

Final Official Statement Dated October 29, 2019

New Money Issue: Book-Entry-Only

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 Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; 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 taxes; 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. (See Appendix B "Opinion of Bond Counsel and Tax Status" herein.)



City of Bristol, Connecticut \$25,000,000 General Obligation Bonds, Issue of 2019

Dated: Date of Delivery

Due: Serially August 1, 2021-2039
as detailed inside the front cover

Year	Principal	Coupon	Yield	CUSIP ¹	Year	Principal	Coupon	Yield	CUSIP ¹
2021	\$ 920,000	5.000%	1.130%	1098533R0	2031	\$1,380,000	2.250%	2.300%	1098534B4
2022	1,060,000	5.000%	1.140%	1098533S8	2032	1,380,000	2.375%	2.400%	1098534C2
2023	1,205,000	5.000%	1.150%	1098533T6	2033	1,380,000	2.500%	2.500%	1098534D0
2024	1,315,000	5.000%	1.190%	1098533U3	2034	1,380,000	2.500%	2.550%	1098534E8
2025	1,330,000	5.000%	1.260%	1098533V1	2035	1,380,000	2.500%	2.600%	1098534F5
2026	1,330,000	5.000%	1.290%	1098533W9	2036	1,380,000	2.625%	2.650%	1098534G3
2027*	1,330,000	4.000%	1.350%	1098533X7	2037	1,380,000	2.625%	2.700%	1098534H1
2028*	1,330,000	4.000%	1.500%	1098533Y5	2038	1,380,000	2.750%	2.750%	1098534J7
2029*	1,380,000	4.000%	1.600%	1098533Z2	2039	1,380,000	2.750%	2.800%	1098534K4
2030	1,380,000	2.125%	2.200%	1098534A6					

* Priced assuming redemption on August 1, 2026; however any such redemption is at the option of the City.

BAIRD

The Bonds (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. Interest on the Bonds will be payable February 1, 2020 and semiannually thereafter on August 1 and February 1 in each year until maturity. 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 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 are subject to redemption prior to maturity as more fully described under "Redemption Provisions" 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 November 12, 2019.

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 — "2018 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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Table of Contents

	<u>Page</u>		<u>Page</u>
Bond Issue Summary	1	V. Debt Summary	31
I. Bond Information	2	Long-Term Debt.....	31
Introduction.....	2	Short-Term Debt.....	32
Municipal Advisor.....	2	General Fund Bonded Debt Maturity Schedule.....	32
Description of the Bonds.....	2	Self-Supporting Water Debt Maturity Schedule.....	33
Redemption Provisions.....	3	Overlapping/Underlying Debt.....	33
Book-Entry-Only Transfer System.....	3	Debt Statement.....	34
DTC Practices.....	5	Current Debt Ratios.....	34
Replacement Bonds.....	5	Bond Authorization Procedure.....	35
Security and Remedies.....	5	Temporary Financing.....	35
Authorization and Purpose.....	6	Statement of Debt Limitation.....	36
Use of Proceeds.....	6	Authorized but Unissued Debt.....	37
Qualification for Financial Institutions.....	6	Principal Amount of Outstanding General Fund Debt.....	38
Availability of Continuing Disclosure Information.....	6	Ratios of Net Long-Term Debt to Valuation, Population and Income.....	38
Ratings.....	7	Ratio of Annual Debt Service Expenditures for Total Long-Term Debt to General Fund Expenditures.....	38
II. The Issuer	8	VI. Financial Administration	39
Description of the Municipality.....	8	Audit.....	39
Form of Government.....	11	Certificate of Achievement for Excellence in Financial Reporting.....	39
Principal Municipal Officials.....	13	Award for Distinguished Budget Presentation.....	39
Municipal Services.....	14	Award for Outstanding Achievement in Popular Annual Financial Reporting.....	39
Municipal Employees.....	18	Budget Procedure.....	39
Employee Relations.....	18	Five-Year Capital Improvement Plan.....	40
Educational Services.....	19	Insurance and Risk Management.....	41
School Facilities.....	20	Investment Practices for Operating Funds.....	41
School Enrollments.....	20	Investment Practices for Pension Plans.....	41
III. Demographic Information and Economic Data Section	21	City of Bristol General Retirement System.....	42
Population and Density.....	21	Education.....	43
Age Distribution of the Population.....	21	Other Post Employment Benefits.....	43
Income Distribution.....	22	General Fund Revenues and Expenditures.....	45
Income Levels.....	22	Analysis of General Fund Equity.....	45
Employment Data.....	22	Enterprise Fund.....	46
Employment by Industry.....	23	VII. Legal and Other Information	48
Educational Attainment.....	23	Litigation.....	48
Age Distribution of Housing.....	23	Transcript and Closing Documents.....	48
Housing Inventory.....	24	Concluding Statement.....	49
Owner Occupied Housing Units.....	24	Appendix A - 2018 General Purpose Financial Statements	
Major Employers.....	24	Appendix B - Opinion of Bond Counsel and Tax Status	
Land Use Summary.....	25	Appendix C - Form of Continuing Disclosure Agreement	
Building Permits.....	25	Appendix D - Notice of Sale	
IV. Tax Base Data	26		
Assessments.....	26		
Levy.....	27		
Tax Abatement Policy.....	27		
Comparative Assessed Valuations.....	28		
Exempt Property.....	29		
Ten Largest Taxpayers.....	29		
Property Tax Levies and Collections.....	30		
Property Taxes Receivable.....	30		

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Bond Issue Summary

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

Date of Sale:	Tuesday, October 29, 2019 at 11:30 A.M. (Eastern Time).
Location of Sale:	Bristol City Hall, Comptroller's Office, 111 North Main Street, Bristol, CT 06010.
Issuer:	City of Bristol, Connecticut (the "City").
Issue:	\$25,000,000 General Obligation Bonds, Issue of 2019 (the "Bonds").
Dated Date:	Date of Delivery.
Interest Due:	February 1 and August 1, in each year until maturity commencing February 1, 2020.
Principal Due:	Serially, August 1, 2021 through August 1, 2039, as detailed on the cover of this Official Statement.
Purpose and Authority:	The proceeds of the Bonds are being used to finance various capital improvements and school projects.
Redemption:	The Bonds are subject to redemption prior to maturity as herein provided.
Security:	The 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 Bonds when due.
Credit Rating:	S&P Global Ratings has rated the Bonds "AA+". Fitch Ratings has rated the 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 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 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.
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 Bonds in book-entry-only form will be made on or about November 12, 2019, 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 \$25,000,000 General Obligation Bonds, Issue of 2019 (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 indicated on the 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 cover of this Official Statement, payable semiannually on February 1 and August 1 in each year until maturity, commencing February 1, 2020. 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 fifteenth day of January and July, or the preceding business 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

The Bonds maturing on or before August 1, 2026 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2027 and thereafter are subject to redemption prior to maturity, at the election of the City, on or after August 1, 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 Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
August 1, 2026 and thereafter.....	100%

Notice of redemption shall be given by the City or its agent by mailing a copy of the redemption notice by first-class mail 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

Project	Authorized Amount	The Bonds
Memorial Boulevard Intradistrict Arts Magnet School...	\$ 54,890,300	\$ 16,027,840
Page Park Pool and Bathhouse.....	4,100,000	3,600,000
Southside School HVAC Upgrade.....	3,597,160	3,597,160
Fire Apparatus.....	1,400,000	1,325,000
Stevens Street Richard Court Berm Construction.....	550,000	450,000
Total.....	\$ 64,537,460	\$ 25,000,000

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. 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.

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Ratings

S&P Global Ratings (“S&P”) has assigned a rating of “AA+” to the Bonds. Fitch Ratings (“Fitch”) has assigned a rating of “AAA” to the 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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Specialty manufacturers produce for a diverse array of industries, including medical devices, aerospace, defense, 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 Distribution Center to the 229 Technology Park. The 229 Technology Park has over 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 more than 4,000 people, many of whom live in Bristol. ESPN recently launched the ACC Network, which is produced and broadcast from Bristol headquarters. The ACC Network has increased employment locally and further cemented ESPN's long-term commitment to 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. (now 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 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 that 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. In July 2019, AMKO began a 6,000 square foot expansion of its building.

Bristol attracts and encourages growth with incentives such as 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.

In addition to grant funding, Bristol continues to promote and utilize a variety of tax abatements and similar programs to encourage private development. Pending funding at the State level, the use of the Enterprise Zone and 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. Additionally, the City utilizes tax abatement authority granted under the City and Town Development Act (as well as C.G.S. 12-65b) to structure specialized tax abatement schedules for extraordinary projects. For example, the City recently awarded a 10-year tax abatement to Bristol Health in conjunction with the construction of a 60,000 medical office facility downtown, as well as a 5-year abatement for a new clothing distributor that established operations in Bristol. Finally, the City recently established a Tax Increment Financing (TIF) District and Opportunity Zone downtown. 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, AMKO LLC, and PODS constructed new buildings in the Southeast Bristol Business Park
- Bristol Health and its development partner, Rendina, built a 60,000 square foot medical office building downtown
- The DoubleTree by Hilton ownership is designing a new multi-million-dollar hotel and event space complex
- Downtown continues to grow with plans for the construction of two mixed-use buildings, new Veterans Housing, and the potential for a 60,000 square foot assisted living facility on a long-vacant parcel
- Faneuil, Inc. recently renovated a large call center, bringing 400 jobs to downtown Bristol
- Arthur G. Russell built a 20,000 square-foot addition to its existing facility
- Amazon continues to hire new employees in support of its new 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 to address the changing viewership climate, as mentioned above the company also brought the new ACC Network to Bristol, adding a number of new, skilled full-time positions to the area.

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 Health, Inc. is a nonprofit, 154-bed hospital employing approximately 1,600 healthcare professionals and support staff. Bristol Health is the City's second largest employer and 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 Health has opened a new Center for Wound Care and Hyperbaric Medicine, a Center for Orthopedic and Spine Health, and in 2019 completed a renovation of the behavioral health unit within the main hospital. In 2019, Bristol Health and its development partner, Rendina, completed construction of a 60,000 square-foot medical office complex on the City's Centre Square development parcel. The project encompasses 4 acres in the heart of downtown, bringing employment opportunities, medical staff, patients, and others to the area. In 2015, Bristol Health was 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. Looking forward, Bristol Health will begin a significant project in 2020 to both renovate and add square footage to its existing emergency department.

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 fast food restaurant space. Nearby on CT Route 6, a new fitness facility – The Edge – opened in August 2018 following an impressive renovation of outdated retail space. Nearby, a developer purchased and demolished a tired restaurant building and constructed a state-of-the-art medical and retail building. New retail tenants for the remainder of CT Route 6 in Bristol include O'Reilly Auto Parts; Dee's Cleaners and Laundromat; CVS pharmacy; Thomaston Savings Bank; and many more. On or near CT Route 229, Aldi finished a complete renovation of its grocery store, 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 local retailer Bob's Sports Chalet constructed an exciting new retail and e-commerce destination, popular restaurant group Max Pizza completed construction of 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 the 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 Health completed construction of a 60,000 square-foot medical complex that encompasses four acres of the Centre Square site. The City of Bristol completed construction on the site's first roadway – “Hope Street” – that will serve Bristol Health and future developments on the property. Scheduled to join Bristol Health on Centre Square soon will be two new “downtown style” buildings – one will be a mixed-use building with apartments on the upper floors and several retail/office spaces on the ground level and a second structure is scheduled to feature a mix of restaurant, retail, and office space. In addition to ongoing Centre Square work, the City expects several new downtown projects to come on line shortly, including new construction for an assisted living project, the conversion of office space to Veteran's Housing, and more.

Other downtown reinvestments are being contemplated. 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 and Opportunity Zone – 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. In addition, the State of Connecticut recently approved an Opportunity Zone designation for much of downtown Bristol. This benefit has proven attractive for investors interested in investing in downtown development in order to shelter capital gains from federal tax obligations. There are no current plans to issue City debt for TIF at this time.

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.

A Joint Meeting 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). Joint Meeting 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. Effective with the November 2019 election, these terms will be staggered every four years. 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.

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Principal Municipal Officials

Office	Name	Manner of Selection	Term Expiration
Mayor	Ellen A. Zoppo-Sassu	Elected	11/19
Council Member	Mary B. Fortier	Elected	11/19
Council Member	Dave Mills	Elected	11/19
Council Member	David J. Preleski	Elected	11/19
Council Member	Gregory R. Hahn	Elected	11/19
Council Member	Scott William Rosado	Elected	11/19
Council Member	Peter B. Kelley	Elected	11/19
Board of Finance, Chairman	John E. Smith	Appointed	06/23
Board of Finance, Vice Chairman	Orlando Calfe	Appointed	06/21
Board of Finance	Ellen A. Zoppo-Sassu	Ex-Officio	11/19
Board of Finance	Jake Carrier	Appointed	06/23
Board of Finance	Nicolas Jones, Jr.	Appointed	06/20
Board of Finance	Marie O'Brien	Appointed	06/22
Board of Finance	Michael LaMothe	Appointed	06/22
Board of Finance	Cheryl Thibeault	Appointed	06/21
Board of Finance	Ron Burns	Appointed	06/20
Board of Education, Chairperson	Christopher C. Wilson	Elected	11/19
Board of Education, Vice Chairperson	Karen L. Vibert	Elected	11/19
Board of Education, Member.....	Jennifer Dube	Elected	11/19
Board of Education, Member	Jeff Caggiano	Elected	11/19
Board of Education, Member	Joe P. Grabowski	Elected	11/19
Board of Education, Member	Kristen M. Giantonio	Elected	11/19
Board of Education, Member	Morris Rippy Patton IV	Elected	11/19
Board of Education, Member	Thomas P. O'Brien	Elected	11/19
Board of Education, Secretary	Karen C. Hintz	Elected	11/19
Town and City Clerk	Therese Pac	Appointed	11/22
Comptroller	Diane M. Waldron	Appointed	06/21
Assistant Comptroller	Robin Manuele	Appointed	04/22
Treasurer	Thomas O. Barnes, Jr.	Elected	11/19
Assessor	Thomas DeNoto	Appointed	07/20
Tax Collector	Ann Bednaz	Appointed	08/22
Purchasing Agent	Roger Rousseau	Appointed	01/22
Director of Public Works	Raymond Rogozinski	Appointed	02/23
Police Chief	Brian J. Gould	Appointed	04/20
Fire Chief	Jay Kolakoski	Appointed	01/23
Corporation Counsel	Wyland Dale Clift	Appointed	11/19
Superintendent of Schools	Catherine Carbone	Appointed	Indefinite
Human Resources Director	Mark Penney	Appointed	03/23
Superintendent Parks and Recreation	Joshua Medeiros	Appointed	02/23
Superintendent of Water Department	Robert Longo	Appointed	05/23
Bristol Development Authority Ex. Director	Justin Malley	Appointed	04/22
Registrar of Voters (D)	Kevin McCauley	Elected	1/6/2021
Registrar of Voters (R)	Sharon Krawiecki	Elected	1/6/2021
Director, Department of Aging	Patricia Tomascak	Appointed	Indefinite
Chairman, Inland Wetlands Commission	Zachary Fisk	Appointed	05/20
Director of Youth & Community Services	Joshua Medeiros	Appointed	Indefinite
City Planner	Robert Flanagan	Hired	Indefinite
Planning Secretary and City Engineer	Nancy Levesque	Appointed	04/23
Zoning Enforcement Officer	Thomas Lozier	Appointed	07/23
Director, Emergency Management	Harland Graime	Appointed	Indefinite
Chief Building Official	Thomas Lozier	Appointed	07/23
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. It is the mission of the Bristol Police Department to protect and serve the community with integrity and professionalism. The department provides full service to the city with an authorized strength of 122 sworn officers and 25 civilian personnel. The department's personnel currently consists of the Police Chief, two Captains, eleven Lieutenants, thirteen Sergeants, eighteen Detectives, seventy-three Police Officers, two Animal Control Officers, seventeen Public Safety Dispatchers, one Fleet and Maintenance Technician, one Property and Evidence Technician, two Public Safety Support Specialists, one Administrative Assistant, one Police Payroll Supervisor and two Principal Record Clerks. The Board of Police Commissioners consists of six commissioners.

The Bristol Police Department consists of the following divisions, Patrol, Criminal Investigation, Traffic, Youth, Community Relations, Training, Communications, Animal Control, Records and Scheduling. Ancillary Support Services include a Narcotics Enforcement Unit, participation in the U.S. Department of Justice Drug Enforcement Administration Task Force, Federal Bureau of Investigation Cyber Crime Task Force and the regional Emergency Response Team.

The Bristol Police Department was awarded Tier 1 State Accreditation in 2014. State Accreditation consists of complying with 144 state standards which are considered to be the best practices within law enforcement. In 2017, the Bristol Police Department was awarded Tier 1 re-accreditation for continued compliance with state standards and in August of 2019, the Bristol Police Department applied and was successfully assessed for Tier 2 State Accreditation which consists of complying with 83 additional state standards.

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 2,440 calls for service between July 1, 2018 and June 30, 2019. There are five engine companies and one truck company which operate under the direction of a Deputy Chiefs acting as shift supervisor. 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, 18 Lieutenants and 52 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 seven Operating Divisions with 96 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.

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 17,500 tons of refuse; collection of 5,100 tons of recyclable material; and collection of 450 tons of bulky material. The division also operates the City's transfer station/recycling drop-off center as a Pay-As-You Throw Special Revenue Fund operation which receives and transfers 2,000 tons of refuse, 4,600 tons of recyclable material, 3,000 tons of brush, 3,200 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".

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.

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.

Parks and Recreation. It is the mission of the Bristol Parks and Recreation Department to provide a wide range of recreational and leisure opportunities to enhance the quality of life for all Bristol residents. The department is committed to meeting the diverse recreational needs of the Bristol community and ensuring everyone has access to well-maintained and attractive facilities. The Parks and Recreation Department believes that everyone deserves a great park - regardless of age, ability, ethnicity, gender, and socio-economic status.

In order to administer the best quality services in the most efficient way, the department was recently organized into four operational divisions including: Administration, Parks Ground and Facilities, Recreation, and Aquatics. The professional staff consists of 24 full-time employees and more than 200 part-time seasonal employees. Policy is set by a 7 member Board of Park Commissioners.

Parks Administration is responsible for developing a fiscally responsible department budget that meets the changing and dynamic needs of the community. Administration provides stewardship to the many benefactors of the Parks and Recreation Department which include eight trust and endowment funds, as well as, the Friends of Bristol Parks and Recreation Fund through the Main Street Community Foundation.

Parks, Grounds and Facilities division is responsible for over 730 acres of park land which includes two major active parks with over 100 acres each, eight neighborhood parks, a lighted stadium, an indoor aquatics facility, a veteran's memorial park, and four open space, passive parks. The division is responsible for the upkeep of park amenities including 3 water spray parks, 14 tennis courts (5 lighted), 6 lighted sand volleyball courts, 1 modified pickle ball court, 7 fishing areas, 2 horseshoe pits, 2 bocce courts, 6 basketball courts, 6 pre-school playscapes, an ADA compliant accessible playground, para-fitness course, 4 baseball diamonds, 6 softball diamonds (3 lighted), jogging path, metered walking path, hiking and biking trails, 2 eighteen hole disc golf courses, 2 off-leash dog parks, and a skatepark plaza.

Recreation division is responsible for administering hundreds of recreational programs and special events throughout the year. A variety of programs are offered; serving the varied interests of Bristol residents from pre-school to senior citizens. These include popular summer camps, sports clinics, arts instruction, Summer Concerts, Santa Land Village, and much more. Recreational programs increase physical, social, and emotional wellness and serve to enhance community spirit, as well as, the quality of life for every resident. The division also coordinates with dozens of non-profits, sports organizations, and civic groups that use park space for events including the Mum Festival, West End Association Summer Festival, and Veterans organizations - drawing thousands of visitors into the city each year.

Aquatics division is responsible for the oversight of the Dennis Malone Aquatics Center and two outdoor pools at Page and Rockwell Parks. The division offers seasonal memberships and daily passes to thousands of patrons annually. An extensive American Red Cross Learn to Swim program is offered at all 3 facilities; annually teaching thousands of Bristol youth this critical life skill. In addition, the division offers water fitness programs, training classes, recreational swim teams, special events, and more. The Dennis Malone Aquatics Center is also host to both high school swim teams, St. Paul and Lewis Mills Swim Teams, private rentals and Bristol Hospital for water therapy.

Parks and Recreation is an essential department that impacts the lives of all Bristol residents. The department is not an isolated unit of local government, but is vitally related to all other community forces and collaborates regularly with other agencies serving the leisure-time interests of the citizens. In addition to providing high quality recreation programs and well-maintained facilities, the Bristol Parks and Recreation Department is committed to being at the forefront of solution-based problem solving to address current and future challenges facing the City of Bristol.

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, Town of Berlin, Branford, Burlington, Hartland, Plainville, Plymouth, Prospect, Seymour, Southington, Warren, Washington, Wolcott, and the City of New Britain, (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, 2019. 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.

City collected recyclables are processed at a company in Berlin Connecticut know as Murphy Road LLC. Recyclables are transported from Bristol to the facility by the Department of Public Works. The processing fee is based on the market price of the recyclable material components and is approximately \$82/ton.

**Municipal Employees
Full-Time as of 10/1/19**

Fiscal Year Ended June 30	2019	2018	2017	2016	2015
Board of Education.....	1,095	1,027	1,071	1,068	1,057
General Government.....	506	501	505	506	510
Total.....	1,601	1,528	1,576	1,574	1,567

Source: City of Bristol, Human Resources and Board of Education.

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

Department	Full Time	Part-Time & Temporary
Police	145	1
Fire	88	1
Administrative and Financial ...	68	10
Youth Services.....	5	17
Recreation	21	74
Library	30	8
Public Works	112	1
Water	37	-
Total	506	112

Source: City of Bristol, Human Resources.

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	619	6/30/2021
Bristol Association of Principals & Supervisors	37	6/30/2020 ²
Bristol Educational Secretaries Association	73	6/30/2020
Bristol Municipal Employees Local 2267 Board of Education, Custodial, Maintenance & Teachers Aides	264	6/30/2020
AFL Local 2267 Council No. 4 (Board of Education Cafeteria) #818 Council 4	55	6/30/2020
Non-Bargaining Employees	5	6/30/2020
Sub-total	42	--
Sub-total	1,095	
City Groups		
Local 1338 of Council No. 4, AFSCME, AFL-CIO	118	6/30/2018 ²
Police Local 754 of Council No. 15	117	6/30/2019 ²
Local 773, International Association of Fire Fighters	86	6/30/2019 ²
Bristol City Hall Employees, Local 233	118	6/30/2022
Bristol Professionals & Supervisors Association	49	6/30/2022
Non-Bargaining Employees	18	--
Sub-total	506	
Total	1,601	

¹ Excludes part-time employees.

² In negotiation.

Source: City of Bristol, Human Resources 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.

Bristol Public Schools

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 participate in the City retirement plan.

