42%	0.99%	60,437	996.22	3.08%
2015	4,246,876	6,066,966	64,164	1.51%	1.06%	60,437	1,061.67	3.28%
2014	4,194,202	5,991,717	70,637	1.68%	1.18%	60,437	1,168.77	3.61%
2013	4,699,667	6,713,810	77,193	1.64%	1.15%	60,437	1,277.25	3.95%

¹ Exclusive of water debt and school building grants receivable.

² U.S. Bureau of Census, America Community Survey (2012-2016)

³ Income per Capita: \$32,374. U.S. Bureau of Census, American Community Survey (2012-2016).

Ratio of Annual Debt Service Expenditures for Total Long-Term Debt to General Fund Expenditures (GAAP Basis)
(In Thousands)

Fiscal Year Ended 6/30	Principal	Interest	Total Debt Service ¹	Total General Fund Expenditures ²	Ratio of General Fund Debt Service To Total General Fund Expenditures
2017	6,177	2,310	8,487	218,470	3.88%
2016	6,186	2,440	8,626	202,953	4.25%
2015	6,177	2,170	8,347	206,970	4.03%
2014	6,275	2,685	8,960	199,599	4.49%
2013	6,370	3,133	9,503	194,626	4.88%

¹ Excludes the Water Department's debt accounted for in the Enterprise Fund.

² Includes General Fund Expenditures and Transfers-Out.

³ Budgetary Basis.

Source: City of Bristol, Audit Reports 2013-2017.

VI. Financial Administration

Audit

The City of Bristol, pursuant to local ordinance and provisions of the Connecticut General Statutes (Chapter 111), is required to undergo an annual audit by an independent public accountant. The auditor, appointed by the Board of Finance, is required to conduct the audit under the guidelines outlined by the Office of Policy and Management, which also receives a copy of the audit report. For fiscal year ended June 30, 2017, the financial statements of the various funds of the City were audited by RSM US LLP, New Haven, Connecticut.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (“GFOA”) presents a Certificate of Achievement for Excellence in Financial Reporting Award to those applicants who conform to the program's requirements. The award is valid for one year only.

In order to be awarded the Certificate of Achievement for Excellence in Financial Reporting, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The City has not only received the Certificate of Conformance (previous name of award before 1986) for past financial reports, but the City also has received the Certificate of Achievement for Excellence in Financial Reporting for its annual financial report for the last thirty consecutive years including the June 30, 2017 report.

The City feels confident that it meets the program requirements for the award and will continue to participate in the Certificate of Achievement for Excellence in Financial Reporting Program.

Award for Distinguished Budget Presentation

The GFOA presented the Distinguished Budget Presentation Award, which is the highest form of recognition in governmental budgeting, to the City of Bristol for the seventeenth consecutive year for its annual budget for fiscal year ending June 30, 2017. This award reflects the commitment of the governing body and its staff towards meeting the highest principles of governmental budgeting.

The City feels confident that it meets the program requirements for this award, and will continue to participate in the Distinguished Budget Presentation Award Program.

Award for Outstanding Achievement in Popular Annual Financial Reporting

The GFOA presented the Award for Outstanding Achievement in Popular Annual Financial Reporting for the sixteenth consecutive year to the City for the Popular Annual Financial Report for the fiscal year ending June 30, 2017. This award recognizes the recipient's conformance with the highest standards for preparation of state and local government popular reports.

The City feels confident that it meets the program requirements for the award, and will continue to participate in the Outstanding Achievement in Popular Annual Financial Reporting Award Program.

Budget Procedure

The Board of Finance is the budget making authority for the City. The Board annually adopts a budget calendar outlining the budget process timetable which is summarized below:

- | | |
|--------------------------------------|--|
| January | All City Agencies, Boards, Commissions and Departments submit their estimates for receipts and expenditures. |
| Middle February to Early April | Board of Finance holds hearings and budget workshops. |

- 15 Days Prior to 3rd Monday in May or 1st Friday in June, whichever is applicable Board of Finance must adopt a budget and deliver to Council.
- Seven Days Prior to 3rd Monday in May . Publish the budget in a newspaper.
- 3rd Monday in May or 1st Friday in June, as applicable..... Board of Finance and City Council (Joint Board) meet on budget (they may modify only) and adopt tax rate.

The Charter requires that the adopted budget have a balanced relationship between revenues and expenditures as well as the inclusion of pension contributions and debt service requirements. Once adopted, transfers may be authorized by the Board of Finance and, if in excess of \$5,000, transfers must also be approved by the Joint Board. Additional appropriations require Board of Finance and Joint Board approval. The only exception to the above involves appropriations from the Reserve Fund for Capital and Nonrecurring Expenditures under the provisions of Chapter 108 of the Connecticut General Statutes. Appropriations are made based on the recommendation of the Board of Finance and approval by the City’s legislative body, the City Council.

Public Act No. 15-244 created a cap on increase in municipal spending for Connecticut municipalities in order to remain eligible to receive the full amount of certain state revenue sharing grants, commencing July 1, 2017.

Five-Year Capital Improvement Program Summary

Proposed Projects	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Board of Education ¹	\$ 5,890,735	\$63,142,912	\$26,194,790	\$36,793,344	\$20,140,646	\$152,162,427
Fire Department	1,400,000	-	-	2,898,126	2,200,000	6,498,126
General Government	210,000	-	-	-	-	210,000
Parks & Recreation	3,100,000	325,000	150,000	1,750,000	-	5,325,000
Public Works	5,075,000	5,670,000	15,915,000	4,212,000	2,505,000	33,377,000
Water Pollution Control....	525,000	4,410,000	4,070,000	-	1,100,000	10,105,000
Total	\$16,200,735	\$73,547,912	\$46,329,790	\$45,653,470	\$25,945,646	\$207,677,553
Funding Sources						
General Fund Cash.....	\$ 460,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,460,000
State & Federal Aid	4,462,575	40,625,747	18,616,874	22,576,006	12,584,388	98,865,590
WPC CNR Fund.....	525,000	4,410,000	4,070,000	-	1,100,000	10,105,000
Other Funds.....	901,000	100,000	100,000	100,000	100,000	1,301,000
Bonds	9,852,160	27,912,165	23,042,916	22,477,464	11,661,258	94,945,963
Total	\$16,200,735	\$73,547,912	\$46,329,790	\$45,653,470	\$25,945,646	\$207,677,553

¹ The Board of Education has requested four schools to be renovated "as new". These projects have yet to be fully reviewed by the Ten Year CIP Committee as well as the Board of Education. The likelihood is that these projects, should they move forward, will be postponed to future years beyond this schedule.

Insurance & Risk Management

Through an appointed committee of the Board of Finance the Insurance Committee oversees all city wide insurance that includes property and liability, workers’ compensation and medical. The City uses the services of consultants and qualified brokers to procure these insurances for the City and Board of Education.

Since July 2003 the City has been self-insured for Workers’ Compensation claims. The program is administered by PMA Management Corp. of New England, a third party claims administrator.

In September 1988, the decision was made to self-insure the City's Medical and Dental Benefits. The City uses an internal service fund to account for the medical claims and administration of its benefit programs. The City uses Cigna for medical and Medco for prescription and Anthem Blue Cross/Blue Shield for Dental. Lockton Companies provides the City of Bristol and Board of Education with employee Health and Benefits insurance consulting services. As of June 30, 2017, the Health Insurance Benefit Fund had in excess of \$10 million which was all available for future claims.

The City of Bristol has not had any problems in securing or meeting its insurance needs.

Investment Practices for Operating Funds

The City's operating and working capital funds are invested at the direction of the City Treasurer in the following short-term investments: (1) various certificates of deposit with Connecticut banks; (2) overnight repurchase agreements collateralized by U.S. government agency obligations such as Federal Home Loan Mortgage Corporation which are valued daily; and (3) overnight U.S. Treasury obligations.

In addition, the City monitors the risk based capital ratios and collateral requirements of the qualified public depositories, as defined by the Connecticut General Statutes, Section 36-382, for which it places deposits or makes investments.

Eligible investments for Connecticut municipalities are governed by the Connecticut General Statutes, primarily Sections 7-400 and 7-402. Please refer to Note 15 in the Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2017.

Investment Practices for Pension Plans

The City provides three pension plans which cover substantially all employees of the City. In 1969 the City adopted the Retirement Ordinance, pursuant to the City Charter, amended 1969. The pension plan provides retirement systems for Bristol's municipal employees, police and firefighters. It also empowers the General Retirement Board to oversee the management and administration of the funds. Teachers are covered under the Connecticut State Teachers' Retirement System.

The Retirement Ordinance establishes that decision-making authority regarding investments is entrusted to the General Retirement Board ("Board"), while the City Treasurer and Comptroller, as Custodian and Secretary respectively, carry out the directives of the General Retirement Board.

City Retirement System- Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a) (000s)	Actuarial Accrued Liability (AAL) (b) (000s)	Funded (Unfunded) AAL (UAAL) (a-b) (000s)	Percentage Funded (a/b)	Covered Payroll (c) (000s)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/2008	\$ 207,698	\$ 143,268	\$ 64,430	145.0%	\$ 30,309	212.6%
7/1/2009	203,537	150,284	53,253	135.4%	30,783	173.0%
7/1/2010	202,904	156,145	46,759	129.9%	30,610	152.8%
7/1/2011	200,861	161,266	39,595	124.6%	31,280	126.6%
7/1/2012	198,149	170,641	27,508	116.1%	31,095	88.5%
7/1/2013	205,783	177,167	28,616	116.2%	30,661	93.3%
7/1/2014	215,541	184,009	31,532	117.1%	30,661	102.8%
7/1/2015	215,653	189,863	25,790	113.6%	30,263	85.2%
7/1/2016	214,378	209,554	4,824	102.3%	33,424	14.4%
7/1/2017	214,871	216,829	(1,958)	99.1%	35,097	(5.6%)

**City Retirement System-
Schedule of Employer Contributions**

Fiscal Year Ended	Annual Required Contribution	Amount Contributed	Percentage Contributed
6/30/2012	\$ -	\$ -	n/a
6/30/2013	-	-	n/a
6/30/2014	605,000	228,000	37.7%
6/30/2015	507,245	127,325	25.1%
6/30/2016	352,543	44,000	12.5%
6/30/2017	756,393	1,064,936	140.8%
6/30/2018	2,617,369	2,617,369 ¹	100.0%

¹ Budgeted.

**Firefighters' Benefit Fund-
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a) (000s)	Actuarial Liability (AAL) (b) (000s)	Funded (Unfunded) AAL (UAAL)		Percentage Funded (a/b)	Covered Payroll (c) (000s)	UAAL as a % of Covered Payroll ((a-b)/c)
			(a-b)	(000s)			
7/1/2008	\$ 155,198	\$ 61,374	\$ 93,824	252.9%	\$ 5,219	1797.7%	
7/1/2009	155,135	61,873	93,262	250.7%	5,275	1768.0%	
7/1/2010	157,354	62,506	94,848	251.7%	5,454	1739.1%	
7/1/2011	159,247	66,073	93,174	241.0%	5,521	1687.6%	
7/1/2012	160,794	65,874	94,920	244.1%	5,582	1700.5%	
7/1/2013	170,795	66,094	104,701	258.4%	5,556	1884.5%	
7/1/2014	183,077	70,318	112,759	260.4%	5,556	2029.5%	
7/1/2015	189,028	70,975	118,053	266.3%	5,543	2129.8%	
7/1/2016	193,894	71,307	122,587	271.9%	5,771	2124.2%	
7/1/2017	200,125	74,684	125,441	268.0%	5,998	2091.4%	

**Police Benefit Fund-
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a) (000s)	Actuarial Accrued Liability (AAL) (b) (000s)	Funded (Unfunded) AAL (UAAL) (a-b) (000s)	Percentage Funded (a/b)	Covered Payroll (c) (000s)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/2008	\$ 170,638	\$ 77,990	\$ 92,648	218.8%	\$ 7,421	1248.5%
7/1/2009	170,404	83,227	87,177	204.7%	8,377	1040.7%
7/1/2010	172,814	86,099	86,715	200.7%	8,295	1045.4%
7/1/2011	175,219	91,283	83,936	192.0%	7,838	1070.9%
7/1/2012	176,389	95,527	80,862	184.6%	8,215	984.3%
7/1/2013	186,283	107,921	78,362	172.6%	8,498	922.1%
7/1/2014	198,869	108,899	89,970	182.6%	9,140	984.4%
7/1/2015	204,042	112,609	91,433	181.2%	9,140	1000.4%
7/1/2016	207,818	123,077	84,741	168.9%	9,258	915.3%
7/1/2017	212,913	129,482	83,431	164.4%	9,421	885.6%

Because both the Police and Firefighter pension plans have funded ratios well in excess of 100%, there have been no Annual Required Contributions from the City in the last five fiscal years.

During the FY2018-2019 budget process the City was facing a significant tax increase primarily as a result of a loss of state revenues realized from the prior budget year. Looking at various alternatives to mitigate the tax increase the City focused on the required pension contribution for the City Retirement fund. The City has three pension plans, City employee Retirement Fund, Firefighter Retirement Fund and Police Retirement Fund. The City is very fortunate in that all funds are extremely well funded. City 99.5%, Fire 268% and Police 164%, however, since the City plan has dipped below the 100% funded ratio a contribution had been required for the last few years, with a significant increase for the 2018/19 fiscal year. The pension funds had always historically been combined for investment purposes with activity allocated among the three plans for reporting and actuarial purposes. Recognizing the assets available in the Fire and Police plans, City officials evaluated the best options to combine the funds under one “umbrella” plan to mitigate the required contribution. Working with City officials, the Fire and Police unions, the City’s actuary and pension attorney the plans were combined for actuarial and reporting purposes effective July 1, 2018. The combined funded ratio for pension plan is 149% and the consolidated financial information is as follows:

	City of Bristol Retirement System	Police Benefit Fund	Firefighters' Benefit Fund	Total after Consolidation
Actuarial Liability.....	\$ 216,828,710	\$ 129,481,683	\$ 74,683,744	\$ 420,994,137
Actuarial Value of Assets.....	214,890,752	212,931,035	200,124,589	627,946,376
Unfunded Accrued Liability/(Surplus)...	\$ 1,937,958	\$ (83,449,352)	\$ (125,440,845)	\$ (206,952,239)
Past Service Cost.....	\$ 200,883	\$ (8,648,265)	\$ (13,002,853)	\$ (21,450,235)
City Normal Cost.....	3,495,588	2,455,435	1,758,682	7,709,705
Actuarially Determined Contribution for FY2018-19.....	\$ 3,696,471 ¹	N/A	N/A	N/A

¹ Since the consolidation of the plans was effective July 1, 2018, the City has no required contribution for the fiscal year 2018-19.

GASB 67 Disclosure – ALL PLANS

Governmental Accounting Standards Board Statement No. 67 (“GASB 67”) requires a determination of the Total Pension Liability (“TPL”) for a plan using the Entry Age Normal actuarial funding method. The Net Pension Liability (“NPL”) is then set equal to the TPL minus the plan’s Fiduciary Net Position (“FNP”) which, generally, is the market value of assets in the plan as of the measurement date. Among the assumptions needed for the liability calculation is a Single Equivalent Interest Rate (“SEIR”). To determine the SEIR, the FNP must be projected into the future for as long as there are anticipated benefits payable to the membership and beneficiaries of the system on the measurement date. If the FNP of the plan is not expected to be depleted at any point in the future, the plan may use

its long-term expected rate of return as the SEIR. If, on the other hand, the FNP of the plan is expected to be depleted, then the SEIR is the single rate of interest that will generate a present value of benefits equal to the sum of (i) the present value of all benefits through the date of depletion at a discount rate equal to the long-term expected rate of return, plus (ii) the present value of benefits after the date of depletion discounted at a rate based on 20-year, tax-exempt, general obligation municipal bonds, with an average credit rating of AA/Aa or higher.

The report for the Plan as of June 30, 2017 used its long term investment rate of 7.50% as the SEIR since the results currently indicate that the FNP will not be depleted at any point in the future. The City plans to further reduce this rate by 0.1% for each of the next few years until it reaches 7.0%. GASB 67 also requires sensitivity calculations based on a SEIR 1% in excess and 1% less than the SEIR used, which would impact the NPL as follows:

Net pension liability (asset)	Current		
	1% Decrease	Discount Rate	1% Increase
	6.50%	7.50%	8.50%
City of Bristol Retirement System.....	32,096,159	8,932,185	(10,804,884)
Firefighters' Benefit Fund.....	(110,955,566)	(119,909,517)	(127,399,624)
Police Benefit Fund.....	(60,839,762)	(77,807,208)	(91,751,698)

Teachers participate in a contributory defined-benefit plan established under Chapter 167a of the Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. The City is not required to, and does not, contribute to this plan.

See Appendix A – “Audited Financial Statements, Notes to Financial Statements, Note 14” herein.

Education

Teachers and administrators, who belong to the retirement program provided by the State Teachers' Retirement Board, contribute 7.25% (6% + 1.25% health insurance). The State of Connecticut makes appropriations from the General Fund for its contributions to the Retirement Fund. The contributions are determined on an actuarial reserve basis. Neither the City nor the Board of Education is required to currently contribute to the Retirement Fund.

Other Post-Employment Benefits

In addition to providing pension benefits, the City provides certain health care and life insurance benefits for retired employees in accordance with City Council resolutions and bargaining agreements. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. The cost of retiree health care benefits is recognized as an expenditure as claims are paid.

The City commissioned the actuarial firm of Aon Hewitt to perform an analysis of its estimated basic liability for post-employment benefits as of July 1, 2017. The following is a detailed analysis, as of the most recent valuation.

Net OPEB Obligations

Actuarial Valuation Date	Actuarial Value of Assets (a) (000s)	Actuarial Liability (AAL) (b) (000s)	Funded	Percentage Funded (a/b)	Covered Payroll (c) (000s)	UAAL
			(Unfunded) AAL (UAAL) (a-b) (000s)			as a % of Covered Payroll ((a-b)/c)
7/1/2008	\$ -	\$ 72,000	\$ (72,000)	0.0%	\$ 70,000	-102.9%
7/1/2010	-	64,510	(64,510)	0.0%	91,807	-70.3%
7/1/2012	1,847	75,052	(73,205)	2.5%	88,563	-82.7%
7/1/2014	4,440	60,733	(56,293)	7.3%	96,521	-58.3%
7/1/2016	6,128	70,897	(64,769)	8.6%	98,287	-65.9%

Schedule of Employer Contributions

<i>Fiscal Year Ended</i>	<i>Annual Required Contribution</i>	<i>Amount Contributed</i>	<i>Percentage Contributed</i>
6/30/2013	\$ 7,528,000	\$ 4,456,576	59.2%
6/30/2014	9,322,000	4,446,594	47.7%
6/30/2015	8,768,000	3,156,480	36.0%
6/30/2016	7,308,579	3,961,206	54.2%
6/30/2017	8,097,574	6,028,958	74.5%

Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded. For fiscal years ending June 30, 2018 and June 30, 2019, the City will receive municipal revenue sharing grant moneys from the State in the amount of \$1,836,944.

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**Four Year Summary of General Fund Revenues and Expenditures (GAAP)
and Projected Results and Adopted Current Budget (Budgetary Basis)
(In Thousands)**

	Budget 2019¹	Estimated 2018¹	Actual 2017	Actual 2016	Actual 2015	Actual 2014
Revenues:						
Taxes and assessments	\$ 144,387	\$ 140,212	\$ 140,289	\$ 133,111	\$ 132,636	\$ 126,853
Interest and lien fees	775	898	1,138	921	954	904
Licenses and permits	1,185	1,713	1,454	1,283	988	939
Intergovernmental ²	44,256	49,338	73,043	65,965	67,491	64,980
Charges for Services	2,746	4,287	3,955	3,505	3,340	3,304
Investment Income	508	939	458	366	318	253
Sale of property and equipment	75	371	-	-	-	-
Miscellaneous	474	707	737	2,168	2,030	905
Total Revenues	194,406	198,465	221,074	207,319	207,757	198,138
Expenditures:						
General government	6,606	6,220	6,066	5,866	5,804	5,574
Public safety	25,409	25,303	23,311	22,549	22,601	21,958
Public works	12,277	15,722	13,627	12,340	13,611	12,996
Health and Welfare	3,440	6,317	6,354	6,467	6,273	5,700
Libraries	2,235	2,190	2,025	2,073	1,981	1,997
Parks and Recreation	2,581	2,512	2,465	2,428	2,342	2,198
Education ²	97,763	96,617	115,560	105,975	104,561	102,684
Employee Benefits	1,676	4,471	4,283	3,632	3,108	3,719
Insurance ³	27,364	27,490	30,045	27,289	30,653	820
Miscellaneous	3,777	814	655	541	768	379
Debt Service	8,900	8,605	-	-	-	-
Total Expenditures	192,028	196,261	204,391	189,160	191,704	158,025
Operating Results	2,378	2,204	16,683	18,159	16,053	40,113
Other Financing Source (Uses):						
Operating transfers in & Other	3	18	13	74	6	2,288
Operating transfers (out)	(2,381)	(2,090)	(14,078)	(13,793)	(15,268)	(41,574)
Refunding bonds issued.....	-	-	-	-	-	-
Premium on refunding bonds issued.....	-	-	-	-	-	-
Payment to refunded bond escrow agent.....	-	-	-	-	-	-
Net Other Financing Sources (Uses)	(2,378)	(2,072)	(14,065)	(13,719)	(15,262)	(39,286)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses.....						
	N/A	132	2,618	4,440	791	827
Fund Balance, July 1	N/A	38,774	36,157	31,717	30,926	30,099
Restatement	-	-	-	-	-	-
Fund Balance, June 30	N/A	\$ 38,906	\$ 38,774	\$ 36,157	\$ 31,717	\$ 30,926

¹ Budgetary Basis. Subject to audit. No assurances can be given that subsequent projections and the final result of operations will not change.

² Actual (GAAP) years include State Teachers Retirement Contribution on behalf payment. Years shown on a budgetary basis do not.

³ Insurance includes Property, Casualty, Worker's Compensation, Heart & Hypertension and medical for all City and Board of Education employees.

Analysis of General Fund Equity

	Estimated Actual 2018¹	Actual 2017	Actual 2016	Actual 2015	Actual 2014	Actual 2013
Nonspendable.....	\$ -	\$ -	\$ 9	\$ 1	\$ 2	\$ 3
Restricted.....	-	-	-	-	-	-
Committed.....	3,094	3,094	3,065	3,057	3,856	3,835
Assigned.....	4,876	7,884	4,346	2,053	1,113	2,112
Unassigned.....	30,671	27,795	28,737	26,606	25,955	24,149
Total Fund Balance.....	\$ 38,641	\$ 38,773	\$ 36,157	\$ 31,717	\$ 30,926	\$ 30,099

¹ Budgetary Basis. Subject to audit. No assurances can be given that subsequent projections and the final result of operations will not change.

Enterprise Fund

The Enterprise Fund is used to account for the operations of the Bristol Water Department. These operations are financed and operated in a manner similar to that of a private business enterprise, utilizing the accrual basis of accounting, where the intent is that all costs (including depreciation), related to the provision of goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

Statement of Revenues, Expenses and Changes in Fund Balance (In Thousands)

	Actual 2017	Actual 2016	Actual 2015	Actual 2014	Actual 2013
Operating Revenues:					
Charges for services	\$ 7,400	\$ 7,047	\$ 6,973	\$ 6,855	\$ 6,866
Miscellaneous	420	384	372	352	393
Total Operating Revenues	7,820	7,431	7,345	7,207	7,259
Operating Expenses:					
Source of supply	191	215	232	205	179
Pumping	261	288	270	295	307
Purification	912	956	962	1,027	1,047
Transmission and distribution	2,138	2,023	1,854	1,592	2,007
Customer accounts, administrative and general.....	2,117	2,218	2,192	2,148	1,967
Depreciation	1,116	1,086	1,008	945	1,060
Taxes other than income taxes	467	488	507	423	437
Loss on disposal	-	-	-	-	-
Total Operating Expenses.....	7,202	7,274	7,025	6,635	7,004
Operating Income (Loss)	618	157	320	572	255
Non-Operating Revenue (Expenses):					
Interest income (loss)	527	(203)	(101)	674	405
Interest expense	(101)	(116)	(135)	(269)	(52)
Other, net	-	-	-	-	-
Loss on disposal	-	-	-	-	(6)
Amortization of debt discount and expense....	11	8	(8)	(5)	(4)
Total Non-Operating Revenues (Expenses)	437	(311)	(244)	400	343
Income (loss) before capital contribution and operating transfers	1,055	(154)	76	972	598
Capital Contribution	-	-	702	28	25
Change in Net Assets.....	1,055	(154)	778	1,000	623
Fund Balance, July 1	27,028	27,182	26,404	25,404	24,781
Fund Balance, June 30	\$ 28,083	\$ 27,028	\$ 27,182	\$ 26,404	\$ 25,404

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**Bristol Water Department
Balance Sheet
June 30, 2017
(In Thousands)**

Assets and Other Debits

Current Assets:	
Cash and cash equivalents	\$ 2,222
Investments	5,025
Receivables, net	1,329
Inventories	252
Other assets	7
Total Current Assets	8,835
Noncurrent Assets:	
Other deferred charges	-
Capital assets:	
Assets not being depreciated.....	3,857
Assets being depreciated, net.....	19,243
Total Noncurrent Assets	23,100
Total Assets	\$ 31,935

Deferred Outflows of Resources

Deferred charge on refunding	86
Total Deferred Outflows of Resources	\$ 86

Liabilities, Equity and Other Credits

Current Liabilities:	
Accounts and contracts payable	647
Payroll liabilities	37
Customer deposits	43
Unearned revenues	-
Compensated absences	52
Bonds payable - current	308
Notes payable - current.....	37
Total Current Liabilities	1,124
Non-current Liabilities:	
Compensated absences	289
Bonds payable	1,828
Notes payable	696
Total Noncurrent Liabilities	2,813
Total Liabilities	3,937
Net Assets:	
Invested in capital assets, net of related debt	20,317
Unrestricted	7,766
Total Net Assets	28,083
Total Liabilities and Fund Equity	\$ 32,020

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VII. Legal and Other Information

Litigation

It is the opinion of the City's Corporation Counsel, Wyland Dale Clift that pending litigation will not be finally determined so as to result individually, or in the aggregate, in final judgments against the City which would materially adversely affect its financial position.

Transcript and Closing Documents

The original purchasers of the Bonds will be furnished the following documentation 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. A Certificate on behalf of the City, signed by the Mayor, Chairman and Agent of the Board of Finance, and the Comptroller which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time the bids were awarded for the Bonds, the descriptions and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement.
3. Receipts for the purchase price of the Bonds.
4. The approving opinions of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut in substantially the forms attached hereto as Appendices B-1 and B-2 to this Official Statement.
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C to this Official Statement.
6. The City will provide to the winning bidder of the Bonds 25 copies of the Official Statement for this Bond issue at the City's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidder(s) at their own expense by arrangement with the printer. If the City's Municipal Advisor is provided with the necessary information from the winning bidder(s) by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds. The winning bidder(s) shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement to the winning bidder(s).

