

# FINAL OFFICIAL STATEMENT DATED NOVEMBER 4, 2015

**Refunding Issue: Book-Entry-Only**

**BOND RATING: Standard & Poor's Corporation: "AA+"**

*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 tax, but in the case of corporations a portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; the Bonds are "qualified tax-exempt obligations"; 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 Exemption" herein.*



## **\$7,310,000** **City of Bristol, Connecticut** **General Obligation Refunding Bonds, Issue of 2015** **Bank Qualified**

**Dated: Date of Delivery**

**Due: Serially on October 15**

The Bonds will be general obligations of the City of Bristol, Connecticut (the "City") and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Interest on the Bonds will be payable on April 15, 2016 and semiannually thereafter on October 15 and April 15 in each year until maturity.

<b>Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>	<b>Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>
2016	\$ 1,155,000	3.000%	0.380%	109853U33	2021	\$ 540,000	3.000%	1.550%	109853U82
2017	1,470,000	3.000%	0.770%	109853U41	2022	535,000	3.000%	1.730%	109853U90
2018	1,450,000	3.000%	1.000%	109853U58	2023	535,000	5.000%	1.870%	109853V24
2019	545,000	3.000%	1.170%	109853U66	2024	535,000	3.000%	2.070%	109853V32
2020	545,000	3.000%	1.380%	109853U74					

The Bonds will be issued by means of a book-entry-only system and will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Ownership of the Bonds will be in the denominations of \$5,000 or integral multiples thereof. The Beneficial Owners will not receive certificates representing their ownership interest in the Bonds. Principal 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. So long as Cede & Co. is the Bondowner as nominee for DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only System" herein.

**The Bonds are NOT subject to redemption prior to maturity.**

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

## **RAYMOND JAMES**

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. Certain legal matters will be passed upon for the Underwriter by Updike, Kelly & Spellacy, P.C., of Hartford, Connecticut, Underwriter's Counsel. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about November 17, 2015.

<sup>1</sup> 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 or the Underwriter 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.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of this information.

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 — "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.

**IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.**

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.

# Table of Contents

	<b><i>Page</i></b>		<b><i>Page</i></b>
<b>Refunding Bond Issue Summary</b> .....	1	Exempt Property.....	28
<b>I. Bond Information</b> .....	2	Ten Largest Taxpayers.....	29
Introduction.....	2	Property Tax Levies and Collections.....	29
Financial Advisor.....	2	Property Taxes Receivable.....	29
Description of the Bonds.....	2	<b>V. Debt Summary</b> .....	30
Redemption Provisions.....	3	Long-Term Debt.....	30
Book-Entry-Only Transfer System.....	3	Short-Term Debt.....	30
DTC Practices.....	4	General Fund Bonded Debt Maturity Schedule.....	31
Replacement Bonds.....	4	Self-Supporting Water Debt Maturity Schedule.....	32
Security and Remedies.....	4	Overlapping/Underlying Debt.....	32
Authorization and Purpose.....	5	Debt Statement.....	33
Plan of Refunding.....	5	Current Debt Ratios.....	33
Verification of Mathematical Computations.....	6	Bond Authorization Procedure.....	34
Sources and Uses of Bond Proceeds.....	6	Temporary Financing.....	34
Qualification for Financial Institutions.....	6	Statement of Debt Limitation.....	35
Availability of Continuing Information.....	6	Authorized but Unissued Debt.....	36
Ratings.....	7	Principal Amount of Outstanding General Fund Debt.....	37
Underwriting.....	7	Ratios of Net Long-Term Debt to Valuation, Population and Income.....	37
<b>II. The Issuer</b> .....	8	Ratio of Annual Long-Term General Fund Debt Service Expenditures To Total General Fund Expenditures.....	37
Description of the Municipality.....	8	<b>VI. Financial Administration</b> .....	38
Form of Government.....	11	Audit.....	38
Principal Municipal Officials.....	12	Certificate of Achievement for Excellence in Financial Reporting.....	38
Municipal Services.....	13	Award for Distinguished Budget Presentation.....	38
Municipal Employees.....	18	Award for Outstanding Achievement in Popular Annual Financial Reporting.....	38
Employee Relations.....	18	Budget Procedure.....	38
Educational Services.....	19	Five-Year Capital Improvement Plan.....	39
School Facilities.....	20	Insurance and Risk Management.....	39
School Enrollments.....	20	Investment Practices for Operating Funds.....	40
<b>III. Demographic Information and Economic Data Section</b> .....	21	Investment Practices for Pension Plans.....	40
Population Trends and Density.....	21	Investment Objectives and Guidelines.....	40
Age Distribution of the Population.....	21	City Retirement System.....	41
Income Distribution.....	22	Police and Firefighter's Benefit Funds.....	42
Income Levels.....	22	Education.....	43
Employment Data.....	22	Other Post Employment Benefits.....	43
Employment by Industry.....	23	General Fund Revenues and Expenditures.....	45
Educational Attainment.....	23	Analysis of General Fund Equity.....	45
Age Distribution of Housing.....	23	Enterprise Fund.....	46
Housing Inventory.....	24	<b>VII. Legal and Other Information</b> .....	48
Owner Occupied Housing Units.....	24	Litigation.....	48
Major Employers.....	24	Transcript and Closing Documents.....	48
Land Use Summary.....	25	Concluding Statement.....	49
Building Permits.....	25	<b>Appendix A - 2014 General Purpose Financial Statements</b>	
<b>IV. Tax Base Data</b> .....	26	<b>Appendix B - Opinion of Bond Counsel and Tax Exemption</b>	
Assessments.....	26	<b>Appendix C - Form of Continuing Disclosure Agreement</b>	
Levy.....	27		
Tax Abatement Policy.....	27		
Comparative Assessed Valuations.....	28		