School Facilities

School	Grades	Construction	Number of Classrooms ¹	Rated Capacity	Actual Enrollment
		(Remodeling or Renovation)			10/1/2019 ^{2,3}
Bristol Central High School	9-12	1967, 2000	55	1,582	1,235
Bristol Eastern High School	9-12	1959 (65), 2000	60	1,700	1,117
Chippens Hill Middle School ..	6-8	1993	45	911	762
Northeast Middle School	6-8	1922 (65,83)	41	1,050	480
Greene-Hills	K-8	2012	53	1,100	938
West Bristol	K-8	2012	53	1,100	924
Stafford School	K- 5	1951 (54,85)	41	1,050	376
Edgewood School	K- 5	1957 (64,86,12)	24	497	285
Ellen Hubbell	K- 5	1991	28	529	410
Ivy Drive School	K- 5	1967 (2007)	29	480	374
Mountain View School	K- 5	1967 (2007)	27	441	345
South Side School	K- 5	1974	28	569	507
Totals			484	11,009	7,753

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
Historical ¹					
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
2018-2019	293	3,375	1,822	2,366	7,856
2019-2020	297	3,364	1,859	2,352	7,872
Projected ³					
2020-2021	301	3,398	1,786	2,384	7,869
2021-2022	310	3,421	1,745	2,448	7,924
2022-2023	320	3,487	1,735	2,442	7,984

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
2017 ³	60,498	0.0%	2,232.4
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 2013-2017

Age Distribution of the Population

Age	City of Bristol		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	2,931	4.8%	186,188	5.2%
5 to 9 years	3,323	5.5	206,536	5.8
10 to 14 years	3,966	6.6	225,831	6.3
15 to 19 years	3,681	6.1	249,777	7.0
20 to 24 years	3,663	6.1	245,849	6.9
25 to 34 years	8,733	14.4	439,239	12.3
35 to 44 years	7,542	12.5	433,401	12.1
45 to 54 years	8,587	14.2	535,611	15.0
55 to 59 years	4,799	7.9	266,501	7.5
60 to 64 years	3,683	6.1	229,788	6.4
65 to 74 years	4,981	8.2	318,515	8.9
75 to 84 years	2,915	4.8	167,133	4.7
85 years and over	1,694	2.8	90,109	2.5
Total.....	60,498	100.0%	3,574,097	100.0%
Median Age (Years) 2017.....	40.4		40.8	
Median Age (Years) 2010. ¹	40.0		40.0	

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

Source: American Community Survey 2013-2017

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Income Distribution

	City of Bristol		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	415	2.8%	27,787	3.1%
\$10,000 to \$14,999.....	274	1.8	16,143	1.8
\$15,000 to \$24,999.....	984	6.6	41,072	4.6
\$25,000 to \$34,999.....	1,068	7.1	52,218	5.8
\$35,000 to \$49,999.....	1,708	11.4	82,371	9.2
\$50,000 to \$74,999.....	2,674	17.8	134,356	15.0
\$75,000 to \$99,999.....	2,348	15.6	122,244	13.6
\$100,000 to \$149,999...	3,243	21.6	186,352	20.8
\$150,000 to \$199,999...	1,477	9.8	100,359	11.2
\$200,000 or more.....	813	5.4	132,765	14.8
Total.....	15,004	100.0%	895,667	100.0%

Source: American Community Survey 2013-2017

Income Levels

	City of Bristol	State of Connecticut
Per Capita Income, 2017.....	\$32,823	\$41,365
Median Family Income, 2017.....	\$80,322	\$93,800
Median Household Income, 2017....	\$64,586	\$73,781

Source: American Community Survey 2013-2017

Employment Data

Period	City of Bristol		Percentage Unemployed		
	Employed	Unemployed	City of Bristol	Hartford Labor Market	State of Connecticut
August 2019.....	31,941	1,292	3.9	3.7	3.6
Annual Average					
2018.....	31,702	1,519	4.6	4.1	4.1
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

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.....	47	0.2%	7,166	0.4%
Construction.....	1,823	5.9	104,122	5.8
Manufacturing.....	4,378	14.1	191,519	10.6
Wholesale trade.....	864	2.8	44,741	2.5
Retail trade.....	3,793	12.2	193,016	10.7
Transportation warehousing, and utilities....	966	3.1	68,926	3.8
Information.....	1,671	5.4	42,200	2.3
Finance, insurance, real estate, and leasing..	3,428	11.0	163,810	9.1
Professional, scientific, management, administrative, and waste management....	2,310	7.4	208,130	11.5
Education, health and social services.....	6,983	22.5	478,083	26.5
Arts, entertainment, recreation, accommodation and food services.....	2,194	7.1	153,679	8.5
Other services (except public admin.).....	1,253	4.0	82,538	4.6
Public Administration.....	1,383	4.4	67,156	3.7
Total Labor Force, Employed.....	31,093	100.0%	1,805,086	100.0%

Source: American Community Survey 2013-2017

Educational Attainment Years of School Completed Age 25 & Over

	City of Bristol		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	1,817	4.2%	104,623	4.4%
9th to 12th grade, no diploma.....	2,659	5.8	137,877	6.1
High School graduate (includes equivalency)...	15,175	26.7	673,582	27.5
Some college, no degree.....	7,896	18.1	422,535	17.8
Associate degree.....	4,065	8.7	188,481	7.4
Bachelor's degree.....	7,679	20.3	532,055	20.5
Graduate or professional degree.....	3,643	16.3	421,144	16.4
Total.....	42,934	100.0%	2,480,297	100.0%
Percent high school graduate or higher.....		89.6%		90.2%
Percent bachelor's degree or higher.....		26.4%		38.4%

Source: American Community Survey 2013-2017

Age Distribution of Housing

Year Built	City of Bristol		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	5,881	21.9%	338,011	22.4%
1940 to 1969.....	10,351	38.5	535,477	35.5
1970 to 1979.....	3,526	13.1	200,217	13.3
1980 to 1989.....	4,362	16.2	191,939	12.7
1990 to 1999.....	1,572	5.9	114,261	7.6
2000 or 2009.....	980	3.6	105,131	7.0
2010 or later.....	190	0.7	22,675	1.5
Total Housing Units.....	26,862	100.0%	1,507,711	100.0%

Source: American Community Survey 2013-2017

Housing Inventory

Housing Units	City of Bristol		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	14,904	55.5%	892,621	59.2%
1-unit, attached.....	1,340	5.0	81,393	5.4
2 units.....	2,760	10.3	123,040	8.2
3 or 4 units.....	2,703	10.1	130,914	8.7
5 to 9 units.....	1,710	6.4	82,787	5.5
10 to 19 units.....	1,090	4.1	56,540	3.8
20 or more units.....	2,205	8.2	128,477	8.5
Mobile home.....	132	0.5	11,564	0.8
Boat, RV, van, etc.....	18	0.1	375	0.0
Total Inventory.....	26,862	100.0%	1,507,711	100.0%

Source: American Community Survey 2013-2017

Owner-Occupied Housing Values

Specified Owner-Occupied Units	City of Bristol		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	399	2.5%	24,038	2.7%
\$50,000 to \$99,999.....	725	4.5	29,789	3.3
\$100,000 to \$149,999.....	3362	20.8	83,320	9.2
\$150,000 to \$199,999.....	4,228	26.2	141,024	15.6
\$200,000 to \$299,999.....	5,330	33.0	244,356	26.9
\$300,000 to \$499,999.....	1,758	10.9	236,671	26.1
\$500,000 to \$999,999.....	276	1.7	106,192	11.7
\$1,000,000 or more.....	52	0.3	41,408	4.6
Total.....	16,130	100.0%	906,798	100.0%
Median Value.....	\$190,500		\$270,100	

Source: American Community Survey 2013-2017

Major Employers Employment Levels As of September 2019

Name	Business	Estimated Number of Employees
ESPN Inc.....	Broadcasting Facility Headquarters	4,200
Bristol City	Municipality	1,580
Bristol Health.....	Healthcare	1,160
Faneuil, Inc.	Call Center	350
Amazon	Distribution Center	350
Sheriden Woods Health Care Ctr.....	Health Care	200
IDEX Health & Science	Manufacturing	175
Shop & Stop.....	Retail	150
Quality Coils Inc.....	Manufacturing	125
The Pines @ Bristol	Healthcare	115
Total.....		8,405

Source: City of Bristol - Bristol Development Authority.

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
2018	1,201	\$ 16,128,715	235	\$ 32,969,560	-	\$ -	1,436	\$ 49,098,275
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

Note: Does not include mechanicals.

Source: City of Bristol, Building Department.

¹ Missing 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.

Motor Vehicle Property Tax Cap: Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. 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 Town's mill rate for motor vehicles for the fiscal year ending June 30, 2020 is 38.05 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 reviewing the Secretary of the State of Connecticut registry, newspaper articles, lessee reports, advertisements, trade names filed with the City Clerk, and a physical canvass of the City 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 no longer 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 lien-ed 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. Re-approval of this Act is on the November, 2019 ballot.

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		Total
	Abatement Real Estate	Abatement 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	81,090	22,769	103,859
2018	108,555	54,160	162,715
Total.....			\$ 874,204

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/		All Land	Personal Property	Motor Vehicle	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	Percent Change
	Residential Real Property	Industrial Real Property							
2018	56.0	21.0	0.6	13.2	9.2	\$ 4,222,404,205	\$ 274,505,156	\$ 3,947,899,049	0.77%
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%

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	\$ 7,691,570
City of Bristol	253,115,750
United States of America	5,263,230
Sub-Total Public	\$266,070,550
Private	
Recreation Facilities	\$ 2,443,420
Churches	35,273,420
Hospitals and Sanitariums	55,649,580
Veterans' Organizations	837,900
Scientific, Educational, Historical and Charitable	22,307,717
Cemeteries	2,402,610
Sub-Total Private	\$118,914,647
Total Tax Exempt Property	\$384,985,197
Percent Compared to Net Taxable Grand List ¹	9.75%

¹Based on a Net Taxable Grand List as of October 1, 2018 of \$3,947,899,049.

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	\$ 237,962,440	6.03%
Eversource	Utility	63,343,420	1.60%
Covanta	Trash to energy facility	33,986,610	0.86%
Bristol Center LLC	Manufacturing/Warehouse facility	33,513,690	0.85%
Bristol Sports DST	Office Complex	25,297,930	0.64%
Federal Realty Investment Trust	Shopping Plaza	22,658,300	0.57%
Carpenter Realty Company	Real Estate owner/developer	20,944,640	0.53%
Festival Fun Parks/LakeCompounce	Amusement Park	20,749,940	0.53%
Yankee Gas Service Company	Utility	18,815,010	0.48%
D'Amato Construction/Affiliated LLCs ..	Real Estate owner/developer	18,762,367	0.48%
Total		\$ 496,034,347	12.57%

¹Based on a Net Taxable Grand List as of October 1, 2018 of \$3,947,899,049.

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 6/30/2019 ²
2018	2020 ²	\$ 3,947,899,049	38.05	\$ 145,630,169 ⁴		IN COLLECTION	
2017 ¹	2019 ²	3,917,617,985	36.88	140,625,450	98.70	1.30	1.30
2016	2018	3,525,167,050	36.03	126,652,686	98.76	1.24	0.01
2016 (MV) ³	2018	379,623,698	32.00	11,968,704	94.09	5.91	0.01
2015	2017	3,845,132,376	36.03	140,557,058	98.82	1.18	0.38
2014	2016	3,822,090,466	34.61	135,392,014	98.68	1.32	0.27
2013	2015	3,835,714,022	34.61	134,241,698	98.47	1.53	0.19
2012 ¹	2014	3,776,849,263	33.50	127,846,858	98.46	1.54	0.11
2011	2013	4,318,104,740	28.75	125,219,747	98.75	1.25	0.05
2010	2012	4,271,540,509	27.24	117,025,188	98.74	1.26	0.04
2009	2011	4,273,591,714	27.24	116,072,405	98.63	1.37	0.01

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, 2020.

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
2018	\$ 3,496	\$ 1,953
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 November 12, 2019
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	\$ 138,843	2021
06/26/02	Clean Water PLO (498-D/C)	2.00	1,483,380	146,117	2021
12/31/03	Clean Water PLO (504-C)	2.00	1,488,101	274,396	2022
05/28/04	Clean Water PLO (562-C)	2.00	693,527	163,415	2023
04/20/06	Clean Water PLO (464-C)	2.00	470,225	172,351	2026
08/24/11	General Purpose Refunding	3.00-5.00	15,589,000	4,354,000	2023
08/24/11	Schools Refunding	3.00-5.00	6,234,000	2,086,000	2023
08/24/11	Water Refunding	3.00-5.00	2,112,000	685,000	2023
06/27/14	Water PLO	2.00	501,000	371,443	2033
07/31/15	Clean Water PLO (622-C).....	2.00	631,833	499,101	2035
09/30/15	Water PLO	2.00	344,155	274,394	2035
11/17/15	General Purpose Refunding	3.00-5.00	4,126,000	2,566,000	2025
11/17/15	Schools Refunding	3.00-5.00	2,991,000	124,000	2025
05/30/17	General Purpose	2.00-5.00	17,739,000	16,690,000	2035
05/30/17	Schools	2.00-5.00	3,391,000	3,195,000	2035
11/09/17	General Purpose Refunding	3.00-5.00	5,437,000	4,855,000	2031
11/09/17	Schools Refunding	3.00-5.00	16,094,000	14,376,000	2031
11/09/17	Sewer Refunding	3.00-5.00	3,401,000	3,039,000	2031
11/09/17	Water Refunding	3.00-5.00	503,000	450,000	2031
08/30/18	Clean Water PLO (640-DC).....	2.00	7,530,046	7,168,541	2039
10/25/18	General Purpose	2.50-5.00	18,094,096	17,460,000	2039
10/25/18	Schools	2.50-5.00	4,280,904	4,129,000	2039
10/25/18	Sewer	2.50-5.00	125,000	121,000	2039
10/25/18	General Purpose	3.65-4.05	7,900,000	7,620,000	2039
07/31/19	Water PLO	2.00	497,096	497,096	2039
Total Outstanding Long-Term Debt.....			\$123,065,896	\$ 91,455,697	
<u>This Issue:</u>					
11/12/19	General Purpose	2.125-5.00	\$ 5,375,000	\$ 5,375,000	2040
11/12/19	Schools	2.125-5.00	19,625,000	19,625,000	2040
Total This Issue.....			\$ 25,000,000	\$ 25,000,000	
Grand Total.....			\$148,065,896	\$116,455,697	

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 November 12, 2019**

The City does not have outstanding short-term debt as of November 12, 2019.

**General Fund
Bonded Debt Maturity Schedule ¹
As of November 12, 2019
(Pro-Forma)**

Fiscal Year	Principal	Interest	Total	Pro-forma: This Issue			Cumulative Principal Retired
				General Purpose	Schools	Total	
2020 ²	\$ 1,686,030	\$ 2,003,284	\$ 3,689,314	\$ -	\$ -	\$ -	1.5%
2021	8,029,661	3,061,940	11,091,601	-	-	-	8.5%
2022	8,111,650	2,702,949	10,814,599	195,000	725,000	920,000	16.4%
2023	6,991,022	2,375,639	9,366,661	230,000	830,000	1,060,000	23.5%
2024	5,730,789	2,088,738	7,819,527	255,000	950,000	1,205,000	29.5%
2025	5,780,542	1,834,346	7,614,888	290,000	1,025,000	1,315,000	35.8%
2026	5,305,576	1,642,452	6,948,028	290,000	1,040,000	1,330,000	41.6%
2027	5,312,068	1,467,518	6,779,586	290,000	1,040,000	1,330,000	47.4%
2028	5,325,020	1,297,863	6,622,883	290,000	1,040,000	1,330,000	53.2%
2029	5,328,137	1,127,167	6,455,304	290,000	1,040,000	1,330,000	59.0%
2030	5,336,415	953,917	6,290,332	295,000	1,085,000	1,380,000	64.9%
2031	5,339,860	774,193	6,114,053	295,000	1,085,000	1,380,000	70.8%
2032	3,270,474	635,003	3,905,477	295,000	1,085,000	1,380,000	74.9%
2033	3,279,266	535,537	3,814,803	295,000	1,085,000	1,380,000	79.0%
2034	3,288,233	434,939	3,723,172	295,000	1,085,000	1,380,000	83.1%
2035	3,281,496	333,267	3,614,763	295,000	1,085,000	1,380,000	87.1%
2036	2,028,042	230,296	2,258,338	295,000	1,085,000	1,380,000	90.1%
2037	2,036,785	163,549	2,200,334	295,000	1,085,000	1,380,000	93.1%
2038	2,045,702	96,524	2,142,226	295,000	1,085,000	1,380,000	96.1%
2039	1,670,996	30,719	1,701,715	295,000	1,085,000	1,380,000	98.8%
2040	-	-	-	295,000	1,085,000	1,380,000	100.0%
Total.....	\$ 89,177,764	\$ 23,789,840	\$ 112,967,604	\$ 5,375,000	\$ 19,625,000	\$ 25,000,000	

¹ Includes debt service related to Clean Water Fund Loans from the State of Connecticut outstanding as of October 29, 2019 but excludes self-supporting water debt and refunded bonds.

² Excludes \$5,904,320 of principal and \$1,394,967 of interest paid between July 1, 2019 and November 12, 2019.

Note: The City's debt service for general obligation sewer bonds is paid for from sewer user fees.

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Self-Supporting Water Debt Maturity Schedule
As of November 12, 2019
(Pro-Forma)

Fiscal Year	Principal	Interest	Total	Cumulative Principal Retired
2020 ¹	\$ 58,817	\$ 42,119	\$ 100,936	2.6%
2021	337,582	63,752	401,334	17.4%
2022	339,786	49,822	389,608	32.3%
2023	307,015	38,058	345,073	45.8%
2024	103,268	31,022	134,290	50.3%
2025	105,546	27,739	133,285	55.0%
2026	107,850	24,358	132,208	59.7%
2027	109,181	21,137	130,318	64.5%
2028	110,528	18,083	128,611	69.3%
2029	111,913	15,031	126,944	74.3%
2030	113,326	11,937	125,263	79.2%
2031	114,767	8,814	123,581	84.3%
2032	74,241	6,496	80,737	87.5%
2033	75,749	5,001	80,750	90.9%
2034	62,141	3,532	65,673	93.6%
2035	42,926	2,500	45,426	95.5%
2036	28,087	1,814	29,901	96.7%
2037	28,654	1,245	29,899	98.0%
2038	29,232	665	29,897	99.2%
2039	17,324	116	17,440	100.0%
Total.....	\$2,277,933	\$ 373,241	\$2,651,174	

¹ Excludes \$281,590 of principal and \$34,498 of interest paid between July 1, 2019 and November 12, 2019.

² Excludes Refunded Bonds.

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 November 12, 2019
Principal Only
(Pro Forma)

Long-Term Debt Outstanding:

General Purpose (Including This Issue).....	\$ 58,920,000
Schools (Including This Issue)	43,535,000
Sewers.....	11,722,764
Water	2,277,933
Total Long-Term Debt.....	116,455,697
Short-Term Debt.....	-
Total Direct Debt.....	116,455,697
Less: Self Supporting Water Debt ¹	(2,277,933)
Total Net Direct Debt.....	114,177,764
Plus: Overlapping/Underlying Debt	-
Total Overall Net Debt.....	\$114,177,764

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 November 12, 2019
(Pro Forma)

Population (2017) ¹	60,498
Net Taxable Grand List (10/1/18)	\$ 3,917,617,985
Estimated Full Value (70%).....	\$ 5,596,597,121
Equalized Grand List (10/1/17) ²	\$ 5,613,277,357
Income per Capita (2017) ¹	\$ 32,823

	Total Direct Debt \$116,455,697	Total Net Direct Debt \$114,177,764	Total Overall Net Debt \$114,177,764
Per Capita.....	\$ 1,924.95	\$ 1,887.30	\$ 1,887.30
Ratio to Net Taxable Grand List.....	2.97%	2.91%	2.91%
Ratio to Estimated Full Value.....	2.08%	2.04%	2.04%
Ratio to Equalized Grand List.....	2.07%	2.03%	2.03%
Debt per Capita to Income per Capita (2017).....	5.86%	5.75%	5.75%

¹ U.S. Bureau of Census, American Community Survey (2013-2017).

² 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 November 12, 2019
(Pro Forma)

Total Tax Collections (including interest and lien fees) for the year ended June 30, 2019 (subject to audit) ...	\$ 146,226,000
Reimbursement for Revenue Loss on Tax Relief for Elderly-Freeze	-
Base	<u>\$ 146,226,000</u>

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base.....	\$ 329,008,500	-	-	-	-
4 1/2 times base.....	-	\$ 658,017,000	-	-	-
3 3/4 times base.....	-	-	\$548,347,500	-	-
3 1/4 times base.....	-	-	-	\$ 475,234,500	-
3 times base.....	-	-	-	-	\$ 438,678,000
Total Debt Limitation	329,008,500	658,017,000	548,347,500	475,234,500	438,678,000
Indebtedness:					
Outstanding Debt: ¹					
Bonds Payable.....	53,545,000	23,910,000	11,722,764	-	-
Bonds of This Issue.....	5,375,000	19,625,000	-	-	-
Notes	-	-	-	-	-
Bonds Authorized But Unissued....	12,588,599	60,753,929 ²	743,167	-	-
Total Indebtedness	71,508,599	104,288,929	12,465,931	-	-
Less School Construction Grants ³	-	-	-	-	-
Total Net Indebtedness For Debt Limitation Calculation	71,508,599	104,288,929	12,465,931	-	-
DEBT LIMITATION IN EXCESS OF INDEBTEDNESS					
	<u>\$ 257,499,901</u>	<u>\$ 553,728,071</u>	<u>\$535,881,569</u>	<u>\$ 475,234,500</u>	<u>\$ 438,678,000</u>

¹ Because water debt is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes, excluded from above is \$2,277,933 of water bonds outstanding.

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 \$1,023,582,000.