A record of the proceedings taken by the City in authorizing the Bonds will be kept on file at the principal office of the Certifying Agent, U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23rd Floor, Hartford, Connecticut 06103 and may be examined upon reasonable request.

Concluding Statement

This Official Statement is not to be construed as a contract or agreement between the City and the purchaser or holders of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representation 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.

The following officials in their capacity as officers of the City, and in the name and on behalf of the City, do hereby certify in connection with this issue, that they have examined this Official Statement, and to the best of their knowledge and belief, the description and statements relating to the City and its finances are true and correct, as of the date of this Official Statement, in all material respects and do 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.

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

CITY OF BRISTOL, CONNECTICUT

/s/ Ellen A. Zoppo-Sassu

ELLEN A. ZOPPO-SASSU, *Mayor*

/s/ Cheryl Thibeault

CHERYL THIBEAULT, *Chairman and Agent of the Board of Finance*

/s/ Diane M. Waldron

DIANE M. WALDRON, *Comptroller*

Dated: October 11, 2018

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Appendix A

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 Bristol, Connecticut for the fiscal year ended June 30, 2017. The supplemental data which was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Matthew Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Suite #1, Milford, Connecticut. Telephone (203) 878-4945.

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Independent Auditor's Report

RSM US LLP

To the Members of the City Council and the Board of Finance
City of Bristol, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Bristol, Connecticut (the City) as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Bristol'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.

Auditor's 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 from 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 auditor's 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 auditor considers internal control relevant to the City'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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Bristol, Connecticut as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the pension and other post-employment related schedules, as listed in the table of contents, 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 as of and for the year ended June 30, 2017, was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bristol, Connecticut's basic financial statements. The introductory section, combining and individual fund financial statements and other 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 fund financial statements and other 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 fund financial statements and other schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections, as listed in the table of contents, 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Bristol, Connecticut, as of and for the year ended June 30, 2016 (not presented herein), and have issued our report thereon dated December 23, 2016, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information. The accompanying General Fund, Water, Enterprise Fund, Internal Sewer Fund and Pension Trust Funds schedules ("Schedules") as of June 30, 2016, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2016 financial statements. The accompanying Schedules have been subjected to the auditing procedures applied in the audit of the 2016 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2016.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2017 on our consideration of the City of Bristol, 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 solely 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 the effectiveness of the City's 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 Bristol, Connecticut's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut
December 27, 2017

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**CITY OF BRISTOL, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2017**

This discussion and analysis of the City of Bristol, Connecticut's (City) financial performance is provided by management to provide an overview of the City's financial activities for the fiscal year ended June 30, 2017. Please read this MD&A in conjunction with the transmittal letter beginning on page i and the City's financial statements, Exhibits I to IX.

FINANCIAL HIGHLIGHTS

- The City's total net position increased by \$1.3 million or 0.2%. Net position of business-type activities increased by \$1.1 million, or 3.9%, and net position of our governmental activities increased by \$239 thousand, or 0.1%.
- During the year, revenues generated in tax and other revenues for governmental programs and business activities exceeded expenses by \$1.3 million. This is primarily a result of successful efforts of the Tax Collector to collect on delinquent taxes as well as an unexpected increase in the supplement motor vehicle (SMV) billing. The SMV levy issued for a January 1, 2017 due date totaled \$2.2 million. At an 87% average collection rate approximately \$1.96 million was collected compared to \$900 thousand anticipated.
- In the City's business-type activities, revenues increased \$1.1 million or 15.5% while expenses decreased by 1.2%.
- Total cost of all of the City's programs was \$256.7 million with no new programs added this year. This represents an \$1.5 million increase compared to fiscal year 2016. The increase represents, in part, increased budgetary appropriations for city-wide operations primarily for education operations.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$27.8 million, or 12.7% of general fund expenditures and transfers out.
- The tax collection rate was 98.92% of the current levy and an increase to last year's rate of 98.68%.
- The City of Bristol's total bonded indebtedness including its Enterprise fund bonds increased by \$18.3 million to \$81.7 million or 28.8% after current year annual debt service payments. The City issued \$21.1 million in general obligation bonds to finance various ongoing capital projects as well as \$3.4 million in tax exempt bond anticipation notes. The City also "rolled over" (reissued) \$4.0 million in taxable general obligation bond anticipation notes originally issued in 2008.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements are presented in Exhibit III to IX. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the City as a whole begins on Exhibit I and II. The statement of net position and the statement of activities report information about the City as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes in them. The City's net position, the difference between assets and liabilities, are one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's capital assets, to assess the overall health of the City.

In the statement of net position and the statement of activities, we divide the City into three types of activities:

- *Governmental activities* – Most of the City's basic services are reported here, including education, public safety, public works, health and welfare, libraries, parks and recreation, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.
- *Business-type activities* – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's Water Department operations are reported here.
- *Component units* – The City includes one separate legal entity in its report; the Bristol-Burlington Health District. Although legally separate, this "component unit" is important because the City is financially accountable for it.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by Charter. However, the City Council establishes many other funds to help control and manage financial activities for particular purposes (like the Capital Projects Fund and Debt Service Fund) or to show that it is meeting legal responsibilities for using grants, and other money (like grants received from the State Department of Education and the Federal Department of Housing and Public Administration). The City's funds are divided into three categories; governmental, proprietary and fiduciary.

- *Governmental funds (Exhibit III and IV)* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary funds (Exhibit V through VII)* – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise fund (a component of proprietary funds) is the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for

the City's other programs and activities – such as the City's Health Benefit and Workers' Compensation Internal Service Fund.

- *Fiduciary funds (Exhibit VIII and IX)* – The City is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other post employee benefit assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position increased from a year ago from \$557 million to \$558 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

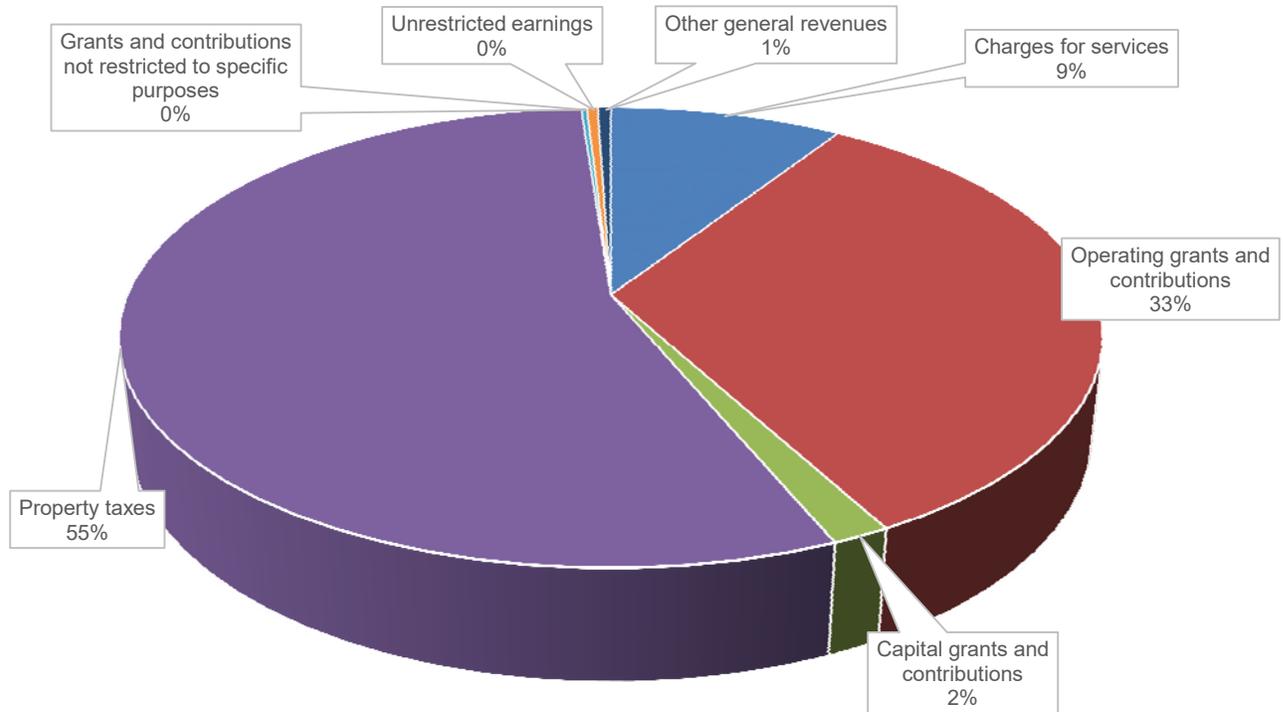
	Governmental Activities		Business-Type Activities		Total Government	
	2017	2016	2017	2016	2017	2016
Current assets	\$ 322,616,583	\$ 284,411,692	\$ 8,834,158	\$ 7,841,354	\$ 331,450,741	\$ 292,253,046
Capital assets, net of accumulated depreciation	<u>346,823,757</u>	334,974,822	<u>23,100,100</u>	23,501,963	<u>369,923,857</u>	358,476,785
Total assets	<u>669,440,340</u>	619,386,514	<u>31,934,258</u>	31,343,317	<u>701,374,598</u>	650,729,831
Deferred outflows of resources:						
Pension related items	43,754,228	74,312,519	-	-	43,754,228	74,312,519
Deferred amounts on refundings	<u>1,079,846</u>	1,275,857	<u>86,237</u>	102,526	<u>1,166,083</u>	1,378,383
	<u>44,834,074</u>	75,588,376	<u>86,237</u>	102,526	<u>44,920,311</u>	75,690,902
Long-term liabilities outstanding	145,720,485	125,709,234	3,209,548	3,720,228	148,930,033	129,429,462
Other liabilities	<u>32,299,282</u>	32,342,543	<u>727,264</u>	696,594	<u>33,026,546</u>	33,039,137
Total liabilities	<u>178,019,767</u>	158,051,777	<u>3,936,812</u>	4,416,822	<u>181,956,579</u>	162,468,599
Deferred inflows of resources:						
Pension related items	5,915,333	6,823,068	-	-	5,915,333	6,823,068
	<u>5,915,333</u>	6,823,068	-	-	<u>5,915,333</u>	6,823,068
Net position:						
Net investment in capital assets	257,933,889	268,588,824	20,317,443	20,196,326	278,251,332	288,785,150
Restricted	<u>198,936,006</u>	179,606,533	<u>-</u>	-	<u>198,936,006</u>	179,606,533
Unrestricted	<u>73,469,419</u>	81,904,688	<u>7,766,240</u>	6,832,695	<u>81,235,659</u>	88,737,383
Total net position	<u>\$ 530,339,314</u>	\$ 530,100,045	<u>\$ 28,083,683</u>	\$ 27,029,021	<u>\$ 558,422,997</u>	\$ 557,129,066

Net position of the City's governmental activities increased by 0.2% or \$1.3 million compared to a prior decrease of \$7.5 million. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements is \$73.5 million at the end of this year. The net position of business-type activities increased by \$1.05 million in 2017 compared to 2016.

TABLE 2

	SUMMARY STATEMENT OF ACTIVITIES					
	Governmental Activities		Business-Type Activities		Total Government	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charge for services	\$ 15,774,805	\$ 14,572,186	\$ 7,820,045	\$ 7,431,065	\$ 23,594,850	\$ 22,003,251
Operating grants and contributions	84,993,707	79,078,101	-	-	84,993,707	79,078,101
Capital grants and contributions	4,213,374	7,648,148	-	-	4,213,374	7,648,148
General revenues:						
Property taxes	142,203,594	134,464,509	-	-	142,203,594	134,464,509
Grants and contributions not restricted to specific programs	565,492	600,091	-	-	565,492	600,091
Unrestricted investment earnings (loss)	583,170	444,898	527,135	(203,247)	1,110,305	241,651
Other general revenues	1,324,905	3,686,764	-	-	1,324,905	3,686,764
Total revenues	249,659,047	240,494,697	8,347,180	7,227,818	258,006,227	247,722,515
Program expenses:						
General government	21,518,842	20,970,806	-	-	21,518,842	20,970,806
Public safety	31,225,680	33,028,169	-	-	31,225,680	33,028,169
Public works	27,755,308	33,358,035	-	-	27,755,308	33,358,035
Health and welfare	8,472,561	8,749,471	-	-	8,472,561	8,749,471
Libraries	3,111,382	3,232,404	-	-	3,111,382	3,232,404
Parks and recreation	3,526,465	3,744,334	-	-	3,526,465	3,744,334
Education	152,095,342	142,696,114	-	-	152,095,342	142,696,114
Interest on long-term debt	1,714,198	2,093,677	-	-	1,714,198	2,093,677
Water	-	-	7,292,518	7,382,321	7,292,518	7,382,321
Total program expenses	249,419,778	247,873,010	7,292,518	7,382,321	256,712,296	255,255,331
(Decrease) increase in net position	239,269	(7,378,313)	1,054,662	(154,503)	1,293,931	(7,532,816)
Net position - beginning	530,100,045	537,478,358	27,029,021	27,183,524	557,129,066	564,661,882
Net position - ending	\$ 530,339,314	\$ 530,100,045	\$ 28,083,683	\$ 27,029,021	\$ 558,422,997	\$ 557,129,066

The City's total revenues were \$258 million. The total cost of all programs and services was \$256.7 million. The pie chart analysis below considers the operations of governmental and business-type activities.



Governmental Activities

Governmental Activities increased the City of Bristol's net position by \$1.3 million. The prior year decrease in net position was \$7.5 million. Key elements of this increase with offsetting decreases are as follows:

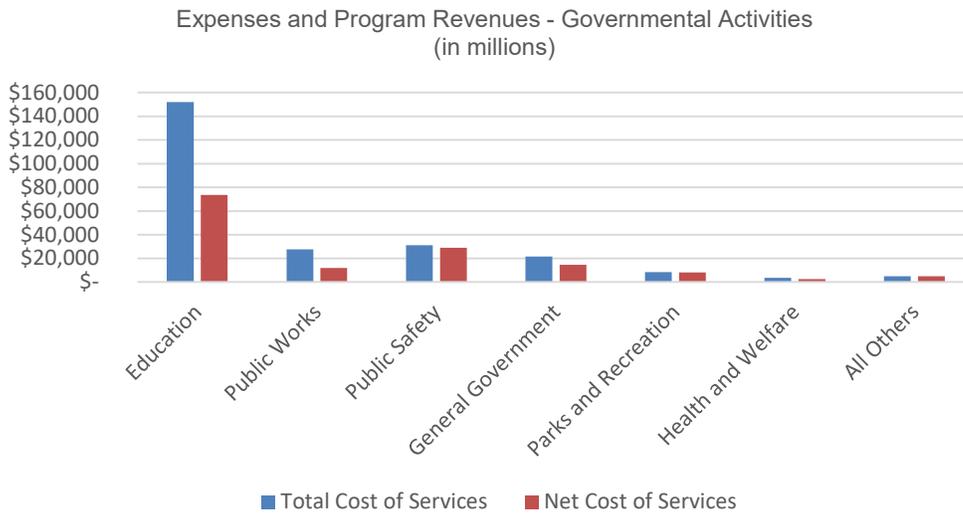
- Property tax collections increased \$7.7 million during the year. This is due to the following factors. The city increased the mill rate from 34.61 to 36.03, a 4.1% tax increase to balance increased budget appropriations, the supplemental motor vehicle tax levy for January 1, 2017 was significantly higher than anticipated and generated approximately an additional \$1 million in tax revenue and the Tax Office was highly successful with its collection efforts on delinquent taxes.
- Operating and capital grants and contributions for governmental activities increased by \$2.5 million.
- Charges for services increased \$1.6 million. This is a result of a combination of increased real estate transfer taxes, and public safety, public works, and building permit fees.
- Investment earnings increased \$869 thousand. Interest rates still remain quite low however the City has had success with its investments to maximize earnings while remaining within the parameters of its cash manage investment policy.
- Governmental activities expenses increased by \$1.5 million primarily as a result of increased appropriation expenses for the education department programs offset by reductions in other City department expenses.

- The State of Connecticut Teacher Retirement System is funded by the State. The funding levels had remained relatively flat in prior years, but due to revised actuarial assumptions the Teacher's Retirement System has seen significant increases in its liabilities and costs. This year the on-behalf state teacher's contribution was \$22 million, an increase of \$8.3 million from the previous year.

Table 3 presents the cost of each of the City's six largest programs – education, public works, public safety, general government, parks and recreation, and health and welfare – as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

**TABLE 3
GOVERNMENTAL ACTIVITIES**

	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Education	\$ 152,095,342	\$ 142,696,114	\$ (73,690,669)	\$ (69,209,005)
Public Works	27,755,308	33,358,035	(11,942,261)	(15,039,443)
Public Safety	31,225,680	33,028,169	(28,964,453)	(31,088,244)
General Government	21,518,842	20,970,806	(14,612,803)	(15,021,093)
Health and Welfare	8,472,561	8,749,471	(8,153,900)	(8,392,699)
Parks and Recreation	3,526,465	3,744,334	(2,300,798)	(2,554,253)
All other	4,825,580	5,326,081	(4,773,008)	(5,269,838)
Total	\$ 249,419,778	\$ 247,873,010	\$ (144,437,892)	\$ (146,574,575)



Business-Type Activities

Revenues of the City's business-type activities (see Table 2) were \$8.3 million in 2017 compared to \$7.4 million in 2016 and net expenses decreased by 3.9%. The factors influencing these results included:

- Revenues: Increases were experienced in charges for services due to an increase in water rates as well as an increase in non-operating income
- Expenses: Were relative stable compared to 2016.

CITY FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the City completed the year, its governmental funds (as presented in the balance sheet – Exhibit III) reported a combined fund balance of \$59.2 million.

Approximately 39% of this total amount (\$23.3 million) constitutes unassigned fund balance, which is in excess of nonspendable, restricted, committed and assigned fund balance. The remainder of fund balance is constrained to specific purposes to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of a prior period 2) to pay debt service 3) to generate income to pay for the perpetual care and maintenance of storm water control problem areas and City cemeteries, or 4) for a variety of other restricted specific purposes.

The General Fund is the chief operating fund of the City of Bristol. At the end of the current fiscal year, unassigned fund balance of the general fund was \$27.8 million, while total fund balance reached \$38.8 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 12.7% of total general fund expenditures including the State Teacher's Retirement behalf payments, while total fund balance represents 17.8% of that same amount. This compares to 15.2% and 19.1%, respectively, to the prior year.

The Debt Service Fund has a total fund balance of \$919 thousand, all of which is restricted for the payment of debt service. Funding for debt service is represented by a transfer out of the General Fund to the Debt Service Fund.

Proprietary Funds

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

Unrestricted net position of the Water Department and Health Benefits and Workers' Compensation funds at the end of the year amounted to \$24.2 million, of that amount; the Health Benefits and Workers' Compensation fund has accumulated \$16.5 million of net position, which is equal to the funds unrestricted net position. This fund experienced a slight decrease in medical claims in the current year of \$525 thousand while there was an increase in City and employee contribution of \$3.1 million. Overall this fund experienced a \$3.6 million increase in net position.

Other factors concerning the finances of the Water Department have already been addressed in the discussion the City of Bristol's business-type activities.

General Fund Budgetary Highlights

Variances between original budget and the amended budget (RSI-1 and 2) can be briefly summarized as follows:

Estimated Revenues:

- Current Property Tax Collections are estimated year to year at 98%. Actual current collections were 98.92%. Current tax collections increased \$7.1 million due to the increase in the mill rate to 36.03 from 34.61 to balance expenditure appropriations.
- State grants are budgeted with available known estimates from the State. Some state grants exceeded original expectations due to the reimbursement nature of the grants, while others are formula driven, such as the PILOT grant. A municipal grant in aid was received in the amount of \$2.5 million as a one-time grant dispersed by the State of Connecticut. This grant was appropriated for road and infrastructure improvements.
- Building permit collections were \$63 thousand over original budgeted estimates. This revenue source increase was due to an increase in new residential and commercial development activity.

- State and Federal grant estimates and resulting variances for our larger state provided grants, such as the Educational Cost Sharing and Public (child) transportation and PILOT: manufacturing and equipment and sales tax grants, are subject to political debate and approval at the state level and are not of local control. Amounts are estimated based on the best information available at the time of budget adoption.
- Excess Student Cost Base Grant, like many education grants, is difficult to estimate and is usually based on data from a prior year which may not reflect current year data. For the 2017 budget the City allocated this grant directly to the Board of Education expenditures. In the prior year the City recorded \$1.5 million of these grant revenues.

Appropriations:

- Many departments will have adjustments to their original appropriations. There are two major reasons: first, the departments cannot over expend their line items, and second, at year end over expenditures are covered by either transfers within the department line items or transfers from other department's excess funds at year end.

Large transfer amounts usually signify unusual circumstances. For instance:

- The School Readiness grant is not budgeted until the grant amount is known, which is usually after budget adoption.
- Public Safety adjustments within the Police and Fire Department budgets were caused by costs of overtime for unplanned local emergencies and contractual replacement for sick or injured personnel within divisions.
- A \$29.3 million transfer from the General fund to the Internal Service Fund refers to a year-to-year combined City and Education appropriation transfer for workers' compensation expenses and health benefit expenses.
- Personnel and Corporation Counsel – These divisions experienced significant increased costs in contractual services for outside counsel primarily for labor and litigation issues.
- Public Works – Major Road Improvements – This division received a one-time State grant that was specifically for road improvements in addition to the original budget amount for road maintenance and improvements.
- Public Works – Snow Removal costs increased due to more snow and ice storm events over the prior year.
- Public Works – Streets – This division purchased an asphalt recycler to assist with street repair and maintenance.
- Retirement Benefits – The City approved an additional contribution to the Retirement Fund during the year of \$450 thousand. The City did not have a contribution the prior year. Per the actuarial valuation there was a required contribution for the 2017 fiscal year primarily a result of changes in actuarial assumptions.
- Other Post-Employment Benefits – the city increased its reserves for this benefit line item for future use.
- Education – Education required an additional appropriation of \$2.4 million due to increased Special Education costs not eligible for State reimbursement.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2017, the City had \$369.9 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and water and sewer lines – Table 4. This amount represents a net increase (including additions and deductions) of \$11.4 million, or 3.2%, over last year.

TABLE 4
CAPITAL ASSETS AT YEAR-END (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 18,643,403	\$ 18,446,473	\$ 2,752,140	\$ 2,752,140	\$ 21,395,543	\$ 21,198,613
Construction in progress	31,572,679	18,879,831	1,105,211	1,059,556	32,677,890	19,939,387
Buildings	162,233,452	162,883,774	16,433,907	16,970,605	178,667,359	179,854,379
Improvement other than buildings	3,323,542	5,259,066	-	-	3,323,542	5,259,066
Machinery and equipment	19,521,792	19,121,248	2,808,842	2,719,662	22,330,634	21,840,910
Infrastructure	111,528,889	110,384,430	-	-	111,528,889	110,384,430
	\$ 346,823,757	\$ 334,974,822	\$ 23,100,100	\$ 23,501,963	\$ 369,923,857	\$ 358,476,785

The following are the more significant aspects of the changes in capital assets:

Land

- Governmental Activities: The City purchased eight parcels of property and sold three during the fiscal year.

Construction in progress

- Governmental Activities: Minor increase is due to projects started during the year and still in progress at year end including renovations to Firehouse 4; Bridge improvements, upgrade to Water Pollution Control Plant and Synthetic Field improvements.

Buildings

- Governmental Activities: The City demolished one building and sold one during the year.

Improvements other than buildings

- Governmental Activities: Decrease is solely the result of depreciation.

Machinery and Equipment

- Governmental Activities: Increase is the purchase of new vehicles and various equipment in the Police, Fire, Parks and Public Works Departments.
- Business Type Activities: Increase due to the purchase of new equipment during the year.

Infrastructure

- Increase is for road improvements.

Fiscal Year 2017 Capital Budget	
<u>Department</u>	
Board of Education	\$3,792,960
MIS	580,000
Fire Department	720,000
Parks Department	200,000
Public Works	4,752,000
Public Works - WPC	750,000
Memorial Boulevard Building Committee	5,000,000
Total All Departments	<u><u>\$15,794,960</u></u>
<u>Funding</u>	
Sale of Bonds	\$12,994,560
General Fund Cash	560,400
LOCIP	610,000
WPC CNR	750,000
Other Funds	880,000
Total All Funding	<u><u>\$15,794,960</u></u>

The City's fiscal year 2016-2017 capital budget called for it to spend \$15.79 million for capital projects. Some of the main highlights of these projects include:

- Improve various roads- cul-de-sacs, right of ways, storm drains and related pavement outlay
- Education department funding for underground storage tank replacements at Bristol Eastern High School and the BOE Administrative Building, roof replacement at Chippens Hill Middle School, tennis court replacements at both high schools and a citywide school district feasibility study
- MIS to continue telephone upgrades, MUNIS consolidation and purchase Tyler Content Management
- Parks Department to replace the HVAC system at the Dennis Malone Aquatic Center and renovate Page Park tennis courts
- Replacement of a fire engine and self-contained breathing apparatus
- Former Memorial Boulevard School restoration to reuse the structure as a multiuse facility and theatre

More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

Long-term Debt

At June 30, 2017, the City had \$73.2 million in total bonded indebtedness versus \$63.4 million last year – an increase of 15.5% – as shown in Table 5. The increase is primarily due to May, 2017 \$21.1 bond issue for various capital projects.

**TABLE 5
OUTSTANDING DEBT, AT YEAR-END**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds (backed by the City)	\$ 70,580,000	\$ 60,208,703	\$ 2,722,196	\$ 3,233,993	\$ 73,302,196	\$ 63,442,696

The City also “rolled over” for a fifth time (reissued) \$4.0 million in taxable general obligation notes. The City paid down \$3.41 million of the original 2008 issue of \$7.41 million.

The City’s general obligation bond ratings are Aa2 and AA+ respectfully from Moody’s Investors Service and Standard and Poor’s Corporation. The Standard and Poor’s Corporation (S&P) rating represents an upgrade from AA to AA+ received in February, 2009. Prior to this upgrade, the City received upgrades from Moody’s and S&P in August 2000. A Fitch rating was first established for the City in June 2006. In October 2016 Fitch upgraded the rating to AAA.

The State limits the amount of general obligation debt that cities can issue based on formula determined under State Statutes based on type of debt and tax base. The City’s outstanding general obligation debt is significantly below this \$990 million state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the City’s long- term liabilities is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The City’s elected and appointed officials considered many factors when setting the fiscal-year 2017 budget tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. Unemployment in the City decreased to 5.4% versus 6.98% a year ago. This compares with the State’s unemployment rate of 4.7% (not seasonally adjusted) and the national rate of 4.4%. (Source: CT Department of Labor, 2017 Average).