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Authorized but Unissued Debt
As of November 12, 2019
(Pro Forma)

Project	Authorized Amount	Debt Previously Issued	The Bonds	Gross Authorized but Unissued	Grants Received or Other Funds to Reduce Bond Authorization ¹	Net Authorized but Unissued
Memorial Boulevard Intradistrict Arts Magnet School...	\$ 54,890,300	\$ -	\$16,027,840	\$ 38,862,460	\$ -	\$ 38,862,460 ²
Page Park Pool and Bathhouse.....	4,100,000	-	3,600,000	500,000	-	500,000
Southside School HVAC Upgrade.....	3,597,160	-	3,597,160	-	-	-
Fire Apparatus.....	1,400,000	75,000	1,325,000	-	-	-
Stevens Street Richard Court Berm Construction.....	550,000	48,000	450,000	52,000	-	52,000
894 Middle Street Remediation Project	2,849,000	-	-	2,849,000	927,073	1,921,927
Acquisition of Shrub Rd Parcels (Open Space Grant)	2,100,000	-	-	2,100,000	-	2,100,000
All Schools Tech. Network Replacement/Upgrade.....	445,835	-	-	445,835	-	445,835
Brentwood Drive Reconstruction.....	360,000	255,000	-	105,000	-	105,000
Broad St. Pump Sta. Force Main Inst.....	1,500,000	756,833	-	743,167	-	743,167
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 ⁴
City Hall Office Building Program.....	350,000	-	-	350,000	-	350,000
City Hall Unit Heater/AC Perimeter Replacement.....	675,000	-	-	675,000	-	675,000
City Wide Fiber Network	100,000	-	-	100,000	-	100,000
Downs Street Bridge.....	320,000	275,000	-	45,000	-	45,000
DPW Vincent P. Kelly Facility Renovations Phase II....	350,000	330,000	-	20,000	-	20,000
Fire Headquarters Renovations	1,350,000	-	-	1,350,000	-	1,350,000
Fire Station 3 Reconstruction/Relocation	400,000	-	-	400,000	-	400,000
Greene Hills (Forestville) K-8 School.....	53,000,000	13,817,100	-	39,182,900	31,242,632	7,940,268 ³
Heating, Hot Water DMAC.....	200,000	130,000	-	70,000	-	70,000
Hubbell School - Roof Replacement/Repainting.....	2,108,305	1,400,000	-	708,305	-	708,305
Jerome Avenue Bridge Replacement	198,000	-	-	198,000	-	198,000
Lake Avenue Bridge Replacement.....	540,000	-	-	540,000	-	540,000
Louisiana Bridge.....	1,800,000	-	-	1,800,000	-	1,800,000
Main Library LED Lighting Conversion.....	333,970	-	-	333,970	-	333,970
Mall Purchase/Legal.....	6,275,000	3,085,000	-	3,190,000	3,080,000	110,000
Munchausen & Bartholomew St. Reconstruction.....	310,000	130,000	-	180,000	-	180,000
Northeast Middle School Ceiling Tile Replacement.....	514,810	-	-	514,810	-	514,810
Page Mark Maintenance Area Improvements.....	100,000	-	-	100,000	-	100,000
Parks Master Plan	150,000	-	-	150,000	-	150,000
Pequabuck River Conduit Replacement	700,000	-	-	700,000	-	700,000
Public Works Garage Renovations.....	520,000	332,000	-	188,000	120,000	68,000
Shrub Road Storm Drainage.....	340,000	225,000	-	115,000	-	115,000
Stafford School Roof.....	2,514,275	-	-	2,514,275	-	2,514,275
West Bristol K-8 School.....	52,000,000	13,556,400	-	38,443,600	29,344,805	9,098,795 ⁴
Wolcott St Reconstruction.....	130,000	-	-	130,000	-	130,000
Total.....	\$ 203,981,215	\$ 39,590,631	\$25,000,000	\$ 139,390,584	\$ 65,304,889	\$ 74,085,695

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. School construction grants from the State of Connecticut are expected to be received to fund the remaining amounts.

⁴ The City does not expect to bond the remaining authorization as the project has been completed.

Principal Amount of Outstanding Debt ¹
Last Five Fiscal Years

General Obligation

Bonds Payable From:	2019	2018	2017	2016	2015
General Fund ²	\$ 95,082,087	\$ 71,469,432	\$ 79,002,963	\$ 60,208,703	\$ 64,164,390
Water Enterprise Fund ³	2,062,424	1,662,000	1,990,000	2,466,000	3,430,000
Sub-Total Bonds	97,144,511	73,131,432	80,992,963	62,674,703	67,594,390
Short-Term Debt					
Bond Anticipation Notes	-	15,800,000	4,000,000	4,500,000	5,000,000
Sub-Total Notes	-	15,800,000	4,000,000	4,500,000	5,000,000
Grand Total	\$ 97,144,511	\$ 88,931,432	\$ 84,992,963	\$ 67,174,703	\$ 72,594,390

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
2019	\$ 3,917,618	\$ 5,596,597	\$ 95,082	2.43%	1.70%	60,498	\$1,571.66	4.79%
2018	3,911,460	5,587,800	71,469	1.83%	1.28%	60,498	1,181.35	3.60%
2017	3,845,132	5,493,046	79,002	2.05%	1.44%	60,498	1,305.86	3.98%
2016	3,822,090	5,460,129	60,209	1.58%	1.10%	60,498	995.22	3.03%
2015	3,835,714	5,479,591	64,164	1.67%	1.17%	60,498	1,060.60	3.23%

¹ Exclusive of water debt and school building grants receivable.

² U.S. Bureau of Census, America Community Survey (2013-2017)

³ Income per Capita: \$32,823. U.S. Bureau of Census, American Community Survey (2013-2017).

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
2018	\$ 6,340	\$ 2,334	\$ 8,674	\$ 228,158	3.80%
2017	6,177	2,310	8,487	218,469	3.88%
2016	6,186	2,440	8,626	202,953	4.25%
2015	6,177	2,170	8,347	206,972	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 2013-2018.

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, 2018, the financial statements of the various funds of the City were audited by Blum Shapiro of West Hartford, 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-two consecutive years including the June 30, 2018 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 sixteenth consecutive year for its annual budget for fiscal year ending June 30, 2018. 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, 2018. 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 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 at a Joint Meeting of the City Council and the Board of Finance. Additional appropriations require Board of Finance and City Council 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.

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. The 2017-2019 biennium budget legislation did not provide funding for the municipal revenue sharing grant in fiscal years ending June 30, 2018 and June 30, 2019. The 2019-2021 biennium budget legislation does not provide funding for the municipal revenue sharing grant in fiscal years ending June 30, 2020 and June 30, 2021, but provides that such funding will resume following July 1, 2021. For fiscal years ending June 30, 2018, June 30, 2019 and June 30, 2020 the City’s budget has not exceeded the municipal spending cap.

Five-Year Capital Improvement Program Summary

Proposed Projects	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Board of Education ¹	\$ 1,110,645	\$ 1,254,000	\$ 940,855	\$ 2,449,000	\$ 34,371,995	\$ 40,126,495
Fire Department	1,750,000	-	700,000	-	769,000	3,219,000
General Government	100,000	13,100,000	13,100,000	13,100,000	13,100,000	52,500,000
Parks & Recreation	600,000	1,110,000	2,800,000	5,140,000	3,700,000	13,350,000
Public Works	2,423,970	6,444,000	9,050,000	6,507,000	2,975,000	27,399,970
Water Pollution Control.....	1,050,000	700,000	8,400,000	2,050,000	8,000,000	20,200,000
Total	\$ 7,034,615	\$ 22,608,000	\$ 34,990,855	\$ 29,246,000	\$ 62,915,995	\$ 156,795,465
Funding Sources						
General Fund Cash.....	\$ 320,000	\$ 940,000	\$ 813,855	\$ 822,000	\$ 765,000	\$ 3,660,855
State & Federal Aid	722,000	-	-	-	-	722,000
WPC CNR Fund.....	1,050,000	700,000	8,400,000	2,050,000	8,000,000	20,200,000
Other Funds.....	250,000	584,000	1,080,000	180,000	769,000	2,863,000
Bonds	4,692,615	20,384,000	24,697,000	26,194,000	53,381,995	129,349,610
Total	\$ 7,034,615	\$ 22,608,000	\$ 34,990,855	\$ 29,246,000	\$ 62,915,995	\$ 156,795,465

¹ The Board of Education requested a school to be renovated "as new". This project has yet to be fully reviewed by the Ten Year CIP Committee as well as the Board of Education.

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 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, 2018, 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, 2018.

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 of Bristol General Retirement System-
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a) (000s)	Actuarial Accrued 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)
7/1/2009	\$ 529,075	\$ 295,384	\$ 233,691	179.1%	\$ 44,435	(525.9%)
7/1/2010	533,072	304,750	228,322	174.9%	44,359	(514.7%)
7/1/2011	535,327	318,622	216,705	168.0%	44,639	(485.5%)
7/1/2012	535,332	332,042	203,290	161.2%	44,892	(452.8%)
7/1/2013	562,862	351,183	211,679	160.3%	44,715	(473.4%)
7/1/2014	597,487	363,225	234,262	164.5%	45,357	(516.5%)
7/1/2015	608,722	373,446	235,276	163.0%	44,946	(523.5%)
7/1/2016	616,090	403,937	212,153	152.5%	48,453	(437.9%)
7/1/2017	627,928	420,994	206,934	149.2%	49,004	(422.3%)
7/1/2018	637,056	443,593	193,463	143.6%	51,164	(378.1%)

**City of Bristol General 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	604,612	227,500	37.6%
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	100.0%
6/30/2019	n/a	n/a ¹	n/a

¹ Effective FY 6/30/2019 the City consolidated the three separate Retirement Funds, City, Police and Fire, under one reporting and actuarial valuation umbrella to maximize the assets and overfunding of the Police and Fire plans with the slightly underfunded City plan which required a contribution.

During the FY2018-2019 budget process the City was faced with 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. At June 30, 2017 the funded ratios for each plan were: City 99.5%, Fire 268% and Police 164%. However, since the City plan had dipped below the 100% funded ratio a contribution was required. The pension funds had 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 the pension plan at the time of consolidation was 149%. The consolidated financial information is as follows:

	City of Bristol Retirement System
Actuarial Liability.....	\$ 436,636,099
Actuarial Value of Assets.....	647,171,556
Unfunded Accrued Liability/(Surplus).....	<u>\$ (210,535,457)</u>
Past Service Cost.....	\$ (19,881,791)
City Normal Cost.....	<u>8,192,091</u>
Actuarially Determined	
Contribution for FY2018-19.....	<u>\$ -¹</u>

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, 2018 used its long term investment rate of 7.3% 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
	6.30%	7.30%	8.30%
City of Bristol Retirement System.....	(158,847,944)	(210,535,457)	(253,801,669)

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 (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	\$ -	\$ 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%
7/1/2018	9,926	66,122	(56,196)	15.0%	98,287	57.2%

Schedule of Employer Contributions

	2018	2017	2016	2015	2014
Actuarially Determined Contribution.....	\$ 6,234,993	\$ 7,256,765	\$ 7,308,579	\$ 7,008,204	\$ 9,322,000
Contributions in Relation to the Actuarially Determined Contribution.....	5,801,097	6,583,891	3,961,206	3,156,480	4,446,594
Contribution Deficiency (Excess).....	433,896	672,874	3,347,373	3,851,724	4,875,406
Contributions as a Percentage of Actuarially Determined Contribution.....	93.04%	90.73%	54.20%	45.04%	47.70%
Covered Payroll.....	\$ 98,287,369	\$ 98,287,370	\$ 96,520,538	\$ 96,520,538	\$ 88,563,000
Contributions as a Percentage of Covered Payroll.....	5.90%	6.70%	4.10%	3.27%	5.02%

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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 2020 ¹	Estimated 2019 ¹	Actual 2018	Actual 2017	Actual 2016	Actual 2015
Revenues:						
Taxes and assessments	\$ 150,244	\$ 145,265	\$ 140,099	\$ 140,289	\$ 133,111	\$ 132,636
Interest and lien fees	775	961	898	1,138	921	954
Licenses and permits	1,346	1,713	1,984	1,454	1,283	988
Intergovernmental ²	44,019	49,530	78,648	73,043	65,965	67,491
Charges for Services	2,723	4,772	4,047	3,955	3,505	3,340
Investment Income	933	1,502	939	458	366	318
Sale of property and equipment	75	305	-	-	-	-
Miscellaneous	500	667	378	737	2,168	2,030
Total Revenues	200,615	204,715	226,993	221,074	207,319	207,757
Expenditures:						
General government	6,664	6,305	6,219	6,066	5,866	5,804
Public safety	25,796	26,222	25,306	23,311	22,549	22,601
Public works	11,925	14,906	15,722	13,627	12,340	13,611
Health and Welfare	3,538	6,321	6,317	6,354	6,467	6,273
Libraries	2,405	2,172	2,190	2,025	2,073	1,981
Parks and Recreation	2,809	2,517	2,512	2,465	2,427	2,342
Education ²	99,681	97,767	125,251	115,560	105,975	104,562
Employee Benefits	3,279	3,927	4,470	4,283	3,632	3,109
Insurance ³	29,785	27,968	27,490	30,045	27,289	30,653
Miscellaneous	2,334	680	514	655	541	768
Debt Service	9,850	8,900	9,004	7,949	8,000	8,694
Total Expenditures	198,066	197,685	224,995	212,340	197,160	200,398
Operating Results	2,549	7,030	1,998	8,734	10,160	7,359
Other Financing Source (Uses):						
Operating transfers in & Other	-	-	18	13	74	6
Operating transfers (out)	(2,549)	(6,525)	(3,165)	(6,129)	(5,793)	(6,574)
Refunding bonds issued.....	-	-	24,932	-	-	-
Premium on refunding bonds issued.....	-	-	3,455	-	-	-
Payment to refunded bond escrow agent.....	-	-	(28,213)	-	-	-
Net Other Financing Sources (Uses)	(2,549)	(6,525)	(2,973)	(6,116)	(5,719)	(6,568)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses.....						
	N/A	505	(975)	2,618	4,440	791
Fund Balance, July 1	N/A	37,800	38,775	36,157	31,717	30,926
Restatement	-	-	-	-	-	-
Fund Balance, June 30	N/A	\$ 38,305	\$ 37,800	\$ 38,775	\$ 36,157	\$ 31,717

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 an estimated and 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 2019 ¹	Actual 2018	Actual 2017	Actual 2016	Actual 2015	Actual 2014
Nonspendable.....	\$ 3	\$ 5	\$ -	\$ 9	\$ 1	\$ 2
Restricted.....	-	-	-	-	-	-
Committed.....	3,107	3,086	3,095	3,065	3,057	3,856
Assigned.....	5,689	6,367	7,885	4,346	2,053	1,113
Unassigned.....	29,506	28,342	27,795	28,737	26,606	25,955
Total Fund Balance	\$ 38,305	\$ 37,800	\$ 38,775	\$ 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.

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 2018	Actual 2017	Actual 2016	Actual 2015	Actual 2014
Operating Revenues:					
Charges for services	\$ 7,078	\$ 7,400	\$ 7,047	\$ 6,973	\$ 6,855
Miscellaneous	422	420	384	372	352
Total Operating Revenues	7,500	7,820	7,431	7,345	7,207
Operating Expenses:					
Source of supply	241	191	215	232	205
Pumping	254	261	288	270	295
Purification	947	912	956	962	1,027
Transmission and distribution	1,144	2,138	2,023	1,854	1,592
Customer accounts, administrative and general	-	-	-	-	-
	2,430	2,117	2,218	2,192	2,148
Depreciation	1,062	1,116	1,086	1,008	945
Taxes other than income taxes	506	467	488	507	423
Loss on disposal	-	-	-	-	-
Total Operating Expenses.....	6,584	7,202	7,274	7,025	6,635
Operating Income (Loss)	916	618	157	320	572
Non-Operating Revenue (Expenses):					
Interest income (loss)	307	527	(203)	(101)	674
Interest expense	(87)	(101)	(116)	(135)	(269)
Other, net	(4)	-	-	-	-
Loss on disposal	-	-	-	-	-
Amortization of debt discount and expense....	16	11	8	(8)	(5)
Total Non-Operating Revenues (Expenses)	232	437	(311)	(244)	400
Income (loss) before capital contribution and operating transfers	1,148	1,055	(154)	76	972
Capital Contribution	-	-	-	702	28
Change in Net Assets.....	1,148	1,055	(154)	778	1,000
Fund Balance, July 1	32,494¹	27,028	27,182	26,404	25,404
Fund Balance, June 30	\$ 33,642	\$ 28,083	\$ 27,028	\$ 27,182	\$ 26,404

¹ As restated.

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**Bristol Water Department
Balance Sheet
June 30, 2018
(In Thousands)**

Assets and Other Debits

Current Assets:	
Cash and cash equivalents	\$ 1,851
Investments	5,317
Receivables, net	1,415
Inventories	7
Other assets	258
Total Current Assets	8,848
Noncurrent Assets:	
Net Pension Asset	9,278
Capital assets:	
Assets not being depreciated.....	3,887
Assets being depreciated, net.....	19,232
Total Noncurrent Assets	32,397
Total Assets	\$ 41,245

Deferred Outflows of Resources

Deferred charge on refunding	328
Total Deferred Outflows of Resources	\$ 328

Liabilities, Equity and Other Credits

Current Liabilities:	
Accounts and contracts payable	539
Payroll liabilities	96
Customer deposits	71
Unearned revenues	-
Compensated absences	49
Bonds payable - current	258
Notes payable - current.....	37
Total Current Liabilities	1,050
Non-current Liabilities:	
Compensated absences	313
Bonds payable	1,588
Notes payable	658
Net OPEB Liability	3,629
Total Noncurrent Liabilities	6,188
Total Liabilities	7,238
Net Assets:	
Invested in capital assets, net of related debt	20,577
Restricted for Pensions	9,278
Unrestricted	3,787
Total Net Assets	33,642
Total Liabilities and Fund Equity	\$ 40,880

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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. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the City, signed by the Mayor, 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. A receipt for the purchase price of the Bonds.
4. The approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut in substantially the form attached hereto as Appendix B 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/ John E. Smith

JOHN E. SMITH, *Chairman and Agent of the Board of Finance*

/s/ Diane M. Waldron

DIANE M. WALDRON, *Comptroller*

Dated: October 29, 2019

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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, 2018. 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 Auditors' Report

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, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Bristol, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Bristol, Connecticut, as of June 30, 2018 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.

Change in Accounting Principle and Prior Period Adjustment

As discussed in Note 18 to the financial statements, during the fiscal year ended June 30, 2018, the City of Bristol, Connecticut, adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The net position of the City of Bristol, Connecticut, has been restated to recognize the net other postemployment benefit liability in accordance with GASB No. 75. Our opinion is not modified with respect to this matter.

As discussed in Note 18 to the financial statements, during the fiscal year ended June 30, 2018, the City of Bristol, Connecticut, restated beginning net position of governmental activities, business-type activities and proprietary fund, in order to correct the effect of the prior year assets incorrectly stated. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB 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 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 nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

The City of Bristol, Connecticut's basic financial statements for the year ended June 30, 2017 (not presented herein), were audited by other auditors whose report thereon, dated December 27, 2017, expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information. The accompanying financial statements for the General Fund, Water Enterprise Fund, Internal Service Funds and Pension Trust Funds as of and for the year ended June 30, 2017 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 2017 financial statements. The accompanying 2017 financial statements for the General Fund, Water Enterprise Fund, Internal Service Funds and Pension Trust Funds have been subjected to the auditing procedures applied in the audit of the 2017 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 their opinion, the financial statements for the General Fund, Water Enterprise Fund, Internal Service Funds and Pension Trust Funds were fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018 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 of Bristol, Connecticut'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.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 28, 2018

**CITY OF BRISTOL, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018. 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 decreased \$5.9 million or 1.1%. Net position of business-type activities increased by \$1.1 million, or 3.5%, and net position of governmental activities decreased by \$7.1 million or 1.4%.
- During the year, expenses exceeded revenues generated in tax and other revenues for governmental programs and business activities by \$5.9 million. This is primarily the result increases in the deferred inflows/outflows related to the City's pension assets and liabilities as well as increases in the compensated absences liability.
- In the City's business-type activities, revenues decreased approximately \$320 thousand or 4.0% and expenses decreased \$633 thousand or 8.7%. The decreases in revenues were primarily a result of reduced water sales revenues; and the decrease in expenditures is a direct result of the deferred inflows/outflows relative to pension and Other Post-Employment Benefits (OPEB) liabilities and expenses.
- Total cost of all City programs was \$267.7 million with no new programs added this year. This represents a \$11.0 million increase compared to fiscal year 2017. The increase represents, in part, recognition of the OPEB liabilities and expenses as required by implementation of GASB 75 effective with the June 30, 2018 financial statements.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$28.3 million, or 14.3% of general fund budgetary expenditures and transfers out.
- The tax collection rate was 98.61% on the current levy, a slight decrease to last year's rate of 98.92%.
- The City of Bristol's total bonded indebtedness including its Enterprise fund bonds decreased \$7.9 million to \$73.8 million or 9.7% after current year annual debt service payments. The City issued \$25.4 million in general obligation refunding bonds to refinance outstanding bonds relative to the City's 2011 general obligation bond issue. The City generated savings over the life of the bonds of approximately \$1.4 million. The City also "rolled over" (reissued) two bond anticipation notes (BANs) that included \$4.0 million in taxable general obligation BANs originally issued in 2008 and \$3.4 million in tax exempt BANs originally issued in the Spring of 2017 with an additional new borrowing amount of \$8.4 million for a total of tax exempt BANs of \$11.8 million.

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.

The statement of net position and the statement of activities divides 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 established 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 grants, and other funds restricted for specific purposes. 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 included with 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. 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 provides more detail and additional information, such as cash flows, for the 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-employment 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 (as restated) decreased from a year ago from \$542 million to \$537 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.

**TABLE 1
SUMMARY SCHEDULE OF NET POSITIONS**

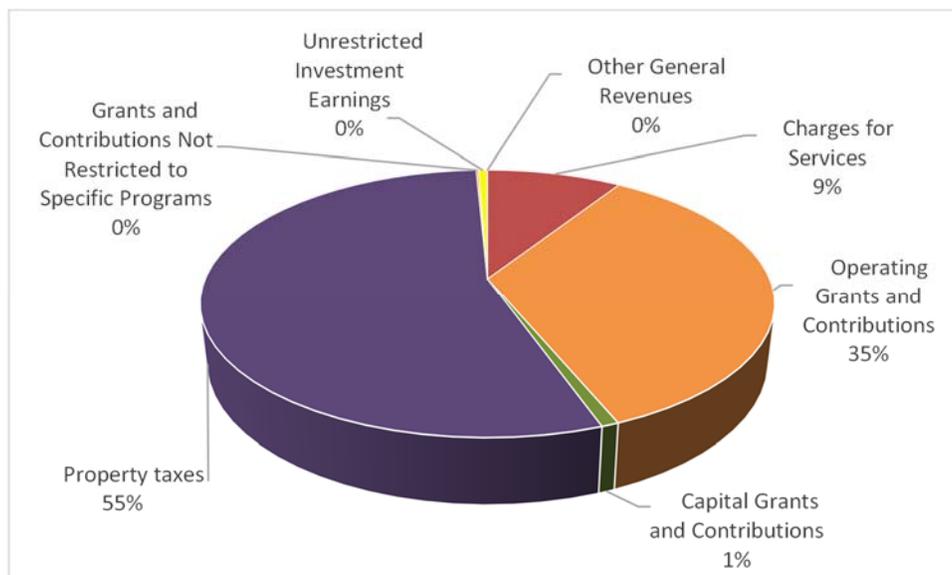
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017 (as Restated)	2018	2017 (as Restated)	2018	2017 (as Restated)
Current and other assets	\$ 319,453,574	\$ 314,606,686	\$ 18,126,216	\$ 16,844,055	\$ 337,579,790	\$ 331,450,741
Capital assets, net of accumulated depreciation	359,286,400	353,338,252	23,118,622	23,100,100	382,405,022	376,438,352
Total assets	<u>678,739,974</u>	<u>667,944,938</u>	<u>41,244,838</u>	<u>39,944,155</u>	<u>719,984,812</u>	<u>707,889,093</u>
Deferred Outflows of Resources	23,458,382	44,834,074	327,624	86,237	23,786,006	44,920,311
Long-term liabilities outstanding	151,469,734	164,609,326	6,532,668	6,808,725	158,002,402	171,418,051
Other liabilities	38,989,876	32,299,282	705,999	727,264	39,695,875	33,026,546
Total liabilities	<u>190,459,610</u>	<u>196,908,608</u>	<u>7,238,667</u>	<u>7,535,989</u>	<u>197,698,277</u>	<u>204,444,597</u>
Deferred Inflows of Resources:	8,846,202	5,915,333	691,488	-	9,537,690	5,915,333
Net Position:						
Net investment in capital assets	266,282,611	257,933,889	20,577,181	20,317,443	286,859,792	278,251,332
Restricted	202,388,179	198,936,006	9,278,021	8,009,897	211,666,200	206,945,903
Unrestricted	<u>34,221,754</u>	<u>53,085,176</u>	<u>3,787,105</u>	<u>4,167,063</u>	<u>38,008,859</u>	<u>57,252,239</u>
Total Net Position	<u>\$ 502,892,544</u>	<u>\$ 509,955,071</u>	<u>\$ 33,642,307</u>	<u>\$ 32,494,403</u>	<u>\$ 536,534,851</u>	<u>\$ 542,449,474</u>

Net position of the City’s governmental activities decreased by 1.4% or \$7.1 million compared to a prior increase of \$1.3 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 \$34.2 million at the end of this year. The net position of business-type activities increased by \$1.1 million in 2018 compared to 2017, as restated.