Bristol’s wealth and income factors and unemployment trends are for the most part consistent within the Hartford region. Bristol’s median household effective buying income is 85% of the state’s average and 109.3% of the nation’s average.

These indicators were taken into account when adopting the General Fund budget for 2017-18. Amounts appropriated in the 2017-2018 General Fund budget are \$191 million, an increase of \$2 million over the previous year’s budget of approximately \$189 million. The property tax rate remained at 36.03.

The City will use these increases in tax revenues to finance programs currently offered and to off-set the effect that we expect inflation to have on program costs. Budgeted expenditures equal budgeted revenues in order to keep structural balance.

If these estimates are realized, the City’s budgetary General Fund balance is expected to slightly increase at June 30, 2017. Residential Building Permits, Conveyance Tax fees, interest income and delinquent tax collections continue to lag behind any signs of economic improvement. Those revenue estimates will be kept at lower levels to reflect current economic conditions.

The City of Bristol did not use any of its \$27.8 million unassigned fund balance to balance its 2017-2018 operating budget.

As for the City's business-type activities we expect marginal growth (0.25 - 0.50%) to net position based on sales over the past three fiscal years. Expense increases will be primarily due to salaries and benefits other expenses are expected to have a slight marginal increase. Also, expenses will increase for continued watershed expansion purchases and other infrastructure and equipment improvements.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives and expends. If you have questions about this report or need additional financial information, contact the Comptroller's Office, City of Bristol, 111 North Main Street, Bristol, Connecticut, 06010.

Basic Financial Statements

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Statement of Net Position
June 30, 2017

	Primary Government			Component Unit
	Governmental Type Activities	Business-Type Activities	Total	Bristol-Burlington Health District
Assets				
Cash and cash equivalents	\$ 103,404,787	\$ 2,221,729	\$ 105,626,516	\$ 2,565,072
Investments	9,902,954	5,024,647	14,927,601	-
Receivables, net	11,542,948	1,328,736	12,871,684	30,080
Due from fiduciary funds	-	-	-	-
Inventories	48,557	252,496	301,053	-
Other assets	-	6,550	6,550	3,115
Net pension asset	197,717,337	-	197,717,337	-
Capital assets:				
Assets not being depreciated	50,216,082	3,857,351	54,073,433	-
Assets being depreciated, net	296,607,675	19,242,749	315,850,424	49,825
Total assets	669,440,340	31,934,258	701,374,598	2,648,092
Deferred Outflows of Resources				
Pension related items	43,754,228	-	43,754,228	-
Deferred charge on refunding	1,079,846	86,237	1,166,083	-
Total deferred outflows of resources	44,834,074	86,237	44,920,311	-
Liabilities				
Accounts and other payables	12,191,734	647,080	12,838,814	35,419
Accrued liabilities	10,979,261	37,020	11,016,281	17,706
Accrued interest payable	821,833	-	821,833	-
Bond anticipation notes payable	7,400,000	-	7,400,000	-
Other current liabilities	46,531	43,164	89,695	-
Unearned revenue	859,923	-	859,923	-
Noncurrent liabilities:				
Due within one year	14,096,085	396,993	14,493,078	59,526
Due in more than one year	131,624,400	2,812,555	134,436,955	44,588
Total liabilities	178,019,767	3,936,812	181,956,579	157,239
Deferred Inflows of Resources				
Pension related items	5,915,333	-	5,915,333	-
Total deferred inflows of resources	5,915,333	-	5,915,333	-
Net Position				
Net investment in capital assets	257,933,889	20,317,443	278,251,332	49,825
Restricted for:				
Pensions	197,717,337	-	197,717,337	-
Trust purposes:				
Expendable	295,703	-	295,703	-
Nonexpendable	922,966	-	922,966	-
Unrestricted	73,469,419	7,766,240	81,235,659	2,441,028
Total net position	\$ 530,339,314	\$ 28,083,683	\$ 558,422,997	\$ 2,490,853

See notes to financial statements.

Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Bristol-Burlington Health District
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental activities:								
General government	\$ 21,518,842	\$ 1,335,428	\$ 5,570,611	\$ -	\$ (14,612,803)	\$ -	\$ (14,612,803)	\$ -
Public Safety	31,225,680	1,677,977	583,250	-	(28,964,453)	-	(28,964,453)	-
Public Works	27,755,308	10,809,801	789,872	4,213,374	(11,942,261)	-	(11,942,261)	-
Health and Welfare	8,472,561	-	318,661	-	(8,153,900)	-	(8,153,900)	-
Libraries	3,111,382	18,599	33,973	-	(3,058,810)	-	(3,058,810)	-
Parks and Recreation	3,526,465	734,354	491,313	-	(2,300,798)	-	(2,300,798)	-
Education	152,095,342	1,198,646	77,206,027	-	(73,690,669)	-	(73,690,669)	-
Interest and fiscal charges	1,714,198	-	-	-	(1,714,198)	-	(1,714,198)	-
Total governmental activities	249,419,778	15,774,805	84,993,707	4,213,374	(144,437,892)	-	(144,437,892)	-
Business-type activities:								
Water	7,292,518	7,820,045	-	-	-	527,527	527,527	-
Total business-type activities	7,292,518	7,820,045	-	-	-	527,527	527,527	-
Total primary government	\$ 256,712,296	\$ 23,594,850	\$ 84,993,707	\$ 4,213,374	(144,437,892)	527,527	(143,910,365)	-
Component Unit:								
Bristol-Burlington Health District	\$ 3,415,717	\$ 26,682	\$ 3,629,078	\$ -	-	-	-	240,043
General Revenues:								
Property taxes					142,203,594	-	142,203,594	-
Grants and contributions not restricted to specific programs					565,492	-	565,492	-
Unrestricted investment earnings					583,170	527,135	1,110,305	3,492
Miscellaneous					1,324,905	-	1,324,905	-
Total general revenues and transfers					144,677,161	527,135	145,204,296	3,492
Change in net position					239,269	1,054,662	1,293,931	243,535
Net Position - beginning					530,100,045	27,029,021	557,129,066	2,247,318
Net Position - ending					\$ 530,339,314	\$ 28,083,683	\$ 558,422,997	\$ 2,490,853

See notes to financial statements.

**Balance Sheet - Governmental Funds
June 30, 2017**

	General	Debt Service Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 42,825,448	\$ 940,777	\$ 9,495,418	\$ 22,297,415	\$ 75,559,058
Investments	9,028,232	-	-	874,722	9,902,954
Receivables, net	5,193,413	-	4,886,063	1,401,426	11,480,902
Due from other funds	712,303	-	-	83,329	795,632
Inventories	-	-	-	48,557	48,557
Total assets	\$ 57,759,396	\$ 940,777	\$ 14,381,481	\$ 24,705,449	\$ 97,787,103
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)					
Liabilities:					
Accounts and contracts payable	\$ 4,774,847	\$ 22,000	\$ 5,800,595	\$ 1,106,884	\$ 11,704,326
Accrued liabilities	9,890,244	-	-	1,089,017	10,979,261
Due to other funds	45,038	-	-	1,697,094	1,742,132
Due to other governments	-	-	37,905	8,626	46,531
Bond anticipation notes payable	-	-	7,400,000	-	7,400,000
Unearned revenue	-	-	-	777,134	777,134
Total liabilities	14,710,129	22,000	13,238,500	4,678,755	32,649,384
Deferred inflows of resources:					
Unavailable revenue - property taxes	4,275,850	-	-	-	4,275,850
Unavailable revenue - sewer use	-	-	-	33,413	33,413
Unavailable revenue - sewer assessments	-	-	-	561,598	561,598
Unavailable revenue - other	-	-	1,087,725	-	1,087,725
Total deferred inflows of resources	4,275,850	-	1,087,725	595,011	5,958,586
Fund balances (deficits):					
Nonspendable	-	-	-	971,523	971,523
Restricted	-	918,777	-	5,120,120	6,038,897
Committed	3,093,837	-	4,572,114	12,896,300	20,562,251
Assigned	7,884,336	-	-	444,120	8,328,456
Unassigned (deficits)	27,795,244	-	(4,516,858)	(380)	23,278,006
Total fund balances (deficits)	38,773,417	918,777	55,256	19,431,683	59,179,133
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 57,759,396	\$ 940,777	\$ 14,381,481	\$ 24,705,449	\$ 97,787,103

(Continued)

**Reconciliation of Governmental Funds Fund Balance to Net Position of Governmental Activities
June 30, 2017**

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

Fund balances - total governmental funds	\$ 59,179,133
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	\$ 686,870,042
Less accumulated depreciation	<u>(340,046,285)</u>
Net capital assets	346,823,757
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:	
Net pension asset	197,717,337
Property tax receivables greater than 60 days	3,135,730
Interest receivable on property taxes	1,140,120
Sewer assessments receivable	477,020
Sewer assessments interest receivable	84,578
Sewer usage receivable	33,413
Grants	1,087,725
Net deferred inflows/(outflows) due to pension related items	37,838,895
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.	
	16,451,479
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable	(79,002,963)
Unamortized premium on general obligation bonds	(3,566,751)
Interest payable on bonds and notes	(821,833)
Compensated absences	(8,118,379)
Landfill post closure care	(1,440,209)
Deferred charges on refunding	1,079,846
Net pension liability	(8,932,185)
Other post-employment benefit obligations	<u>(32,827,399)</u>
Net position of governmental activities (Exhibit I)	<u>\$ 530,339,314</u>

See notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) -
Governmental Funds
For the Year Ended June 30, 2017**

	General	Debt Service Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes and assessments	\$ 140,288,559	\$ -	\$ 17,786	\$ 12,823	\$ 140,319,168
Interest and lien fees on delinquent taxes and assessments	1,138,474	-	-	-	1,138,474
Licenses, permits and fees	1,453,645	-	-	2,061,328	3,514,973
Intergovernmental	73,042,538	-	5,043,872	12,039,142	90,125,552
Charges for services	3,955,334	-	-	8,194,883	12,150,217
Income on investments	458,100	2,916	14,944	1,164,454	1,640,414
Miscellaneous	736,891	-	66,550	198,966	1,002,407
Total revenues	221,073,541	2,916	5,143,152	23,671,596	249,891,205
Expenditures:					
Current:					
General government	6,066,312	-	-	2,372,869	8,439,181
Public Safety	23,310,723	-	-	529,945	23,840,668
Public Works	13,626,603	-	-	6,593,855	20,220,458
Health and Welfare	6,354,403	-	-	826,823	7,181,226
Libraries	2,025,219	-	-	78,348	2,103,567
Parks and Recreation	2,465,044	-	-	207,118	2,672,162
Education	115,560,011	-	-	13,396,247	128,956,258
Citywide:					
Employee benefits and pensions	4,283,364	-	-	-	4,283,364
Insurance	30,044,634	-	-	-	30,044,634
Miscellaneous	655,417	-	-	-	655,417
Capital outlay	-	-	23,510,905	-	23,510,905
Debt service:					
Principal retirement	-	6,164,000	324,840	-	6,488,840
Interest and fiscal charges	-	2,121,707	46,992	-	2,168,699
Total expenditures	204,391,730	8,285,707	23,882,737	24,005,205	260,565,379
Excess (deficiency) of revenues over expenditures	16,681,811	(8,282,791)	(18,739,585)	(333,609)	(10,674,174)
Other financing sources (uses):					
Issuance of bonds	-	-	25,283,007	-	25,283,007
Payment to escrow	-	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-
Bond premium	-	1,031,945	-	-	1,031,945
Transfers in	13,143	8,064,090	4,366,676	4,362,362	16,806,271
Transfers out	(14,078,369)	(537,905)	-	(2,189,997)	(16,806,271)
Total other financing sources (uses)	(14,065,226)	8,558,130	29,649,683	2,172,365	26,314,952
Net change in fund balances (deficits)	2,616,585	275,339	10,910,098	1,838,756	15,640,778
Fund balances (deficits), beginning of year	36,156,832	643,438	(10,854,842)	17,592,927	43,538,355
Fund balances (deficits), end of year	\$ 38,773,417	\$ 918,777	\$ 55,256	\$ 19,431,683	\$ 59,179,133

(Continued)

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds to the Statement of Activities (Continued)
For the Year Ended June 30, 2017**

Amounts reported for governmental activities in the statement of activities are different because of the following:	
Net change in fund balances - total governmental funds (Exhibit IV)	\$ 15,640,778
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	26,675,968
Depreciation expense	(14,480,365)
Loss on disposal	(346,668)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:	
Property tax receivable - accrual basis change	(623,431)
Property tax interest and lien revenue - accrual basis change	(135,344)
Sewer assessment receivable - accrual basis change	10,775
Sewer assessment interest receivable- accrual basis change	35,993
Sewer usage receivable- accrual basis change	(143,560)
Grants	1,087,725
Net pension asset	19,212,015
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 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 amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:	
Bond principal and note payments	6,488,749
Bond and note proceeds	(25,283,009)
Amortization of deferred charge on refunding	(196,011)
Accrued interest	37,013
Bond premiums amortization	(613,599)
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 the governmental funds:	
Compensated absences	(30,411)
Other post-employment benefits	(1,598,577)
Net pension liability	496,152
Landfill post closure care	61,048
Deferred inflows/outflows related pension items	(29,650,556)
Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	3,594,584
Change in net position of Governmental Activities (Exhibit II)	<u>\$ 239,269</u>

See notes to financial statements.

**Statement of Net Position - Proprietary Funds
June 30, 2017**

	Business-Type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,221,729	\$ 27,845,729
Investments	5,024,647	-
Receivables, net	1,328,736	62,046
Due from other funds	-	946,500
Inventories	252,496	-
Other assets	6,550	-
Total current assets	8,834,158	28,854,275
Noncurrent assets:		
Capital assets:		
Assets not being depreciated	3,857,351	-
Assets being depreciated, net	19,242,749	-
Total noncurrent assets	23,100,100	-
Total assets	31,934,258	28,854,275
Deferred Outflows of Resources		
Deferred charge on refunding	86,237	-
Liabilities		
Current liabilities:		
Accounts and other payables	647,080	487,408
Payroll liabilities	37,020	-
Customer deposits	43,164	-
Unearned revenues	-	82,789
Compensated absences - current	52,002	-
Bonds payable - current	308,473	-
Notes payable - current	36,518	-
Unpaid claims - current	-	6,241,568
Total current liabilities	1,124,257	6,811,765
Noncurrent liabilities:		
Compensated absences	288,652	-
Bonds payable	1,828,224	-
Notes payable	695,679	-
Unpaid claims	-	5,591,031
Total noncurrent liabilities	2,812,555	5,591,031
Total liabilities	3,936,812	12,402,796
Net Position		
Net investment in capital assets	20,317,443	-
Unrestricted	7,766,240	16,451,479
Total net position	\$ 28,083,683	\$ 16,451,479

See notes to financial statements.

**Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds
For the Year Ended June 30, 2017
(In Thousands)**

	Business-Type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Fund
Operating revenues:		
Charges for services	\$ 7,400,437	\$ 39,522,759
Contributions	-	22,866
Miscellaneous	419,608	165,307
Total operating revenues	7,820,045	39,710,932
Operating expenses:		
Source of supply	191,346	-
Pumping	261,124	-
Purification	912,314	-
Transmission and distribution	2,138,031	-
Customer accounts, administrative and general	2,116,528	-
Depreciation	1,115,938	-
Taxes other than income taxes	466,978	-
Insurance claims, premiums and fees	-	36,163,680
Total operating expenses	7,202,259	36,163,680
Operating income	617,786	3,547,252
Nonoperating income (expense):		
Income on investments	527,135	47,332
Interest expense	(101,443)	-
Amortization of debt discount and expense	11,184	-
Total nonoperating income	436,876	47,332
Change in net position	1,054,662	3,594,584
Fund net position, beginning	27,029,021	12,856,895
Fund net position, ending	\$ 28,083,683	\$ 16,451,479

See notes to financial statements.

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Business-Type Activities	Governmental Activities
	Water Enterprise Fund	Internal Service Fund
Cash flows from operating activities:		
Cash received from charges for services and contributions	\$ 7,890,009	\$ 39,675,737
Cash received from other operating revenue	-	188,173
Cash paid to employees	(2,102,671)	-
Cash paid to suppliers	(3,880,659)	-
Cash payment for claims paid	-	(36,165,287)
Net cash provided by operating activities	1,906,679	3,698,623
Cash flows from capital financing activities:		
Purchase of capital assets/utility plant	(714,075)	-
Principal payments bonds/notes	(539,269)	-
Interest payments	(73,970)	-
Net cash used in capital and related financing activities	(1,327,314)	-
Cash flows from investing activities:		
Income on investments	5,105	47,332
Net increase in cash and cash equivalents	584,470	3,745,955
Cash and cash equivalents, beginning of year	1,637,259	24,099,774
Cash and cash equivalents, end of year	\$ 2,221,729	\$ 27,845,729
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 617,786	\$ 3,547,252
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,115,938	-
Decrease in receivables, net	123,039	(59,010)
(Increase) in inventories	(6,795)	-
(Increase) in other assets	(2,548)	-
Increase in accounts and other payables	95,929	478,022
Increase in unearned revenues	-	(11,233)
(Decrease) in accrued liabilities	(14,732)	-
Increase in accrued compensated absences	28,589	-
(Decrease) in unpaid claims	-	(468,396)
(Decrease) in customer deposits	(50,527)	-
(Decrease) in due to (from) other funds	-	211,988
Total adjustments	1,288,893	151,371
Net cash provided by operating activities	\$ 1,906,679	\$ 3,698,623

See notes to financial statements.

Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2017

	Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 18,187,771	\$ 770,697
Investments, at fair value:		
Certificates of deposit	-	135,827
Corporate bonds	62,590,073	-
U.S. Treasury	29,548,804	-
U.S. government agencies	2,300,180	-
Government bonds	17,213,928	-
Alternative investments	181,000,088	-
Common stock	184,973,607	-
Mutual funds	123,692,666	-
Total investments	<u>601,319,346</u>	<u>135,827</u>
Total assets	<u>619,507,117</u>	<u>906,524</u>
Liabilities		
Accounts payable	21,279	1,141
Due to senior citizens	-	92,810
Due to student groups	-	812,573
Total liabilities	<u>21,279</u>	<u>906,524</u>
Net Position		
Restricted for pension benefits	608,364,860	-
Restricted for OPEB benefits	8,126,904	-
	<u>\$ 616,491,764</u>	<u>\$ -</u>

See notes to financial statements.

**Statement of Changes in Plan Net Position -
Fiduciary Funds
For the Year Ended June 30, 2017**

	Trust Funds
<hr/>	
Additions:	
Contributions:	
Employer	\$ 2,564,936
Plan members	2,708,908
Total contributions	<u>5,273,844</u>
Investment income:	
Net appreciation in fair value of investments	64,057,611
Interest and dividends	7,474,701
Total investment income	<u>71,532,312</u>
Less investment expense	(455,506)
Net investment income	<u>71,076,806</u>
Deductions:	
Benefits	23,261,690
Administration	3,683,408
Total deductions	<u>26,945,098</u>
Increase in net position	49,405,552
Net position restricted for benefits :	
Beginning of year	<u>567,086,212</u>
End of year	<u>\$ 616,491,764</u>

See notes to financial statements.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting entity: The City of Bristol (the City) was incorporated in 1911. Its legal authority is derived from Chapter Ninety-nine of the General Statutes of the State of Connecticut and Number 352 of the Special Acts of 1911. The City has operated under the Council-Mayor form of government since 1911. Services provided include education, water, sewer, refuse, streets and drainage, recreation and parks, planning and zoning, community development, human services, police and fire protection. The accompanying financial statements conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments.

GAAP require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board (GASB) Codification Section 2100 have been considered and have resulted in the inclusion of one discretely presented component unit as detailed below.

Discretely presented component unit: The Bristol-Burlington Health District (the District) was formed on July 1, 1979 as a health district under Section 19-106 of the General Statutes of the State of Connecticut as a legally separate entity. The City appoints a majority of the District's governing six-member board once every three years. Although it is legally separate from the City, the District is presented discretely as it is fiscally dependent upon the City. The City contributes almost eighty percent (80%) of the District's annual operating budget. Additionally, if the District were to dissolve, according to state statute the District would immediately become a department of the City. The District does not provide services primarily to the City, but to its citizens. A complete set of financial statements may be obtained at the District's office located at 240 Stafford Avenue, Bristol, Connecticut 06010.

Related organization:

Joint Venture: The City is a participant with fourteen other cities and towns in a joint venture, the Bristol Resource Recovery Facility (BRRFOC). BRRFOC was created pursuant to an Inter-Community Agreement to exercise certain rights on behalf of the Contracting Municipalities in dealing with the trash-to-energy plant built by Ogden Martin Systems of Bristol, Inc., now known as Covanta Bristol, Inc. (Covanta). The governing board consists of City officials appointed by each of the participating municipalities, and assumes all the management decisions. Fund balance of the General Fund for fiscal year ended June 30, 2017 as reflected in BRRFOC's financial statements is \$1.8 million. A complete set of financial statements for BRRFOC can be obtained from the administrative office at 43 Enterprise Drive, Bristol, Connecticut 06010.

Accounting standards adopted in the current year and restatement of net position: GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The implementation of this statement resulted in additional disclosures (see Note 13). See Note 15 for the impact the adoption of GSAB 75 will have on the OPEB liability in the next fiscal year.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement establishes disclosure of information about nature and magnitude of tax abatements to allow users of the financial statements to understand 1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and 2) the impact those abatements have on a government's financial condition and economic condition. The implementation of this statement added additional financial statement disclosures.

GASB Statement No. 78, *Pensions Provided through Certain Multiple - Employer Defined Benefit Pension Plans*. This standard narrows the scope and applicability of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan meeting specific criteria and establishes new guidance for these employers, including separate requirements for recognition and measurement of pension expense or expenditures and liabilities, note disclosures and required supplementary information (RSI). The implementation of this statement had no impact on the City's financial statements.

GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The implementation of this statement had no impact on the City's financial statements.

Government-wide and fund financial statements: The government-wide financial statements report information on all of the non-fiduciary activities of the primary government and its component units. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 fund 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.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 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 for. 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. Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, landfill post-closure monitoring, claims and judgments, pollution remediation and other post-employment benefits which are recorded only when payment is due (matured).

Property taxes, when levied for, intergovernmental revenues when eligibility requirements are met, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable only when cash is received by the City.

The City reports the following major governmental funds:

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

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of general long-term principal, interest and related costs.

The **Capital Projects Fund** is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds or Trust Funds).

The City reports the following major proprietary fund:

The **Water Enterprise Fund** is used to account for the operations of the Bristol Water Department.

The **Internal Service Fund** accounts for the risk management activities of the City.

Additionally, the City reports the following fund types:

The **Pension Trust Funds** account for the activities of the City Pension Plans, which accumulate resources for pension benefit payments to qualified City employees.

The **OPEB Trust Funds** account for the activities of the City other post-employment benefits, which accumulate resources for health related benefit payments to qualified City employees.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The **Agency Funds** are used to account for assets held by the City in an agent capacity for individuals, private organizations or other governments. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Funds include Senior Citizens Activity Fund and School Activity Fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain City functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Functional expenses in the statement of activities include certain indirect expenses, such as employee benefits, pension and insurance. These expenses are allocated to governmental activity functions based on total salary expenses for each function.

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 property taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Enterprise Fund are charges for sales and services and of the City's internal service funds are charges from participants and premiums from the City. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. For the internal service funds, expenses represent claims paid. 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.

Accounting estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Cash equivalents: The City considers all highly liquid investments and those with original maturities of three months or less, when purchased to be cash equivalents.

Investments: Investments for the City and its component unit are stated at fair value.

The *Pension Funds* allow for investments in certain alternative investments. Alternative investments may include private equity partnerships; infrastructure limited partnerships, hedge and absolute return funds for which there may be no ready market to determine fair value. These investments are valued using the most recent valuation available from the external fund manager. These estimated values do not necessarily represent the amounts that will ultimately be realized upon the disposition of those assets, which may be materially higher or lower than values determined if a ready market for the securities existed.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

The Connecticut State Statutes (the Statutes) also provide for investment in shares of the State Short-Term Investment Fund (STIF). This investment pool is under control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board and is regulated under the 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.

Fair value: The City uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The City's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Level 3: Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

See Note 3 for additional information regarding fair value.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Investments measured at the net asset value (NAV): Investments valued using the net asset value (NAV) per share (or its equivalent) are considered “alternative investments” and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The City values these investments based on the partnerships’ audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is progressed from the most recently available valuation taking into account subsequent calls and distributions.

Property taxes: Property taxes are levied each July 1 based on the assessed property values of the prior October 1 Grand List. Assessed values are established by the City Assessor’s Office at 70% of appraised value.

Property taxes related to the assessed value of under \$1,000 are due in one installment on July 1; remaining property taxes are due in two equal installments on July 1 and the following January 1. Supplemental motor vehicle taxes are due in full on January 1. Taxes become overdue one month after the installment due date. Interest at the rate of 1.5% per month accrues on all overdue taxes. As of June 30, an enforceable lien is recorded against any outstanding real property taxes.

Allowance for doubtful accounts: Accounts receivables, property tax receivables and notes receivable for the primary government are reported net of allowance for doubtful accounts of approximately \$310,000. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and an assessment of the creditor’s ability to pay.

Inventories and prepaid items: All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets: Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), 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 \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition 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 assets 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.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

Capital Assets	Years
Buildings	25-30
Improvements other than buildings	20
Machinery and equipment	3-20
Infrastructure	10-65

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.

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 related to pensions in the government-wide statement of net position. A deferred inflow 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. The governmental funds report unavailable revenues from property taxes, interest on property taxes, and sewer use charges. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

Compensated absences: A limited amount of vacation time earned may be accumulated by employees until termination of their employment. Vacation leave is reported using current salary costs, as well as any salary-related payments that are directly and incrementally connected with leave payments to employees. Sick leave accruals are also based on current salary costs as well as salary-related payments.

Eligible City employees earn 5 to 25 days of sick leave per year and 5 to 20 days of vacation per year depending on employees' length of service. A maximum of 200 days of sick leave and 40 days of vacation leave may be accrued. An employee leaving the employ of the City is entitled to be paid for all unused vacation and a maximum of 90 days or 45% of sick leave upon retirement.

Note 1. Summary of Significant Accounting Policies (Continued)

Board of Education employees earn 10 to 20 days of sick leave per year. Maximum sick leave accrual varies by bargaining units from 180 to 275 days. Board of Education employees, with the exception of teachers, earn 5 to 20 days of vacation leave that cannot be accrued and must be used within the fiscal year it was earned. Upon termination, Board of Education employees are paid for all unused vacation leave. Unused sick leave is paid only on retirement to a maximum of 30% depending on bargaining units.