TABLE 2
SUMMARY STATEMENTS OF ACTIVITIES

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
	Revenues:					
Program revenues:						
Charges for services	\$ 15,783,942	\$ 15,774,805	\$ 7,500,510	\$ 7,820,045	\$ 23,284,452	\$ 23,594,850
Operating grants and contributions	93,600,969	84,993,707			93,600,969	84,993,707
Capital grants and contributions	2,136,579	4,213,374			2,136,579	4,213,374
General revenues:						
Property taxes	140,813,458	142,203,594			140,813,458	142,203,594
Grants and contributions not restricted to specific programs	422,149	565,492			422,149	565,492
Unrestricted investment earnings	1,125,319	583,170	306,518	527,135	1,431,837	1,110,305
Other general revenues	78,465	1,324,905			78,465	1,324,905
Total revenues	<u>253,960,881</u>	<u>249,659,047</u>	<u>7,807,028</u>	<u>8,347,180</u>	<u>261,767,909</u>	<u>258,006,227</u>
Program expenses:						
General government	12,194,227	21,518,842			12,194,227	21,518,842
Public safety	37,443,005	31,225,680			37,443,005	31,225,680
Public works	28,720,300	27,755,308			28,720,300	27,755,308
Health and welfare	8,566,460	8,472,561			8,566,460	8,472,561
Libraries	3,250,406	3,111,382			3,250,406	3,111,382
Parks and recreation	3,617,439	3,526,465			3,617,439	3,526,465
Education	164,662,832	152,095,342			164,662,832	152,095,342
Interest on long-term debt	2,568,739	1,714,198			2,568,739	1,714,198
Water			6,659,124	7,292,518	6,659,124	7,292,518
Total program expenses	<u>261,023,408</u>	<u>249,419,778</u>	<u>6,659,124</u>	<u>7,292,518</u>	<u>267,682,532</u>	<u>256,712,296</u>
Change in net position	(7,062,527)	239,269	1,147,904	1,054,662	(5,914,623)	1,293,931
Net position - beginning	509,955,071	530,100,045	32,494,403	27,029,021		
Restatement		(20,384,243)		4,410,720		
Net position - ending	<u>\$ 502,892,544</u>	<u>\$ 509,955,071</u>	<u>\$ 33,642,307</u>	<u>\$ 32,494,403</u>	<u>\$ (5,914,623)</u>	<u>\$ 1,293,931</u>

The City's total revenues were \$261.8 million. The total cost of all programs and services was \$267.7 million. The pie chart analysis below considers the operations of governmental and business-type activities.



Governmental Activities

Governmental Activities decreased the City of Bristol's net position by \$7.1 million. The prior year increase in net position was \$239 thousand. Key elements of this decrease with offsetting increases are as follows:

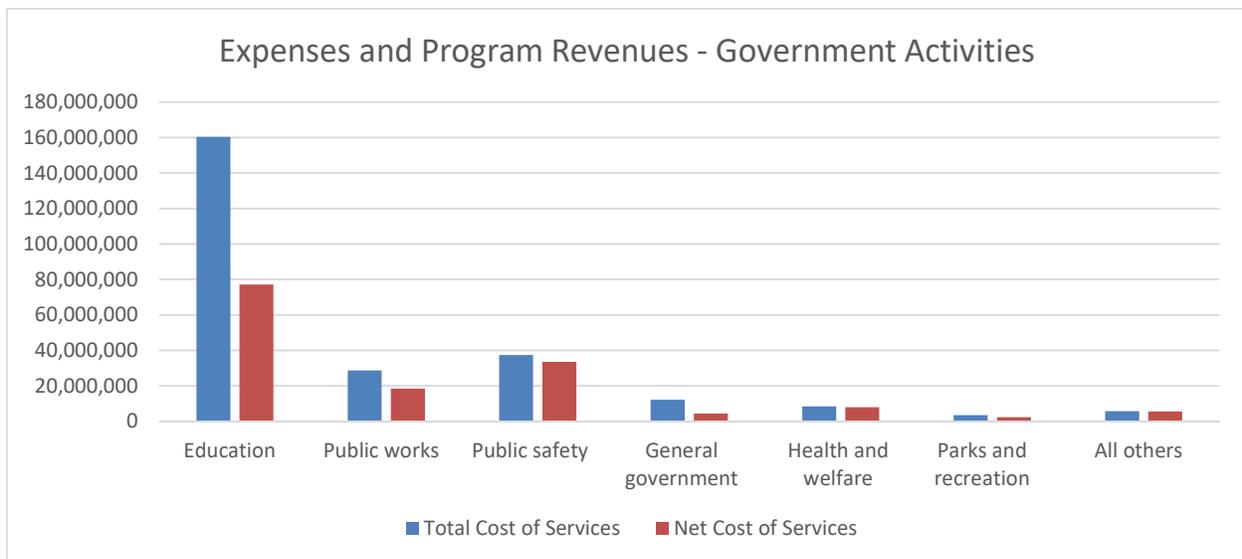
- Property tax collections decreased approximately \$1.4 million compared to the prior year. The decrease is due to two factors:
 - The city did not have a tax increase for the July 1, 2017 tax bills. The mill rate remained the same as in the prior year at 36.03 for Real Estate and Personal Property; and,
 - At the time the budget was adopted in early June 2017 there was a statutory cap on the motor vehicle mill rate of 32 mills. At that time the State of Connecticut had not yet adopted a State budget and State revenues were relatively unknown. The City, per past practice, adopted the budget under the current statutory legislation using the mill rate cap of 32 mills. Had the 36.03 mill rate been used for the Motor Vehicle bills it would have generated approximately an additional \$1.5 million in tax revenue.
 - As an offset to this decrease the City did generate additional revenue with the Supplemental Motor Vehicle bills that were issued for January 1, 2018. The City had anticipated approximately \$1 million and the actual collections were approximately \$1.6 million.
- Operating grants and contributions for governmental activities increased by \$8.6 million primarily due to increased grants received for Educational Services.
- Capital grants and contributions decreased \$2.1 million as a result of decreased expenditures and grant revenues associated with the Clean Water Fund sewer upgrade project the City completed during the year.
- Charges for services remained steady.
- Investment earnings increased \$542 thousand. Interest rates still remain quite low but have increased slightly throughout the year; however, the City has had success with its investments to maximize earnings while remaining within the parameters of its cash management investment policy as well as having increased cash on hand for operations since it funded the capital funds through authorized long term borrowing.

- Governmental activities expenses increased \$11.6 million primarily as a result of the increase in deferred inflows/outflows for the pension and other post-employment benefits as well as an increase in the compensated absences liability.

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
(in thousands)

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Education	\$ 164,662,832	\$ 152,095,342	\$ 77,094,392	\$ 73,690,669
Public works	28,720,300	27,755,308	18,511,027	11,942,261
Public safety	37,443,005	31,225,680	33,527,477	28,964,453
General government	12,194,227	21,518,842	4,375,015	14,612,803
Health and welfare	8,566,460	8,472,561	7,912,485	8,153,900
Parks and recreation	3,617,439	3,526,465	2,417,419	2,300,798
All others	5,819,145	4,825,580	5,664,103	4,773,008
Total	\$ 261,023,408	\$ 249,419,778	\$ 149,501,918	\$ 144,437,892



Business-Type Activities

Revenues of the City's business-type activities (see Table 2) were \$7.8 million in 2018 compared to \$8.3 million in 2017 and net expenses decreased by 8.7%. The factors influencing these results included:

- Revenues: Decreases were experienced in charges for services due to a reduction in sales as a result of it being a wet year.
- Expenses: The decrease is primarily a result of the deferred inflows/outflows relative to this fund's share of pension and OPEB assets/liabilities and expenses, approximately \$781 thousand.

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 \$49.3 million.

Approximately 19% of this total amount (\$9.5 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 \$28.3 million, while total fund balance reached \$37.8 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% of that same amount. This compares to 12.7% and 17.8, respectively, to the prior year.

The Capital Projects Fund has a deficit fund balance of \$9.5 million. At June 30, 2018 this fund is pending the issuance of bonds in fiscal year 2018-2019.

The Debt Service Fund has a total fund balance of \$1.7 million, 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 totaled \$3.8 million and the Health Benefits and Workers' Compensation funds amounted to \$15.5 million.

This Health Benefits and Workers' Compensation fund experienced a decrease in Charges for Services of \$2.4 million. This category accounts for the City's contributions as well as the employee contribution for health insurance. At the time of budget adoption the City opted to use some of the fund's reserves to offset budgetary increases in health insurance claims and costs. As a result transfers from the City and Board of Education were slightly lower than the prior year. There was an increase in claims compared to the prior year primarily a result of an increase in large claims. Overall this fund experienced approximately a \$1 million decrease in net position.

Other factors concerning the finances of the Water Department have already been addressed in the discussion of 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 98.61. Current tax collections increased slightly over the prior year as there was no increase in the mill rate as it remained consistent at 36.03.
- Building permit collections were \$544 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. For this year state grants were budgeted with available known estimates from the State at the time. Fiscal year 2017-2018 was a very difficult budget year for the State of Connecticut. The City adopted its budget in June without an adopted state budget. The State budget was finally adopted in November and the result was a decrease of approximately \$2.5 million in anticipated grants the City had budgeted for. Specifically the City budgeted \$1.1 million in a motor vehicle tax grant that was designed to make up the difference in the mill rate cap of 32 and the City's adopted mill rate of approximately 36.03. Final budget legislation modified the cap to 45 mills essentially eliminating this expected grant to the City. In addition, the City anticipated a Revenue Sharing grant of \$1.8 million which was also eliminated. Another grant reduction was in the City's Education Cost Sharing for Education. While the adopted State budget essentially left this grant intact there were two factors after the fact that affected this grant. First was a holdback the Governor initiated of \$250,000 and the second was a negative adjustment to prior year Excess Cost expenditures that affected the ECS grant by approximately \$500,000. All in, with other unexpected adjustments to grants, positive and negative, the City experienced a deficit in Intergovernmental Revenues of approximately \$3.2 million. Budgeted amounts are estimated based on the best information available at the time of budget adoption.

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 departments 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, private duty contracts, of which the cost is paid for by the third party contractor, 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.
- 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 – Street Lighting costs were more than budgeted primarily due to the City anticipating savings from installing new energy efficient street lights. The program was started later than anticipated and as a result there was a delay in realizing the savings.
- Retirement Benefits – The City contribution to the Retirement Fund during the year was \$2.6 million. Per the actuarial valuation the required contribution for the 2018 fiscal year was 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 \$423 thousand due to increased Special Education costs not eligible for State reimbursement.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the City had \$359.3 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 \$5.9 million, or 1.7%, over last year.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017 (as Restated)	2018	2017	2018	2017 (as Restated)
Land	\$ 18,651,113	\$ 18,643,403	\$ 2,752,140	\$ 2,752,140	\$ 21,403,253	\$ 21,395,543
Construction in progress	5,954,233	31,572,679	1,134,564	1,105,211	7,088,797	32,677,890
Buildings	185,034,206	165,130,828	16,770,997	16,829,876	201,805,203	181,960,704
Improvement other than buildings	3,606,433	4,926,531			3,606,433	4,926,531
Machinery and equipment	31,131,634	19,704,769	2,460,921	2,412,873	33,592,555	22,117,642
Infrastructure	114,908,781	113,360,042			114,908,781	113,360,042
Total	\$ 359,286,400	\$ 353,338,252	\$ 23,118,622	\$ 23,100,100	\$ 382,405,022	\$ 376,438,352

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

Construction in progress

- Governmental Activities: A significant number of major projects were completed during the fiscal year, decreasing the Construction in progress comparatively to the prior year. These projects included: completion of the phosphorus removal facility at the Water Pollution Control plant; Muzzy Field improvements; synthetic fields at the two high schools; radio system replacement; and roof replacement at Hubbell and Chippens Hill schools.

Buildings

- Governmental Activities: Approximately 73% of the increase in Buildings is due to the completion of the Phosphorus Removal facility at the WPC plant. The other major items include improvements to the public works facility and the recycling building.

Improvements other than buildings

- Governmental Activities: Increase is primarily improvements to tennis courts at the two high schools.

Machinery and Equipment

- Governmental Activities: Increase is primarily the addition of the radio communication tower from CIP of approximately \$6.6 million; purchase of a fire truck of approximately \$0.6 million, and the Street Light LED Upgrade of approximately \$1.8 million. In addition there were purchases of new vehicles and various equipment in the Police, Fire, Parks and Public Works Departments.

The City's fiscal year 2017-2018 capital budget called for it to spend \$6.78 million for capital projects.

Fiscal Year 2018 Capital Budget	
<u>Department</u>	
Board of Education	\$192,765
Fire Department	572,000
City Clerk	15,000
Parks Department	200,000
Public Works	5,400,000
Public Works – WPC	400,000
Total All Departments	<u>\$6,779,765</u>
<u>Funding</u>	
Sale of Bonds	\$3,602,000
General Fund Cash	392,765
WPC CNR	400,000
Other Funds	<u>2,385,000</u>
Total All Funding	<u>\$6,779,765</u>

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 Central High School
- Centre Square Infrastructure project to aid in the further development of Centre Square property with the construction of an interior road with traffic signal, bus stop and streetscape improvements
- Parks Department to replace bleachers at Muzzy Field
- Replacement of a fire engine
- 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, 2018, the City had \$64.5 million in total bonded indebtedness versus \$73.3 million last year – a decrease of 12% – as shown in Table 5. The increase is primarily due principal debt payments during the year. The City did not issue any new long term debt during the fiscal year, however, a refunding of outstanding principal balances on the 2011 bond issue was completed in November 2017.

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

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds (Backed by the City)	\$ 62,093,000	\$ 70,580,000	\$ 2,357,678	\$ 2,722,196	\$ 64,450,678	\$ 73,302,196

The City also “rolled over” or reissued its \$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 also rolled over \$3.4 million in bond anticipation notes as well as adding \$8.4 million to finance various capital projects in May 2018.

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 the 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 2018 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 4.8% versus 5.4% a year ago. This compares with the State’s unemployment rate of 4.4% (not seasonally adjusted) and the national rate of 3.9%. (Source: CT Department of Labor, 2018 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 2018-19. Amounts appropriated in the 2018-2019 General Fund budget are \$194 million, an increase of \$2 million over the previous year’s budget of approximately \$191 million. The property tax rate increased from 36.03 to 36.88 or 2.4%.

The City will used these budgetary increases to finance programs currently offered and to off-set the effect that we expect inflation to have on program costs.

If these estimates are realized, the City’s budgetary General Fund balance is expected to remain constant at June 30, 2019, however surpluses in various revenue accounts are anticipated to be realized which will increase the City’s undesignated fund balance. Residential Building Permits, Conveyance Tax fees, interest income and delinquent tax collections continue to exceed anticipated projections which will continue to be conservatively estimated for budget purposes to reflect current economic conditions.

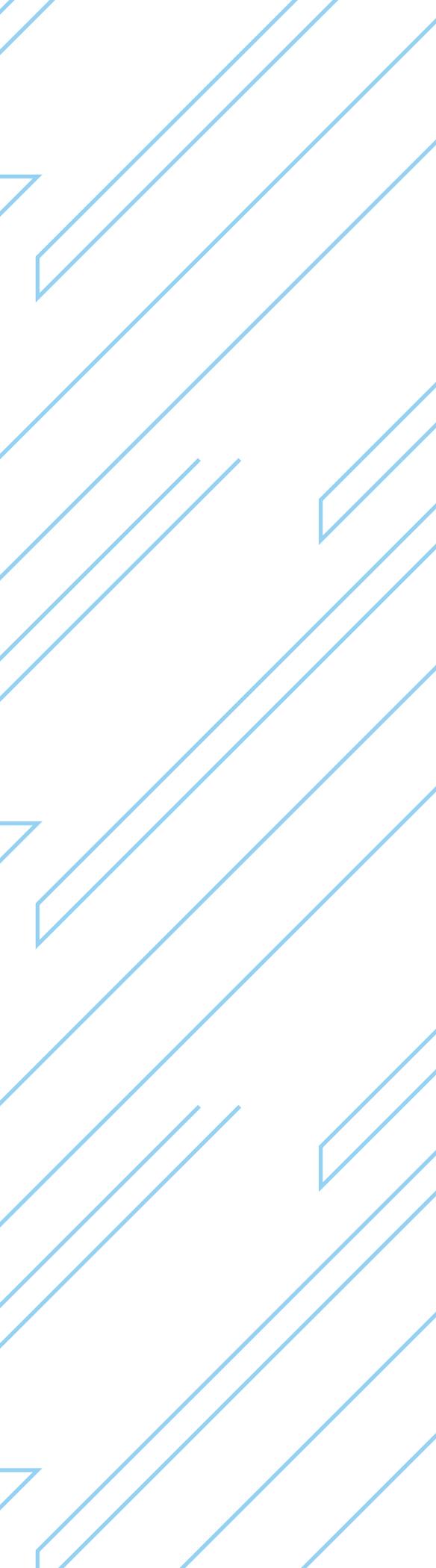
The City of Bristol used approximately \$1 million of its total fund balance; however, was able to increase unassigned fund balance by approximately \$0.5 million due to changes in amounts committed and assigned for various purposes.

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 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.

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Basic Financial Statements

**CITY OF BRISTOL, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Bristol- Burlington Health District
Assets:				
Cash and cash equivalents	\$ 96,315,837	\$ 1,850,983	\$ 98,166,820	\$ 2,727,742
Investments	11,207,106	5,317,102	16,524,208	
Receivables, net	10,618,967	1,414,752	12,033,719	13,278
Inventory	48,771	6,961	55,732	
Other assets	5,457	258,397	263,854	
Net pension asset	201,257,436	9,278,021	210,535,457	
Capital assets:				
Assets not being depreciated	24,605,346	3,886,704	28,492,050	
Assets being depreciated, net	334,681,054	19,231,918	353,912,972	52,334
Total assets	<u>678,739,974</u>	<u>41,244,838</u>	<u>719,984,812</u>	<u>2,793,354</u>
Deferred Outflows of Resources:				
Deferred charge on refunding	1,955,873	92,966	2,048,839	
Deferred outflows related to pension	20,826,458	209,399	21,035,857	
Deferred outflows related to OPEB	676,051	25,259	701,310	
Total deferred outflows of resources	<u>23,458,382</u>	<u>327,624</u>	<u>23,786,006</u>	<u>-</u>
Liabilities:				
Accounts and other payables	10,278,894	539,096	10,817,990	47,796
Accrued liabilities	11,440,357	95,938	11,536,295	15,184
Accrued interest payable	831,608		831,608	
Bond anticipation notes payable	15,800,000		15,800,000	
Other current liabilities		70,965	70,965	
Unearned revenue	639,017		639,017	
Noncurrent liabilities:				
Due within one year	13,527,547	344,097	13,871,644	59,087
Due in more than one year	137,942,187	6,188,571	144,130,758	16,796
Total liabilities	<u>190,459,610</u>	<u>7,238,667</u>	<u>197,698,277</u>	<u>138,863</u>
Deferred Inflows of Resources:				
Deferred inflows related to pension	<u>8,846,202</u>	<u>691,488</u>	<u>9,537,690</u>	
Net Position:				
Net investment in capital assets	266,282,611	20,577,181	286,859,792	52,334
Restricted for:				
Pensions	201,257,436	9,278,021	210,535,457	
Trust purposes:				
Expendable	148,105		148,105	
Nonexpendable	982,638		982,638	
Unrestricted	<u>34,221,754</u>	<u>3,787,105</u>	<u>38,008,859</u>	<u>2,602,157</u>
Total Net Position	<u>\$ 502,892,544</u>	<u>\$ 33,642,307</u>	<u>\$ 536,534,851</u>	<u>\$ 2,654,491</u>

The accompanying notes are an integral part of the financial statements

CITY OF BRISTOL, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Bristol-Burlington Health District
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary Government:								
Governmental activities:								
General government	\$ 12,194,227	\$ 2,328,207	\$ 5,367,328	\$ 123,677	\$ (4,375,015)		\$ (4,375,015)	
Public safety	37,443,005	3,463,788	451,740	-	(33,527,477)		(33,527,477)	
Public works	28,720,300	7,983,155	1,090,680	1,135,438	(18,511,027)		(18,511,027)	
Health and welfare	8,566,460	252,184	401,791	-	(7,912,485)		(7,912,485)	
Libraries	3,250,406	34,440	120,602	-	(3,095,364)		(3,095,364)	
Parks and recreation	3,617,439	601,313	598,707	-	(2,417,419)		(2,417,419)	
Education	164,662,832	1,120,855	85,570,121	877,464	(77,094,392)		(77,094,392)	
Debt service:								
Interest and fiscal charges	<u>2,568,739</u>				<u>(2,568,739)</u>		<u>(2,568,739)</u>	
Total governmental activities	261,023,408	15,783,942	93,600,969	2,136,579	(149,501,918)	-	(149,501,918)	-
Business-type activities:								
Water	<u>6,659,124</u>	<u>7,500,510</u>				841,386	841,386	
Total Primary Government	<u>\$ 267,682,532</u>	<u>\$ 23,284,452</u>	<u>\$ 93,600,969</u>	<u>\$ 2,136,579</u>	<u>(149,501,918)</u>	<u>841,386</u>	<u>(148,660,532)</u>	<u>-</u>
Component Unit:								
Bristol-Burlington Health District	<u>\$ 3,389,223</u>	<u>\$ 154,718</u>	<u>\$ 3,391,708</u>	<u>\$ -</u>				157,203
General revenues:								
Property taxes					140,813,458		140,813,458	
Grants and contributions not restricted to specific programs					422,149		422,149	
Unrestricted investment earnings					1,125,319	306,518	1,431,837	6,435
Miscellaneous					78,465		78,465	
Total general revenues					<u>142,439,391</u>	<u>306,518</u>	<u>142,745,909</u>	<u>6,435</u>
Change in net position					(7,062,527)	1,147,904	(5,914,623)	163,638
Net Position at Beginning of Year, as Restated					<u>509,955,071</u>	<u>32,494,403</u>	<u>542,449,474</u>	<u>2,490,853</u>
Net Position at End of Year					<u>\$ 502,892,544</u>	<u>\$ 33,642,307</u>	<u>\$ 536,534,851</u>	<u>\$ 2,654,491</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>General</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 42,612,874	\$ 1,735,735	\$ 3,883,564	\$ 22,279,139	\$ 70,511,312
Investments	10,272,802			934,304	11,207,106
Receivables, net	5,812,281		3,285,191	1,472,009	10,569,481
Due from other funds	632,868			9,101	641,969
Other assets	5,457				5,457
Inventories				48,771	48,771
Total Assets	<u>\$ 59,336,282</u>	<u>\$ 1,735,735</u>	<u>\$ 7,168,755</u>	<u>\$ 24,743,324</u>	<u>\$ 92,984,096</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts and contracts payables	\$ 6,826,875		\$ 873,605	\$ 1,601,503	\$ 9,301,983
Accrued liabilities	10,306,368			1,133,989	11,440,357
Due to other funds	9,101			1,915,042	1,924,143
Due to other governments				4,348	4,348
Bond anticipation notes payable			15,800,000		15,800,000
Unearned revenue	327,649			272,683	600,332
Total liabilities	<u>17,469,993</u>	<u>-</u>	<u>16,673,605</u>	<u>4,927,565</u>	<u>39,071,163</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	4,065,801				4,065,801
Unavailable revenue - sewer use				28,421	28,421
Unavailable revenue - sewer assessments				474,482	474,482
Total deferred inflows of resources	<u>4,065,801</u>	<u>-</u>	<u>-</u>	<u>502,903</u>	<u>4,568,704</u>
Fund balances:					
Nonspendable	5,457			1,031,409	1,036,866
Restricted		1,735,735		4,871,182	6,606,917
Committed	3,085,523		9,370,382	12,935,317	25,391,222
Assigned	6,367,646			475,328	6,842,974
Unassigned	28,341,862		(18,875,232)	(380)	9,466,250
Total fund balances	<u>37,800,488</u>	<u>1,735,735</u>	<u>(9,504,850)</u>	<u>19,312,856</u>	<u>49,344,229</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 59,336,282</u>	<u>\$ 1,735,735</u>	<u>\$ 7,168,755</u>	<u>\$ 24,743,324</u>	<u>\$ 92,984,096</u>

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CITY OF BRISTOL, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2018

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position:

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

Fund balances - total governmental funds	\$	49,344,229
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$	699,471,964	
Less accumulated depreciation		<u>(340,185,564)</u>	
Net capital assets			359,286,400

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

Net pension asset	201,257,436
Property tax receivables greater than 60 days	2,813,968
Interest receivable on property taxes	1,251,833
Sewer assessments receivable	465,633
Sewer assessments interest receivable	8,849
Sewer usage receivable	28,421
Deferred outflows related to pension	20,826,458
Deferred outflows related to OPEB	676,051

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.