Compensated absences to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for the amounts that have become due. Amounts for compensated absences are generally liquidated by the General Fund.

Net pension asset: The net pension asset 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 asset 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. The investments in the calculation of the net pension liability are measured at fair value.

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 any significant applicable bond premium or discount.

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.

Pension accounting:

Pension trust funds: Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental funds and governmental activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pension Plans and additions to/deductions from the Pension Plans' fiduciary net position have been determined on the same basis as they are reported by the Pension Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

Funding policy: The City funds the contributions to its Pension Plans based on the actuarial required contribution and terms of union contracts.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Other post-employment obligations (OPEB) accounting:

Governmental funds and governmental activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the City's contributions to the plan since July 1, 2008, is calculated on an actuarial basis consistent with the requirements of GASB Statement No. 45. The OPEB obligation (OPEB) is recorded as a noncurrent liability in the government-wide financial statements.

Funding policy: The City makes annual contributions based upon decisions of the City Council. However, effective July 1, 2014, the City Council adopted an OPEB Funding Policy requiring annual funding with incremental increases of 5% over the annual pay-as-you-go funding levels with the goal of prefunding the OPEB obligation and eliminating the annual funding gap.

Fund 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 category groups all capital assets, including infrastructure, into one component of net position, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Unrestricted net position: This category represents the net position of the City, which are not restricted for any project or other purpose. A deficit will require future funding.

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: These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Committed fund balance: This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (City Board of Finance). Amounts remain committed until action is taken by the Board of Finance (resolution) to remove or revise the limitations.

Assigned fund balance: This represents amounts constrained for the intent to be used for a specific purpose by the Board of Finance, which has been delegated authority to assign amounts by the City Charter.

City of Bristol, Connecticut

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

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 residual fund balance deficit, it is reported as a negative amount in unassigned fund balance.

Note 2. Stewardship, Compliance and Accountability

Budgetary information: The City adopts an annual operating budget for the General Fund only. The following details the procedures relating to the General Fund budgetary data reflected in the financial statements.

The City Charter requires the Board of Finance to submit a recommended operating budget to the City Council 15 days prior to the third Monday in May. The budget provides a financial plan for the year and contains estimates of anticipated revenues and proposed expenditures. After at least one public hearing on the recommended budget, the Board of Finance and City Council (Joint Board) may adopt a final budget for the year.

In practice, the budget is submitted to the Board of Finance in February. A series of work sessions is held to review the budget and is followed by one or more public hearings. The final budget, which includes the annual property tax levy, is then approved.

Appropriations for the General Fund lapse at June 30 of each year. All other program appropriations do not lapse at year end.

The budget is prepared on the modified accrual basis, except for encumbrances, by function, activity and object. Expenditures may not legally exceed appropriations at the object level within a department. The Board of Finance has the power to approve budget revisions during the year up to \$5,000 (amount not rounded). Revisions in excess of \$5,000 require Joint Board approval. All budget revisions must be approved. Additional appropriations in the amount of approximately \$12,736,000 were approved during the fiscal year.

Encumbrances are recognized as a valid and proper charge in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year. Encumbrances outstanding at year-end are included in either restricted, committed or assigned fund balance depending on the level of restriction in accordance with GAAP since they do not constitute expenditures or liabilities.

Also, in accordance with the provisions of GASB Statement No. 24, the City has reported on-behalf payments made by the State of Connecticut into the teachers' retirement system in the Governmental Funds.

Budgets for Special Revenue Funds are prepared in accordance with the requirements of the various grant agreements and/or legal provisions that control the expenditure of such funds. Since such budgets are adopted on a program basis, it is not practicable to present the results of budgetary operations at the combined level. Special Revenue Funds are budgeted on the modified accrual basis.

Appropriations for the Capital Projects Funds do not lapse at the end of the fiscal year, but continue until the completion of the applicable project.

City of Bristol, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments

The deposit of public funds is controlled by the 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 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 Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. The 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.

At June 30, the entire amount of the component unit’s deposits was covered by federal depository insurance.

Cash equivalents: Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. As of June 30, the cash equivalent amounted to \$5,205,817. The following table provides summary of the City’s cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	Standard & Poor’s
State of Connecticut Short-term Investment Fund (STIF)	AAAm

City of Bristol, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Cash, cash equivalents and investments of the City consist of the following at June 30, 2017:

Cash and cash equivalents:	
Deposits with financial institutions	\$ 105,626,516
Total cash and cash equivalents	<u>105,626,516</u>
Investments:	
General fund:	
Mutual funds	2,342,313
Certificates of deposit	5,097,603
U.S. government agencies	1,588,316
Total government investments	<u>9,028,232</u>
Water Department:	
Mutual funds	5,024,647
Total enterprise investments	<u>5,024,647</u>
Pension trust funds:	
Corporate bonds	61,632,343
U.S. Treasury	29,380,992
U.S. government agencies	1,883,290
Government bonds	17,098,981
Alternative investments	180,059,940
Common stock	184,973,607
Mutual funds	121,157,363
Total pension investments	<u>596,186,516</u>
OPEB trust fund:	
Corporate bonds	957,730 *
U.S. Treasury	167,812
U.S. government agencies	416,890
Government bonds	114,947
Mutual funds	2,535,303
Alternative investments	940,148
Total OPEB investments	<u>5,132,830</u>
Special Revenue Funds:	
Common stock	874,722
Total Special Revenue Fund investments	<u>874,722</u>
Agency Funds:	
Certificates of Deposits	135,827
Total Agency Fund investments	<u>135,827</u>
Total investments	<u>616,382,774</u>
Total cash, cash equivalents and investments	<u>\$ 722,009,290</u>

City of Bristol, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Cash, cash equivalents and investments are classified in the accompanying financial statements as follows:

Statement of net position:		
Cash and cash equivalents		\$ 105,626,516
Investments		14,927,601
Total statement of net position		<u>120,554,117</u>
Fiduciary funds:		
Cash and cash equivalents		18,958,468
Investments		601,455,173
Total Fiduciary funds		<u>620,413,641</u>
Total cash, cash equivalents and investments		<u>\$ 740,967,758</u>

Investments as of June 30, in all funds are as follows:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1-10	More Than 10
Interest-bearing investments:					
U.S. treasury bonds	Aaa	\$ 29,548,804	\$ 3,274,046	\$ 23,382,668	\$ 2,892,090
U.S. government agencies	Aaa	3,888,496	932,578	2,702,779	253,139
Corporate bonds	Aaa	2,677,722	-	2,001,890	675,832
Corporate bonds	Aa1-Aa3	5,451,942	869,000	3,291,177	1,291,765
Corporate bonds	A1-A3	14,197,762	1,397,058	10,473,267	2,327,437
Corporate bonds	Baa1-Baa3	25,128,544	651,534	22,962,162	1,514,848
Corporate bonds	Ba1-Ba3	7,067,608	30,075	7,037,533	-
Corporate bonds	B1-B3	939,248	-	939,248	-
Corporate bonds	NR	7,127,247	3,030,970	3,551,893	544,384
Government bonds	Aaa	17,213,928	6	1,411,424	15,802,498
Certificates of deposit	*	5,233,430	-	5,233,430	-
Total		<u>118,474,731</u>	<u>\$ 10,185,267</u>	<u>\$ 82,987,471</u>	<u>\$ 25,301,993</u>

Other investments:	
Common stock	185,848,329
Alternative Investments	181,000,088
Mutual funds	131,059,626
Total investments	<u>\$ 616,382,774</u>

* Subject to coverage by federal depository insurance and collateralization.

City of Bristol, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Interest rate risk: This is the risk that changes in market interest rates which will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City nor the pension plans have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the City includes asset allocation percentage ranges for its pension plans to assist in limiting interest rate risk.

Credit risk – investments: As indicated above, the Statutes limit the investment options of Cities. The City has an investment policy that allows the same type of investments as the Statutes.

Concentration of credit risk: The City nor the pension plans have a policy limiting investments in any one issuer that is in excess of five percent of the City's total investments.

The following represents the investments in the pension plans that represent more than 5% of the plan's net position as of June 30:

Rcit Large Cap Value E Equity Fund CI C	\$39,548,888
Omega Overseas Partners, Ltd.	43,654,050
Boyd Watterson GSA Fund LP	36,270,040

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. As of June 30, 2017, \$110,834,599 of the City's bank balance of \$125,670,419 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The City's individual investments in fixed income securities, equities, U.S treasury securities, domestic corporate bonds, foreign bonds, and U.S government agency securities are uninsured and registered securities held by a counterparty, or by its trust department or agent that are in the City's pension and OPEB plans. The City's other investments are held in alternative investments which, because they are evidenced by contracts rather than by securities, are not subject to custodial credit risk determination.

City of Bristol, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

Fair value: The City and the pension and OPEB plans categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City and the pension and OPEB plans have the following recurring fair value measurements as of June 30:

	Fair Value Measurements Using			
	June 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
Investments by fair value level:				
Stocks	\$ 185,848,329	\$ 185,848,329	\$ -	\$ -
Mutual funds	131,059,626	131,059,626	-	-
Certificate of deposits	5,233,430	5,233,430	-	-
Debt securities:				
U.S. Treasury	29,548,804	29,548,804	-	-
Corporate bonds	62,590,073	62,590,073	-	-
Government bonds	17,213,928	17,213,928	-	-
U.S. Government agencies	3,888,496	3,888,496	-	-
Total debt securities	435,382,686	435,382,686	-	-
Total investments by fair value level	435,382,686	\$ 435,382,686	\$ -	\$ -
Investments measured at the net asset level (NAV):				
Other	171,357,740			
Limited partnerships	4,654,886			
Real estate funds	4,987,462			
Total investments measured at the NAV	181,000,088			
Total investments measured at fair value	\$ 616,382,774			

Debt and equity securities: Debt and equity securities, classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Commercial and residential mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques. Collateralized debt obligations classified in Level 3 are valued using consensus pricing.

City of Bristol, Connecticut

Notes to Financial Statements

Note 3. Cash, Cash Equivalents and Investments (Continued)

The following table summarizes all investments recorded using NAV as a practical expedient to fair value:

Investments Measured at the NAV

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured at the NAV:				
Other	\$ 171,357,740	\$ 72,685,740	Qtr./Annual	30-60 days
Limited partnerships	4,654,886	2,626,191	N/A	N/A
Real estate funds	4,987,462	1,603,281	N/A	N/A
Total Investments Measured at the NAV	<u>\$ 181,000,088</u>			

Real estate funds: This type includes real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. Because it is not probable that any individual investment will be sold, the fair value of each individual investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital.

Private equity funds: This type includes limited partnership funds. These investments can never be redeemed with funds. Instead, the nature of the investments in this type is that distributions are received through liquidation of the underlying assets of the fund capital. As of June 30, 2017, it is probable that all of the investments in this type will be sold at an amount different from NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. Therefore, the fair values of the investments in this type have been determined using recent observation transaction information for similar investments and nonbinding bids received from potential buys of the investments.

Note 4. Receivables

Receivables as of year-end for the City's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects	Nonmajor and Other Funds	Total Governmental Funds
Receivables:				
Taxes	\$ 3,452,887	\$ -	\$ -	\$ 3,452,887
Interest	1,140,120	-	-	1,140,120
Accounts	572,126	4,236	339,310	915,672
Special assessments	-	-	561,598	561,598
Intergovernmental	338,280	4,881,827	600,518	5,820,625
Gross receivables	5,503,413	4,886,063	1,501,426	11,890,902
Less allowance for uncollectibles	310,000	-	100,000	410,000
Net total receivables	<u>\$ 5,193,413</u>	<u>\$ 4,886,063</u>	<u>\$ 1,401,426</u>	<u>\$ 11,480,902</u>

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City of Bristol, Connecticut

Notes to Financial Statements

Note 4. Receivables (Continued)

Total allowance amounts are as follows:

General Fund:

Allowance related to taxes receivable	\$ 300,000
Allowance related to accounts receivable	10,000

Water Enterprise Fund:

Allowance related to accounts receivable	125,902
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Nonmajor and Other Funds:

Allowance related to sewer usage receivables	100,000
Total allowance of the current fiscal year	<u>\$ 535,902</u>

Note 5. Capital Assets

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

Primary government:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 18,446,473	\$ 311,280	\$ (114,350)	\$ -	\$ 18,643,403
Construction in progress	18,879,831	20,793,033	-	(8,100,185)	31,572,679
Total capital assets, not being depreciated	<u>37,326,304</u>	<u>21,104,313</u>	<u>(114,350)</u>	<u>(8,100,185)</u>	<u>50,216,082</u>
Capital assets, being depreciated:					
Buildings	283,438,283	118,404	(87,150)	5,723,754	289,193,291
Improvements other than buildings	15,604,110	269,750	-	32,971	15,906,831
Machinery and equipment	75,380,774	2,951,245	(952,982)	200,961	77,579,998
Infrastructure	250,263,783	2,232,256	(664,698)	2,142,499	253,973,840
Total capital assets being depreciated	<u>624,686,950</u>	<u>5,571,655</u>	<u>(1,704,830)</u>	<u>8,100,185</u>	<u>636,653,960</u>
Less accumulated depreciation for:					
Buildings	(120,554,509)	(6,461,163)	55,833	-	(126,959,839)
Improvements other than buildings	(10,345,044)	(2,238,245)	-	-	(12,583,289)
Machinery and equipment	(56,259,526)	(2,662,969)	864,289	-	(58,058,206)
Infrastructure	(139,879,353)	(3,117,988)	552,390	-	(142,444,951)
Total accumulated depreciation	<u>(327,038,432)</u>	<u>(14,480,365)</u>	<u>1,472,512</u>	<u>-</u>	<u>(340,046,285)</u>
Total capital assets, being depreciated, net	<u>297,648,518</u>	<u>(8,908,710)</u>	<u>(232,318)</u>	<u>8,100,185</u>	<u>296,607,675</u>
Governmental activities capital assets, net	<u>\$ 334,974,822</u>	<u>\$ 12,195,603</u>	<u>\$ (346,668)</u>	<u>\$ -</u>	<u>\$ 346,823,757</u>

City of Bristol, Connecticut

Notes to Financial Statements

Note 5. Capital Assets (Continued)

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 2,752,140	\$ -	\$ -	\$ 2,752,140
Construction in progress	1,059,556	45,655	-	1,105,211
Total capital assets, not being depreciated	<u>3,811,696</u>	<u>45,655</u>	<u>-</u>	<u>3,857,351</u>
Capital assets, being depreciated:				
Buildings and system	36,897,518	255,457	(15,155)	37,137,820
Machinery and equipment	6,570,758	422,092	-	6,992,850
Total capital assets, being depreciated	<u>43,468,276</u>	<u>677,549</u>	<u>(15,155)</u>	<u>44,130,670</u>
Less accumulated depreciation for:				
Buildings and system	(19,926,913)	(777,000)	-	(20,703,913)
Machinery and equipment	(3,851,096)	(338,938)	6,026	(4,184,008)
Total accumulated depreciation	<u>(23,778,009)</u>	<u>(1,115,938)</u>	<u>6,026</u>	<u>(24,887,921)</u>
Total capital assets, being depreciated, net	<u>19,690,267</u>	<u>(438,389)</u>	<u>(9,129)</u>	<u>19,242,749</u>
Business-type activities capital assets, net	<u>\$ 23,501,963</u>	<u>\$ (392,734)</u>	<u>\$ (9,129)</u>	<u>\$ 23,100,100</u>

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

Governmental activities:	
General government	\$ 414,386
Public Safety	1,083,116
Public Works	6,614,382
Health and Welfare	6,444
Libraries	528,497
Parks and Recreation	377,815
Education	5,455,725
Total depreciation expense-governmental activities	<u>\$ 14,480,365</u>
Business-type activities:	
Water	<u>\$ 1,115,938</u>

Construction commitments: The City has several active construction projects as of June 30, 2017. The following is a summary of capital projects (in thousands) as of June 30:

	Project Authorization	Cumulative Expenditures
Schools	\$ 99,278	\$ 98,274
Streets, bridges and building improvements	80,730	57,226
Capital and nonrecurring	60,001	51,911
Total	<u>\$ 240,009</u>	<u>\$ 207,411</u>

City of Bristol, Connecticut

Notes to Financial Statements

Note 5. Capital Assets (Continued)

The commitments are being financed with general obligation bonds and state and federal grants.

Discretely presented component units: Activity for the Bristol-Burlington Health District for the year ended June 30, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Furniture and equipment	\$ 281,786	\$ 22,205	\$ (48,788)	\$ 255,203
Less accumulated depreciation for:				
Furniture and equipment	(235,639)	(16,709)	46,970	(205,378)
District capital assets, net	<u>\$ 46,147</u>	<u>\$ 5,496</u>	<u>\$ (1,818)</u>	<u>\$ 49,825</u>

Note 6. Interfund Receivables, Payables and Transfers

At June 30, interfund receivables and payables were comprised of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 712,303
Nonmajor Governmental Funds	General Fund	45,038
Internal Service Funds	Nonmajor Governmental Funds	946,500
Total		<u>\$ 1,703,841</u>

Interfund receivables and payables generally represent temporary balances arising from reimbursement-type transactions. All balances are expected to be repaid within a year.

Interfund transfers:

	Transfers in				Total Transfers Out
	General Fund	Debt Service Fund	Capital Projects	Nonmajor Governmental	
Transfers out:					
General Fund	\$ -	\$ 7,948,815	\$ 1,767,206	\$ 4,362,348	\$ 14,078,369
Debt Service Fund	-	-	537,905	-	537,905
Nonmajor Governmental Funds	13,143	115,275	2,061,565	14	2,189,997
Total transfers in	<u>\$ 13,143</u>	<u>\$ 8,064,090</u>	<u>\$ 4,366,676</u>	<u>\$ 4,362,362</u>	<u>\$ 16,806,271</u>

Transfers are for regularly recurring operational transfers. Interfund transfers are used to 1) move revenues from the General Fund to the Debt Service Fund to pay for principal and interest on debt, 2) supplement revenues of other funds such as the Capital Projects Fund for the projects that have been closed out.

City of Bristol, Connecticut

Notes to Financial Statements

Note 7. Leases

Operating leases: The City leases computers under noncancelable operating leases. Total costs for such leases were \$795,568 for the year ended June 30. The future minimum lease payments for these leases are as follows:

Years ending June 30:

2018	\$ 724,189
2019	483,840
2020	352,381
2021	205,660

Note 8. Long-Term Liabilities

Changes in long-term liabilities: Long-term liability activity for the year ended June 30, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Bonds and loans payable:					
General obligation bonds	\$ 55,614,000	\$ 21,130,000	\$ 6,164,000	\$ 70,580,000	\$ 6,119,000
Clean Water Fund Bonds	4,594,703	4,153,009	324,749	8,422,963	331,302
Premium on general obligation bonds	2,953,152	989,647	376,048	3,566,751	430,767
Total bonds payable	<u>63,161,855</u>	<u>26,272,656</u>	<u>6,864,797</u>	<u>82,569,714</u>	<u>6,549,767</u>
Compensated absences	8,087,968	921,093	890,682	8,118,379	1,241,750
Landfill post closure care	1,501,257	1,952	63,000	1,440,209	63,000
Net OPEB obligation	31,228,822	1,598,577	-	32,827,399	-
Net pension liability	9,428,337	-	496,152	8,932,185	-
Unpaid claims	12,300,995	31,180,470	31,648,866	11,832,599	6,241,568
Total governmental activities long-term liabilities	<u>\$ 125,709,234</u>	<u>\$ 59,974,748</u>	<u>\$ 39,963,497</u>	<u>\$ 145,720,485</u>	<u>\$ 14,096,085</u>
Business-type Activities					
Bonds and loans payable:					
General obligation bonds	\$ 2,466,000	\$ -	\$ 476,000	\$ 1,990,000	\$ 281,000
Premium on general obligation bonds	174,170	-	27,472	146,698	27,473
Notes payable	767,993	-	35,797	732,196	36,518
Total bonds payable and notes payable	<u>3,408,163</u>	<u>-</u>	<u>539,269</u>	<u>2,868,894</u>	<u>344,991</u>
Compensated absences	312,065	49,791	21,202	340,654	52,002
Total business-type activities	<u>\$ 3,720,228</u>	<u>\$ 49,791</u>	<u>\$ 560,471</u>	<u>\$ 3,209,548</u>	<u>\$ 396,993</u>
Component Unit					
Compensated absences	<u>\$ 85,879</u>	<u>\$ 23,102</u>	<u>\$ 4,867</u>	<u>\$ 104,114</u>	<u>\$ 59,526</u>

For the governmental activities, compensated absences and OPEB obligations are generally liquidated by the general fund.

City of Bristol, Connecticut

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

Bond anticipation notes: Bond anticipation notes payable activity for the year ended June 30, was as follows:

Description	Issue Date	Maturity Date	Interest Rate %	Beginning Balance	Additions	Reductions	Ending Balance
Bond anticipation notes	04/21/16	01/20/17	1.00%	\$ 4,500,000	\$ -	\$ 4,500,000	\$ -
Bond anticipation notes	01/20/2017	10/19/2017	1.75%	-	4,000,000	-	4,000,000
Bond anticipation notes	05/30/2017	05/29/2018	2.25%	-	3,400,000	-	3,400,000
Total				<u>\$ 4,500,000</u>	<u>\$ 7,400,000</u>	<u>\$ 4,500,000</u>	<u>\$ 7,400,000</u>

Bond anticipation notes payable are issued to finance purchase of land, demolition and other work at the Bristol Centre Mall site.

Bonds and notes payable at June 30, were comprised of the following:

Description	Date of Issue	Date of Maturity	Interest Rate %	Amount of Original Issue	Balance Outstanding June 30, 2017
General City bonds					
General improvement:					
2011 Issue	06/27/11	08/01/30	2.00-4.00	\$ 8,637,000	\$ 6,362,000
2012 Refunding	08/11/11	07/15/22	3.00-5.00	15,589,000	9,968,000
2015 Refunding	11/17/15	10/15/24	3.00-5.00	4,126,000	4,126,000
2017 Issue	05/30/17	05/15/35	2.00-5.00	17,739,000	17,739,000
Total general improvement bonds					<u>38,195,000</u>
School:					
2011 Issue	06/27/11	08/01/30	2.00-4.00	25,550,000	18,825,000
2012 Refunding	08/11/11	07/15/22	3.00-5.00	6,234,000	4,165,000
2015 Refunding	11/17/15	10/15/24	3.00-5.00	2,991,000	2,029,000
2017 Issue	05/30/17	05/15/35	2.00-5.00	3,391,000	3,391,000
Total school bonds					<u>28,410,000</u>
Sewers:					
2011 Issue	06/27/11	08/01/30	2.00-4.00	5,400,000	3,975,000
Capital projects funds:					
Clean water fund notes 498-D/C	06/30/02	06/30/21	2.00	1,483,000	342,675
Clean water fund notes 415-D/C	06/30/02	06/30/21	2.00	1,410,000	325,616
Clean water fund notes 504-C	12/31/03	12/31/22	2.00	1,488,000	465,756
Clean water fund notes 562-C	11/30/04	11/30/23	2.00	694,000	250,978
Clean water fund notes 464-C	05/31/06	03/31/26	2.00	470,000	229,744
Clean water fund notes 622-CSL	1/1/2016	1/31/2035	2.00	631,833	562,920
Interim Funding Obligation 640-DC	03/03/16	N/A	N/A	7,781,601	6,245,274
Total capital projects level debt					<u>8,422,963</u>
Total general city serial bonds and clean water fund loans					<u>79,002,963</u>
Water Department					
Enterprise Fund bonds:					
Water 2011 Issue	06/27/11	08/01/30	2.00-4.00	813,000	588,000
Water 2012 Refunding	08/11/11	07/15/22	3.00-5.00	2,112,000	1,402,000
Total water fund bonds					<u>1,990,000</u>
Water 2014 Notes	12/31/14	12/31/33	2.00	501,000	423,156
Water 2015 Notes	9/30/15	03/31/35	2.00	344,155	309,040
Total water fund notes					<u>732,196</u>
Total water department Enterprise Fund bonds and notes					<u>2,722,196</u>
Total indebtedness					<u>\$ 81,725,159</u>

City of Bristol, Connecticut

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

Notes and bonds payable are secured by the general revenue raising powers of the City. The annual requirements to pay long-term obligations at June 30, are as follows:

General Fund	Principal	Interest	Total
2018	\$ 5,836,000	\$ 2,251,205	\$ 8,087,205
2019	7,061,000	2,090,264	9,151,264
2020	6,151,000	1,832,549	7,983,549
2021	6,160,000	1,575,479	7,735,479
2022	6,165,000	1,327,104	7,492,104
2023-2027	18,115,000	4,241,642	22,356,642
2028-2032	13,397,000	1,669,772	15,066,772
2023-2035	3,720,000	223,200	3,943,200
Total	<u>\$ 66,605,000</u>	<u>\$ 15,211,215</u>	<u>\$ 81,816,215</u>

Sewer Operating and Assessment Fund	Principal	Interest	Total
2018	\$ 283,000	\$ 132,798	\$ 415,798
2019	283,000	125,723	408,723
2020	283,000	115,818	398,818
2021	283,000	105,913	388,913
2022	283,000	97,423	380,423
2023-2027	1,420,000	352,401	1,772,401
2028-2031	1,140,000	91,200	1,231,200
Total	<u>\$ 3,975,000</u>	<u>\$ 1,021,276</u>	<u>\$ 4,996,276</u>

Capital Projects Fund	Principal	Interest	Total
2018	\$ 331,302	\$ 40,528	\$ 371,830
2019	337,993	33,840	371,833
2020	344,814	27,018	371,832
2021	351,773	20,059	371,832
2022	183,286	14,562	197,848
2023-2027	361,356	39,887	401,243
2028-2032	171,571	18,423	189,994
2033-2036	95,594	2,570	98,164
Total*	<u>\$ 2,177,689</u>	<u>\$ 196,887</u>	<u>\$ 2,374,576</u>

* The City is using interim funding during the construction of the Clean Water Projects that will be converted from interim financing to long-term financing in the future. The amortization amounts of \$6,245,274 are unknown at this time and are excluded from the table.

City of Bristol, Connecticut

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

Water Enterprise Fund - Bonds	Principal	Interest	Total
2018	\$ 281,000	\$ 72,655	\$ 353,655
2019	281,000	62,045	343,045
2020	281,000	51,015	332,015
2021	282,000	38,765	320,765
2022	282,000	26,705	308,705
2023-2027	415,000	55,735	470,735
2028-2031	168,000	13,440	181,440
Total	<u>\$ 1,990,000</u>	<u>\$ 320,360</u>	<u>\$ 2,310,360</u>

Water Enterprise Fund - Notes	Principal	Interest	Total
2018	\$ 36,518	\$ 14,310	\$ 50,828
2019	37,256	13,573	50,829
2020	38,007	12,821	50,828
2021	38,776	12,054	50,830
2022	39,557	11,271	50,828
2023-2027	210,090	44,055	254,145
2028-2032	232,166	21,978	254,144
2033-2035	99,826	2,290	102,116
Total	<u>\$ 732,196</u>	<u>\$ 132,352</u>	<u>\$ 864,548</u>

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):

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 318,219,750	\$ 70,886,897	\$ 247,332,853
Schools	636,439,500	34,859,515	601,579,985
Sewers	530,366,250	18,083,639	512,282,611
Urban renewal	459,650,750	-	459,650,750
Pension deficit	424,293,000	-	424,293,000

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$990,017,000.