15,530,156

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 serial notes payable	(71,469,432)
Unamortized premium on general obligation bonds	(6,410,408)
Net OPEB liability	(52,566,838)
Interest payable on bonds and notes	(831,608)
Compensated absences	(9,018,661)
Landfill post closure care	(1,409,614)
Deferred charges on refunding	1,955,873
Deferred inflows related to pension	<u>(8,846,202)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>502,892,544</u></u>
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The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	General	Debt Service Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes and assessments	\$ 140,098,541	\$	\$ 25,732	\$ 1,730	\$ 140,126,003
Interest and lien fees on delinquent taxes and assessments	897,504				897,504
Licenses, permit and fees	1,984,246			1,216,249	3,200,495
Intergovernmental	78,647,592		3,936,904	13,555,462	96,139,958
Charges for services	4,047,485			8,628,070	12,675,555
Income on investments	938,635	2,145	18,767	104,838	1,064,385
Miscellaneous	378,426		-	1,178,818	1,557,244
Total revenues	<u>226,992,429</u>	<u>2,145</u>	<u>3,981,403</u>	<u>24,685,167</u>	<u>255,661,144</u>
Expenditures:					
Current:					
General government	6,219,483			1,775,711	7,995,194
Public safety	25,305,953			1,121,433	26,427,386
Public works	15,721,730			7,401,295	23,123,025
Health and welfare	6,316,850			1,263,616	7,580,466
Libraries	2,189,717			39,400	2,229,117
Parks and recreation	2,511,732			199,445	2,711,177
Education	125,250,458			13,867,017	139,117,475
Citywide:					
Employee benefits and pensions	4,468,966				4,468,966
Insurance	27,489,483				27,489,483
Miscellaneous	514,065				514,065
Capital outlay			15,828,191		15,828,191
Debt service:					
Principal retirement		6,340,000	331,856		6,671,856
Interest and fiscal charges	174,108	2,334,063	315,555		2,823,726
Total expenditures	<u>216,162,545</u>	<u>8,674,063</u>	<u>16,475,602</u>	<u>25,667,917</u>	<u>266,980,127</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,829,884</u>	<u>(8,671,918)</u>	<u>(12,494,199)</u>	<u>(982,750)</u>	<u>(11,318,983)</u>
Other Financing Sources (Uses):					
Transfers in	18,309	9,463,677	2,278,033	2,677,975	14,437,994
Transfers out	(11,995,230)		(628,712)	(1,814,052)	(14,437,994)
General obligation bonds issued			1,284,772		1,284,772
Refunding bonds issued	24,932,000				24,932,000
Premium on bonds	3,455,440	25,199			3,480,639
Payment to refunded bond escrow agent	(28,213,332)				(28,213,332)
Total other financing sources (uses)	<u>(11,802,813)</u>	<u>9,488,876</u>	<u>2,934,093</u>	<u>863,923</u>	<u>1,484,079</u>
Net Change in Fund Balance	(972,929)	816,958	(9,560,106)	(118,827)	(9,834,904)
Fund Balance at Beginning of Year	<u>38,773,417</u>	<u>918,777</u>	<u>55,256</u>	<u>19,431,683</u>	<u>59,179,133</u>
Fund Balance at End of Year	<u>\$ 37,800,488</u>	<u>\$ 1,735,735</u>	<u>\$ (9,504,850)</u>	<u>\$ 19,312,856</u>	<u>\$ 49,344,229</u>

(Continued on next page)

**CITY OF BRISTOL, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (9,834,904)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	21,298,766
Depreciation expense	(14,865,941)

The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets.

	(484,677)
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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:

School building grant receipts	(1,087,725)
Property tax receivable - accrual basis change	(321,762)
Property tax interest and lien revenue - accrual basis change	111,713
Sewer assessment receivable - accrual basis change	(11,387)
Sewer assessment interest receivable - accrual change	(75,729)
Sewer usage receivable - accrual basis change	(4,992)
Net pension asset	11,549,996
Deferred outflows related to pension	(22,927,770)
Deferred outflows related to OPEB	676,051

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

Bonds issued	(1,284,772)
Refunding bonds issued	(24,932,000)
Payments to bond refunding agent	28,213,332
Bond principal payments	5,536,971
Bond premiums	(3,455,440)

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:

Net OPEB liability	(850,598)
Net pension liability	8,932,185
Compensated absences	(900,282)
Amortization of bond premiums	611,783
Landfill post closure care	30,595
Accrued interest	(9,775)
Amortization of deferred charge on refunding	876,027
Deferred inflows related to pension	(2,930,869)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

	(921,323)
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Change in Net Position of Governmental Activities (Exhibit II)	\$ <u>(7,062,527)</u>
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The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2018**

	Business-Type Activities Water Enterprise Fund	Governmental Activities Internal Service Fund
Assets:		
Current assets:		
Cash and cash equivalents	\$ 1,850,983	\$ 25,804,525
Investments	5,317,102	
Receivables, net	1,414,752	49,486
Due from other funds		1,282,174
Inventories	6,961	
Other assets	258,397	
Total current assets	<u>8,848,195</u>	<u>27,136,185</u>
Noncurrent assets:		
Net pension asset	9,278,021	
Capital assets:		
Assets not being depreciated	3,886,704	
Assets being depreciated, net	19,231,918	
Total noncurrent assets	<u>32,396,643</u>	<u>-</u>
Total assets	<u>41,244,838</u>	<u>27,136,185</u>
Deferred Outflows of Resources:		
Deferred charge on refunding	92,966	
Deferred outflows related to pension	209,399	
Deferred outflows related to OPEB	25,259	
Total deferred outflows of resources	<u>327,624</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Accounts and other payables	539,096	972,563
Payroll liabilities	95,938	
Customer deposits	70,965	
Unearned revenues		38,685
Compensated absences - current	48,841	
Bonds payable - current	258,000	
Notes payable - current	37,256	
Unpaid claims - current		5,318,585
Total current liabilities	<u>1,050,096</u>	<u>6,329,833</u>
Noncurrent liabilities:		
Compensated absences	313,407	
Bonds payable	1,587,762	
Notes payable	658,423	
Net OPEB liability	3,628,979	
Unpaid claims - noncurrent		5,276,196
Total noncurrent liabilities	<u>6,188,571</u>	<u>5,276,196</u>
Total liabilities	<u>7,238,667</u>	<u>11,606,029</u>
Deferred Inflows of Resources:		
Deferred inflows related to pension	<u>691,488</u>	
Net Position:		
Net investment in capital assets	20,577,181	
Restricted for pensions	9,278,021	
Unrestricted	<u>3,787,105</u>	<u>15,530,156</u>
Total Net Position	<u>\$ 33,642,307</u>	<u>\$ 15,530,156</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2018**

	Business-Type Activities Water Enterprise Fund	Governmental Activities Internal Service Fund
Operating revenues:		
Charges for services	\$ 7,078,318	\$ 37,060,933
Contributions		81,734
Miscellaneous	422,192	800,913
Total operating revenues	<u>7,500,510</u>	<u>37,943,580</u>
Operating expenses:		
Source of supply	241,077	
Pumping	254,304	
Purification	947,127	
Transmission and distribution	1,144,342	
Customer accounts, administrative and general	2,430,106	
Depreciation	1,061,720	
Taxes other than income taxes	506,148	
Insurance claims, premiums and fees		38,925,837
Total operating expenses	<u>6,584,824</u>	<u>38,925,837</u>
Operating income (loss)	<u>915,686</u>	<u>(982,257)</u>
Nonoperating revenues (expenses):		
Income on investments	306,518	60,934
Interest expense	(86,964)	
Amortization of debt discount and expense	16,177	
Bond Issuance Costs	(3,513)	
Total nonoperating revenues	<u>232,218</u>	<u>60,934</u>
Change in Net Position	1,147,904	(921,323)
Net Position at Beginning of Year	<u>32,494,403</u>	<u>16,451,479</u>
Net Position at End of Year	<u>\$ 33,642,307</u>	<u>\$ 15,530,156</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2018**

	Business-Type Activities Water Enterprise Fund	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:		
Cash received from charges for services and contributions	\$ 7,414,494	\$ 37,073,493
Cash received from other operating revenue		838,543
Cash paid to employees	(3,042,180)	
Cash paid to suppliers	(3,296,200)	
Cash payment for claims paid		(39,678,500)
Deposits paid back to customers	27,801	
Cash paid for interfund services used		(335,674)
Net cash provided by (used in) operating activities	<u>1,103,915</u>	<u>(2,102,138)</u>
Cash Flows from Capital Financing Activities:		
Purchase of capital assets/utility plant	(1,112,685)	
Issuance of bonds and notes	22,037	
Principal payments bonds/notes	(321,518)	
Interest payments and issuance costs	(76,558)	
Net cash used in capital and related financing activities	<u>(1,488,724)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Income on investments	14,063	60,934
Net Increase in Cash and Cash Equivalents	(370,746)	(2,041,204)
Cash and Cash Equivalents at Beginning of Year	<u>2,221,729</u>	<u>27,845,729</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,850,983</u>	<u>\$ 25,804,525</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ 915,686	\$ (982,257)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,061,720	
(Increase) decrease in accounts receivable	(86,016)	12,560
(Increase) decrease in inventory	(5,901)	
(Increase) decrease in other assets	(411)	
(Increase) decrease in net pension asset	(1,268,124)	
(Increase) decrease in deferred outflows	(234,658)	
(Increase) decrease in due from other funds		(335,674)
Increase (decrease) in accounts payable	(107,984)	485,155
Increase (decrease) in unearned revenues		(44,104)
Increase (decrease) in accrued liabilities	58,918	
Increase (decrease) in accrued compensated absences	21,594	
Increase (decrease) in unpaid claims		(1,237,818)
Increase (decrease) in customer deposits	27,801	
Increase (decrease) in net OPEB liability	29,802	
Increase (decrease) in deferred inflows	691,488	
Total adjustments	<u>188,229</u>	<u>(1,119,881)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,103,915</u>	<u>\$ (2,102,138)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Pension and OPEB Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 11,915,121	\$ 822,072
Investments, at fair value:		
Certificates of deposit		76,665
U.S. government securities	3,603,716	
U.S. government agencies	6,973,247	
Corporate bonds	18,946,861	
Mutual funds	46,628,811	
Common stock	291,475,393	
Alternative Investments	277,609,151	
Total investments	<u>645,237,179</u>	<u>76,665</u>
Total assets	<u>657,152,300</u>	<u>898,737</u>
Liabilities:		
Accounts payable	54,357	144
Due to senior citizens		122,046
Due to student groups		776,547
Total liabilities	<u>54,357</u>	<u>898,737</u>
Net Position:		
Held in Trust for Pension Benefits	647,171,556	
Held in Trust for OPEB Benefits	<u>9,926,387</u>	
Total Net Position	<u>\$ 657,097,943</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN NET POSITION
 PENSION TRUST FUNDS AND OPEB TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2018**

	Pension and OPEB Trust Funds
Additions:	
Contributions:	
Employer	\$ 8,418,466
Plan members	2,838,014
Total contributions	<u>11,256,480</u>
Investment income:	
Net appreciation in fair value of investments	55,177,262
Interest and dividends	7,303,914
Total	<u>62,481,176</u>
Less investment expense	<u>(4,257,115)</u>
Total investment income	<u>58,224,061</u>
Total additions	<u>69,480,541</u>
Deductions:	
Benefits	28,683,914
Administration	190,448
Total deductions	<u>28,874,362</u>
Net Change	40,606,179
Net Position at Beginning of Year	<u>616,491,764</u>
Net Position at End of Year	<u>\$ 657,097,943</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City was incorporated in 1911. Its legal authority is derived from Chapter Ninety-nine (99) 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.

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 of Bristol, the District is presented discretely as it is fiscally dependent upon the City. The City contributes almost eighty percent (86%) 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 of Bristol, 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 (14) 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 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) in Bristol, Connecticut. The governing board consists of City officials appointed by each of the participating municipalities and assumes all the management decisions. Fund balance for fiscal year ended June 30, 2018 as reflected in BRRFOC's financial statements is \$1.4 million. A complete set of financial statements for BRRFOC can be obtained from the administrative office at 27 W. Main Street, New Britain, Connecticut 06051.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the City is reported separately from a certain legally separate component unit 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate 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.

C. 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, except for Agency Funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available 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.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

- 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.

Additionally, the City reports the following fund types:

- The *Internal Service Fund* accounts for the risk management activities of the City.
- The *Pension and OPEB Trust Funds* account for the activities of the City Pension and Other Postemployment Benefits (OPEB) Plans, which accumulate resources for pension and OPEB benefit payments to qualified City employees.
- 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 and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service fund include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments for the City, as well as for its component units, are reported at fair value.

E. Receivables and Payables

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

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 assessed values 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.

Accounts receivables, property tax receivables and notes receivable for the primary government are reported net of allowance for doubtful accounts of \$408,000. 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.

F. 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.

G. 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.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

H. 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 estimated 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.

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:

<u>Assets</u>	<u>Years</u>
Buildings	25-50
Improvements other than buildings	20
Machinery and equipment	3-20
Infrastructure	10-65

I. 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 and OPEB in the government-wide statement of net position and proprietary funds 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 and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB 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 pension in the government-wide statement of net position and proprietary funds 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 several sources: property taxes, special assessments and sewer use. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

J. Compensated Absences

A limited amount of vacation time earned may be accumulated by employees until termination of their employment. Vacation leave is valued 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.

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.

K. 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. Bond issuance costs whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

L. Net OPEB Liability

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

M. 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 component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. 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* - Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* - This component consists of net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

- *Nonspendable Fund Balance* - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).
- *Restricted Fund Balance* - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of other governments.
- *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.
- *Unassigned Fund Balance* - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

N. Accounting Estimates

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

O. Reclassifications

Certain items related to the prior year have been reclassified to conform to the current year's financial statement presentation. The reclassifications have no effect on previously reported results.

P. Adoption of New Accounting Pronouncements

For the year ended June 30, 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, and GASB Statement No. 85, *Omnibus 2017*.

GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. As a result of implementation, the City restated beginning net position of its governmental activities, business type activities and proprietary funds as detailed in Note 18.

GASB Statement 85 - *Omnibus 2017*. The objective of this Standard is to address practice issues that have been identified during implementation and application of certain GASB Statements. Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and "negative" goodwill
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. 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.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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 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. Revisions in excess of \$5,000 require Board of Finance and City Council approval. All budget revisions must be approved. Additional appropriations in the amount of approximately \$10,582,000 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, the City has reported on-behalf payments made by the State of Connecticut into the teachers' retirement system for Pension and OPEB Plans 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.

B. Fund Deficit

At June 30, 2018, the City reported negative fund balance/net position for the following funds:

Nonmajor Governmental Funds:	\$	380
Special Education Grants Fund		
Capital Projects Fund	\$	9,504,850

**CITY OF BRISTOL, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018**

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). 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.

A. Deposits

Deposit Custodial Credit Risk

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

Based on the criteria described in GASB Statement No. 40, Deposits and Investment Risk Disclosures, \$101,097,737 of the City’s bank balance of \$103,067,428 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 90,798,594
Uninsured and collateral held by the pledging bank’s trust department, not in the City’s name	<u>10,299,143</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 101,097,737</u></u>

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

At June 30, 2018, the entire amount of the component unit’s deposits were included as part of pooled cash with the City’s cash accounts. Responsibility for custodial credit risk of deposits for the component unit rest with the City.

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, 2018, the cash equivalent amounted to \$12,164,245. 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.

	<u>Standard & Poor’s</u>
State of Connecticut Short-Term Investment Fund	AAAm
Morgan Stanley	*
MultiBank	*
Northern Capital Securities	*

* Not Rated

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

Statement of net position:	
Cash and cash equivalents	\$ 98,166,820
Investments	<u>16,524,208</u>
Total statement of net position	<u>114,691,028</u>
Fiduciary funds:	
Cash and cash equivalents	12,737,193
Investments	<u>645,313,844</u>
Total fiduciary funds	<u>658,051,037</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 772,742,065</u>

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

B. Investments

Investments as of June 30, 2018 in all funds are as follows:

	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
		<u>Less Than 1</u>	<u>1-10</u>	<u>More Than 10</u>
Investment by fair value level:				
Certificate of Deposit*	\$ 7,660,371 *	\$ 3,191,482	\$ 4,468,889	\$
U.S. Government Securities	3,603,716	1,054,739	717,838	1,831,139
U.S. Government Agencies	9,662,343	259,875	2,732,279	6,670,189
Corporate Bonds	<u>18,946,861</u>	<u>612,951</u>	<u>14,086,114</u>	<u>4,247,796</u>
Total	39,873,291 \$	<u>5,119,047</u> \$	<u>22,005,120</u> \$	<u>12,749,124</u>
Other investments:				
Common stock	291,475,393			
Mutual funds	52,880,217			
Alternative investments	<u>277,609,151</u>			
Total Investments	\$ <u>661,838,052</u>			

*Subject to coverage by federal depository insurance and collateralization.

Average rating for of investments in debt securities at June 30, 2018 is as follows:

<u>Average Rating</u>	<u>Corporate Bonds</u>	<u>U.S. Government Securities</u>	<u>U.S. Government Agencies</u>	<u>Certificate of Deposit</u>	<u>Total</u>
Aaa	\$	\$ 3,603,716	\$ 9,662,343	\$	\$ 13,266,059
Aa2	1,403,600				1,403,600
A1	1,161,699				1,161,699
A2	1,311,461				1,311,461
A3	1,003,886				1,003,886
Baa1	2,885,062				2,885,062
Baa2	3,290,205				3,290,205
Baa3	3,927,247				3,927,247
Ba1	92,497				92,497
Ba2	25,753				25,753
Ba3	546,344				546,344
B1	614,861				614,861
B2	182,995				182,995
Unrated	<u>2,501,251</u>			<u>7,660,371</u>	<u>10,161,622</u>
	\$ <u>18,946,861</u>	\$ <u>3,603,716</u>	\$ <u>9,662,343</u>	\$ <u>7,660,371</u>	\$ <u>39,873,291</u>

Interest Rate Risk

The City does not 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.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Credit Risk - Investments

As indicated above, State Statutes limit the investment options of cities. The City has an investment policy that allows the same type of investments as State Statutes.

Concentration of Credit Risk

The City does not have a policy limiting investments in any one issuer that is in excess of five percent of the City's total investments.

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2018, the City did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

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.

C. Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2018:

<u>Investment Type</u>	<u>June 30, 2018</u>	<u>Fair Value Measurement Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government Securities	\$ 3,603,716	\$ 3,603,716	\$	\$
U.S. Government Agencies	9,662,343	9,662,343		
Corporate Bonds	18,946,861	18,946,861		
Common Stock	291,475,393	291,475,393		
Mutual Funds	<u>52,880,217</u>	<u>52,880,217</u>		
Total investments by fair market value level	376,568,530	<u>\$ 376,568,530</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value (NAV):				
Alternative Investments	<u>277,609,151</u>			
Total Investments Measured at Fair Value	\$ 654,177,681			
Certificate of Deposits	<u>7,660,371</u>			
Total Investments	<u>\$ 661,838,052</u>			

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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.

The Pension and OPEB Trust 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.

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.

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

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Alternative Investments	\$ 92,107,312	\$ 38,082,029	N/A	N/A
Alternative Investments	171,192,865		Quarterly	30-60 days
Alternative Investments	13,843,238		Annual	60 days
Alternative Investments	<u>465,736</u>		Monthly	185 days
	<u>\$ 277,609,151</u>			

Private equity funds include 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, 2018, 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.