City of Bristol, Connecticut

Notes to Financial Statements

Note 8. Long-Term Liabilities (Continued)

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. Bonds authorized but not issued are as follows:

General purpose	\$ 26,865,762
Schools	84,076,015
Sewers	19,370,967
	<u>\$ 130,312,744</u>

Prior year defeasance: On November 17, 2015, the City issued \$7,310,000 of general obligation refunding bonds with an average interest rate of 4%, of which the proceeds were used to advance refund the outstanding principal amounts of the general obligation bond of the City dated 2005 and 2009 (the "Refunded Bonds"). At June 30, 2017, there was \$6,400,000 in escrow. The balance of the defeased bonds was approximately \$6,315,000 at June 30, 2017. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

Note 9. Landfill Closure

The City entered into a landfill lease agreement with Ogden Martin Systems of Bristol, Inc. (the Company), now known as Covanta, Bristol, Inc. (Covanta), whereby the City leased to the Company a landfill adjacent to the facility site in the City. The City is currently collecting fees for the interim period until the official Certificate of Closure is issued. Further, the Company, pursuant to a service agreement with BRRFOC has passed all costs of properly closing the City's landfill site to the BRRFOC and the related contracting communities. Solid waste landfill closure and post closure care requirements have been established by the State of Connecticut Department of Energy and Environmental Protection Agency and the Federal Environmental Protection Agency. The costs associated with monitoring and maintaining the landfill area during the post closure period are the responsibility of the City. The projected costs of this post closure period is \$1,440,209 as of June 30, 2017. These projected costs could be impacted by future inflation and regulations. The landfill was closed prior to July 1, 2002. Between 1979 and 1983 one part of the site received metal hydroxide slurry from local metal plating companies. This area was closed in 1986 and covered with a membrane cap as required by the Resource Conservation and Recovery Act.

City of Bristol, Connecticut

Notes to Financial Statements

Note 10. Risk Management

The City is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City generally obtains commercial insurance for these risks but has chosen to retain the risks for employee health and medical claims. The City has also retained risk for workers' compensation claims for fiscal years July 1, 1985 through June 30, 1998 and July 1, 2004 through June 30, 2011. The Health Benefits and Worker's Compensation Internal Service Fund is utilized to report this self-insurance activity. CIGNA administers the medical, Medco administers the prescription and Anthem Blue Cross/Blue Shield administers the dental plan, for which the City pays a fee. All funds of the City contribute to the Internal Service Fund based upon actuarial and insurance carrier estimates. The claims liability of \$11,832,599 reported in the Internal Service Fund at June 30, 2017, is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claims liability were as follows:

	Liability July 1,	Current Year Claims and Changes in Estimates	Claim Payment	Liability June 30,
2015-2016	\$ 13,538,929	\$ 31,661,961	\$ 32,899,895	\$ 12,300,995
2016-2017	12,300,995	31,180,470	31,648,866	11,832,599

Settled claims for all types of commercial coverage have not exceeded coverage in any of the past three years.

City of Bristol, Connecticut

Notes to Financial Statements

Note 11. Fund Balance (Deficits)

The components of fund balance (deficits) for the governmental funds at June 30 are as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Fund balances (deficits):					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 48,557	\$ 48,557
Trust purpose	-	-	-	922,966	922,966
Total non-spendable	-	-	-	971,523	971,523
Restricted:					
Grants	-	-	-	5,120,120	5,120,120
Debt service	-	918,777	-	-	918,777
Total restricted	-	918,777	-	5,120,120	6,038,897
Committed:					
Landfill closure	593,837	-	1,888,243	-	2,482,080
Compensated absences	2,500,000	-	-	148,854	2,648,854
Capital and nonrecurring	-	-	852,108	-	852,108
Capital and nonrecurring WPCA	-	-	1,831,763	-	1,831,763
Equipment	-	-	-	4,333,175	4,333,175
Education	-	-	-	666,863	666,863
Manross Memorial Library	-	-	-	803,059	803,059
Sewer	-	-	-	5,100,347	5,100,347
Solid waste disposal	-	-	-	596,242	596,242
Pine Lake Challenge Course	-	-	-	131,045	131,045
Transfer station	-	-	-	375,049	375,049
Open space	-	-	-	4,035	4,035
Centre Mall	-	-	-	441,928	441,928
Trust purpose	-	-	-	295,703	295,703
Total committed	3,093,837	-	4,572,114	12,896,300	20,562,251
Assigned:					
General government- carryover	3,718,069	-	-	444,120	4,162,189
State Budget Reductions Offset	2,000,000	-	-	-	2,000,000
General government encumbrances- furniture	11,678	-	-	-	11,678
Public Safety encumbrances - uniforms	22,103	-	-	-	22,103
Public Works encumbrances- fleet	2,071,459	-	-	-	2,071,459
Libraries encumbrances- books & media	7,769	-	-	-	7,769
Parks and Recreation encumbrances	40,054	-	-	-	40,054
Miscellaneous encumbrances	13,204	-	-	-	13,204
Total assigned	7,884,336	-	-	444,120	8,328,456
Unassigned	27,795,244	-	(4,516,858)	(380)	23,278,006
Total unassigned	27,795,244	-	(4,516,858)	(380)	23,278,006
Total fund balances (deficits)	\$ 38,773,417	\$ 918,777	\$ 55,256	\$ 19,431,683	\$ 59,179,133

Significant encumbrances at June 30, 2017, are contained in the above table in the assigned category of the General Fund.

City of Bristol, Connecticut

Notes to Financial Statements

Note 12. Contingent Liabilities

The City is a defendant in a number of lawsuits. Based on Counsel’s review of all asserted claims for damages, the City is of the opinion that resolution of all lawsuits against the City will not significantly affect its financial position.

The City participates in a number of State and Federal grant programs that are subject to program compliance audits by the grantor agencies. Such audits could lead to requests for reimbursement of expenditures disallowed under the terms of the grants. As of June 30, 2017, the City is of the opinion that such reimbursements in respect of disallowed expenditures, if any, will not be significant.

Note 13. Other Post-Employment Benefits

Plan description: The City provides certain health care and life insurance benefits for retired employees in accordance with City Council resolutions and bargaining agreements. All regular active employees who retire directly from the City and meet eligibility criteria may participate. Benefit provisions are established through negotiations between the City and the various unions representing the employees. The other postemployment benefits plan is a single-employer defined benefit healthcare plan administered by the City. The City does not issue stand-alone financial statements for this program.

At July 1, 2016, plan membership consisted of the following:

	Retiree Healthcare Plan
Active plan members	1,445
Retired members	441
Total participants	<u>1,886</u>

Funding policy: The City has established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits. The fund is reported as a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the City are also negotiated with the various unions representing the employees.

City of Bristol, Connecticut

Notes to Financial Statements

Note 13. Other Post-Employment Benefits (Continued)

Annual OPEB cost and net OPEB obligations: The City's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 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:

	Retiree Healthcare Plan
Annual required contribution	\$ 8,097,574
Interest on net OPEB obligation	1,561,441
Adjustment to annual required contribution	<u>(2,031,480)</u>
Annual OPEB cost	7,627,535
Contributions made	1,554,072
Benefit Payments	<u>4,474,886</u>
Increase in net OPEB obligation	1,598,577
Net OPEB obligation, beginning of year	<u>31,228,822</u>
Net OPEB obligation, end of year	<u><u>\$ 32,827,399</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation (asset) is presented below:

Fiscal Year Ending	Annual OPEB Cost (AOC)	Actual Contribution & Benefit Payment	Percentage of AOC Contributed	Net OPEB Obligation
06/30/2015	\$ 6,622,558	\$ 3,936,887	59.4%	\$ 28,307,518
06/30/2016	6,882,510	3,961,206	57.6%	31,228,822
06/30/2017	7,627,535	6,028,958	79.0%	32,827,399

Schedule of funding progress:

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a as a % of Covered Payroll ((a-b)/c)
07/01/16	\$ 6,127,608	\$ 70,896,937	\$ (64,769,329)	8.6%	\$ 98,287,369	(65.9%)

City of Bristol, Connecticut

Notes to Financial Statements

Note 13. Other Post-Employment Benefits (Continued)

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.

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.

In the July 1, 2016, actuarial valuation, the projected unit credit actuarial cost method was used. The ARC reflects a closed 30-year, level amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 5% investment rate of return and inflation rate of 3%. The annual healthcare cost trend rate is 10% initially, grading down to 4.5% in year 2023 and thereafter.

Historical trend information: The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-trend information about whether the actuarial values of plan assets are increasing or decreasing overtime relative to AALs for benefits.

GASB 74 Disclosures: The following disclosures are required under GASB 74 and report the net OPEB liability under implementation of GASB 75 effective July 1, 2012.

Investments:

Investment policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Investment Committee. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

Rate of return: For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

	<u>OPEB Plan</u>
Rate of return	7.30%

City of Bristol, Connecticut

Notes to Financial Statements

Note 13. Other Post-Employment Benefits (Continued)

Net OPEB liability of the City: The components of the net OPEB liability of the City at June 30, 2017 were as follows:

Net OPEB Liability as of June 30, 2017	OPEB Plan
Total OPEB liability	\$ 63,442,321
Plan fiduciary net position	8,126,904
Net OPEB liability	<u>\$ 55,315,417</u>
Plan fiduciary net position as a percentage of total OPEB liability	<u>12.81%</u>

The \$55,315,417 will be recognized as a liability on July 1, 2017, when GASB 75 takes effect.

Assumed rate of return: The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of the real rates of returns for each major asset class are included in the OPEB plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of July 1, 2016, and the final vestment return assumption, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long- Term Expected Geometric Real Return
Intermediate Term Bonds	21.30%	2.16%	2.05%
High Yield Bonds	7.60%	5.20%	4.65%
Large Cap US Equities	30.00%	4.86%	3.61%
Mid Cap US Equities	2.50%	6.11%	4.10%
Small Cap US Equities	2.50%	5.41%	3.76%
Developed Foreign Equities	13.60%	5.88%	4.20%
Emerging Market Equities	7.50%	8.14%	4.79%
Private Equity	5.00%	8.96%	5.08%
Hedge Funds / Absolute Return	10.00%	1.97%	1.66%
	<u>100.00%</u>		
Assumed Inflation- mean		2.70%	2.70%
Assumed inflation- Standard Deviation		2.00%	2.00%
Portfolio Real Mean Return		4.66%	3.93%
Portfolio Nominal Mean Return		7.37%	6.72%
Portfolio Standard Deviation			11.96%
Long-term expected nominal return			7.30%

City of Bristol, Connecticut

Notes to Financial Statements

Note 13. Other Post-Employment Benefits (Continued)

Discount rate: The discount rate used to measure the total OPEB liability was 7.30%. 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. Also, based on the net position of the plans and contribution policies, it was assumed the plan's projected fiduciary net position would be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, the long-term expected rates of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of the Town, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

Net OPEB Liability	Healthcare Cost Trend Rates		
	1.0% Decrease (6.65% decreasing to 3.50%)	7.65% decreasing to 4.50%	1.0% Increase (8.65% increasing to 5.50%)
Net OPEB liability as of June 30, 2017	\$ 49,260,673	\$ 55,315,417	\$ 62,344,032

Sensitivity of estimates used in calculating the net OPEB liability: The following presents the net OPEB liability of the City, calculated using the discount rate of 7.30%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the rate utilized.

Net OPEB Liability	Current Discount Rate		
	1% Decrease 6.30%	7.30%	1% Increase 8.30%
OPEB Plan	\$ 60,960,952	\$ 55,315,417	\$ 50,315,417

Note 14. Employee Retirement Systems and Pension Plans

Plan description: The City is the administrator of three single-employer Public Employee Retirement Systems (PERS) as presented below:

City of Bristol Retirement System	General City employees
Firefighters' Benefit Fund	Firefighter employees
Police Benefit Fund	Police employees

The PERS are considered to be part of the City's financial reporting entity and are included in the City's financial reports as pension trust funds. There are no stand-alone financial statements issued for the PERS. These plans were established and can be amended under the authority of the City Charter.

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

The management of the City retirement system is vested in a retirement board consisting of ten (10) members, as follows: A member of the City Council, a member of the Board of Finance, the comptroller, the treasurer, three (3) electors of the City, none of whom shall be an officer or employee of the City, one elector of the City who shall be a member of the City's employees' local number 1338 of the American Federation of State, County and Municipal Employees, AFL-CIO, one elector of the City who shall be a member of the City's employees' Bristol Professionals and Supervisors Association (BPSA), and the mayor, ex officio. All members, except the comptroller, the treasurer and the mayor, shall be nominated by the mayor and confirmed by the City Council. The members representing the City Council and the Board of Finance shall be appointed for terms of two (2) years and three (3) years, respectively. The others members of the retirement board shall be appointed for five-year terms. The term of office of each appointed member shall continue until a successor is appointed and has qualified. In the event of a vacancy on such board, such vacancy shall be filled in the same manner as the member to be succeeded was appointed or elected. In no event shall any person remain a member of such retirement board except during the time he continues to be a member of the board or body from which he was appointed or elected.

**Combining Statement of Net Position
June 30, 2017**

	Pension and OPEB Trust Funds				
	City of Bristol Retirement System	Firefighters' Benefits Fund	Police Benefit Fund	OPEB	Total
Assets					
Cash and cash equivalents	\$ 4,363,965	\$ 3,739,539	\$ 4,096,119	\$ 2,994,074	\$ 15,193,697
Investments	203,350,588	190,435,384	202,400,544	5,132,830	601,319,346
Total assets	207,714,553	194,174,923	206,496,663	8,126,904	616,513,043
Liabilities					
Accounts payable	-	11,192	10,087	-	21,279
Total liabilities	-	11,192	10,087	-	21,279
Net position:					
Restricted for pension and opeb benefits	207,714,553	194,163,731	206,486,576	8,126,904	616,491,764
Total net position	\$ 207,714,553	\$ 194,163,731	\$ 206,486,576	\$ 8,126,904	\$ 616,491,764

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

**Combining Statement of Changes in Plan Net Position
Year Ended June 30, 2017**

	Pension and OPEB Trust Funds				
	11.5				
	City of Bristol Retirement System	Firefighters' Benefits Fund	Police Benefit Fund	OPEB	Total
Additions:					
Contributions:					
Employer	\$ 1,064,936	\$ -	\$ -	\$ 1,500,000	\$ 2,564,936
Plan members	2,022,349	162,246	470,241	54,072	2,708,908
Total contributions	<u>3,087,285</u>	<u>162,246</u>	<u>470,241</u>	<u>1,554,072</u>	<u>5,273,844</u>
Investment income:					
Net appreciation in fair value of investments	22,122,162	20,074,526	21,509,787	351,136	64,057,611
Interest and dividends	2,558,502	2,315,009	2,480,160	121,030	7,474,701
Total investment income (loss)	<u>24,680,664</u>	<u>22,389,535</u>	<u>23,989,947</u>	<u>472,166</u>	<u>71,532,312</u>
Less investment expenses	<u>(334,665)</u>	<u>(57,526)</u>	<u>(63,315)</u>	<u>-</u>	<u>(455,506)</u>
Net investment income (loss)	24,345,999	22,332,009	23,926,632	472,166	71,076,806
Total additions	<u>27,433,284</u>	<u>22,494,255</u>	<u>24,396,873</u>	<u>2,026,238</u>	<u>76,350,650</u>
Deductions:					
Benefits	13,163,534	3,867,069	6,231,087	-	23,261,690
Administration	1,372,027	1,224,610	1,059,829	26,942	3,683,408
Total deductions	<u>14,535,561</u>	<u>5,091,679</u>	<u>7,290,916</u>	<u>26,942</u>	<u>26,945,098</u>
Change in net position	12,897,723	17,402,576	17,105,957	1,999,296	49,405,552
Net position - beginning of year	<u>194,816,830</u>	<u>176,761,155</u>	<u>189,380,619</u>	<u>6,127,608</u>	<u>567,086,212</u>
Net position - end of year	<u>\$ 207,714,553</u>	<u>\$ 194,163,731</u>	<u>\$ 206,486,576</u>	<u>\$ 8,126,904</u>	<u>\$ 616,491,764</u>

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

At July 1, 2016, PERS membership consisted of:

	City of Bristol Retirement System	Firefighters' Benefits Fund	Police Benefit Fund
Retirees, disabled and beneficiaries currently receiving benefits	552	95	125
Terminated employees entitled to benefits but not yet receiving them	91	-	3
Current employees	723	86	121
Total	1,366	181	249

The City of Bristol Retirement System covers all full-time employees (except firefighters, police officers and teachers) who are under age 65 on their date of employment. The City provides all retirement, death and disability benefits through a single-employer, contributory, defined benefit plan. Employees are 100% vested after 10 years of continuous service, if their contributions remain in the fund upon termination. Employees who retire at normal retirement (age plus service equal to 80, minimum age 55) receive a retirement benefit for life of 2.40% of average annual pay times number of completed years of service. If an employee leaves employment or dies before meeting vesting requirements, accumulated employee contributions and interest are refunded.

The Firefighters' Benefits Fund covers all members of the Fire Department. The City provides all retirement, death and disability benefits through a single-employer, contributory, defined benefit plan. Under the plan, all employees of the Fire Department are eligible to join. Employees are 100% vested after 10 years of continuous service, if their contributions remain in the fund. Fire employees who retire at normal retirement (the earlier of age 65 or 25 years of continuous service) receive a retirement benefit for life of 70% of base pay (including ¼ of an employee's unused sick leave paid out at the time of retirement), adjusted for cost of living. The cost-of-living escalation is limited to a 2.25% increase per year. If an employee leaves employment or dies before meeting the vesting requirements, accumulated employee contributions are refunded. Benefits and employee contributions are fixed by contract and may be amended by union negotiations.

The Police Benefit Fund covers all members of the Police Department. The City provides all retirement, death and disability benefits through a single-employer, contributory, defined benefit plan. Under the plan, all employees of the Police Department are eligible to join. Employees are 100% vested after 10 years of continuous service, if their contributions remain in the fund upon termination. Police employees who retire at normal retirement (the earlier of age 65 or 25 years of continuous service) receive a retirement benefit for life of 70% of the compensation paid to the member in the year prior to retirement, adjusted for escalation. The pension benefit formula is 70% of a member's compensation (base pay). Base pay shall include ¼ of an employee's unused sick leave paid out at the time of retirement if applicable.

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

The PERS also provides for automatic post-retirement increases on retiree pensions. The pension shall be adjusted by one-half of the pay increase awarded to a then-active member in the same grade as the retiree last held. The cost-of-living escalation is limited to a 2.25% increase per year. Member's contributions are returnable on termination or on death while active, or after retirement (less any benefits paid), provided in each case that no death benefits are otherwise payable.

Summary of significant accounting policies and plan asset matters:

Basis of accounting: Financial statements are prepared using the accrual basis of accounting for the three defined benefit pension plans. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans. Administrative costs of the plans are paid from pension fund resources.

Contributions: Employees covered under the City of Bristol Retirement System are required to contribute 6% of their base pay to the PERS.

The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. For the year ended June 30, 2017, the City was required to make a contribution of \$756,393. Benefits and employee contributions are fixed by union contract and may be amended by union negotiations.

Fire employees are required to contribute 6% of their base pay to the PERS. After 25 years of service, employee contributions cease. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. For the year ended June 30, 2017, the City was not required to make a contribution. Benefits and employee contributions are fixed by union contract and may be amended by union negotiations.

Police employees are required to contribute 6% of their base pay to the PERS. After 25 years of service, employee contributions cease. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. For the year ended June 30, 2017, the City was not required to make a contribution. Benefits and employee contributions are fixed by union contract and may be amended by union negotiations.

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

Investments:

Investment policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board. It is the policy of the Retirement 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 June 30, 2017:

Asset Class	Target Allocation
US Interm Bonds	21.3%
US High Yield Bonds	7.6%
US Large Caps	30.0%
US Small Caps	2.5%
US Mid Caps	2.5%
Foreign Developed Equity	13.6%
Emerging Market Equities	7.5%
Private Equities	5.0%
Hedge FOF Diversified	10.0%
Total	100.0%

Rate of return: For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.06%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability (asset) of the City: The components of the net pension liability (asset) of the City at June 30, 2017, were as follows:

	City of Bristol Retirement System	Firefighters' Benefit Fund	Police Benefit Fund
Total pension liability	\$ 216,646,738	\$ 74,254,214	\$ 128,678,756
Plan fiduciary net position	207,714,553	194,163,731	206,486,576
Net pension liability (asset)	\$ 8,932,185	\$ (119,909,517)	\$ (77,807,820)
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.88%	261.49%	160.47%

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

Changes in the Net Pension Liability (Asset)

	City of Bristol Retirement System		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 6/30/16	\$ 204,245,167	\$ 194,816,830	\$ 9,428,337
Changes for the year:			
Service cost	5,162,121	-	5,162,121
Interest on total pension liability	15,220,838	-	15,220,838
Effect of economic/demographic gains or losses	2,172,066	-	2,172,066
Effect of assumptions changes or inputs	3,010,080	-	3,010,080
Benefit payments	(13,163,534)	(13,163,534)	-
Employer contributions	-	1,064,936	(1,064,936)
Member contributions	-	2,022,396	(2,022,396)
Net investment income	-	22,973,925	(22,973,925)
Net changes	12,401,571	12,897,723	(496,152)
Balances at 6/30/17	<u>\$ 216,646,738</u>	<u>\$ 207,714,553</u>	<u>\$ 8,932,185</u>

Changes in the Net Pension Asset

	Firefighters' Benefits Fund		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at 6/30/16	\$ 71,680,982	\$ 176,761,155	\$ (105,080,173)
Changes for the year:			
Service cost	1,616,586	-	1,616,586
Interest on total pension liability	5,354,925	-	5,354,925
Effect of economic/demographic gains or losses	16,086	-	16,086
Effect of assumptions changes or inputs	(547,296)	-	(547,296)
Benefit payments	(3,867,069)	(3,867,069)	-
Member contributions	-	162,246	(162,246)
Net investment income	-	21,107,399	(21,107,399)
Net changes	2,573,232	17,402,576	(14,829,344)
Balances at 6/30/17	<u>\$ 74,254,214</u>	<u>\$ 194,163,731</u>	<u>\$ (119,909,517)</u>

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

Changes in the Net Pension Asset

	Police Benefit Fund		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
Balances at 6/30/16	\$ 115,955,470	\$ 189,380,619	\$ (73,425,149)
Changes for the year:			
Service cost	2,398,768	-	2,398,768
Interest on total pension liability	8,656,314	-	8,656,314
Effect of economic/demographic gains or losses	3,383,532	-	3,383,532
Effect of assumptions changes or inputs	4,266,259	-	4,266,259
Benefit payments	(5,981,587)	(5,981,587)	-
Member contributions	-	470,241	(470,241)
Net investment income	-	22,617,303	(22,617,303)
Net changes	12,723,286	17,105,957	(4,382,671)
Balances at 6/30/17	\$ 128,678,756	\$ 206,486,576	\$ (77,807,820)

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

	City of Bristol Retirement System	Firefighters' Benefits Fund	Police Benefit Fund
Actuarial valuation date	July 1, 2016	July 1, 2016	July 1, 2016
Measurement date	June 30, 2017	June 30, 2017	June 30, 2017
Inflation	2.70%	2.70%	2.70%
Salary increases including inflation	Graded salary growth with an ultimate rate of 3.25%	Graded salary growth with an ultimate rate of 3.25%	Graded salary growth with an ultimate rate of 3.25%
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal

Mortality rates were based on the RP-2000 Mortality for Employees and Healthy with generational projection per Scale AA to BB.

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011-June 30, 2015.

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, 2017 (see the discussion of the pension plan's investment policy), are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Arithmetic Real Rate of Return</u>	<u>Long-term Expected Geometric Real Rate of Return</u>
US Interm Bonds	2.16%	2.05%
US High Yield Bonds	5.20%	4.65%
US Large Caps	4.86%	3.61%
US Small Caps	6.11%	4.10%
US Mid Caps	5.41%	3.76%
Foreign Developed Equities	5.88%	4.20%
Emerging Market Equities	8.14%	4.79%
Private Equities	8.96%	5.08%
Hedge FOF Diversified	1.97%	1.66%
Assumed Inflation - Mean	2.70%	2.70%
Assumed Inflation - Standard Deviation	2.00%	2.00%
Portfolio Real Mean Return	4.66%	3.93%
Portfolio Nominal Mean Return	7.37%	6.72%
Portfolio Standard Deviation	0.00%	11.96%
Long-term expected rate of return		7.40%

Discount rate: The discount rate used to measure the total pension liability was 7.40%. 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.

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

Sensitivity of the net pension liability (asset) to changes in the discount rate: The following presents the net pension liability of the City's Pension Plans, calculated using the discount rate of 7.40%, as well as what the City's Pension Plans net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.40%) or 1 percentage point higher (8.40%) than the current rate:

	1% Decrease 6.40%	Current Discount Rate 7.40%	1% Increase 8.40%
Net pension liability (asset)			
City of Bristol Retirement System	\$ 32,096,159	\$ 8,932,185	\$ (10,804,884)
Firefighters' Benefit Fund	(110,955,566)	(119,909,517)	(127,399,624)
Police Benefit Fund	(60,839,762)	(77,807,820)	(91,751,698)

For the fiscal year ended June 30, 2017, the recognized pension expense is \$11,007,325. As of June 30, 2017, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	Deferred Outflows of Resources			
	City of Bristol Retirement System	Firefighters' Benefit Fund	Police Benefit Fund	Total
Net difference between projected and actual earnings on pension plan investments	\$ 11,450,327	\$ 9,637,029	\$ 10,395,255	\$ 31,482,611
Changes in assumptions	2,419,868	-	3,609,911	6,029,779
Differences between expected and actual experience	1,787,564	882,600	3,571,674	6,241,838
Total	\$ 15,657,759	\$ 10,519,629	\$ 17,576,840	\$ 43,754,228
	Deferred Inflows of Resources			
	City of Bristol Retirement System	Firefighters' Benefit Fund	Police Benefit Fund	Total
Differences between expected and actual experience	\$ (579,628)	\$ (1,547,647)	\$ (3,323,686)	\$ (5,450,961)
Changes in assumptions	-	(464,372)	-	(464,372)
Total	\$ (579,628)	\$ (2,012,019)	\$ (3,323,686)	\$ (5,915,333)
Net deferred outflows/(inflows) of resources	\$ 15,078,131	\$ 8,507,610	\$ 14,253,154	\$ 37,838,895

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

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

	City of Bristol Retirement System	Firefighters' Benefit Fund	Police Benefit Fund	Total
Year ending June 30:				
2018	\$ 6,458,794	\$ 4,572,127	\$ 5,583,245	\$ 16,614,166
2019	6,458,796	4,572,128	5,583,244	16,614,168
2020	2,886,164	1,525,339	2,284,028	6,695,531
2021	(827,234)	(1,831,342)	(1,104,436)	(3,763,012)
2022	101,611	(282,354)	1,318,628	1,137,885
Thereafter*	-	(48,288)	588,445	540,157
Total	<u>\$ 15,078,131</u>	<u>\$ 8,507,610</u>	<u>\$ 14,253,154</u>	<u>\$ 37,838,895</u>

Connecticut State Teachers' Retirement System: Certified staff within the City's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the System) is a cost sharing multiple employer defined benefit pension system with a special funding situation.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at www.ct.gov.