Real estate funds include 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 equivalents) 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 investments will be sold, the fair value of each individual investments has been determined using the NAV per share (or its equivalents) of the Plan's ownership interest in partners' capital.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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:

	<u>General</u>	<u>Capital Projects</u>	<u>Water Enterprise Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:					
Taxes	\$ 3,495,177	\$	\$	\$	\$ 3,495,177
Interest	1,251,833				1,251,833
Accounts	726,059		1,448,492	328,887	2,503,438
Special assessments			64,503	474,482	538,985
Intergovernmental	<u>649,212</u>	<u>3,285,191</u>		<u>718,126</u>	<u>4,652,529</u>
Gross receivables	6,122,281	3,285,191	1,512,995	1,521,495	12,441,962
Less allowance for uncollectibles	<u>310,000</u>		<u>98,243</u>		<u>408,243</u>
Net Total Receivables	<u>\$ 5,812,281</u>	<u>\$ 3,285,191</u>	<u>\$ 1,414,752</u>	<u>\$ 1,521,495</u>	<u>\$ 12,033,719</u>

Total uncollectible amounts related to revenues of the current period are as follows:

General Fund:	
Uncollectibles related to taxes receivable	\$ 300,000
Uncollectibles related to accounts receivable	10,000
Water Enterprise Fund:	
Uncollectibles related to accounts receivable	<u>98,243</u>
Total Uncollectibles of the Current Fiscal Year	<u>\$ 408,243</u>

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 18,643,403	\$ 164,470	\$ (156,760)	\$	\$ 18,651,113
Construction in progress	31,572,679	12,871,432		(38,489,878)	5,954,233
Total capital assets not being depreciated	<u>50,216,082</u>	<u>13,035,902</u>	<u>(156,760)</u>	<u>(38,489,878)</u>	<u>24,605,346</u>
Capital assets being depreciated:					
Buildings	289,193,291	115,611		26,376,400	315,685,302
Improvements other than buildings	15,906,831			736,401	16,643,232
Machinery and equipment	77,579,998	5,399,441	(7,221,951)	9,317,842	85,075,330
Infrastructure	253,973,840	2,747,812	(1,318,133)	2,059,235	257,462,754
Total capital assets being depreciated	<u>636,653,960</u>	<u>8,262,864</u>	<u>(8,540,084)</u>	<u>38,489,878</u>	<u>674,866,618</u>
Less accumulated depreciation for:					
Buildings	(124,062,463) *	(6,588,633)			(130,651,096)
Improvements other than buildings	(10,980,300) *	(2,056,499)			(13,036,799)
Machinery and equipment	(57,875,229) *	(3,016,561)	6,948,094		(53,943,696)
Infrastructure	(140,613,798) *	(3,204,248)	1,264,073		(142,553,973)
Total accumulated depreciation	<u>(333,531,790)</u>	<u>(14,865,941)</u>	<u>8,212,167</u>	<u>-</u>	<u>(340,185,564)</u>
Total capital assets being depreciated, net	<u>303,122,170</u>	<u>(6,603,077)</u>	<u>(327,917)</u>	<u>38,489,878</u>	<u>334,681,054</u>
Governmental Activities Capital Assets, Net	<u>\$ 353,338,252</u>	<u>\$ 6,432,825</u>	<u>\$ (484,677)</u>	<u>\$ -</u>	<u>\$ 359,286,400</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 2,752,140	\$	\$	\$	\$ 2,752,140
Construction in progress	1,105,211	29,353			1,134,564
Total capital assets not being depreciated	<u>3,857,351</u>	<u>29,353</u>	<u>-</u>	<u>-</u>	<u>3,886,704</u>
Capital assets being depreciated:					
Buildings and system	37,533,789	723,160			38,256,949
Machinery and equipment	6,596,881	360,172	(32,444)		6,924,609
Total capital assets being depreciated	<u>44,130,670</u>	<u>1,083,332</u>	<u>(32,444)</u>	<u>-</u>	<u>45,181,558</u>
Less accumulated depreciation for:					
Buildings and system	(20,703,913)	(782,039)			(21,485,952)
Machinery and equipment	(4,184,008)	(294,602)	14,922		(4,463,688)
Total accumulated depreciation	<u>(24,887,921)</u>	<u>(1,076,641)</u>	<u>14,922</u>	<u>-</u>	<u>(25,949,640)</u>
Total capital assets being depreciated, net	<u>19,242,749</u>	<u>6,691</u>	<u>(17,522)</u>	<u>-</u>	<u>19,231,918</u>
Business-Type Activities Capital Assets, Net	<u>\$ 23,100,100</u>	<u>\$ 36,044</u>	<u>\$ (17,522)</u>	<u>\$ -</u>	<u>\$ 23,118,622</u>

*Beginning balance of governmental activities was restated. See Note 18 for details.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

Governmental activities:	
General government	\$ 352,903
Public safety	1,171,306
Public works	6,814,415
Health and welfare	6,444
Libraries	534,941
Parks and recreation	394,067
Education	<u>5,591,865</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u>14,865,941</u>
 Business-type activities	
Water	<u>\$ 1,076,641</u>

Construction Commitments

The City has several active construction projects as of June 30, 2018. The following is a summary of capital projects as of June 30, 2018:

	<u>Project Authorization (in thousands)</u>	<u>Cumulative Expenditures (in thousands)</u>
Schools	\$ 155,114	\$ 98,025
Streets, bridges and building improvements	63,709	50,230
Capital and nonrecurring	<u>54,553</u>	<u>46,710</u>
 Total	 \$ <u>273,376</u>	 \$ <u>194,965</u>

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, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Furniture and equipment	\$ 255,203	\$ 11,947	\$ (22,302)	\$ 244,848
Less accumulated depreciation for:				
Furniture and equipment	<u>(205,378)</u>	<u>(8,814)</u>	<u>21,678</u>	<u>(192,514)</u>
 District Capital Assets, Net	 \$ <u>49,825</u>	 \$ <u>3,133</u>	 \$ <u>(624)</u>	 \$ <u>52,334</u>

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2018, interfund receivables and payables were comprised of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 632,868
Nonmajor Governmental Funds	General Fund	9,101
Internal Service	Nonmajor Governmental Funds	<u>1,282,174</u>
Total		<u>\$ 1,924,143</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:

	<u>Transfers In</u>				<u>Total Transfers Out</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Govern- mental</u>	
Transfer out:					
General Fund	\$	\$ 8,829,885	\$ 597,565	\$ 2,567,780	\$ 11,995,230
Capital Projects		518,517		110,195	628,712
Nonmajor Governmental Funds	<u>18,309</u>	<u>115,275</u>	<u>1,680,468</u>		<u>1,814,052</u>
Total Transfers In	<u>\$ 18,309</u>	<u>\$ 9,463,677</u>	<u>\$ 2,278,033</u>	<u>\$ 2,677,975</u>	<u>\$ 14,437,994</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, and 3) support the self-insurance for health and workers' compensation benefits.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

7. LEASES

Operating Leases

The City leases computers under noncancelable operating leases. Total costs for such leases were \$830,871 for the year ended June 30, 2018. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2019	\$ 683,151
2020	549,290
2021	380,540
2022	<u>6,578</u>
	<u>\$ 1,619,559</u>

8. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 70,580,000	\$ 24,932,000	\$ 33,419,000	\$ 62,093,000	\$ 6,192,000
Clean Water Fund Loans	8,422,963	1,284,772	331,303	9,376,432	595,348
Premium on general obligation bonds	3,566,751	3,455,440	611,783	6,410,408	
Total bonds payable	<u>82,569,714</u>	<u>29,672,212</u>	<u>34,362,086</u>	<u>77,879,840</u>	<u>6,787,348</u>
Compensated absences	8,118,379	2,142,032	1,241,750	9,018,661	1,358,614
Landfill postclosure care	1,440,209	32,405	63,000	1,409,614	63,000
Net OPEB liability	51,716,240	850,598		52,566,838	
Net pension liability	8,932,185		8,932,185	-	
Unpaid claims	<u>11,832,599</u>	<u>38,925,837</u>	<u>40,163,655</u>	<u>10,594,781</u>	<u>5,318,585</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 164,609,326</u>	<u>\$ 71,623,084</u>	<u>\$ 84,762,676</u>	<u>\$ 151,469,734</u>	<u>\$ 13,527,547</u>
Business-Type Activities:					
Bonds payable:					
General obligation bonds	\$ 1,990,000	\$ 503,000	\$ 831,000	\$ 1,662,000	\$ 258,000
Premium on general obligation bonds	146,698	69,713	32,649	183,762	
Notes payable	732,196		36,518	695,678	37,256
Total bonds payable and notes payable	<u>2,868,894</u>	<u>572,713</u>	<u>900,167</u>	<u>2,541,440</u>	<u>295,256</u>
Compensated absences	340,654	73,597	52,002	362,249	48,841
Net OPEB liability	<u>3,599,177</u>	<u>29,802</u>		<u>3,628,979</u>	
Total Business-Type Activities Long-Term Liabilities	<u>\$ 6,808,725</u>	<u>\$ 676,112</u>	<u>\$ 952,169</u>	<u>\$ 6,532,668</u>	<u>\$ 344,097</u>
Component Unit:					
Compensated Absences	<u>\$ 104,114</u>	<u>\$ 31,295</u>	<u>\$ 59,526</u>	<u>\$ 75,883</u>	<u>\$ 59,087</u>

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

For the governmental activities, compensated absences, landfill post closure and net OPEB liabilities are generally liquidated by the General Fund.

Bond Anticipation Notes

Bond anticipation notes payable activity for the year ended June 30, 2018 was as follows:

<u>Description</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate %</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Bond anticipation notes	01/20/17	10/19/17	1.75%	\$ 4,000,000	\$	\$ 4,000,000	\$ -
Bond anticipation notes	05/30/17	05/29/18	2.25%	3,400,000		3,400,000	-
Bond anticipation notes	10/19/17	07/18/18	2.00%		4,000,000		4,000,000
Bond anticipation notes	05/29/18	10/25/18	2.25%		<u>11,800,000</u>		<u>11,800,000</u>
Total				<u>\$ 7,400,000</u>	<u>\$ 15,800,000</u>	<u>\$ 7,400,000</u>	<u>\$ 15,800,000</u>

Of the City's bond anticipation notes payable at June 30, 2018, \$4,000,000 are taxable BANs issued to temporarily finance the purchase of land, demolition, abatement, cleanup and other work at the Bristol Centre Mall site. The remaining \$11,800,000 were issued to temporarily finance various capital projects as approved in the City's Capital Improvement Program and include, radio communications system replacement, streetlight upgrade and various other road and infrastructure improvements as well as some fire apparatus.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Bonds and notes payable at June 30, 2018 were comprised of the following:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2018</u>
General City Bonds:					
General improvement:					
2012 Refunding	08/11/11	07/15/22	3.00-5.00	15,589,000	8,095,000
2015 Refunding	11/17/15	10/15/24	3.00-5.00	4,126,000	3,606,000
2017 Issue	05/30/17	05/15/35	2.00-5.00	1,739,000	17,739,000
2017 Refunding	11/09/17	08/01/30	3.00-5.00	5,437,000	5,388,000
Total general improvement bonds					<u>34,828,000</u>
School:					
2012 Refunding	08/11/11	07/15/22	3.00-5.00	6,234,000	3,472,000
2015 Refunding	11/17/15	10/15/24	3.00-5.00	2,991,000	1,079,000
2017 Issue	05/30/17	05/15/35	2.00-5.00	3,391,000	3,391,000
2017 Refunding	11/09/17	08/01/30	3.00-5.00	16,094,000	15,952,000
Total school bonds					<u>23,894,000</u>
Sewers:					
2017 Refunding	11/09/17	08/01/30	3.00-5.00	3,401,000	3,371,000
Total sewer bonds					<u>3,371,000</u>
Capital Projects Fund:					
Clean Water Fund Notes 498-D/C	06/30/02	06/30/21	2.00	1,483,000	259,557
Clean Water Fund Notes 415-D/C	06/30/02	06/30/21	2.00	1,410,000	246,636
Clean Water Fund Notes 504-C	12/31/03	12/31/22	2.00	1,488,000	384,836
Clean Water Fund Notes 562-C	11/30/04	11/30/23	2.00	694,000	213,951
Clean Water Fund Notes 464-C	05/31/06	03/31/26	2.00	470,000	205,474
Clean Water Fund Notes 622-CSL	01/01/16	01/31/35	2.00	631,833	535,932
Interim Funding Obligation 640-DC	03/03/16	N/A	2.00	7,530,046	7,530,046
Total capital projects level debt					<u>9,376,432</u>
Total General City Serial Bonds and Clean Water Fund Loans					<u>71,469,432</u>
Water Department:					
Enterprise Fund Bonds:					
Water 2012 Refunding	08/11/11	07/15/22	3.00-5.00	2,112,000	1,163,000
Water 2017 Refunding	11/09/17	08/01/30	3.00-5.00	503,000	499,000
Total Water Bonds					<u>1,662,000</u>
Water 2014 Notes	12/31/14	12/31/33	2.00	501,000	401,288
Water 2015 Notes	09/30/15	03/31/35	2.00	344,155	294,390
Total Water Fund Notes					<u>695,678</u>
Total Water Department Enterprise Fund Bonds and Notes					<u>2,357,678</u>
Total Bonded Indebtedness					<u>\$ 73,827,110</u>

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

General Obligation Bonds Refunding

On November 9, 2017, the City issued \$25,435,000 (2017, Series B) of general obligation refunding bonds with an interest rate between 3.00-5.00%. The bonds were issued to refund the outstanding principal amounts of the Issue of 2011 general obligation bonds. The net proceeds of \$28,782,532 after an original issue premium of \$3,525,153 and payment of \$177,621 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated November 2, 2017 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase a portfolio of United States Treasury State and Local Government Securities. All investment income on the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited into escrow for the payment of the refunded bonds. The City refunded the above bonds to reduce total debt service payments over the next 13 years by \$1,427,290 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,401,984. As of June 30, 2018, the amount of defeased debt outstanding from this refunding was \$27,625,000 and the escrow balance is \$28,389,976. This amount is removed from the governmental activities column of the statement of net position.

Notes and bonds payable are secured by the general revenue raising powers of the City. The annual requirements to amortize long-term bond obligations at June 30, 2018 are as follows:

	Governmental Activities					
	General Obligation Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 6,192,000	\$ 2,382,728	\$ 595,348	\$ 157,418	\$ 6,787,348	\$ 2,540,146
2020	5,861,000	2,139,193	659,351	169,600	6,520,351	2,308,793
2021	6,257,000	1,867,498	672,661	156,291	6,929,661	2,023,789
2022	6,291,000	1,577,548	510,650	144,317	6,801,650	1,721,865
2023	5,030,000	1,326,758	476,021	134,197	5,506,021	1,460,955
2024-2028	17,538,000	4,115,051	2,025,996	545,741	19,563,996	4,660,792
2029-2033	12,444,000	1,298,240	2,135,152	340,438	14,579,152	1,638,678
2034-2038	2,480,000	111,600	2,225,257	120,502	4,705,257	232,102
2039			75,996	190	75,996	190
Total	\$ 62,093,000	\$ 14,818,616	\$ 9,376,432	\$ 1,768,694	\$ 71,469,432	\$ 16,587,310

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

	Business-Type Activities					
	General Obligation Bonds		Notes Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 258,000	\$ 65,440	\$ 37,256	\$ 13,573	\$ 295,256	\$ 79,013
2020	269,000	54,900	38,007	12,822	307,007	67,722
2021	278,000	42,570	38,774	12,054	316,774	54,624
2022	279,000	29,845	39,557	11,272	318,557	41,117
2023	245,000	19,310	40,355	10,473	285,355	29,783
2024-2028	207,000	47,965	214,332	39,813	421,332	87,778
2029-2033	126,000	7,560	236,853	17,290	362,853	24,850
2034-2038			50,544	744	50,544	744
2039					-	-
Total	\$ <u>1,662,000</u>	\$ <u>267,590</u>	\$ <u>695,678</u>	\$ <u>118,041</u>	\$ <u>2,357,678</u>	\$ <u>385,631</u>

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 318,217,500	\$ 90,806,192	\$ 227,411,308
Schools	636,435,000	13,248,050	623,186,950
Sewers	530,362,500	24,588,401	505,774,099
Urban renewal	459,647,500		459,647,500
Pension deficit	424,290,000		424,290,000

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$990,010,000.

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	\$ 45,352,057
Schools	66,980,550
Sewers	<u>19,370,967</u>
	<u>\$ 131,703,574</u>

Additionally, net indebtedness is reduced by State of Connecticut grant commitments in the amount of \$82,800,365

**CITY OF BRISTOL, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018**

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 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 \$1,409,614 as of June 30, 2018. 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 (RCRA).

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 \$10,594,781 reported in the Internal Service Fund at June 30, 2018 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:

	<u>Liability July 1,</u>		<u>Claims and Changes In Estimates</u>		<u>Claim Payment</u>		<u>Liability June 30,</u>
2016-2017	\$ 12,300,995	\$	31,180,470	\$	31,648,866	\$	11,832,599
2017-2018	11,832,599		38,925,837		40,163,655		10,594,781

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
JUNE 30, 2018**

11. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2018 are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$ 48,771	\$ 48,771
Prepays	5,457				5,457
Trust purpose				982,638	982,638
Restricted for:					
Grants				4,871,182	4,871,182
Debt service		1,735,735			1,735,735
Committed to:					
Landfill closure	585,523				585,523
Compensated absences	2,500,000				2,500,000
Capital and nonrecurring			3,742,330		3,742,330
Capital and nonrecurring WPCA			5,628,052		5,628,052
Equipment				3,629,152	3,629,152
Education				663,208	663,208
Manross Memorial Library				856,200	856,200
Sewer				6,296,774	6,296,774
Solid waste disposal				284,240	284,240
Community development				76,784	76,784
Pine Lake challenge course				132,711	132,711
Transfer station				389,212	389,212
Open space				4,044	4,044
Centre mall				454,887	454,887
Trust purpose				148,105	148,105
Assigned to:					
Subsequent year's budget	1,000,000				1,000,000
General government - carryover	4,011,843			475,328	4,487,171
Economic Development - carryover	500,000				500,000
General government encumbrances	7,121				7,121
Public safety encumbrances	9,857				9,857
Public works encumbrances	824,789				824,789
Libraries encumbrances	3,991				3,991
Health and welfare encumbrances	250				250
Miscellaneous encumbrances	9,795				9,795
Unassigned	<u>28,341,862</u>		<u>(18,875)</u>	<u>(380)</u>	<u>9,466,250</u>
Total Fund Balances	<u>\$ 37,800,488</u>	<u>\$ 1,735,735</u>	<u>\$ (9,504,850)</u>	<u>\$ 19,312,856</u>	<u>\$ 49,344,229</u>

Major encumbrances are reported in the assigned fund balance of the General Fund of \$855,803 and committed and restricted fund balance for Nonmajor Governmental Funds of \$1,223,049.

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, 2018, the City is of the opinion that such reimbursements in respect of disallowed expenditures, if any, will not be significant.

13. OTHER POSTEMPLOYMENT BENEFITS

City Plan

A. 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	441
Retired members	1,445
Total participants	<u>1,886</u>

B. 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.

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 actuarially determined contribution of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

**CITY OF BRISTOL, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018**

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.

C. Investments

Investment Policy

The OPEB 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, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 4.31%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net OPEB Liability of the City

For the year ended June 30, 2018, the City recognized a net OPEB Liability of \$56,195,817, of which \$52,566,838 was reported in the governmental activities and 3,628,979 in the business-type activities. The City’s net OPEB liability was measured as of June 30, 2018. The components of the net OPEB liability of the City at June 30, 2018 were as follows:

Total OPEB liability	\$ 66,122,204
Plan fiduciary net position	<u>9,926,387</u>
 Net OPEB Liability	 <u><u>\$ 56,195,817</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 15.01%

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Actuarial Assumptions

The total OPEB liability at June 30, 2018 was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	N/A
Discount rate	7.20%
Expected return on assets	7.20%
Healthcare cost trend rates	7.51% for 2017, decreasing 0.3% per year until 2020, then decreasing 0.4% per year to an ultimate rate of 4.50% for 2026 and later years
Mortality rates	RP-2014 Headcount-Weighted Combined Healthy Mortality Table projected generationally from the central year using Scale MP-2016

The plan has not had a formal actuarial experience study performed.

The long-term expected rate of return on OPEB 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 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 arithmetic long-term expected real rate of return is 7.2%. The target allocation for each major asset as of June 30, 2018 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>
Intermediate Term Bonds	8.10 %
Long Term Bonds	3.60
Short Term Bonds	3.90
International Bonds	0.30
High Yield Bonds	6.10
Large Cap US Equities	19.80
Small Cap US Equities	3.10
Mid Cap US Equities	9.40
Developed Foreign Equities	8.20
Emerging Markets Equities	7.80
Alternatives/Other	17.20
Cash	12.50
	<u>100.00 %</u>

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

E. Discount Rate

The discount rate used to measure the total OPEB liability was 7.20%, a decrease from 8% reported in the prior year. The projection of cash flows used to determine the discount rate assumed that the City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

F. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2017	\$ 63,442,321	\$ 8,126,904	\$ 55,315,417
Changes for the year:			
Service cost	1,954,699		1,954,699
Interest on total OPEB liability	4,614,833		4,614,833
Effect of assumptions changes or inputs	548,793		548,793
Employer contributions		5,801,097	(5,801,097)
Member contributions		56,308	(56,308)
Net investment income (loss)		380,520	(380,520)
Benefit payments	(4,438,442)	(4,438,442)	-
Net changes	<u>2,679,883</u>	<u>1,799,483</u>	<u>880,400</u>
Balances as of June 30, 2018	<u>\$ 66,122,204</u>	<u>\$ 9,926,387</u>	<u>\$ 56,195,817</u>

G. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.20%) or 1 percentage point higher (8.20%) than the current discount rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Net OPEB liability	\$ <u>62,062,870</u>	\$ <u>56,195,817</u>	\$ <u>50,992,904</u>

H. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, 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 (6.51% decreasing to 3.50%) or 1 percentage point higher (8.51% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease (6.51% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.51% Decreasing to 4.5%)	1% Increase (8.51% Decreasing to 5.5%)
Net OPEB liability	\$ <u>49,267,167</u>	\$ <u>56,195,817</u>	\$ <u>64,271,119</u>

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$5,980,187, of which \$5,639,425 was reported in the governmental activities and 340,762 in the business-type activities. At June 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Changes of assumptions or other inputs	\$ 465,152	\$ 25,259	\$ 490,411
Net difference between projected and actual earnings on OPEB plan investments	210,899		210,899
Total	<u>\$ 676,051</u>	<u>\$ 25,259</u>	<u>\$ 701,310</u>

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2019	\$ 108,100	\$ 3,007	\$ 111,107
2020	108,100	3,007	111,107
2021	108,100	3,007	111,107
2022	108,099	3,007	111,106
2023	55,375	3,007	58,382
Thereafter	188,277	10,224	198,501

Connecticut State Teachers Retirement Plan

A. Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools plus professional employees at State Schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other post employment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

B. Benefit Provisions

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below:

- Medicare Supplement with Prescriptions \$ 92
- Medicare Supplement with Prescriptions and Dental 136
- Medicare Supplement with Prescriptions, Dental, Vision & Hearing 141

Those participants electing vision, hearing and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the plan for these benefits.

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

C. Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Normal Retirement

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.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and 5 years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

D. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

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

Employees

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

**CITY OF BRISTOL, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018**

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the Town was as follows:

City's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the City		<u>49,154,327</u>
Total	\$	<u><u>49,154,327</u></u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2016. At June 30, 2018, the Town has no proportionate share of the net OPEB liability.

For the year ended June 30, 2018, the Town recognized OPEB expense and revenue of \$2,278,060 in Exhibit II for on-behalf amounts for the benefits provided by the State.

F. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2018

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) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2017 using the BB improvement scale.

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.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

The long-term expected rate of return on plan assets is reviewed as part of the GASB 74 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.04%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination.

H. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

The Town's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the State of Connecticut.

I. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan. Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report at www.ct.gov.

14. EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN

A. City Retirement System

Plan Description

The City is the administrator of the City Retirement System Pension Plan a Public Employee Retirement System (PERS). The PERS is considered to be part of the City's financial reporting entity and is included in the City's financial reports as pension trust fund. There are no stand-alone financial statements issued for the PERS. This plan was established and can be amended under the authority of the City Charter.

Effective June 29, 2018 the City adopted an ordinance that combined the investment, administration and actuarial reporting of the City, Police and Fire Retirement Funds into one General Retirement System made up of three divisions: City, Police and Fire as described in the City's ordinances. The financial statements at June 30, 2018 reflect the consolidation.

**CITY OF BRISTOL, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018**

The management of the City retirement system is vested in a retirement board consisting of twelve (12) 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), one member of the City’s Bristol Police Union, one member of the City’s Local Number 773 International Association of Firefighters, 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 other 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.

At July 1, 2016, PERS membership consisted of:

	City of Bristol Retirement System
Retirees, disabled and beneficiaries currently receiving benefits	781
Terminated employees entitled to benefits but not yet receiving them	113
Active members	922
Total	1,816

The City of Bristol General Retirement System consists of three divisions serving and pertaining to full time City employees, excluding teachers, as follows:

The City of Bristol Employees division covers all full-time employees (except firemen, policemen 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.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Firefighters' division covers all members of the Fire Department and 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 and 25 years of continuous service) receive a retirement benefit for life of 70% of base pay (including $\frac{1}{4}$ 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.

Police division covers all members of the Police Department and 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 were hired prior to July 1, 1988 and 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 his retirement, adjusted for escalation. The pension benefit formula is 70% of a member's compensation (base pay). Base pay shall include $\frac{1}{4}$ of an employee's unused sick leave paid out at the time of retirement if applicable.

Police retirees also receive automatic post-retirement increases on retiree pensions. The pension is 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 Employees Division are required to contribute 6% of pay. If an employee leaves employment or dies before meeting the vesting requirements, accumulated employee contributions and interest are refunded.

Fire employees are required to contribute 6% of their base pay to the PERS. After 25 years of service, employee contributions cease. Employees shall be fully vested after ten years of continuous service. If an employee leaves employment or dies before meeting the vesting requirements, accumulated employee contributions are refunded.

Police employees are required to contribute 6% of their base pay to the PERS. After 25 years of service, employee contributions cease. If an employee leaves employment or dies before meeting the vesting requirements, accumulated employee contributions are refunded. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. For the year ended June 30, 2018, the City was required to make a contribution in the amount of \$2.6 million. Benefits and employee contributions are fixed by contract and may be amended by union negotiations.

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.

Concentrations

The following represents the investments that represent more than 5% of the Plan’s net position as of June 30, 2018.:

Omega Overseas Partners, Ltd.	\$ 47,261,473
Boyd Watterson GSA Fund, LP	37,388,149
EnTrustPermal Structured Income Fund II-A Ltd.	37,103,020

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.81%. 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

For the year ended June 30, 2018, the City recognized a net pension asset of \$210,535,457, of which \$201,257,436 was reported in the governmental activities and \$9,278,021 in the business-type activities. The components of the net pension liability (asset) of the City at June 30, 2018 were as follows:

Total pension liability	\$ 436,636,099
Plan fiduciary net position	<u>647,171,556</u>
Net Pension Liability (Asset)	<u><u>\$ (210,535,457)</u></u>
Plan fiduciary net position as a percentage of the total pension liability	148.22%

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances as of July 1, 2017	\$ 419,579,708	\$ 608,364,860	\$ (188,785,152)
Changes for the year:			
Service cost	9,104,904		9,104,904
Interest on total pension liability	30,841,588		30,841,588
Effect of economic/demographic gains or losses	(5,688,780)		(5,688,780)
Effect of assumption changes or inputs	7,044,151		7,044,151
Employer contributions		2,617,369	(2,617,369)
Member contributions		2,781,706	(2,781,706)
Net investment income (loss)		57,843,541	(57,843,541)
Benefit payments	(24,245,472)	(24,245,472)	-
Administrative expenses		(190,448)	190,448
Net changes	<u>17,056,391</u>	<u>38,806,696</u>	<u>(21,750,305)</u>
Balances as of June 30, 2018	<u>\$ 436,636,099</u>	<u>\$ 647,171,556</u>	<u>\$ (210,535,457)</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	July 1, 2017
Measurement date	June 30, 2018
Inflation	2.70%
Salary increases including inflation	3.25%
Actuarial cost method	Entry age normal

RP-2000 Mortality Table for Employees and Healthy Annuitants, with generational projection 40% phase-in from Scale AA to BB.

The actuarial assumptions that determined the total pension liability as of June 30, 2018 were based on the results of an actuarial experience study for the period July 1, 2011 - June 30, 2015.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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. The following was the Board’s adopted asset allocation policy and the 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, 2018 (see the discussion of the pension plan’s investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
US Interm Bonds	21.30%	2.20%
US High Yield Bonds	7.60%	5.61%
US Large Caps	30.00%	4.57%
US Small Caps	2.50%	5.81%
US Mid Caps	2.50%	5.10%
Foreign Developed Equity	13.60%	5.79%
Emerging Markets Equity	7.50%	8.12%
Private Equity	5.00%	8.96%
Hedge FOF Diversified	10.00%	1.97%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension 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. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the City’s Pension Plans, calculated using the discount rate of 7.30%, 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 (6.30%) or 1 percentage point higher (8.30%) than the current rate:

	<u>1% Decrease to 6.30%</u>	<u>Current Discount Rate 7.30%</u>	<u>1% Increase to 8.30%</u>
Net Pension Asset	\$ <u>(158,847,944)</u>	\$ <u>(210,535,457)</u>	\$ <u>(253,801,669)</u>

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

As of June 30, 2018, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,907,225	\$ 8,464,754	\$	\$ 229,525
Changes of assumptions or other inputs	10,288,886	381,448	209,399	
Net difference between projected and actual earnings	<u>5,630,347</u>	<u></u>	<u></u>	<u>461,963</u>
Total	<u>\$ 20,826,458</u>	<u>\$ 8,846,202</u>	<u>\$ 209,399</u>	<u>\$ 691,488</u>

For the year ended June 30, 2018, the City recognized pension expense of \$7,207,792, of which \$7,776,241 was reported in the governmental activities and \$(568,449) in the business-type activities.

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

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2019	\$ 14,282,946	\$ (119,599)	14,163,347
2020	4,368,906	(119,599)	4,249,307
2021	(6,163,235)	(119,599)	(6,282,834)
2022	(539,024)	(119,598)	(658,622)
2023	30,663	(3,694)	26,969

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Combining Schedule of Pension and OPEB Plans Changes in Plan Net Position

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 2,617,369	\$ 5,801,097	\$ 8,418,466
Plan members	<u>2,781,706</u>	<u>56,308</u>	<u>2,838,014</u>
Total contributions	<u>5,399,075</u>	<u>5,857,405</u>	<u>11,256,480</u>
Investment income:			
Net appreciation in fair value of investments	54,930,128	247,134	55,177,262
Interest and dividends	<u>7,138,617</u>	<u>165,297</u>	<u>7,303,914</u>
	62,068,745	412,431	62,481,176
Less investment expense	<u>(4,225,204)</u>	<u>(31,911)</u>	<u>(4,257,115)</u>
Net investment income	<u>57,843,541</u>	<u>380,520</u>	<u>58,224,061</u>
Total additions	<u>63,242,616</u>	<u>6,237,925</u>	<u>69,480,541</u>
Deductions:			
Benefits	24,245,472	4,438,442	28,683,914
Administration	<u>190,448</u>	<u></u>	<u>190,448</u>
Total deductions	<u>24,435,920</u>	<u>4,438,442</u>	<u>28,874,362</u>
Net Change	38,806,696	1,799,483	40,606,179
Net Position Held in Trust for Pension and OPEB Benefits at July 1	<u>608,364,860</u>	<u>8,126,904</u>	<u>616,491,764</u>
Net Position Held in Trust for Pension and OPEB Benefits at June 30	<u>\$ 647,171,556</u>	<u>\$ 9,926,387</u>	<u>\$ 657,097,943</u>

B. Teacher Retirement

Plan Description

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

Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

Contributions

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

Employer (School Districts)

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

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

Employees

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

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

**CITY OF BRISTOL, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018**

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

At June 30, 2018, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the City		<u>190,973,158</u>
Total	\$	<u><u>190,973,158</u></u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as June 30, 2016. At June 30, 2018, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2018 the City recognized pension expense and revenue of \$22,090,016 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

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 increased rates (5% for females and 8% for males) 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.

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.

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Core fixed income	7.0%	1.3%
Inflation linked bond fund	3.0%	1.0%
Emerging market bond	5.0%	3.7%
High yield bonds	5.0%	3.9%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Liquidity fund	6.0%	0.4%
Total	100.0%	

Discount Rate

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

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

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

Other Information

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

15. TAX ABATEMENTS

As of June 30, 2018, 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 (EZ) 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 businesses. 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, 2018, taxes abated through this program totaled approximately \$511,000. 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.

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, 2018, 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 effect with the start of the first full assessment year following issuance of a "Certificate of Eligibility". For the fiscal year ended June 30, 2018, taxes abated through this program totaled approximately \$114,915. 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.

16. SUBSEQUENT EVENTS

At the end of August 2018, the City finalized a Project Loan and Project Grant Agreement with the State of Connecticut (Department of Energy and Environmental Protection) for the completed phosphorus reduction upgrade of the City Wastewater Treatment Plant. Under the agreement, the City received a grant of \$7,233,847 and a Clean Water Fund Program loan (640-DC) of \$7,530,046, which is payable in monthly payments through 2038. Advances from DEEP prior to closing have been recorded as Interim Funding Obligation, a long-term liability.

In October 2018, the City issued \$7,900,000 of general obligation bonds, series B, Federally taxable. Of these proceeds, \$3.7 million was used to retire the \$4.0 million bond anticipation note in effect at June 30, 2018 and approximately \$4.2 million was used to finance various capital project expenditures.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

In October 2018, the City issued \$22,500,000 of general obligation series A, tax-exempt bonds. Part of these proceeds were used to retire the \$11,800,000 bond anticipation note in effect at June 30, 2018. All proceeds were used to finance capital projects, completed and currently in process.

17. 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 City's financial statements:

GASB Statement 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.

GASB Statement 88 - Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

The objective of this statement is to improve disclosure regarding direct borrowings and direct placements.

GASB Statement 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.

GASB Statement 87 - Leases

This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. 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.

18. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The following restatements were recorded to the beginning net position of the governmental activities:

- Implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.
- To correct beginning net pension asset for allocation between governmental activities and business type activities/enterprise fund, previously not recorded.

**CITY OF BRISTOL, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

- To correct beginning balance of accumulated depreciation of capital assets recorded in error in prior years.

Governmental Activities:

Net position at June 30, 2017, as previously reported	\$ 530,339,314
Adjustments:	
Eliminate net OPEB obligation reported per GASB No. 45	32,827,399
Record starting net OPEB liability per GASB No. 75	(51,716,240)
Adjust beginning net pension asset	(8,009,897)
Adjust beginning capital assets	<u>6,514,495</u>
Net Position at July 1, 2017, as Restated	<u>\$ 509,955,071</u>

The following restatements were recorded to the beginning net position of the business type activities and enterprise fund:

- Implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.
- To correct beginning net pension asset for allocation between governmental activities and business type activities/enterprise fund, previously not recorded.

Business-Type Activities:

Net position at June 30, 2017, as previously reported	\$ 28,083,683
Adjustments:	
Record starting net OPEB liability per GASB No. 75	(3,599,177)
Record beginning net pension asset	<u>8,009,897</u>
Net Position at July 1, 2017, as Restated	<u>\$ 32,494,403</u>

Business-Type Activities - Enterprise Funds

Water Enterprise Fund:

Net position at June 30, 2017, as previously reported	\$ 28,083,683
Adjustments:	
Record starting net OPEB liability per GASB No. 75	(3,599,177)
Record beginning net pension asset	<u>8,009,897</u>
Net Position at July 1, 2017, as Restated	<u>\$ 32,494,403</u>

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Required Supplementary Information

CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2018 WITH
COMPARATIVE ACTUAL AMOUNTS FOR 2017
(In Thousands)

	2018				Variance Over (Under)	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Property taxes:						
Current levy	\$ 137,958	\$	\$ 137,958	\$ 138,751	\$ 793	\$ 138,579
Prior levies	1,300		1,300	1,343	43	1,820
60-Day: GAAP			-	5	5	(110)
Interest and penalties	775		775	897	122	1,138
Total property taxes	<u>140,033</u>	<u>-</u>	<u>140,033</u>	<u>140,996</u>	<u>963</u>	<u>141,427</u>
Licenses, permits and fees:						
Assessor's Late Filing Fees	2		2	3	1	2
Delinquent Fees	2		2	1	(1)	
Circuit Court Fines	2		2	4	2	7
Dog Penalties	1		1	1	-	1
Merchandising Licenses	2		2	3	1	4
Marriage Licenses	2		2	2	-	2
Fees	10		10	13	3	16
Notary Services	4		4	4	-	4
Burial Permits	2		2	2	-	3
Trade Names	1		1	1	-	1
Vital Statistics	118		118	127	9	137
Parking Violations	48		48	41	(7)	58
Alarm Fees	17		17	16	(1)	12
Police Report Fees	12		12	16	4	15
Building Permits	850		850	1,394	544	1,063
PW Excavating Permits	12		12	11	(1)	8
Zoning Violations	2		2		(2)	
Surcharge			-	3	3	
Land Use Fees & Permits	13		13	38	25	22
Drop Box Fee	2		2	2	-	2
Library Fines	17		17	21	4	16
Total licenses, permits and fees	<u>1,127</u>	<u>-</u>	<u>1,127</u>	<u>1,713</u>	<u>586</u>	<u>1,380</u>
State and Federal Grants:						
State grants-in-aid:						
State Owned Property PILOT	57		57		(57)	
State Grant: Elderly Freeze			-	2	2	3
Tax Relief Elderly/Disabled Homeowner	350		350		(350)	334
Private Hospitals (PILOT)	392		392	380	(12)	392
Tax Relief Totally Disabled	10		10	13	3	14
Additional Tax Relief: Veterans	20		20	27	7	29
Enterprise Zone Reimbursement	100		100		(100)	125
MRSA Motor Vehicle	1,095		1,095		(1,095)	
Sales Tax Revenue Sharing	1,837		1,837		(1,837)	1,276
Town Aid Road Transportation	664		664	664	-	664
Mashantucket Pequot Grant	560		560	560	-	565
Off-track Betting	65		65	54	(11)	52
Miscellaneous State Grants	1		1	1	-	1
Municipal Grant		2,487	2,487	2,487	-	2,487

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**CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH
COMPARATIVE ACTUAL AMOUNTS FOR 2017
(In Thousands)**

	2018					2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance Over (Under)	
Utilities Tax	\$ 100	\$	\$ 100	\$ 105	\$ 5	\$ 126
Municipal Stabilization Grant			-	429	429	
Demand Response		57	57	57	-	57
Youth Services Bureau	41		41	39	(2)	41
Youth Services Bureau - Enhancement		7	7	7	-	8
Juvenile Diversion Grant		30	30	30	-	36
E911 Subsidy Grant	134		134	134	-	135
Dispatch Training Grant	6		6	4	(2)	6
School Readiness Grant/Quality Enhancement		2,914	2,914	2,883	(31)	2,820
Education Cost Sharing	41,657		41,657	40,906	(751)	41,420
Health Reimb.			-	189	189	220
Displaced Students			-	264	264	
Housing Authority (FED- PILOT)			-	107	107	193
Civil Preparedness	8		8	(3)	(11)	6
FEMA Disaster Grant			-		-	61
Total state and federal grants	47,097	5,495	52,592	49,339	(3,253)	51,071
Charges for services:						
Copier Charges	57		57	63	6	62
Water Reimbursement Fees	1		1	6	5	12
Foreclosure Reimbursement Fees	10		10	4	(6)	28
Recording Fees	280		280	271	(9)	298
Real Estate Transfer Tax (Conveyance Tax)	800		800	933	133	968
Department of Aging Services	64		64	70	6	66
Public Safety Charges for Services	621	942	1,563	1,979	416	1,581
Animal Control Charges	3		3	2	(1)	3
Miscellaneous Charges for Services	8	1	9	4	(5)	3
Public Works Service and Maps	342		342	367	25	409
Recycling Permits	8		8	16	8	14
City Building Rentals	163		163	170	7	168
Patching Charges		11	11	11	-	
Pool Revenue	194		194	199	5	192
Park Program	153		153	202	49	151
Total charges for services	2,704	954	3,658	4,297	639	3,955
Investment earnings:						
Interest-General Fund	325		325	915	590	449
Interest-Miscellaneous A/R	6		6	24	18	9
Total investment earnings	331	-	331	939	608	458
Sale of property and equipment	75	188	263	372	109	70

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**CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH
COMPARATIVE ACTUAL AMOUNTS FOR 2017
(In Thousands)**

	2018				Variance Over (Under)	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Other local revenue:						
Miscellaneous	\$ 9	\$	\$ 9	\$ 24	\$ 15	\$ 133
Contributions Interdistrict Cooperative	16	61	77	80	3	69
Library Trust Funds	18	19	37	51	14	50
Park Trust Funds & Gifts	423	129	552	553	1	489
Total other local revenue	466	209	675	708	33	741
Transfers in	3	18	21	18	(3)	13
Total Revenues and Other Financing Sources	\$ <u>191,836</u>	\$ <u>6,864</u>	\$ <u>198,700</u>	198,382	\$ <u>(318)</u>	\$ <u>199,115</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions for City teachers not budgeted:

Pension	22,090
OPEB	2,278

The Board of Education does not budget for intergovernmental grants, which are credited against education expense for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.

Refunding bond issued	4,261
Premium on refunding bond issued	24,932
	<u>3,455</u>

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds - Exhibit IV

\$ 255,398

**CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2017**
(In Thousands)

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
General Government						
City Council:						
Personnel Services	\$ 59	\$	\$ 59	56	\$ 3	\$ 53
Mayor's Office:						
Personnel Services	177	(6)	171	171	-	163
Contractual Services	59	(4)	55	55	-	68
Supplies	1		1	1	-	1
Total mayor's office	237	(10)	227	227	-	232
Probate Court:						
Contractual Services	34	2	36	35	1	33
Supplies	5	1	6	6	-	5
Total probate court	39	3	42	41	1	38
Registrar of Voters:						
Personnel Services	180	(4)	176	175	1	187
Contractual Services	25	(2)	23	18	5	27
Supplies	17	9	26	23	3	28
Total registrar of voters	222	3	225	216	9	242
Assessor:						
Personnel Services	378	11	389	381	8	360
Contractual Services	19	33	52	49	3	35
Supplies	2		2	2	-	1
Capital Outlay			-	-	-	6
Total assessor	399	44	443	432	11	402
Board of Assessment Appeals:						
Personnel Services	14		14	6	8	5
Contractual Services	1		1		1	
Supplies	2	(2)	-		-	
Total board of assessment appeals	17	(2)	15	6	9	5
Tax Collector:						
Personnel Services	301	(2)	299	297	2	290
Contractual Services	72		72	48	24	57
Supplies	1		1	1	-	1
Total tax collector	374	(2)	372	346	26	348
Purchasing:						
Personnel Services	189	(12)	177	177	-	187
Contractual Services	8		8	8	-	-
Supplies	1		1	1	-	-
Capital Outlay		1	1	1	-	8
Total purchasing	198	(11)	187	187	-	195
Comptroller's Office:						
Personnel Services	652	23	675	674	1	623
Contractual Services	14		14	13	1	11
Supplies	1		1	1	-	-
Capital outlay		3	3	3	-	1
Total comptroller's office	667	26	693	691	2	635

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CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2017
(In Thousands)

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Treasurer:						
Personnel Services	\$ 111	\$ (7)	\$ 104	\$ 98	\$ 6	\$ 104
Contractual Services	11		11	8	3	6
Supplies	1		1	1	-	
Other/Misc.	20		20		20	5
Total treasurer	<u>143</u>	<u>(7)</u>	<u>136</u>	<u>107</u>	<u>29</u>	<u>115</u>
Information Systems:						
Personnel Services	499	15	514	512	2	491
Contractual Services	379	9	388	368	20	291
Supplies	10		10	9	1	10
Capital Outlay			-		-	44
Total information systems	<u>888</u>	<u>24</u>	<u>912</u>	<u>889</u>	<u>23</u>	<u>836</u>
Personnel Department:						
Personnel Services	490	11	501	501	-	471
Contractual Services	105	6	111	106	5	152
Purch. Professional Services	6	4	10	10	-	9
Supplies	5		5	5	-	5
Total personnel department	<u>606</u>	<u>21</u>	<u>627</u>	<u>622</u>	<u>5</u>	<u>637</u>
Corporation Counsel:						
Personnel Services	413	2	415	411	4	405
Contractual Services	267	(130)	137	132	5	234
Supplies	18	(3)	15	13	2	12
Total corporation counsel	<u>698</u>	<u>(131)</u>	<u>567</u>	<u>556</u>	<u>11</u>	<u>651</u>
City Clerk:						
Personnel Services	349	14	363	360	3	337
Contractual Services	74		74	59	15	66
Supplies	2		2	2	-	2
Total city clerk	<u>425</u>	<u>14</u>	<u>439</u>	<u>421</u>	<u>18</u>	<u>405</u>
Board of Finance:						
Personnel Services	1	1	2	2	-	1
Contractual Services	66	27	93	90	3	64
Total board of finance	<u>67</u>	<u>28</u>	<u>95</u>	<u>92</u>	<u>3</u>	<u>65</u>
Aging Department:						
Personnel Services	397	20	417	414	3	378
Contractual Services	196	59	255	250	5	240
Supplies	54	(2)	52	49	3	49
Total aging department	<u>647</u>	<u>77</u>	<u>724</u>	<u>713</u>	<u>11</u>	<u>667</u>

(Continued on next page)

**CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2017**
(In Thousands)

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
City Memberships						
Contractual Services	\$ 26	\$ -	\$ 26	\$ 26	\$ -	\$ 26
Youth Services:						
Personnel Services	282	6	288	284	4	273
Contractual Services	123	37	160	153	7	160
Supplies	9	-	9	8	1	9
Total youth services	414	43	457	445	12	442
Interdistrict COOP:						
Personnel Services		13	13	13	-	29
Contractual Services		6	6	6	-	2
Purchased other services		41	41	41	-	37
Supplies		1	1	1	-	1
Total interdistrict COOP	-	61	61	61	-	69
Community Promotions:						
Contractual Services	55	4	59	59	-	4
Other/Miscellaneous	25	(8)	17	17	-	33
Total community promotions	80	(4)	76	76	-	37
Boards and Commissions						
Personnel Services	6	-	6	6	-	5
Contractual Services	1	-	1	-	1	-
Total boards and commissions	7	-	7	6	1	5
Total general government	6,213	177	6,390	6,216	174	6,105