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Summary of significant accounting policies: For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

Benefits provided: The benefits provided to participants by the System are as follows:

Normal benefit: A member 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 is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

Prorated benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Contribution requirements: The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Participants are required to contribute 7.25% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2016/2017 school year, \$13,798,311 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the City is \$58,300,000.

Actuarial assumptions: The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 – June 30, 2015. The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following key actuarial assumptions:

Inflation	2.75 Percent
Salary increases, including inflation	3.25-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation	8.00 Percent

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

The long-term expected rate of return on pension 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 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 asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equities	21.00%	5.80%
Developed non-U.S. equities	18.00%	6.60%
Emerging Markets (non-U.S.)	9.00%	8.30%
Real Estate	7.00%	5.10%
Private Equity	11.00%	7.60%
Alternative Investments	8.00%	4.10%
Core Fixed Income	7.00%	1.30%
High Yield Bonds	5.00%	3.90%
Emerging Market Bond	5.00%	3.70%
Inflation Linked Bond Fund	3.00%	1.00%
Cash	6.00%	0.40%
	100.00%	

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

Sensitivity of the proportionate share of the net pension liability (NPL) to changes in the discount rate: The following presents the State's proportionate share of the NPL of the System, calculated using the discount rate of 8.00%, as well as what the 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. The City has no obligation for the NPL.

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
State's share of NPL associated with the City	\$248,567,554	\$201,478,144	\$161,671,476
	\$248,567,554	\$201,478,144	\$161,671,476

City of Bristol, Connecticut

Notes to Financial Statements

Note 14. Employee Retirement Systems and Pension Plans (Continued)

Pension liabilities, pension expense, and deferred inflows/outflows of resources: The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the City. The portion of the net pension liability that was associated with the City was \$201,478,144 and 100% of the collective net pension liability is allocated to the State.

June 30, 2016, is the actuarial valuation date upon which the total pension liability is based.

Since the prior valuation, the State adopted new assumptions based on the 2015 Experience Study. The changes in assumptions are summarized below:

Economic assumptions:

1. Reduce the inflation assumption from 3.00% to 2.75%.
2. Reduce the real rate of return assumption from 5.50% to 5.25% which, when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.50% to 8.00%.
3. Reduce the annual rate of wage increase assumption from 0.75% to 0.50%.
4. Slightly modify the merit portion of the salary scale.
5. Reduce the payroll growth assumption from 3.75% to 3.25%.

Demographic assumptions:

6. Update mortality tables to projected versions of the RPH-2014 mortality tables.
7. Increase normal retirement rates for females at most ages and proratable retirement rates for males at most ages. Decrease early retirement rates for both males and females.
8. Increase rates of withdrawal.
9. Decrease rates of disability for males.

The City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$21,971,916 payments made by the State of Connecticut on-behalf of the City. The City does not have any liability for teacher pensions.

Note 15. Governmental Accounting Standards Board (GASB) Statements

The GASB has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements, except for GASB 75, the estimated increase in liabilities is approximately \$22.5 million:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 carries forward from Statement 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.
- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.
- GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. . A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.
- GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.
- GASB Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

City of Bristol, Connecticut

Notes to Financial Statements

Note 15. Governmental Accounting Standards Board (GASB) Statements (Continued)

- *GASB Statement No. 86, Certain Debt Extinguishment Issues.* The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.
- *GASB Statement No. 87, Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

Note 16. Subsequent Events

In October 2017, the City issued \$4,000,000 in federally taxable bond anticipation notes. The notes have an interest rate of 2.00% and mature on July 18, 2018.

In November 2017, the City issued \$25,435,000 in general obligation refunding bonds. The general obligation bonds were used to refund \$27,625,000 of bonds outstanding.

Note 17. Tax Abatements

The City adopted new accounting guidance, GASB Statement No. 77, *Tax Abatement Disclosures*, effective for the year ended June 30, 2017. The new disclosure is presented below:

As of June 30, 2017, the City provides tax abatements through the Connecticut Enterprise Zone Program and Urban Jobs Program, as well as a locally administered Enterprise Zone Program for projects that fall within the State-designated Enterprise Zone area but which do not qualify for the State-Sponsored Connecticut Enterprise Zone Program.

The State-Sponsored Connecticut Enterprise Zone (EZ) Program provides real property tax abatements to encourage economic development in designated areas within a Targeted Investment Community of which the City has been designated, under Connecticut General Statutes Section 32-71. Eligible businesses include manufacturers, warehouse distributors and certain designated service related business. The property tax abatement is for a full five-year period and takes effect with the start of the first full assessment year following issuance of a "Certificate of Eligibility". For the fiscal year ended June 30, 2017, taxes abated through this program totaled approximately \$125,000. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program.

City of Bristol, Connecticut

Notes to Financial Statements

Note 17. Tax Abatements (Continued)

The City-Sponsored Enterprise Zone Program is for projects within the State-designated Enterprise Zone area in which the applicant need not be a manufacturer, warehouse distributor, or eligible service-related business. To be eligible, commercial property must be improved to the extent of \$175,000 or greater. Program benefits are structured as a seven-year abatement of qualifying real and personal property improvements according to the following schedule: 100% (Year 1), 100% (Year 2), 50% (Year 3), 40% (Year 4), 30% (Year 5), 20% (Year 6), and 10% (Year 7). For the fiscal year ended June 30, 2017, the City did not have taxes abated through this program.

The Urban Jobs Program is available outside the geographic boundaries of the Enterprise Zone to certain companies. The property tax abatement is for a full five-year period and takes affect with the start of the first full assessment year following issuance of a "Certificate of Eligibility". For the fiscal year ended June 30, 2017, taxes abated through this program totaled approximately \$103,000. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program.

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**Required Supplementary
Information - Unaudited**

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Required Supplementary Information - Unaudited
Schedule of General Fund Revenues and Other Financing Sources - Budget and Actual (in thousands)
For the Year Ended June 30, 2017
With Comparative Actual Amounts for 2016

	2017				Variance With Final Budget Positive (Negative)	2016 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Property Taxes						
Current levy	\$ 137,047	\$ 1,600	\$ 138,647	\$ 138,579	\$ (68)	\$ 131,438
Prior levy	1,150	781	1,931	1,820	(111)	1,489
60-Day GAAP	-	-	-	(110)	(110)	184
Interest and penalties	650	-	650	1,138	488	921
Total property taxes	138,847	2,381	141,228	141,427	199	134,032
Licenses, Permits and Fees						
Assessors' late filing fees	1	-	1	2	1	1
Circuit Court fines	2	-	2	7	5	11
Dog penalties	1	-	1	1	-	1
Merchandising licenses	2	-	2	4	2	4
Animal licenses	8	-	8	7	(1)	8
Marriage licenses	2	-	2	2	-	2
Fees	14	-	14	16	2	41
Notary services	4	-	4	4	-	3
Burial permits	2	-	2	3	1	2
Trade names	1	-	1	1	-	1
Vital statistics	118	-	118	137	19	132
Parking violations	50	-	50	58	8	53
Alarm fees	19	-	19	12	(7)	18
Police report fees	12	-	12	15	3	13
Building permits	1,000	-	1,000	1,063	63	941
PW excavating permits	9	-	9	8	(1)	10
Zoning Violations	2	-	2	-	(2)	-
Land use fees and permits	13	-	13	22	9	15
Drop box fee	2	-	2	2	-	5
Library fines	19	-	19	16	(3)	22
Total licenses, permits and fees	1,281	-	1,281	1,380	99	1,283
State and Federal Grants						
State grants-in-aid:						
Sales Tax Revenue Sharing	1,276	-	1,276	1,276	-	-
State Grant: Elderly Freeze	2	-	2	3	1	4
Tax Relief Elderly/Disabled Homeowner	345	-	345	334	(11)	352
Private Hospitals (PILOT)	392	-	392	392	-	404
Tax Relief Totally Disabled	12	-	12	14	2	14
Additional Tax Relief: Veterans	29	-	29	29	-	29
Enterprise Zone Reimbursement	120	-	120	125	5	174
Town Aid Road Transportation	664	-	664	664	-	664
Mashantucket Pequot Grant	565	-	565	565	-	600
Demand Response	-	57	57	57	-	57
Off-track Betting	70	-	70	52	(18)	64
Municipal Grant in Aid	-	2,487	2,487	2,487	-	2,487
Utilities Tax	100	-	100	126	26	118

(Continued)

Required Supplementary Information - Unaudited
Schedule of General Fund Revenues and Other Financing Sources - Budget and Actual (in thousands) (Continued)
For the Year Ended June 30, 2017
With Comparative Actual Amounts for 2016

	2017					2016 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance With Final Budget Positive (Negative)	
State and Federal Grants (Continued)						
Youth Services Bureau	\$ 46	\$ -	\$ 46	\$ 41	\$ (5)	\$ 46
Youth Services Bureau - Enhancement	-	8	8	8	-	7
Juvenile Diversion Grant	-	36	36	36	-	30
E911 Subsidy Grant	135	-	135	135	-	135
Dispatch Training Grant	6	-	6	6	-	7
School Readiness Grant/Quality Enhancement	-	2,925	2,925	2,820	(105)	2,894
Education Cost Sharing	41,657	-	41,657	41,420	(237)	41,644
Transportation Child- Public	-	-	-	-	-	405
Medicaid Coordination	-	-	-	-	-	251
Excess Cost Student Based	-	-	-	-	-	1,471
Health Serv. PA 481/Private Sch Health Reimb.	250	-	250	220	(30)	237
Transportation School Child- Nonpublic	-	-	-	-	-	160
Miscellaneous State Grants	1	-	1	1	-	-
Federal grants:						
Housing Authority (FED-PILOT)	-	-	-	193	193	-
FEMA disaster grant	-	-	-	61	61	-
Civil Preparedness	10	-	10	6	(4)	19
Total state and federal grants	45,680	5,513	51,193	51,071	(122)	52,273
Charges for Services						
Copier charges	55	-	55	62	7	60
Water reimbursement fees	1	-	1	12	11	8
Foreclosure reimbursement fees	10	-	10	28	18	7
Recording fees	280	-	280	298	18	289
Real estate transfer tax	750	-	750	968	218	825
Department of Aging services	63	-	63	66	3	64
Public Safety charges for services	620	666	1,286	1,581	295	1,242
Animal Control charges	3	-	3	3	-	3
Miscellaneous charges for services	8	1	9	3	(6)	3
Public Works service and maps	339	56	395	409	14	335
Recycling permits	8	-	8	14	6	13
City building rentals	17	-	17	168	151	276
School tuition	-	-	-	-	-	70
Pool revenue	176	-	176	192	16	190
Park program	154	-	154	151	(3)	119
Total charges for services	2,484	723	3,207	3,955	748	3,504

(Continued)

Required Supplementary Information - Unaudited
Schedule of General Fund Revenues and Other Financing Sources - Budget and Actual (in thousands) (Continued)
For the Year Ended June 30, 2017
With Comparative Actual Amounts for 2016

	2017					Variance With Final Budget Positive (Negative)	2016 Actual
	Original Budget	Adjustments	Amended Budget	Actual			
Investment Earnings							
Interest - General Fund	\$ 250	\$ -	\$ 250	\$ 449	\$ 199	\$ 357	
Interest - Miscellaneous A/R	3	-	3	9	6	9	
Total investment earnings	<u>253</u>	<u>-</u>	<u>253</u>	<u>458</u>	<u>205</u>	<u>366</u>	
Sale of Property and Equipment	<u>75</u>	<u>-</u>	<u>75</u>	<u>70</u>	<u>(5)</u>	<u>420</u>	
Other Local Revenue							
Miscellaneous	27	74	101	133	32	1,140	
Contributions Interdistrict Cooperative	-	69	69	69	-	76	
Library trust funds	16	34	50	50	-	49	
Park trust funds and gifts	497	4	501	489	(12)	484	
Total other local revenue	<u>540</u>	<u>181</u>	<u>721</u>	<u>741</u>	<u>20</u>	<u>1,749</u>	
Transfers in	<u>3</u>	<u>2</u>	<u>5</u>	<u>13</u>	<u>8</u>	<u>74</u>	
Total revenues and other financing sources	<u>\$ 189,163</u>	<u>\$ 8,800</u>	<u>\$ 197,963</u>	199,115	<u>\$ 1,152</u>	193,701	

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teacher's Retirement System for City teachers are not budgeted	<u>21,972</u>	<u>13,692</u>
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Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances (deficits) - Governmental Funds - Exhibit IV

<u>\$ 221,087</u>	<u>\$ 207,393</u>
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Required Supplementary Information - Unaudited
 Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual (in thousands)
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for 2016

	2017				Variance With Final Budget Positive (Negative)	2016 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
General Government						
City Council:						
Personnel services	\$ 58	\$ -	\$ 58	\$ 53	\$ (5)	\$ 58
Mayor's Office:						
Personnel services	163	7	170	163	(7)	159
Contractual services	78	(5)	73	68	(5)	60
Supplies	1	-	1	1	-	1
Capital outlay	-	-	-	-	-	1
Total mayor's office	242	2	244	232	(12)	221
Probate Court:						
Contractual services	35	1	36	33	(3)	32
Supplies	5	-	5	5	-	8
Total probate court	40	1	41	38	(3)	40
Registrar of Voters:						
Personnel services	204	(14)	190	187	(3)	193
Contractual services	30	2	32	27	(5)	29
Supplies	19	13	32	28	(4)	15
Capital Outlay	-	-	-	-	-	29
Total registrar of voters	253	1	254	242	(12)	266
Assessor:						
Personnel services	371	(9)	362	360	(2)	344
Contractual services	24	18	42	35	(7)	34
Supplies	2	-	2	1	(1)	2
Capital outlay	-	6	6	6	-	-
Total assessor	397	15	412	402	(10)	380
Board of Assessment Appeals:						
Personnel services	5	-	5	5	-	5
Tax Collector:						
Personnel services	293	4	297	290	(7)	287
Contractual services	75	-	75	57	(18)	45
Supplies	1	-	1	1	-	1
Total tax collector	369	4	373	348	(25)	333
Purchasing:						
Personnel services	185	3	188	187	(1)	174
Contractual services	9	-	9	8	(1)	8
Total purchasing	194	3	197	195	(2)	182

(Continued)

Required Supplementary Information - Unaudited
 Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual (in thousands) (Continued)
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for 2016

	2017					2016 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance With Final Budget Positive (Negative)	
General Government (Continued)						
Comptroller's Office:						
Personnel services	\$ 642	\$ -	\$ 642	\$ 623	\$ (19)	\$ 619
Contractual services	14	-	14	11	(3)	10
Supplies	1	-	1	1	-	1
Total comptroller's office	657	-	657	635	(22)	630
Treasurer:						
Personnel services	105	2	107	104	(3)	102
Contractual services	11	-	11	6	(5)	5
Supplies	-	-	-	-	-	1
Other/Misc.	30	-	30	5	(25)	6
Total treasurer	146	2	148	115	(33)	114
Information Systems:						
Personnel services	483	9	492	491	(1)	487
Contractual services	345	(17)	328	291	(37)	289
Supplies	10	-	10	10	-	9
Capital outlay	44	-	44	44	-	70
Total information systems	882	(8)	874	836	(38)	855
Personnel Department:						
Personnel services	471	-	471	471	-	463
Contractual services	106	47	153	152	(1)	119
Purch. professional services	6	3	9	9	-	8
Supplies	5	-	5	5	-	4
Capital outlay	-	-	-	-	-	-
Total personnel department	588	50	638	637	(1)	594
Corporation Counsel:						
Personnel services	397	11	408	405	(3)	400
Contractual services	202	38	240	234	(6)	140
Supplies	17	(3)	14	12	(2)	10
Total corporation counsel	616	46	662	651	(11)	550
City Clerk:						
Personnel services	340	5	345	337	(8)	324
Contractual services	77	-	77	66	(11)	68
Supplies	2	-	2	2	-	2
Total city clerk	419	5	424	405	(19)	394

(Continued)

Required Supplementary Information - Unaudited
 Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual (in thousands) (Continued)
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for 2016

	2017					2016 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance With Final Budget Positive (Negative)	
General Government (Continued)						
Board of Finance:						
Personnel services	\$ 1	\$ -	\$ 1	\$ 1	\$ -	\$ 2
Contractual services	65	-	65	64	(1)	61
Total board of finance	66	-	66	65	(1)	63
Aging Department:						
Personnel services	384	5	389	378	(11)	354
Contractual services	206	56	262	240	(22)	242
Supplies	61	-	61	49	(12)	43
Capital outlay	-	-	-	-	-	-
Total aging department	651	61	712	667	(45)	639
Downtown Corporation (BDDC):						
Contractual services	-	-	-	-	-	30
NVCOG:						
Contractual services	26	-	26	26	-	26
Youth Services:						
Personnel services	273	5	278	273	(5)	265
Contractual services	123	44	167	160	(7)	153
Supplies	10	-	10	9	(1)	8
Total youth services	406	49	455	442	(13)	426
Interdistrict COOP:						
Personnel services	-	29	29	29	-	2
Contractual services	-	2	2	2	-	1
Purchased other services	-	37	37	37	-	72
Supplies	-	1	1	1	-	1
Total interdistrict COOP	-	69	69	69	-	76
Community Promotions:						
Contractual services	5	-	5	4	(1)	34
Other	25	8	33	33	-	25
Total community promotions	30	8	38	37	(1)	59

(Continued)

Required Supplementary Information - Unaudited
 Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual (in thousands) (Continued)
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for 2016

	2017					2016 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance With Final Budget Positive (Negative)	
General Government (Continued)						
Boards and Commissions:						
Personnel services	\$ 7	\$ -	\$ 7	\$ 5	\$ (2)	\$ 5
Contractual services	1	-	1	-	(1)	-
Total boards and commissions	8	-	8	5	(3)	5
Total general government	6,053	308	6,361	6,105	(256)	5,946
Public Safety						
Police Department:						
Personnel services	13,650	1,218	14,868	14,243	(625)	13,682
Contractual services	702	(1)	701	684	(17)	548
Supplies	285	(14)	271	235	(36)	208
Capital outlay	32	22	54	54	-	14
Total police department	14,669	1,225	15,894	15,216	(678)	14,452
Fire Department:						
Personnel services	7,778	(1)	7,777	7,653	(124)	7,525
Contractual services	242	7	249	175	(74)	226
Supplies	173	7	180	170	(10)	160
Capital outlay	42	12	54	52	(2)	115
Total fire department	8,235	25	8,260	8,050	(210)	8,026
Animal Control:						
Personnel services	129	9	138	137	(1)	133
Contractual services	11	10	21	21	-	9
Supplies	5	-	5	5	-	4
Total animal control	145	19	164	163	(1)	146
Emergency Management:						
Personnel services	7	-	7	7	-	7
Contractual services	3	-	3	2	(1)	2
Supplies	7	-	7	2	(5)	5
Capital outlay	2	-	2	1	(1)	4
Total emergency management	19	-	19	12	(7)	18

(Continued)

Required Supplementary Information - Unaudited
 Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual (in thousands) (Continued)
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for 2016

	2017					2016 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance With Final Budget Positive (Negative)	
Public Safety (Continued)						
Building Inspection:						
Personnel services	\$ 518	\$ (6)	\$ 512	\$ 501	\$ (11)	\$ 501
Contractual services	9	4	13	11	(2)	7
Supplies	6	2	8	5	(3)	4
Total building inspection	533	-	533	517	(16)	512
Total public safety	23,601	1,269	24,870	23,958	(912)	23,154
Public Works						
Administration:						
Personnel services	340	(2)	338	336	(2)	335
Contractual services	9	13	22	19	(3)	10
Supplies	2	-	2	2	-	6
Total administration	351	11	362	357	(5)	351
Engineering:						
Personnel services	787	(61)	726	724	(2)	680
Contractual services	57	23	80	73	(7)	40
Supplies	4	6	10	7	(3)	3
Total engineering	848	(32)	816	804	(12)	723
Land Use:						
Personnel services	209	(6)	203	141	(62)	209
Contractual services	16	1	17	13	(4)	11
Supplies	1	-	1	-	(1)	1
Capital outlay	-	4	4	4	-	-
Total land use	226	(1)	225	158	(67)	221
Maintenance:						
Personnel services	527	79	606	606	-	569
Contractual services	420	87	507	507	-	477
Supplies	144	(21)	123	123	-	100
Total maintenance	1,091	145	1,236	1,236	-	1,146

(Continued)

Required Supplementary Information - Unaudited
Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual (in thousands) (Continued)
For the Year Ended June 30, 2017
With Comparative Actual Amounts for 2016

	2017					2016 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance With Final Budget Positive (Negative)	
Public Works (Continued)						
Streets Division:						
Personnel services	\$ 1,684	\$ (102)	\$ 1,582	\$ 1,543	\$ (39)	\$ 1,500
Contractual services	41	(18)	23	14	(9)	32
Supplies	181	12	193	188	(5)	126
Capital Outlay	-	140	140	132	(8)	11
Total streets division	1,906	32	1,938	1,877	(61)	1,669
Solid Waste Division:						
Personnel services	989	(13)	976	957	(19)	934
Contractual services	792	-	792	749	(43)	57
Supplies	19	-	19	5	(14)	10
Capital Outlay	(714)	-	(714)	(714)	-	23
Total solid waste division	1,086	(13)	1,073	997	(76)	1,024
Fleet Maintenance:						
Personnel services	626	(52)	574	573	(1)	554
Contractual services	410	(18)	392	392	-	484
Supplies	821	115	936	936	-	893
Capital Outlay	-	-	-	-	-	16
Total fleet maintenance	1,857	45	1,902	1,901	(1)	1,947
Snow Removal:						
Personnel services	300	(53)	247	238	(9)	168
Contractual services	347	9	356	346	(10)	148
Supplies	519	17	536	524	(12)	486
Capital Outlay	-	7	7	-	(7)	-
Total snow removal	1,166	(20)	1,146	1,108	(38)	802
Major Road Improvements:						
Personnel services	10	24	34	34	-	10
Contractual services	2,627	2,295	4,922	4,921	(1)	2,559
Total major road improvements	2,637	2,319	4,956	4,955	(1)	2,569
Railroad Maintenance:						
Contractual services	44	(28)	16	16	-	24

(Continued)

Required Supplementary Information - Unaudited
 Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual (in thousands) (Continued)
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for 2016

	2017					2016 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance With Final Budget Positive (Negative)	
Public Works (Continued)						
Other City Buildings:						
Contractual services	\$ 104	\$ (2)	\$ 102	\$ 101	\$ (1)	\$ 180
Supplies	73	2	75	75	-	51
Total other city buildings	177	-	177	176	(1)	231
Perm Patch Utility Trenches:						
Contractual services	-	57	57	55	(2)	-
Public Works Fleet:						
Capital outlay	1,125	(44)	1,081	1,009	(72)	812
Public Works Line Painting:						
Personnel services	1	-	1	-	(1)	-
Contractual services	140	-	140	140	-	158
Total public works line painting	141	-	141	140	(1)	158
Storm Water Maintenance:						
Personnel services	-	2	2	2	-	3
Contractual services	-	-	-	-	-	-
Total storm water maintenance	-	2	2	2	-	3
Street Lighting:						
Contractual services	550	13	563	562	(1)	541
Total public works	13,205	2,486	15,691	15,353	(338)	12,221
Health and Welfare:						
Community Services:						
Personnel services	46	-	46	46	-	44
Contractual services	14	-	14	11	(3)	12
Other/miscellaneous	69	-	69	28	(41)	52
Total community services	129	-	129	85	(44)	108

(Continued)

Required Supplementary Information - Unaudited
 Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual (in thousands) (Continued)
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for 2016

	2017					2016 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance With Final Budget Positive (Negative)	
Health and Welfare (Continued)						
Bristol-Burlington Health						
Contractual services	\$ 3,228	\$ -	\$ 3,228	\$ 3,228	\$ -	\$ 3,265
Health/SS Outside Agencies:						
Contractual services	84	26	110	109	(1)	80
Other/miscellaneous	-	18	18	18	-	-
Total health/SS outside agencies	84	44	128	127	(1)	80
Bristol Preschool:						
Contractual services	5	-	5	5	-	-
Cemetery Upkeep:						
Purch. prof. services	79	-	79	79	-	79
School Readiness Program:						
Personnel services	-	74	74	74	-	72
Contractual services	8	2,853	2,861	2,755	(106)	2,863
Total school readiness program	8	2,927	2,935	2,829	(106)	2,935
Total health and welfare	3,533	2,971	6,504	6,353	(151)	6,467
Libraries						
Library:						
Personnel services	1,518	8	1,526	1,468	(58)	1,479
Contractual services	310	(14)	296	282	(14)	288
Supplies	295	(12)	283	275	(8)	293
Capital outlay	-	-	-	-	-	2
Total library	2,123	(18)	2,105	2,025	(80)	2,062
Parks and Recreation						
Parks and Recreation:						
Personnel services	1,804	(84)	1,720	1,719	(1)	1,703
Contractual services	298	75	373	348	(25)	398
Supplies	250	(7)	243	231	(12)	243
Capital outlay	72	91	163	162	(1)	41
Other/miscellaneous	6	-	6	1	(5)	3
General insurance	43	-	43	40	(3)	40
Total parks and recreation	2,473	75	2,548	2,501	(47)	2,428

(Continued)

Required Supplementary Information - Unaudited
 Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual (in thousands) (Continued)
 For the Year Ended June 30, 2017
 With Comparative Actual Amounts for 2016

	2017				Variance With Final Budget Positive (Negative)	2016 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Employee Benefits and Pension						
Employee Benefits and Pension:						
Retirement benefits	\$ 141	\$ 309	\$ 450	\$ 450	\$ -	\$ -
Employee benefits	1,567	589	2,156	2,136	(20)	1,779
Transfer to internal service	-	-	-	-	-	-
Other post-employment benefits	1,000	-	1,000	1,000	-	1,200
Total employee benefits and pension	2,708	898	3,606	3,586	(20)	2,979
General Insurance						
General Insurance	799	25	824	785	(39)	741
Miscellaneous						
Miscellaneous:						
All other costs and fees	3,479	(780)	2,699	851	(1,848)	752
Total miscellaneous	3,479	(780)	2,699	851	(1,848)	752
Education						
Board of Education:						
General control	2,543	(127)	2,416	2,409	(7)	2,385
Instruction	44,389	2,867	47,256	47,256	-	45,815
Transportation	3,579	473	4,052	4,052	-	3,914
Operation of plant	6,424	128	6,552	6,552	-	6,463
Maintenance of plant	2,336	(283)	2,053	2,053	-	2,261
Benefits and fixed	18,955	(16,284)	2,671	2,671	-	2,215
Athletics and student	2,033	(176)	1,857	1,857	-	1,911
Capital outlay	1,896	(36)	1,860	1,860	-	1,823
Special Education	24,177	(157)	24,020	24,020	-	24,623
Tuition	815	43	858	858	-	828
Total board of education	107,147	(13,552)	93,595	93,588	(7)	92,238

(Continued)

Required Supplementary Information - Unaudited
Schedule of General Fund Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual (in thousands) (Continued)
For the Year Ended June 30, 2017
With Comparative Actual Amounts for 2016

	2017				Variance With Final Budget Positive (Negative)	2016 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Transfer to Other Funds:						
Special revenue	\$ 1,528	\$ 2,189	\$ 3,717	\$ 3,717	\$ -	\$ 4,234
Debt service	7,949	-	7,949	7,949	-	8,000
Capital projects	835	932	1,767	1,767	-	1,009
Sinking fund	403	-	403	403	-	350
Internal service	13,327	15,933	29,260	29,260	-	26,535
Total transfers to other funds	<u>24,042</u>	<u>19,054</u>	<u>43,096</u>	<u>43,096</u>	<u>-</u>	<u>40,128</u>
Total	<u>\$ 189,163</u>	<u>\$ 12,736</u>	<u>\$ 201,899</u>	198,201	<u>\$ (3,698)</u>	189,116
Budgetary expenditures are different than GAAP expenditures because:						
State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for City teachers are not budgeted						
				21,972		13,692
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes but in the year received for financial reporting purposes						
				(1,744)		145
Total expenditures and other financing uses as reported on the statement of revenues, expenditures, and changes in fund balance - Governmental Funds - Exhibit IV						
				<u>\$ 218,429</u>		<u>\$ 202,953</u>

Required Supplementary Information - unaudited
Schedules of Funding Progress and Employer Contributions
Other Post-Employment Benefits Fund
Last Seven Fiscal Years

Schedule of Funding Progress - OPEB

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit Cost Method (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
July 1, 2008	\$ -	\$ 72,080	\$ (72,080)	0.0%	\$ 70,000,000	-0.1%
July 1, 2010	-	64,510,000	(64,510,000)	0.0%	91,807,000	-70.3%
July 1, 2012	1,847,000	75,052,000	(73,205,000)	2.5%	88,563,000	-82.7%
July 1, 2014	4,439,558	60,732,614	(56,293,056)	7.3%	96,520,538	-58.3%
July 1, 2016	6,127,608	70,896,937	(64,769,329)	8.6%	98,287,369	-65.9%

Schedule of Employer Contributions - OPEB

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
2017	\$ 8,097,574	\$ 6,028,958	74.5%
2016	7,308,579	3,961,206	54.2%
2015	8,768,000	3,156,480	36.0%
2014	9,322,000	4,446,594	47.7%
2013	7,528,000	4,456,576	59.2%
2012	7,883,000	4,756,449	60.3%
2011	8,279,000	5,166,096	62.4%

Required Supplementary Information - unaudited
Schedule of Contributions - OPEB Plan
Last Ten Fiscal Years

	Schedule of Contributions - OPEB Plan									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 7,256,765	\$ 7,308,579	\$ 7,008,204	\$ 9,322,000	\$ 7,528,000	\$ 7,883,000	\$ 8,279,000	N/A	N/A	N/A
Contributions in relation to the actuarially determined contribution	6,583,891	3,961,206	3,156,480	4,446,594	4,456,576	4,756,449	5,166,096	N/A	N/A	N/A
Contribution deficiency (excess)	\$ 672,874	\$ 3,347,373	\$ 3,851,724	\$ 4,875,406	\$ 3,071,424	\$ 3,126,551	\$ 3,112,904	N/A	N/A	N/A
Covered-employee payroll	\$ 98,287,369	\$ 96,520,538	\$ 96,520,538	\$ 88,563,000	\$ 88,563,000	\$ 91,807,000	\$ 91,807,000	\$ 70,000,000	\$ 70,000,000	N/A
Contributions as a percentage of covered-employee payroll	6.70%	4.10%	3.27%	5.02%	5.03%	5.18%	5.63%	0.00%	0.00%	0.00%

Required Supplementary Information - unaudited
Schedule of Changes in the City's OPEB Liability and Related Ratios
Last Fiscal Year*

Changes in Net OPEB Liability	2017
Total pension liability:	
Service cost	\$ 1,821,714
Interest	4,434,274
Differences between expected and actual experience	851,289
Changes in assumptions	-
Benefit payments, including refunds of member contributions	(5,083,891)
Net change in total OPEB liability	2,023,386
Total pension liability, beginning	61,418,935
Total OPEB liability, ending (a)	63,442,321
Fiduciary net position:	
Employer contributions	6,583,891
Member contributions	54,072
Net investment income	445,223
Benefit payments, including refunds of member contributions	(5,083,891)
Administrative expenses	-
Net change in plan fiduciary net position	1,999,295
Fiduciary net position, beginning	6,127,609
Fiduciary net position, ending (b)	8,126,904
Net OPEB liability, ending = (a) - (b)	\$ 55,315,417
Fiduciary net position as a % of total OPEB liability	12.81%
Covered payroll	\$ 98,287,369
Net OPEB liability as a % of covered payroll	56.28%

NOTE: As 2017 is the implementation year, only 2017 information is available.

City of Bristol, Connecticut

Required Supplementary Information - Unaudited
 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
 City of Bristol Retirement System
 Last Four Fiscal Years

RSI-6

Changes in Net Pension Liability (Asset)	2017	2016	2015	2014
Total pension liability:				
Service cost	\$ 5,162,121	\$ 4,362,700	\$ 4,414,159	\$ 4,481,000
Interest	15,220,838	14,701,745	14,311,139	13,837,000
Effect of economic/demographic gains or losses	2,172,066	(901,644)	87,383	-
Effect of assumption changes or inputs	3,010,080	-	-	-
Benefit payments, including refunds of member contributions	(13,163,534)	(12,729,562)	(12,404,563)	(11,635,000)
Net change in total pension liability	12,401,571	5,433,239	6,408,118	6,683,000
Total pension liability, beginning	204,245,167	198,811,928	192,403,810	185,721,000
Total pension liability, ending (a)	216,646,738	204,245,167	198,811,928	192,404,000
Plan fiduciary net position:				
Employer contributions	1,064,936	44,000	127,325	228,000
Member contributions	2,022,396	1,916,440	1,722,864	1,816,000
Investment income (loss) net of investment expenses	22,973,925	(3,546,929)	(1,630,002)	28,753,000
Benefit payments	(13,163,534)	(12,729,562)	(12,404,563)	(11,635,000)
Net change in plan fiduciary net position	12,897,723	(14,316,051)	(12,184,376)	19,162,000
Plan fiduciary net position, beginning	194,816,830	209,132,881	221,317,257	202,155,000
Plan fiduciary net position, ending (b)	207,714,553	194,816,830	209,132,881	221,317,000
Net pension liability (asset), ending = (a) - (b)	\$ 8,932,185	\$ 9,428,337	\$ (10,320,953)	\$ (28,913,000)
Plan fiduciary net position as a % of total pension liability (asset)	95.88%	95.38%	105.19%	115.03%
Covered-employee payroll	\$ 30,263,226	\$ 30,661,306	\$ 30,661,306	\$ 31,095,000
Net pension liability (asset) as a % of covered-employee payroll	29.51%	-30.75%	-33.66%	-92.98%

NOTE: As 2014 is the implementation year, only 2014, 2015, 2016, and 2017 information is available.

Required Supplementary Information - Unaudited
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Firefighters' Benefit Fund
Last Four Fiscal Years

Changes in Net Pension Liability (Asset)	2017	2016	2015	2014
Total pension liability:				
Service cost	\$ 1,616,586	\$ 1,561,703	\$ 1,498,526	\$ 1,446,000
Interest	5,354,925	5,137,347	5,090,471	4,786,000
Effect of economic/demographic gains or losses	16,086	(2,220,537)	1,554,964	-
Effect of assumption changes or inputs	(547,296)	-	-	-
Benefit payments, including refunds of member contributions	(3,867,069)	(3,839,239)	(3,775,198)	(3,776,000)
Net change in total pension liability	2,573,232	639,274	4,368,763	2,456,000
Total pension liability, beginning	71,680,982	71,041,708	66,672,945	64,217,000
Total pension liability, ending (a)	74,254,214	71,680,982	71,041,708	66,673,000
Plan fiduciary net position:				
Member contributions	162,246	214,752	252,503	257,000
Net investment income (loss)	21,107,399	(2,938,858)	(1,255,916)	24,064,000
Benefit payments	(3,867,069)	(3,839,239)	(3,775,198)	(4,108,000)
Net change in plan fiduciary net position	17,402,576	(6,563,345)	(4,778,611)	20,213,000
Plan fiduciary net position, beginning	176,761,155	183,324,500	188,103,111	167,891,000
Plan fiduciary net position, ending (b)	194,163,731	176,761,155	183,324,500	188,104,000
Net pension liability (asset), ending = (a) - (b)	\$ (119,909,517)	\$ (105,080,173)	\$ (112,282,792)	\$ (121,431,000)
Plan Fiduciary Net Position as a % of Total Pension Liability (Asset)	261.49%	246.59%	258.05%	282.13%
Covered-employee payroll	\$ 5,542,914	\$ 5,556,190	\$ 5,556,190	\$ 5,582,000
Net pension liability as a % of covered-employee payroll	-2163.29%	-1891.23%	-2020.86%	-2175.40%

NOTE: As 2014 is the implementation year, only 2014, 2015, 2016, and 2017 information is available.

Required Supplementary Information - Unaudited
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Police Benefit Fund
Last Four Fiscal Years

Changes in Net Pension Liability (Asset)	2017	2016	2015	2014
Total pension liability:				
Service cost	\$ 2,398,768	\$ 2,353,115	\$ 2,121,862	\$ 2,037,000
Interest	8,656,314	8,296,970	7,880,029	7,971,000
Effect of economic/demographic gains or losses	3,383,532	992,159	(5,947,648)	-
Effect of assumption changes or inputs	4,266,259	-	-	-
Benefit payments, including refunds of member contributions	(5,981,587)	(5,830,138)	(5,507,865)	(5,226,000)
Net change in total pension liability	12,723,286	5,812,106	(1,453,622)	4,782,000
Total pension liability, beginning	115,955,470	110,143,364	111,596,986	106,815,000
Total pension liability, ending (a)	128,678,756	115,955,470	110,143,364	111,597,000
Plan fiduciary net position:				
Member contributions	470,241	451,452	443,730	414,000
Net investment income (loss)	22,617,303	(3,170,295)	(1,356,308)	26,248,000
Benefit payments	(5,981,587)	(5,830,138)	(5,507,865)	(5,414,000)
Net change in plan fiduciary net position	17,105,957	(8,548,981)	(6,420,443)	21,248,000
Plan fiduciary net position, beginning	189,380,619	197,929,600	204,350,043	183,102,000
Plan fiduciary net position, ending (b)	206,486,576	189,380,619	197,929,600	204,350,000
Net pension liability (asset), ending = (a) - (b)	\$ (77,807,820)	\$ (73,425,149)	\$ (87,786,236)	\$ (92,753,000)
Plan fiduciary net position as a % of total pension liability (asset)	160.47%	163.32%	179.70%	183.11%
Covered-employee payroll	\$ 9,139,541	\$ 9,139,541	\$ 8,498,327	\$ 8,215,000
Net pension liability as a % of covered-employee payroll	-851.33%	-803.38%	-1032.98%	-1129.07%

NOTE: As 2014 is the implementation year, only 2014, 2015, 2016, and 2017 information is available.

**Required Supplementary Information - Unaudited
Schedule of Employer Contributions
City of Bristol Retirement System
Last Ten Fiscal Years**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 756,393	\$ 352,543	\$ 507,245	\$ 605,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	1,064,936	44,000	127,325	228,000	-	-	-	-	-	-
Contribution deficiency (excess)	\$ (308,543)	\$ 308,543	\$ 379,920	\$ 377,000	\$ -					
Covered-employee payroll	\$ 30,263,226	\$ 30,661,306	\$ 30,661,306	\$ 31,095,000	\$ 31,280,000	\$ 30,610,000	\$ 31,783,000	\$ 31,268,000	\$ 30,309,000	\$ 29,345,000
Contributions as a percentage of covered-employee payroll	3.52%	0.14%	0.42%	0.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule

Valuation date July 1, 2016
 Measurement date June 30, 2017
 Valuation timing 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 Projected unit credit
 Amortization method Level dollar, open
 Remaining amortization period 20 years
 Asset valuation method 4-year smoothed market, non-asymptotic, Corridor – 80% to 120% of market value
 Inflation 2.75%
 Salary increases Graded salary growth with an ultimate rate of 3.5%
 Investment rate of return 7.50%
 Cost of living adjustment None
 Retirement age Rates based on age and service
 Turnover Rates based on age
 Mortality RP-2000 Mortality for Employees and Healthy Annuitant Mortality Table with generational projection per Scale AA

**Required Supplementary Information - Unaudited
Schedule of Employer Contributions
Firefighters' Benefit Fund
Last Ten Fiscal Years**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -									
Covered-employee payroll	\$ 5,542,914	\$ 5,556,190	\$ 5,556,190	\$ 5,582,000	\$ 5,521,000	\$ 5,454,000	\$ 5,275,000	\$ 5,298,000	\$ 5,219,000	\$ 5,184,000
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule

Valuation date July 1, 2016
 Measurement date June 30, 2017
 Valuation timing 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 Projected unit credit
 Amortization method Level dollar, open
 Remaining amortization period 20 years
 Asset valuation method 4-year smoothed market, non-asymptotic, Corridor – 80% to 120% of market value
 Inflation 2.75%
 Salary increases Graded salary growth with an ultimate rate of 3.5%
 Investment rate of return 7.50%
 Cost of living adjustment Pre-July 1, 1999 retirees: 3.5% per year; Retirees between July 1, 1990 and June 30, 2003: 2.5% per year; Post-June 30, 2003 retirees: 2.25% per year
 Retirement age Graded based on age
 Turnover None
 Mortality RP-2000 Mortality for Employees and Healthy Annuitant Mortality Table with generational projection per Scale AA

**Required Supplementary Information - Unaudited
Schedule of Employer Contributions
Police Benefit Fund
Last Ten Fiscal Years**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -									
Covered-employee payroll	\$ 9,139,541	\$ 9,139,541	\$ 8,498,327	\$ 8,215,000	\$ 7,838,000	\$ 8,295,000	\$ 8,377,000	\$ 8,245,000	\$ 7,421,000	\$ 7,502,000
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule

Valuation date July 1, 2016
 Measurement date June 30, 2017
 Valuation timing 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 Projected unit credit
 Amortization method Level dollar, open
 Remaining amortization period 20 years
 Asset valuation method 4-year smoothed market, non-asymptotic, Corridor – 80% to 120% of market value
 Inflation 2.75%
 Salary increases Graded salary growth with an ultimate rate of 3.5%
 Investment rate of return 7.50%
 Cost of living adjustment Pre-December 15, 2002 retirees: 3.5% per year; Post-December 15, 2002 retirees: 2.25% per year
 Retirement age Graded based on age
 Turnover Age based rates; 0% starting at age 40
 Mortality RP-2000 Mortality for Employees and Healthy Annuitant Mortality Table with generational projection per Scale AA

**Required Supplementary Information - Unaudited
 Schedule of Investment Returns
 Pension Trust Funds
 Last Four Fiscal Years***

	2014	2015	2016	2017
Annual money-weighted rate of return, net of investment expense, for:				
City of Bristol Retirement System	15.44%	0.52%	-2.47%	12.06%
Firefighters' Benefit Fund	15.44%	0.52%	-2.47%	12.06%
Police Benefit Fund	15.44%	0.52%	-2.47%	12.06%

* NOTE: As 2014 is the implementation year, only 2014, 2015, 2016 and 2017 information is available.

**Required Supplementary Information - Unaudited
 Schedule of the City's Proportionate Share of the Net Pension Liability - Teachers' Retirement System
 Last Three Fiscal Years***

	2017	2016	2015
City's proportion of the net pension liability	0%	0%	0%
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the City	\$ 201,478,144	\$ 152,907,734	\$ 141,332,557
City's covered-employee payroll	\$ 58,343,820	\$ 56,044,000	\$ 54,605,000
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
System fiduciary net position as a percentage of the total pension liability	52.26%	59.50%	61.51%

* NOTE: As 2015 is the implementation year, only 2015, 2016 and 2017 information is available.

Appendix B-1

Opinion of Bond Counsel and Tax Status – Series A Bonds

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**APPENDIX B-1 - OPINION OF BOND COUNSEL AND TAX STATUS
SERIES A BONDS**

The following information has been prepared by Bond Counsel in connection with this bond issue. Bond Counsel are not passing upon and do not assume responsibility for the accuracy or completeness of the statements made in the Official Statement (other than matters in this Appendix), and they make no representation that they have independently verified the same.

BOND COUNSEL OPINION

The legal opinion of the firm of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, will be furnished to the successful bidder when the Bonds are delivered, and a copy of the legal opinion will be included in the record of proceedings of the City authorizing the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the successful bidder.

The opinion of Day Pitney LLP with respect to the Bonds will be substantially in the following form:

[FORM OF BOND COUNSEL OPINION]

(date of closing)

City of Bristol
Bristol, Connecticut

We have represented the City of Bristol, Connecticut as Bond Counsel in connection with the issuance by the City of \$22,500,000 General Obligation Bonds, Issue of 2018, Series A, dated as of October 25, 2018.

We have examined a record of proceedings authorizing the Bonds, and based on our examination, we are of the opinion that the City of Bristol is authorized to issue the Bonds; the City is duly and legally organized; all proper proceedings for the issuance and delivery of the Bonds have been taken; no limitation of indebtedness under the laws of the State of Connecticut has been exceeded in the issuance of the Bonds; the Bonds will be valid and binding general obligations of the City when certified as provided thereon by a duly authorized official of U.S. Bank National Association; and the City has the power to levy ad valorem taxes to pay the Bonds against all the taxable property in the City without limit as to rate or amount except certified forest land taxable at a limited rate and dwelling houses of qualified elderly people of low income or of qualified disabled persons taxable at limited amounts.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met in order that interest on the Bonds is excluded from gross income for Federal income tax purposes. The City officials authorized to issue the Bonds have executed written representations and agreements on behalf of the City relating to compliance with such provisions of the Code to ensure that the interest on the Bonds will be excluded from gross income for Federal income tax purposes.

Based on such representations and agreements and on the record of proceedings authorizing the Bonds, and assuming the accuracy of such representations and compliance with such agreements, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; and (2) the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax, however, for tax years

beginning prior to January 1, 2018, interest on the Bonds is included in the calculation of a corporation's adjusted current earnings for purposes of, and thus may be subject to, the Federal alternative minimum tax for certain corporations.

Based on the record of proceedings authorizing the Bonds, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) interest on the Bonds 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.

Very truly yours,

Day Pitney LLP

FEDERAL INCOME TAX.

Interest Excluded From Gross Income. The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met in order that interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes. Some of these requirements must be continuously met subsequent to delivery of the Bonds. Failure to comply with any of these requirements may cause the interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs.

The City officials authorized to issue the Bonds will enter into a Tax Compliance Agreement in connection with the delivery of the Bonds, which will contain certain representations and covenants on behalf of the City relating to compliance with such requirements of the Code to ensure that the interest on the Bonds will be excluded from the gross income of the owners thereof for federal income tax purposes.

Alternative Minimum Tax. The Code imposes an alternative minimum tax on individuals and, for tax years beginning prior to January 1, 2018, an alternative minimum tax on corporations. The alternative minimum tax on corporations has been repealed for tax years beginning after December 31, 2017. The alternative minimum tax is imposed on alternative minimum taxable income, which includes preference items. The interest on certain tax-exempt "private activity bonds" is treated as a preference item. The City's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds are not "private activity bonds" so that interest on the Bonds will not be treated as a preference item for individuals or corporations in calculating alternative minimum taxable income.

For tax years beginning prior to January 1, 2018, the Code provides, however, that for certain corporations a portion of the excess of adjusted current earnings (which includes certain tax-exempt interest) over other alternative minimum taxable income will be included in alternative minimum taxable income for purposes of calculating the corporation's alternative minimum tax.

Financial Institutions. The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The Bonds will *not* be "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Additional Federal Income Tax Matters. In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, taxpayers otherwise eligible for the earned income credit, recipients of Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, certain insurance companies, certain S corporations and foreign corporations

subject to the branch profits tax. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

STATE OF CONNECTICUT TAX ON INTEREST.

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts, and estates; and (2) interest on the Bonds 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.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof, including the extent to which gains and losses from the sale or exchange of the Bonds held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and may affect the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

ORIGINAL ISSUE DISCOUNT.

The initial public offering price of certain of the Bonds may be less than the amount payable on the Bonds at maturity. The excess of the amount payable at maturity over the initial public offering price at which a substantial amount of such Bonds are sold constitutes original issue discount. Any 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.

The discussion in this paragraph applies to those Bonds having original issue discount. Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any such bond during each day it is owned by a taxpayer is added to the cost basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such bond by such owner. Accrued original issue discount on a bond is excluded from gross income of the owners thereof for federal income tax purposes. Accrued original issue discount on a bond is also 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. 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 payable on such bond 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. Owners of Bonds having original issue discount, and especially any owner who is not an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the federal and state income tax consequences of the disposition of such bonds.

ORIGINAL ISSUE PREMIUM.

The initial public offering price of certain of the Bonds may be greater than the amount payable on the Bonds at maturity. The excess of the initial public offering price at which a substantial amount of such Bonds are sold over the amount payable thereon at maturity constitutes original issue premium. Any 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.

The discussion in this paragraph applies to those Bonds having original issue premium. Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as having amortized with respect to any bond during each day it is owned by a taxpayer is subtracted from the cost basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such bond by such owner. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity on such bond using the taxpayer's cost basis and a constant semiannual compounding method. As a consequence of the resulting cost basis reduction, under certain circumstances an owner of a bond acquired with original issue premium may realize a taxable gain upon disposition thereof even though it is sold or redeemed for an amount equal to or less than such owner's original cost of acquiring the bond. Amortized original issue premium on a bond is not allowed as a deduction from gross income for federal income tax purposes. Amortized original issue premium on a bond also does not reduce Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and does not reduce 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. Owners of the Bonds having original issue premium, and especially any owner who is not an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the federal and state income tax consequences of the disposition of such bonds.

GENERAL.

The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention, or any changes in law or the interpretation thereof that may occur after the date of its opinion. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. No assurance can be given that pending federal legislation, if any, or federal legislation enacted or proposed after the date of issuance of the Bonds will not have an effect on the federal tax status or the market price of the Bonds or will not change the effect of other federal tax law consequences, including those discussed above, of owning and disposing of the Bonds, and Bond Counsel expresses no opinion thereon. No assurance can be given that future legislation or amendments to the income tax law of the State of Connecticut, if enacted into law, will not contain provisions that could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and Bond Counsel expresses no opinion thereon. Prospective owners of the Bonds are advised to consult their tax advisors regarding the potential tax consequences of proposed federal or State of Connecticut tax legislation, if any, affecting municipal bonds.

The discussion above does not purport to address all aspects of federal, state, or local taxation that may be relevant to a particular owner of the Bonds. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their tax advisors regarding the federal, state, and local tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any other state or other taxing jurisdiction.

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Appendix B-2

Opinion of Bond Counsel and Tax Status – Series B Bonds

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APPENDIX B-2 - OPINION OF BOND COUNSEL AND TAX STATUS – THE SERIES B BONDS

The following information has been prepared by Bond Counsel in connection with this bond issue. Bond Counsel are not passing upon and do not assume responsibility for the accuracy or completeness of the statements made in the Official Statement (other than matters in this Appendix), and they make no representation that they have independently verified the same.

BOND COUNSEL OPINION

The legal opinion of the firm of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, will be furnished to the successful bidder when the Bonds are delivered, and a copy of the legal opinion will be included in the record of proceedings of the City authorizing the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the successful bidder.

The opinion of Day Pitney LLP with respect to the Bonds will be substantially in the following form:

[FORM OF BOND COUNSEL OPINION]

(date of closing)

City of Bristol
Bristol, Connecticut

We have represented the City of Bristol, Connecticut as Bond Counsel in connection with the issuance by the City of \$7,900,000 General Obligation Bonds, Issue of 2018, Series B - Federally Taxable, dated as of October 25, 2018.

We have examined a record of proceedings authorizing the Bonds, and based on our examination, we are of the opinion that the City of Bristol is authorized to issue the Bonds; the City is duly and legally organized; all proper proceedings for the issuance and delivery of the Bonds have been taken; no limitation of indebtedness under the laws of the State of Connecticut has been exceeded in the issuance of the Bonds; the Bonds will be valid and binding general obligations of the City when certified as provided thereon by a duly authorized official of U.S. Bank National Association; and the City has the power to levy ad valorem taxes to pay the Bonds against all the taxable property in the City without limit as to rate or amount except certified forest land taxable at a limited rate and dwelling houses of qualified elderly people of low income or of qualified disabled persons taxable at limited amounts.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion.

It is our opinion that, under existing statutes and regulations, interest on the Bonds is not excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended.

Based on the record of proceedings authorizing the Bonds, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) interest on the Bonds 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.

Very truly yours,

Day Pitney LLP

TAX STATUS OF THE BONDS.

Federal Income Taxes

In the opinion of Bond Counsel, under existing law, interest on the Bonds is not excluded from gross income of the owners thereof for federal income tax purposes pursuant to the Section 103 of the Internal Revenue Code of 1986, as amended.