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2017
(In Thousands)

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Public Safety						
Police Department:						
Personnel Services	\$ 14,476	\$ 888	\$ 15,364	\$ 15,277	\$ 87	\$ 14,243
Contractual Services	713	(80)	633	580	53	684
Supplies	272	(5)	267	239	28	235
Capital Outlay	32	(25)	7	7	-	54
Total police department	<u>15,493</u>	<u>778</u>	<u>16,271</u>	<u>16,103</u>	<u>168</u>	<u>15,216</u>
Fire Department:						
Personnel Services	7,814	201	8,015	8,012	3	7,653
Contractual Services	233	(10)	223	198	25	175
Supplies	196	(2)	194	181	13	170
Capital Outlay	55	3	58	53	5	52
Total fire department	<u>8,298</u>	<u>192</u>	<u>8,490</u>	<u>8,444</u>	<u>46</u>	<u>8,050</u>
Animal Control:						
Personnel Services	140	6	146	146	-	137
Contractual Services	11		11	10	1	21
Supplies	5		5	5	-	5
Total animal control	<u>156</u>	<u>6</u>	<u>162</u>	<u>161</u>	<u>1</u>	<u>163</u>
Emergency Management:						
Personnel Services	7		7	7	-	7
Contractual Services	3		3	2	1	2
Supplies	6		6	5	1	2
Capital Outlay	-		-	-	-	1
Total emergency management	<u>16</u>	<u>-</u>	<u>16</u>	<u>14</u>	<u>2</u>	<u>12</u>
Building Inspection:						
Personnel Services	526	34	560	555	5	501
Contractual Services	8	2	10	9	1	11
Supplies	5		5	4	1	5
Total building inspection	<u>539</u>	<u>36</u>	<u>575</u>	<u>568</u>	<u>7</u>	<u>517</u>
Total public safety	<u>24,502</u>	<u>1,012</u>	<u>25,514</u>	<u>25,290</u>	<u>224</u>	<u>23,958</u>

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CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2017
(In Thousands)

	2018					2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance (Over) Under	
Public Works						
Administration:						
Personnel Services	\$ 350	\$ 12	\$ 362	\$ 345	\$ 17	\$ 336
Contractual Services	9	16	25	20	5	19
Supplies	2		2	1	1	2
Total administration	<u>361</u>	<u>28</u>	<u>389</u>	<u>366</u>	<u>23</u>	<u>357</u>
Engineering:						
Personnel Services	809	(56)	753	753	-	724
Contractual Services	74	10	84	43	41	73
Supplies	4	1	5	5	-	7
Total engineering	<u>887</u>	<u>(45)</u>	<u>842</u>	<u>801</u>	<u>41</u>	<u>804</u>
Land Use:						
Personnel Services	202	10	212	209	3	141
Contractual Services	16		16	14	2	13
Supplies	1		1	1	-	-
Capital Outlay			-		-	4
Total land use	<u>219</u>	<u>10</u>	<u>229</u>	<u>224</u>	<u>5</u>	<u>158</u>
Maintenance:						
Personnel Services	564	45	609	609	-	606
Contractual Services	434	104	538	538	-	506
Supplies	139	(21)	118	118	-	124
Total maintenance	<u>1,137</u>	<u>128</u>	<u>1,265</u>	<u>1,265</u>	<u>-</u>	<u>1,236</u>
Streets Division:						
Personnel Services	1,656	(1)	1,655	1,643	12	1,543
Contractual Services	40	(21)	19	18	1	14
Supplies	170	(20)	150	125	25	188
Capital Outlay			-		-	132
Total streets division	<u>1,866</u>	<u>(42)</u>	<u>1,824</u>	<u>1,786</u>	<u>38</u>	<u>1,877</u>
Solid Waste Division:						
Personnel Services	958	55	1,013	969	44	957
Contract Services	78	(46)	32	13	19	749
Supplies	17		17	6	11	5
Capital Outlay			-		-	(714)
Transfer out			-		-	
Total solid waste division	<u>1,053</u>	<u>9</u>	<u>1,062</u>	<u>988</u>	<u>74</u>	<u>997</u>

(Continued on next page)

**CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2017
(In Thousands)**

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Fleet Maintenance:						
Personnel Services	\$ 618	\$ 5	\$ 623	\$ 623	\$ -	\$ 573
Contractual Services	415	75	490	490	-	392
Supplies	826	39	865	865	-	936
Total fleet maintenance	<u>1,859</u>	<u>119</u>	<u>1,978</u>	<u>1,978</u>	<u>-</u>	<u>1,901</u>
Snow Removal:						
Personnel Services	250	12	262	262	-	238
Contractual Services	322	(18)	304	304	-	346
Supplies	494	83	577	576	1	524
Total snow removal	<u>1,066</u>	<u>77</u>	<u>1,143</u>	<u>1,142</u>	<u>1</u>	<u>1,108</u>
Major Road Improvements:						
Personnel Services	12	10	22	22	-	34
Contractual Services	2,040	2,064	4,104	4,097	7	4,921
Total major road improvements	<u>2,052</u>	<u>2,074</u>	<u>4,126</u>	<u>4,119</u>	<u>7</u>	<u>4,955</u>
Railroad Maintenance:						
Contractual Services	<u>26</u>	<u>175</u>	<u>201</u>	<u>193</u>	<u>8</u>	<u>16</u>
Other City Buildings:						
Contractual Services	104	6	110	110	-	101
Supplies	72	20	92	92	-	75
Total other city buildings	<u>176</u>	<u>26</u>	<u>202</u>	<u>202</u>	<u>-</u>	<u>176</u>

(Continued on next page)

CITY OF BRISTOL, CONNECTICUT
 GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING
 USES - BUDGET AND ACTUAL (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
 ACTUAL AMOUNTS FOR 2017
 (In Thousands)

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Perm Patch Utility Trenches: Personnel Services	\$	11	\$ 11	\$ 11	\$ -	\$ 55
Public Works Fleet: Capital Outlay	914	52	966	923	43	1,009
Public Works Line Painting: Personnel Services	1		1		1	
Contractual Services	140	(38)	102	102		140
Supplies			-		-	
Total public works line painting	141	(38)	103	102	1	140
Storm Water Maintenance Personnel Services		2	2	2	-	2
Street Lighting: Contractual Services	220	153	373	372	1	562
Total public works	11,977	2,739	14,716	14,474	242	15,353
Health and Welfare						
Community Services: Personnel Services	47	4	51	49	2	46
Contractual Services	14		14	11	3	11
Other/Miscellaneous	42		42	34	8	28
Total community services	103	4	107	94	13	85
Bristol-Burlington Health: Contractual Services	3,144		3,144	3,144	-	3,228
Bristol Preschool: Contractual Services			-		-	5

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CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2017
(In Thousands)

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Health/SS Outside Agencies:						
Contractual Services	\$ 88	\$ 12	\$ 100	\$ 96	\$ 4	\$ 109
Other/Miscellaneous	14		14	14	-	18
Total health/SS outside agencies	<u>102</u>	<u>12</u>	<u>114</u>	<u>110</u>	<u>4</u>	<u>127</u>
Cemetery Upkeep:						
Purch. Prof. Services	79		79	79	-	79
School Readiness Program:						
Personnel Services		76	76	76	-	74
Contractual Service	8	2,838	2,846	2,813	33	2,755
Total school readiness program	<u>8</u>	<u>2,914</u>	<u>2,922</u>	<u>2,889</u>	<u>33</u>	<u>2,829</u>
Total health and welfare	<u>3,436</u>	<u>2,930</u>	<u>6,366</u>	<u>6,316</u>	<u>50</u>	<u>6,353</u>
Libraries						
Library:						
Personnel Services	1,536	44	1,580	1,567	13	1,468
Contractual Services	308	29	337	302	35	282
Supplies	293	52	345	315	30	275
Capital Outlay		2	2	2	-	-
Total libraries	<u>2,137</u>	<u>127</u>	<u>2,264</u>	<u>2,186</u>	<u>78</u>	<u>2,025</u>
Parks and Recreation						
Parks and Recreation:						
Personnel Services	1,831	77	1,908	1,905	3	1,719
Contractual Services	286	14	300	287	13	348
Purch. Prof. Services		6	6	4	2	
Supplies	269	14	283	267	16	231
Capital Outlay	4	(36)	(32)	(32)	-	162
Other/Miscellaneous	6	(4)	2	2	-	1
General Insurance	42	(1)	41	39	2	40
Total parks and recreation	<u>2,438</u>	<u>70</u>	<u>2,508</u>	<u>2,472</u>	<u>36</u>	<u>2,501</u>
Employee Benefits and Pension						
Employee benefits and pension:						
Retirement Benefits	1,266		1,266	1,179	87	450
Employee Benefits	1,568	379	1,947	1,930	17	2,136
Other Post Employment Benefits	1,363		1,363	1,363	-	1,000
Total employee benefits and pension	<u>4,197</u>	<u>379</u>	<u>4,576</u>	<u>4,472</u>	<u>104</u>	<u>3,586</u>

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**CITY OF BRISTOL, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING
USES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE
ACTUAL AMOUNTS FOR 2017
(In Thousands)**

	2018				Variance (Over) Under	2017 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
General Insurance						
General Insurance	\$ 842	\$	\$ 842	\$ 805	\$ 37	\$ 785
Miscellaneous						
Miscellaneous:						
All Other Costs and Fees	2,537	1,443	3,980	541	3,439	851
Education						
Board of Education:						
General Control	2,601	(95)	2,506	2,506	-	2,409
Instruction	46,825	73	46,898	46,898	-	47,256
Transportation	4,006	114	4,120	4,120	-	4,052
Operation of Plant	6,541	(188)	6,353	6,353	-	6,552
Maintenance of Plant	2,382	(115)	2,267	2,267	-	2,053
Benefits and Fixed	18,246	(14,626)	3,620	3,620	-	2,671
Athletics and Student	1,987	(106)	1,881	1,881	-	1,857
Capital Outlay	2,208	(318)	1,890	1,890	-	1,860
Other/miscellaneous	24,751	1,482	26,233	26,223	10	24,020
Tuition	815	48	863	863	-	858
Total Board of Education	110,362	(13,731)	96,631	96,621	10	93,588
Transfers to other funds:						
Special Revenue	1,399	869	2,268	2,268	-	3,717
Debt Service	8,417	413	8,830	8,830	-	7,949
Capital Projects	589	9	598	598	-	1,767
Sinking Fund	250		250	250	-	403
Internal Service	12,540	14,145	26,685	26,685	-	29,260
Total transfers to other funds	23,195	15,436	38,631	38,631	-	43,096
Total	\$ 191,836	\$ 10,582	\$ 202,418	198,024	\$ 4,394	\$ 198,201

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf contributions for City teachers not budgeted:

Pension	22,090
OPEB	2,278

The Board of Education does not budget for intergovernmental grants, which are credited against education expense for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.

4,261

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

1,330

Payment to refunding bond escrow agent

28,213

Bond issuance costs not budgeted

175

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds - Exhibit IV

\$ 256,371

CITY OF BRISTOL, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OPEB PLAN
LAST TWO FISCAL YEARS*

	<u>2018</u>	<u>2017</u>
Total OPEB liability:		
Service cost	\$ 1,954,699	\$ 1,821,714
Interest	4,614,833	4,434,274
Changes of benefit terms		
Differences between expected and actual experience		851,289
Changes of assumptions	548,793	
Benefit payments	<u>(4,438,442)</u>	<u>(5,083,891)</u>
Net change in total OPEB liability	2,679,883	2,023,386
Total OPEB liability - beginning	<u>63,442,321</u>	<u>61,418,935</u>
Total OPEB liability - ending	<u>66,122,204</u>	<u>63,442,321</u>
Plan fiduciary net position:		
Contributions - employer	5,801,097	6,583,891
Contributions - member	56,308	54,072
Net investment income	380,520	445,223
Benefit payments	<u>(4,438,442)</u>	<u>(5,083,891)</u>
Net change in plan fiduciary net position	1,799,483	1,999,295
Plan fiduciary net position - beginning	<u>8,126,904</u>	<u>6,127,609</u>
Plan fiduciary net position - ending	<u>9,926,387</u>	<u>8,126,904</u>
Net OPEB Liability - Ending	<u>\$ 56,195,817</u>	<u>\$ 55,315,417</u>
Plan fiduciary net position as a percentage of the total OPEB liability/asset	15.01%	12.81%
Covered payroll	\$ 98,287,369	\$ 98,287,369
Net OPEB liability (asset) as a percentage of covered payroll	57.18%	56.28%
<u>Notes to Schedule:</u>		
Assumption Changes:		
Discount rate	7.20%; Prior: 7.30%	

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF BRISTOL, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB PLAN
LAST TEN FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 6,234,993	\$ 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
Contributions in relation to the actuarially determined contribution	<u>5,801,097</u>	<u>6,583,891</u>	<u>3,961,206</u>	<u>3,156,480</u>	<u>4,446,594</u>	<u>4,456,576</u>	<u>4,756,449</u>	<u>5,166,096</u>	<u>N/A</u>	<u>N/A</u>
Contribution Deficiency (Excess)	<u>\$ 433,896</u>	<u>\$ 672,874</u>	<u>\$ 3,347,373</u>	<u>\$ 3,851,724</u>	<u>\$ 4,875,406</u>	<u>\$ 3,071,424</u>	<u>\$ 3,126,551</u>	<u>\$ 3,112,904</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
Covered payroll	\$ 98,287,369	\$ 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
Contributions as a percentage of covered payroll	5.90%	6.70%	4.10%	3.27%	5.02%	5.03%	5.18%	5.63%	0.00%	0.00%

Notes to Schedule

Valuation date	July 1, 2016
Measurement date	June 30, 2018
Valuation timing	Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent, open
Remaining amortization period	28 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	N/A
Investment rate of return	7.20%
Cost of living adjustment	N/A
Retirement age	Rates based on age
Turnover	None
Mortality	RP-2014 Headcount-Weighted Combined Healthy Mortality Table projected generationally from the central year using Scale MP-2016

**CITY OF BRISTOL, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS - OPEB PLAN
LAST TWO FISCAL YEARS***

	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	4.31%	6.83%

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF BRISTOL, CONNECTICUT
 SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
 TEACHERS' RETIREMENT PLAN
 LAST FOUR FISCAL YEARS***

	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the City	<u>49,154,327</u>
Total	<u>\$ 49,154,327</u>
City's covered payroll	\$ 56,374,579
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

Notes to Schedule:

Changes in benefit terms	None
Changes of assumptions	The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate. Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations. As a result of the experience study for the five-year period ended June 30, 2015, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	30 years, open
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

CITY OF BRISTOL, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
CITY OF BRISTOL RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:					
Service cost	\$ 9,104,904	\$ 9,177,475	\$ 8,277,518	\$ 8,034,547	\$ 7,964,316
Interest on total pension liability	30,841,588	29,232,077	28,136,062	27,281,639	26,593,867
Effect of plan changes					
Effect of economic/demographic gains or losses	(5,688,780)	5,571,684	(2,130,022)	(4,305,301)	
Effect of assumption changes or inputs	7,044,151	6,729,043			
Benefit payments	<u>(24,245,472)</u>	<u>(23,012,190)</u>	<u>(22,398,939)</u>	<u>(21,687,626)</u>	<u>(20,636,951)</u>
Net change in total pension liability	17,056,391	27,698,089	11,884,619	9,323,259	13,921,232
Total pension liability - beginning	<u>419,579,708</u>	<u>391,881,619</u>	<u>379,997,000</u>	<u>370,673,741</u>	<u>356,752,509</u>
Total pension liability - ending	<u>436,636,099</u>	<u>419,579,708</u>	<u>391,881,619</u>	<u>379,997,000</u>	<u>370,673,741</u>
Plan fiduciary net position:					
Employer contributions	2,617,369	1,064,936	44,000	127,325	227,500
Member contributions	2,781,706	2,654,883	2,582,644	2,419,097	2,488,640
Net investment income	57,843,541	66,698,627	(9,656,082)	(4,242,226)	79,063,132
Benefit payments	(24,245,472)	(23,012,190)	(22,398,939)	(21,687,626)	(21,156,744)
Administrative expenses	(190,448)				
Net change in plan fiduciary net position	<u>38,806,696</u>	<u>47,406,256</u>	<u>(29,428,377)</u>	<u>(23,383,430)</u>	<u>60,622,528</u>
Plan fiduciary net position - beginning	<u>608,364,860</u>	<u>560,958,604</u>	<u>590,386,981</u>	<u>613,770,411</u>	<u>553,147,883</u>
Plan fiduciary net position - ending	<u>647,171,556</u>	<u>608,364,860</u>	<u>560,958,604</u>	<u>590,386,981</u>	<u>613,770,411</u>
Net Pension Liability (Asset) - Ending	<u>\$ (210,535,457)</u>	<u>\$ (188,785,152)</u>	<u>\$ (169,076,985)</u>	<u>\$ (210,389,981)</u>	<u>\$ (243,096,670)</u>
Plan fiduciary net position as a percentage of the total pension liability	148.22%	144.99%	143.14%	155.37%	165.58%
Covered payroll	\$ 48,452,620	\$ 44,945,681	\$ 45,357,037	\$ 44,715,823	\$ 44,891,754
Net pension liability as a percentage of covered payroll	-434.52%	-420.03%	-372.77%	-470.50%	-541.52%

**CITY OF BRISTOL, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CITY OF BRISTOL RETIREMENT SYSTEM
LAST TEN FISCAL YEARS
(In Thousands)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 2,617,369	\$ 756,393	\$ 352,453	\$ 507,245	\$ 604,612	\$	\$	\$	\$	\$
Contributions in relation to the actuarially determined contribution	2,617,369	1,064,936	44,000	127,325	227,500					
Contribution Deficiency (Excess)	\$ -	\$ (308,543)	\$ 308,453	\$ 379,920	\$ 377,112	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 48,452,620	\$ 44,945,681	\$ 45,357,037	\$ 44,715,823	\$ 44,891,754	\$ 44,638,648	\$ 44,359,243	\$ 44,434,575	\$ 44,811,297	\$ 42,948,909
Contributions as a percentage of covered payroll	5.40%	2.37%	0.10%	0.28%	0.51%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule

Valuation date July 1, 2017
 Measurement date June 30, 2018
 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 Entry age normal
 Amortization method Level dollar, open
 Remaining amortization period 19 years
 Asset valuation method 4-years smoothed market, non-asymptotic, Corridor - 80% to 120% of market value
 Inflation 2.70%
 Salary increases Age graded salary growth with an ultimate rate of 3.25%
 Investment rate of return 7.30%
 Cost of living adjustment
 Police: Pre-December 15, 2002 retirees: 3.25% per year
 Post-December 15, 2002 retirees: 2.25% per year
 Fire: Pre-July 1, 1999 retirees: 3.25% per year
 July 1, 1999 to June 30, 2003 retirees: 2.50% per year
 Post-June 30, 2003 retirees: 2.25% per year
 City: None
 Retirement age Police and Fire: Rates based on age
 City: Rates based on age and service
 Turnover Rates based on age
 Mortality RP-2000 Mortality Table for Employees and Healthy Annuitants, with generational projection 40% phase-in from Scale AA to BB

**CITY OF BRISTOL, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
CITY OF BRISTOL RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	8.81%	12.06%	-2.47%	0.52%	15.44%

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**CITY OF BRISTOL, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' RETIREMENT PLAN
LAST FOUR FISCAL YEARS***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -	-
State's proportionate share of the net pension liability associated with the City	<u>190,973,158</u>	<u>201,478,144</u>	<u>152,907,734</u>	<u>141,332,557</u>
Total	<u>\$ 190,973,158</u>	<u>\$ 201,478,144</u>	<u>\$ 152,907,734</u>	<u>\$ 141,332,557</u>
City's covered payroll	\$ 56,374,579	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	55.93%	52.26%	59.50%	61.51%

Notes to Schedule:

Changes in benefit terms

None

Changes of assumptions

During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.

During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.

Actuarial cost method

Entry age

Amortization method

Level percent of salary, closed

Remaining amortization period

20.4

Asset valuation method

4-year smoothed market

Investment rate of return

8.50%, net of investment related expense

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available

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Appendix B

Opinion of Bond Counsel and Tax Status

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APPENDIX B - OPINION OF BOND COUNSEL AND TAX STATUS

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 \$25,000,000 General Obligation Bonds, Issue of 2019, dated as of November 12, 2019.

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.

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. 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.

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 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 November 12, 2019 by the City of Bristol, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$25,000,000 General Obligation Bonds, Issue of 2019, dated as of November 12, 2019 (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 29, 2019 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, 2019) 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 Issuer's 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;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

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.

Events (o) and (p). The term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with MSRB pursuant to the Rule.

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 _____
John E. Smith
Chairman and Agent of the Board of Finance

By _____
Diane M. Waldron
Comptroller

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Appendix D

Notice of Sale

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NOTICE OF SALE
\$25,000,000
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 **11:30 A.M. Eastern Time on TUESDAY,**

OCTOBER 29, 2019

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

\$25,000,000 General Obligation Bonds, Issue of 2019
Payable annually on August 1 as follows:

\$920,000 in 2021
\$1,060,000 in 2022
\$1,205,000 in 2023
\$1,315,000 in 2024
\$1,330,000 in 2025 through 2028
\$1,380,000 in 2029 through 2039

The Bonds will be dated November 12, 2019, with interest payable on February 1, 2020 and thereafter semiannually on each August 1st and February 1st.

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 fifteenth day of January and July (or the preceding business day if such fifteenth day is not a business day).

Redemption. Bonds maturing on or before August 1, 2026 are not subject to redemption prior to maturity. Bonds maturing on August 1, 2027 and thereafter are subject to redemption prior to maturity, at the option of the City, on or after August 1, 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 prices, expressed as a percentage of the principal amount, plus accrued interest to the date set for redemption:

<u>Period During Which Redeemed</u> <u>(Both Dates Inclusive)</u>	<u>Redemption Prices</u>
August 1, 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 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, 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 November 12, 2019, 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 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 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; 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 21, 2019. 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 November 12, 2019 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

JOHN E. SMITH,
Chairman and Agent of the Board of Finance

DIANE M. WALDRON,
Comptroller

October 21, 2019

**APPENDIX TO NOTICE OF SALE
FORM OF ISSUE PRICE CERTIFICATE**

Competitive Sale Requirements Satisfied

**CITY OF BRISTOL, CONNECTICUT
\$25,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2019**

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 29, 2019.

(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: __/__/2019

Attachments:

**SCHEDULE A
EXPECTED OFFERING PRICES**

**SCHEDULE B
COPY OF UNDERWRITER'S BID**

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Competitive Sale Requirements Not Satisfied - 10% Test Applied

**CITY OF BRISTOL, CONNECTICUT
\$25,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2019**

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: __/__/2019

Attachment:

**SCHEDULE A
SALE PRICES**

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