United States Tax Consequences

The following is a summary of certain United States federal income tax consequences resulting from the beneficial ownership of the Bonds by certain persons. This summary does not consider all possible federal income tax consequences of the purchase, ownership, or disposition of the Bonds and is not intended to reflect the individual tax position of any beneficial owner. Moreover, except as expressly indicated, this summary is limited to those persons who purchase a Bond at its issue price, which is the first price at which a substantial amount of the Bonds is sold to the public, and who hold the Bonds as “capital assets” within the meaning of the Code (generally, property held for investment). This summary does not address beneficial owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold the Bonds as a hedge against currency risks or as part of a straddle with other investments or as part of a “synthetic security” or other integrated investment (including a “conversion transaction”) comprising a bond and one or more other investments, or United States Holders (as defined below) that have a “functional currency” other than the United States dollar (Special Taxpayers). This summary is applicable only to a person (United States Holder) who or which is the beneficial owner of the Bonds and is (a) an individual citizen or resident of the United States, (b) a corporation or partnership or other entity created or organized under the laws of the United States or any State (including the District of Columbia), or (c) a person otherwise subject to federal income taxation on its worldwide income. This summary is based on the United States tax laws and regulations currently in effect and as currently interpreted and does not take into account possible changes in the tax laws or interpretations thereof any of which may be applied retroactively. Except as provided below, it does not discuss the tax laws of any state, local, or foreign governments.

United States Holders

Payments of Stated Interest. In general, for a beneficial owner who or which is a United States Holder, interest on a Bond will be taxable as ordinary income at the time it is received or accrued, depending on the beneficial owner's method of accounting for tax purposes.

Bonds Purchased at 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 unless the amount of such excess is less than a specified *de minimis* amount (generally equal to 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity), in which case the original issue discount is treated as zero. The prices set forth on the inside cover page of the Official Statement for the Bonds are expected to be the initial offering prices at which a substantial amount of the Bonds were ultimately sold to the public. A United States Holder of a Bond having a maturity more than one year from its date of issue must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such holder holds such Bond) the daily portion of original issue discount, as it accrues (generally on a constant yield method) and regardless of the holder's method of accounting. A United States Holder may irrevocably elect to include in gross income all interest that accrues on a Bond using the constant-yield method, subject to certain modifications.

Bonds Purchased at 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 the Bonds are sold over the principal amount payable at maturity constitutes original issue premium. The prices set forth on the inside cover page of the Official Statement for the Bonds are expected to be the initial offering prices at which a substantial amount of the Bonds were ultimately sold to the public. A holder of a Bond may elect to treat such excess as “amortizable bond premium,” in which case the amount of interest required to be included in the taxpayer's income each year with respect to interest on the Bond will be reduced by the amount of amortizable bond premium allocable (based on the Bond's yield to maturity) to that year. If such an election is made, the amount of each reduction in interest income will result in a corresponding reduction in the taxpayer's tax basis in the Bond. Any election to amortize bond premium is applicable to all taxable debt instruments held by the taxpayer at the beginning of the first taxable year to which the election applies or thereafter acquired by the taxpayer and may not be revoked without the consent of the Internal Revenue Service (“IRS”).

Bonds Purchased at a Market Discount. A Bond will be treated as acquired at a market discount (market discount bond) if the amount for which a United States Holder purchased the Bond is less than the Bond's adjusted issue price, unless such difference is less than a specified *de minimis* amount. In general, any payment of principal or any gain recognized on the maturity or disposition of a market discount bond will be treated as ordinary income to the extent that such gain does not exceed the accrued market discount on the Bond. Alternatively, a United States Holder of a market discount bond may elect to include market discount in income currently over the life of the market discount bond. This election applies to all debt instruments with market discount acquired by the electing United States Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS. If an election is made to include market discount in income currently, the tax basis of the Bond in the hands of the United States Holder will be increased by the market discount thereon as such discount is included in income.

Market discount generally accrues on a straight-line basis unless the United States Holder elects to accrue such discount on a constant yield-to-maturity basis. This election is applicable only to the market discount bond with respect to which it is made and is irrevocable. A United States Holder of a market discount bond that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings allocable to the Bond in an amount not exceeding the accrued market discount on such Bond until maturity or disposition of the Bond.

Purchase, Sale, Exchange, and Retirement of Bonds. A United States Holder's tax basis in a Bond generally will equal its cost, increased by any market discount and original issue discount included in the United States Holder's income with respect to the Bond, and reduced by the amount of any amortizable bond premium applied to reduce interest on the Bond. A United States Holder generally will recognize gain or loss on the sale, exchange, or retirement of a Bond equal to the difference between the amount realized on the sale or retirement (not including any amount attributable to accrued but unpaid interest) and the United States Holder's adjusted tax basis in the Bond. Except to the extent described above under *Bonds Purchased at a Market Discount*, gain or loss recognized on the sale, exchange or retirement of a Bond will be capital gain or loss and will be long-term capital gain or loss if the Bond was held for more than one year.

Backup Withholding. United States Holders may be subject to backup withholding on payments of interest and, in some cases, disposition proceeds of the Bonds, if they fail to provide an accurate Form W-9, “Request for Taxpayer Identification Number and Certification,” or a valid substitute form, or have been notified by the IRS of a failure to report all interest and dividends, or otherwise fail to comply with the applicable requirements of backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against the United States Holder's United States federal income tax liability (or refund) provided that the required information is timely furnished to the IRS. Prospective United States Holders should consult their tax advisors concerning the application of backup withholding rules.

Medicare Tax Affecting U.S. Owners. For taxable years beginning after December 31, 2012, a U.S. owner that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a Medicare tax on the lesser of (1) of the U.S. owner's “net investment

income” for the taxable year and (2) the excess of the U.S. owner’s modified adjusted gross income for the taxable year over a certain threshold. A U.S. owner’s net investment income will generally include its interest income and its net gains from the disposition of the Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A U.S. owner that is an individual, estate, or trust should consult its own tax advisor regarding the applicability of the Medicare tax.

Information Reporting

In general, information reporting requirements will apply with respect to payments to a United States Holder of principal and interest (and with respect to annual accruals of original issue discount) on the Bonds, and with respect to payments to a United States Holder of any proceeds from a disposition of the Bonds. This information reporting obligation, however, does not apply with respect to certain United States Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. In the event that a United States Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law, or is notified by the RS that it has failed properly to report payments of interest and dividends, a backup withholding tax (currently at a rate of 28%) generally will be imposed on the amount of any interest and principal and the amount of any sales proceeds received by the United States Holder on or with respect to the Bonds.

Any payments of interest and original issue discount on the Bonds to a Non-United States Holder generally will be reported to the IRS and to the Non-United States Holder, whether or not such interest or original issue discount is exempt from United States withholding tax pursuant to a tax treaty or the portfolio interest exemption. Copies of these information returns also may be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the payee resides.

Information reporting requirements will apply to a payment of the proceeds of the disposition of a Bond by or through (a) a foreign office of a custodian, nominee, other agent, or broker that is a United States person, (b) a foreign custodian, nominee, other agent, or broker that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, (c) a foreign custodian, nominee, other agent, or broker that is a controlled foreign corporation for United States federal income tax purposes, or (d) a foreign partnership if at any time during its tax year one or more of its partners are United States persons who, in the aggregate, hold more than 50% of the income or capital interest of the partnership, or if, at any time during its taxable year, the partnership is engaged in the conduct of a trade or business within the United States, unless the custodian, nominee, other agent, broker, or foreign partnership has documentary evidence in its records that the beneficial owner is not a United States person and certain other conditions are met, or the beneficial owner otherwise establishes an exemption.

The federal income tax discussion set forth above is included for general information only and may not be applicable depending on a beneficial owner's particular situation. Beneficial owners should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership, and disposition of the Bonds, including the tax consequences under state, local, foreign, and other tax laws, and the possible effects of changes in federal or other tax laws.

State of Connecticut Tax on Interest

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts, and estates; and (2) interest on the Bonds 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.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof, including the extent to which gains and losses from the sale or exchange of the Bonds held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts, and estates, and may affect the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

GENERAL.

The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention, or any changes in law or the interpretation thereof that may occur after the date of its opinion. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. No assurance can be given that pending federal legislation, if any, or federal legislation enacted or proposed after the date of issuance of the Bonds will not have an effect on the federal tax status or the market price of the Bonds or will not change the effect of other federal tax law consequences, including those discussed above, of owning and disposing of the Bonds, and Bond Counsel expresses no opinion thereon. No assurance can be given that future legislation or amendments to the income tax law of the State of Connecticut, if enacted into law, will not contain provisions that could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and Bond Counsel expresses no opinion thereon. Prospective owners of the Bonds are advised to consult their tax advisors regarding the potential tax consequences of proposed federal or State of Connecticut tax legislation, if any, affecting municipal bonds.

The discussion above does not purport to address all aspects of federal, state, or local taxation that may be relevant to a particular owner of the Bonds. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their tax advisors regarding the federal, state, and local tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any other state or other taxing jurisdiction.

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Appendix C

Form of Continuing Disclosure Agreement

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APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR BONDS

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City will agree, pursuant to a Continuing Disclosure Agreement for Bonds to be executed by the City substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds 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 for Bonds.

Continuing Disclosure Agreement for Bonds

This Continuing Disclosure Agreement for Bonds ("Agreement") is made as of October 25, 2018 by the City of Bristol, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$22,500,000 General Obligation Bonds, Issue of 2018, Series A, dated as of October 25, 2018, and \$7,900,000 General Obligation Bonds, Issue of 2018, Series B - Federally Taxable, dated as of October 25, 2018 (collectively, the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"Final Official Statement" means the official statement of the Issuer dated October 11, 2018 prepared in connection with the Bonds.

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" means the MSRB or any other information repository established pursuant to the Rule as amended from time to time.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Financial Information.

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2018) as follows:

(i) Financial statements of the Issuer's general fund for the prior fiscal year which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.

(ii) The following financial information and operating data to the extent not included in the financial statements described in (i) above:

- (A) amounts of the net taxable grand list applicable to the fiscal year,
- (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,

- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total direct debt and total net debt as of the close of the fiscal year,
- (F) total direct debt and total net debt of the Issuer per capita,
- (G) ratios of the total direct debt and total net debt of the Issuer to the net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the pension benefit obligation.

(b) The financial information and operating data described above will be provided on or before the date eight months after the close of the fiscal year for which such information is being provided (the "Filing Due Date"). The Issuer's fiscal year currently ends on June 30. The Issuer reserves the right to provide unaudited financial statements if audited financial statements are not available as of the Filing Due Date, provided that the Issuer shall promptly provide audited financial statements when available.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents available to the public on the MSRB's Internet Web site referenced in the Rule as amended from time to time or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

Section 3. Notice of Certain Events.

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) 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;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;

- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Events (d) and (e). The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds, unless the Issuer applies for or participates in obtaining the enhancement.

Event (f). Event (f) is relevant only to the extent interest on the Bonds is excluded from gross income for federal income tax purposes.

Event (h). The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not *otherwise* contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Bonds will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Bonds to be redeemed as required under the terms of the Bonds, and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Bond purchases.

Section 4. Notice of Failure to Provide Annual Financial Information.

The Issuer agrees to provide or cause to be provided, in a timely manner, to each Repository notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

Section 6. Termination.

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

Section 7. Enforcement.

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Comptroller, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Comptroller is Bristol City Hall, 111 North Main Street, Bristol, Connecticut 06010.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 8. Miscellaneous.

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Sections 2, 3 and 4 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Issuer elects to provide any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(c) This Agreement shall be governed by the laws of the State of Connecticut.

(d) Notwithstanding any other provision of this Agreement, the Issuer 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 of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, 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) the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository. The annual financial information 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 operating or financial information provided.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

CITY OF BRISTOL

By _____
Ellen A. Zoppo-Sassu
Mayor

By _____
Cheryl Thibeault
Chairman and Agent of the Board of Finance

By _____
Diane M. Waldron
Comptroller

Appendix D-1

Notice of Sale – Series A Bonds

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NOTICE OF SALE
\$22,500,000
City of Bristol, Connecticut
General Obligation Bonds
(BOOK-ENTRY)

ELECTRONIC BIDS via PARITY® will be received by the City of Bristol, Connecticut at the Bristol City Hall, Comptroller's Office, 111 North Main Street, Bristol, Connecticut, until **11:00 A.M. Eastern Time on THURSDAY,**

OCTOBER 11, 2018

for the purchase, when issued, at not less than par and accrued interest from the date of the Bonds to the date of delivery, of the whole of

\$22,500,000 General Obligation Bonds, Issue of 2018, Series A
Payable annually on October 15 as follows:

\$790,000 in 2019
\$800,000 in 2020
\$975,000 in 2021
\$1,125,000 in 2022
\$1,140,000 in 2023
\$1,150,000 in 2024
\$1,180,000 in 2025 through 2038

The Bonds will be dated October 25, 2018, with interest payable on April 15, 2019 and thereafter semiannually on each October 15th and April 15th.

The Bonds will be general obligations of the City payable from ad valorem taxes levied on all taxable property in the City without limitation as to rate or amount except classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

DTC Book Entry. 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 ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple 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 purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the City or its agent to DTC or its nominee as registered owner of the Bonds. Principal, redemption premium, if any, and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal, redemption premium, if any, 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 or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the City fails to identify another qualified securities depository to replace DTC, or (b) the City determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the City will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that

interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the City as of the close of business on the record date preceding each interest payment date. The record dates will be the last business day of March and September.

Redemption. Bonds maturing on October 15, 2024 and thereafter are subject to redemption prior to maturity, at the option of the City, on or after October 15, 2023, at any time, either in whole or in part, in such amounts and in such order of maturity (but by lot within a maturity) as the City may determine, following notice mailed by first class mail at least 30 days prior to the redemption date to the registered owners of the Bonds to be redeemed, at the following redemption price, expressed as a percentage of the principal amount, plus accrued interest to the date set for redemption:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
October 15, 2023 and thereafter	100%

Proposals. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth or one eighth of one percent the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than three (3%) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on PARITY® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the City, as described under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

Electronic Proposals Bidding Procedure. Electronic bids for the purchase of the Bonds must be submitted through the facilities of PARITY®. Any prospective bidder must be a subscriber of I-Deal's Bidcomp competitive bidding system. 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). The City neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of PARITY® is communicated to the City, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. By submitting a bid for the Bonds via PARITY®, the bidder represents and warrants to the City that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the City will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice of Sale. **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.**

Disclaimer - Each PARITY® prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the City nor PARITY® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the City nor PARITY® shall be responsible for a bidder's failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The City is using PARITY® as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Bonds. The City is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via PARITY® are the sole responsibility of the bidders; and the City is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone

PARITY® at (212) 849-5021. If any provision of this Notice of Sale shall conflict with information provided by PARITY®, this Notice of Sale shall control.

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

Basis of Award. As between proposals which comply with this Notice of Sale of Sale, the Bonds will be sold to the responsible bidder offering to purchase the Bonds at the lowest true interest cost to the City. 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 October 25, 2018, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the City by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale 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 discretion for any reason, including internet difficulties. The City will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. If the sale is postponed, an alternative bid date will be published on Bloomberg at least 48 hours prior to such alternative bid date. Upon the establishment of an alternative bid date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

Certifying and Paying Agent. The Bonds will be authenticated by U.S. Bank National Association, Hartford, Connecticut. U.S. Bank National Association will act as Registrar and Paying Agent.

Delivery. At or prior to the delivery of the Bonds the successful bidder shall be furnished, without cost, with (a) the approving opinion of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, substantially in the form set out in Appendix B-1 to the Official Statement; (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the City to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of City Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds. U.S. Bank National Association will keep the original opinion and certificates and copies of the supporting documents, which may be examined at its principal office in Hartford, Connecticut, upon reasonable notice.

Establishment of Issue Price. The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the applicable form set out in the Appendix hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder and Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City’s Municipal Advisor identified herein and any notice or report to be provided to the City may be provided to the City’s Municipal Advisor.

By submitting a bid for the Bonds, a bidder, other than a bidder purchasing the Bonds for its own account and not with a view to distribution or resale to the Public, represents that it has an established industry reputation for underwriting new issuances of municipal obligations.

If the winning bidder has purchased the Bonds for its own account and not with a view to distribution or resale to the Public, then, whether or not the Competitive Sale Requirements, as herein defined, were met, the certificate will recite such facts and identify the price or prices at which the purchase of the Bonds was made.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:

1. the City shall disseminate this Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
2. all bidders shall have an equal opportunity to bid;
3. the City may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
4. the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the Competitive Sale Requirements are not satisfied, the City shall so advise the winning bidder. The City shall treat the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The City will not require bidders to comply with the “Hold-The-Offering-Price Rule”, as described in Treasury Regulations Section 1.148-1(f)(2)(ii), and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity. **Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

If the Competitive Sale Requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the earlier to occur of the satisfaction of the 10% Test as to the Bonds of that maturity or the sale of all Bonds of that maturity.

By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among Underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

1. “Public” means any person other than an Underwriter or a Related Party,

2. “Underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),
3. a purchaser of any of the Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
4. “Sale Date” means the date that the Bonds are awarded by the City to the winning bidder.

Bond Counsel Opinion. The opinion of Bond Counsel will cover the following matters: (1) that the Bonds will be valid general obligations of the City when duly certified; (2) that, assuming the accuracy of and compliance by the City with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended, under existing statutes, interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; and the Bonds are not “private activity bonds” and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax; however, for tax years beginning prior to January 1, 2018, interest on the Bonds is included in the calculation of a corporation’s adjusted current earnings for purposes of, and thus may be subject to, the Federal alternative minimum tax and for certain corporations; and (3) 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 interest on the Bonds 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.

The Bonds will *not* be "qualified tax-exempt obligations" for purposes of the deduction by financial institutions of interest expense that is allocable to tax-exempt obligations.

Municipal Advisor. The City of Bristol has retained Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460 (the “Municipal Advisor”) to serve as its municipal advisor in connection with the issuance of the Bonds. The Municipal Advisor has not independently verified any of the information contained in the Notice of Sale and its appendices and makes no guarantee as to their completeness or accuracy.

Official Statement. The City of Bristol has prepared a preliminary Official Statement for the Bond issue which is dated October 4, 2018. The City deems such preliminary 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 25 copies of the Official Statement as prepared by the City at the City's expense. The copies of the Official Statement will be made available to the winning purchaser at the office of the City's Municipal Advisor by the delivery of the Bonds or by the seventh business day after the day bids on the Bonds are received if earlier. If the City's Municipal Advisor 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 or revised 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, on the Bonds and any corrections. The purchaser shall arrange with the Municipal 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.

Continuing Disclosure Agreement. The City will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to the Official Statement (the "Continuing Disclosure Agreement for Bonds"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2 12, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds, 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 for Bonds. 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 Bonds.

CUSIP Numbers. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Municipal Advisor to apply for CUSIP numbers for the Bonds. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the City; provided, however, that the City assumes no responsibility for any CUSIP Global Services 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 purchaser.

Delivery Date and Payment. It is expected that the closing on the Bonds will occur on or about October 25, 2018 through the facilities of the Depository Trust Company, New York, New York, against payment in immediately available Federal funds.

More Information. For more information regarding this issue and the City reference is made to the Official Statement. Copies of the Official Statement may be obtained from Mr. Matthew A. Spoerndle, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460 (telephone: (203) 878-4945) or from Ms. Diane M. Waldron, Comptroller, City of Bristol, City Hall, 111 North Main Street, Bristol, Connecticut 06010 (telephone: (860) 584-6127).

ELLEN A. ZOPPO-SASSU,
Mayor

CHERYL THIBEAULT,
Chairman and Agent of the Board of Finance

DIANE M. WALDRON,
Comptroller

October 4, 2018

**APPENDIX TO NOTICE OF SALE
FORM OF ISSUE PRICE CERTIFICATE**

Competitive Sale Requirements Satisfied

**CITY OF BRISTOL, CONNECTICUT
\$22,500,000 GENERAL OBLIGATION BONDS, ISSUE OF 2018**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Name of the Underwriter ("Underwriter Short Name"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by Underwriter Short Name are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by Underwriter Short Name in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by Underwriter Short Name to purchase the Bonds.

(b) Underwriter Short Name was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by Underwriter Short Name constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October 11, 2018.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(e) *Issuer* means the City of Bristol, Connecticut.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter Short Name's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Day Pitney LLP, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the

Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Name of the Underwriter

By: _____
Name: _____

Dated: __/__/2018

Attachments:

**SCHEDULE A
EXPECTED OFFERING PRICES**

**SCHEDULE B
COPY OF UNDERWRITER'S BID**

[Remainder of page intentionally left blank]

Competitive Sale Requirements Not Satisfied - 10% Test Applied

**CITY OF BRISTOL, CONNECTICUT
\$22,500,000 GENERAL OBLIGATION BONDS, ISSUE OF 2018**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Name of the Underwriter ("Underwriter Short Name"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. **Sale of the Bonds.** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. **Defined Terms.**

(a) "Issuer" means the City of Bristol, Connecticut.

(b) "Maturity" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter Short Name's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Day Pitney LLP, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Name of the Underwriter

By: _____
Name: _____

Dated: __/__/2018

Attachment:

**SCHEDULE A
SALE PRICES**

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Appendix D-2

Notice of Sale – Series B Bonds

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NOTICE OF SALE
\$7,900,000
City of Bristol, Connecticut
General Obligation Bonds, Issue of 2018, Series B - Federally Taxable
(BOOK-ENTRY)

ELECTRONIC BIDS via PARITY® will be received by the City of Bristol, Connecticut at Bristol City Hall, Comptroller's Office, 111 North Main Street, Bristol, Connecticut, until **11:30 A.M. Eastern Time on THURSDAY,**

OCTOBER 11, 2018

for the purchase, when issued, at not less than par and accrued interest from the date of the Bonds to the date of delivery, of the whole of

\$7,900,000 General Obligation Bonds, Issue of 2018, Series B - Federally Taxable
Payable annually on October 15 as follows:

\$280,000 in 2019
\$300,000 in 2020
\$335,000 in 2021
\$360,000 in 2022
\$400,000 in 2023
\$415,000 in 2024 through 2038

The Bonds will be dated October 25, 2018, with interest payable on April 15, 2019 and thereafter semiannually on each October 15th and April 15th.

The Bonds will be general obligations of the City payable from ad valorem taxes levied on all taxable property in the City without limitation as to rate or amount except classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

DTC Book Entry. 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 ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple 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 purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the City or its agent to DTC or its nominee as registered owner of the Bonds. Principal, redemption premium, if any, and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal, redemption premium, if any, 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 or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the City fails to identify another qualified securities depository to replace DTC, or (b) the City determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the City will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the

registration books of the City as of the close of business on the record date preceding each interest payment date. The record dates will be the last business day of March and September.

Redemption. Bonds maturing on October 15, 2027 and thereafter are subject to redemption prior to maturity, at the option of the City, on or after October 15, 2026, at any time, either in whole or in part, in such amounts and in such order of maturity (but by lot within a maturity) as the City may determine, following notice mailed by first class mail at least 30 days prior to the redemption date to the registered owners of the Bonds to be redeemed, at the following redemption price, expressed as a percentage of the principal amount, plus accrued interest to the date set for redemption:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
October 15, 2026 and thereafter	100%

Proposals. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth or one eighth of one percent the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than three (3%) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on PARITY® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the City, as described under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

Electronic Proposals Bidding Procedure. Electronic bids for the purchase of the Bonds must be submitted through the facilities of PARITY®. Any prospective bidder must be a subscriber of I-Deal's Bidcomp competitive bidding system. 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). The City neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of PARITY® is communicated to the City, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. By submitting a bid for the Bonds via PARITY®, the bidder represents and warrants to the City that such bidder's bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the City will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **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.**

Disclaimer - Each PARITY® prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the City nor PARITY® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the City nor PARITY® shall be responsible for a bidder's failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The City is using PARITY® as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Bonds. The City is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via PARITY® are the sole responsibility of the bidders; and the City is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone

PARITY® at (212) 849-5021. If any provision of this Notice of Sale shall conflict with information provided by PARITY®, this Notice of Sale shall control.

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

Basis of Award. As between proposals which comply with this Notice of Sale, the Bonds will be sold to the responsible bidder offering to purchase the Bonds at the lowest true interest cost to the City. 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 October 25, 2018, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the City by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale 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 discretion for any reason, including internet difficulties. The City will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. If the sale is postponed, an alternative bid date will be published on Bloomberg at least 48 hours prior to such alternative bid date. Upon the establishment of an alternative bid date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

Certifying and Paying Agent. The Bonds will be authenticated by U.S. Bank National Association, Hartford, Connecticut. U.S. Bank National Association will act as Registrar and Paying Agent.

Delivery. At or prior to the delivery of the Bonds the successful bidder shall be furnished, without cost, with (a) the approving opinion of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, substantially in the form set out in Appendix B-2 to the Official Statement; (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the City to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of City Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds. U.S. Bank National Association will keep the original opinion and certificates and copies of the supporting documents, which may be examined at its principal office in Hartford, Connecticut, upon reasonable notice.

Bond Counsel Opinion. It is anticipated that interest on the Bonds will be included in gross income for Federal income tax purposes. The opinion of Bond Counsel will cover the following matters: (1) that the Bonds will be valid general obligations of the City when duly certified; (2) that under existing statutes and regulations, interest on the Bonds is not excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the *Internal Revenue Code of 1986 as amended* and (3) 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 interest on the Bonds 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.

Municipal Advisor. The City of Bristol has retained Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460 (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Bonds. The Municipal Advisor has not independently verified any of the information contained in the Notice of Sale and its appendices and makes no guarantee as to their completeness or accuracy.

Official Statement. The City of Bristol has prepared a preliminary Official Statement for the Bond issue which is dated October 4, 2018. The City deems such preliminary 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 25 copies of the Official Statement as prepared by the City at the City's expense. The copies of the Official Statement will be made available to the winning purchaser at the office of the City's Municipal Advisor by the delivery of the Bonds or by the seventh business day after the day bids on the Bonds are received if earlier. If the City's Municipal Advisor 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 or revised 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, on the Bonds and any corrections. The purchaser shall arrange with the Municipal 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.

Continuing Disclosure Agreement. The City will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to the Official Statement (the "Continuing Disclosure Agreement for Bonds"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2 12, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds, 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 for Bonds. 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 Bonds.

CUSIP Numbers. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Municipal Advisor to apply for CUSIP numbers for the Bonds. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the City; provided, however, that the City assumes no responsibility for any CUSIP Global Services 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 purchaser.

Delivery Date and Payment. It is expected that the closing on the Bonds will occur on or about October 25, 2018 through the facilities of the Depository Trust Company, New York, New York, against payment in immediately available Federal funds.

More Information. For more information regarding this issue and the City reference is made to the Official Statement. Copies of the Official Statement may be obtained from Mr. Matthew A. Spoerndle, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460 (telephone: (203) 878-4945) or from Ms. Diane M. Waldron, Comptroller, City of Bristol, City Hall, 111 North Main Street, Bristol, Connecticut 06010 (telephone: (860) 584-6127).

ELLEN A. ZOPPO-SASSU,
Mayor

CHERYL THIBEAULT,
Chairman and Agent of the Board of Finance

DIANE M. WALDRON,
Comptroller

October 4, 2018