*(This page intentionally left blank)*

## **Refunding Bond Issue Summary**

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

<b>Issuer:</b>	City of Bristol, Connecticut (the "City").
<b>Issue:</b>	\$7,310,000 General Obligation Refunding Bonds, Issue of 2015.
<b>Dated Date:</b>	Date of Delivery.
<b>Interest Due:</b>	October 15 and April 15, in each year until maturity commencing April 15, 2016.
<b>Principal Due:</b>	Serially, October 15, 2016 through October 15, 2024, as detailed on the cover of this Official Statement.
<b>Purpose and Authority:</b>	The Bond proceeds will be used to refinance bonds originally issued in 2005 and 2009 and to pay cost of issuance associated with the refinancing.
<b>Redemption:</b>	The Bonds are <u>NOT</u> subject to redemption prior to maturity as herein provided.
<b>Security:</b>	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.
<b>Credit Rating:</b>	Standard & Poor's Corporation has rated the Bonds "AA+".
<b>Tax Exemption:</b>	See Appendix B, "Opinion of Bond Counsel and Tax Exemption".
<b>Continuing Disclosure:</b>	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 form attached as Appendix C to this Official Statement.
<b>Bank Qualification:</b>	The Bonds <u>shall be</u> 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.
<b>Registrar, Transfer Agent, Certifying Agent, Paying Agent, &amp; Escrow Agent:</b>	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23 <sup>rd</sup> Floor, Hartford, Connecticut 06103.
<b>Legal Opinion:</b>	Day Pitney LLP of Hartford, Connecticut will act as Bond Counsel.
<b>Financial Advisor:</b>	Phoenix Advisors, LLC of Milford, Connecticut will act as Financial Advisor.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made on or about November 17, 2015, against payment in Federal Funds.
<b>Issuer Official:</b>	Questions concerning the Official Statement should be addressed to: Mr. Glenn S. Klocko, 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 \$7,310,000 General Obligation Refunding Bonds, Issue of 2015 (the "Bonds").

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

### **Financial Advisor**

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

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

### **Description of the Bonds**

The \$7,310,000 principal amount of the Bonds will be paid as is indicated on the front 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 October 15 and April 15 in each year until maturity, commencing April 15, 2016. Interest will be calculated on the basis of a thirty-day month and a 360-day year. Interest is payable to the registered owner as of the close of business on the last business day of September and March, 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, 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.

*(The remainder of this page intentionally left blank.)*

## **Redemption Provisions**

The Bonds are NOT subject to redemption prior to maturity.

## **Book-Entry-Only Transfer System**

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

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

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

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.

### **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 a bond resolution approved by the City Council on October 13, 2015. The proceeds of the Bonds will be used to refund or defease all or a portion of the outstanding maturities of the City's bonds originally issued in 2005 and 2009.

### **Plan of Refunding**

The Bonds are being issued to refund at or prior to maturity all or a portion of certain maturities of certain of the outstanding series of general obligation bonds of the City as set forth below (the "Refunded Bonds"). The refunding is contingent upon delivery of the Bonds.

<i>Issue</i>	<i>Dated Date</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Par Amount</i>	<i>Redemption Date</i>	<i>Redemption Price</i>
2005 REF	6/15/2005	10/15/2016	3.700%	\$ 1,165,000	12/17/2015	100.00
		10/15/2017	3.750%	945,000	12/17/2015	100.00
		10/15/2018	3.850%	930,000	12/17/2015	100.00
		<b>Total</b> .....		\$ 3,040,000		
2009	2/15/2009	2/15/2018	2.750%	\$ 555,000	2/15/2017	100.00
		2/15/2019	3.000%	555,000	2/15/2017	100.00
		2/15/2020	3.250%	555,000	2/15/2017	100.00
		2/15/2021	3.500%	555,000	2/15/2017	100.00
		2/15/2022	3.700%	555,000	2/15/2017	100.00
		2/15/2023	4.000%	555,000	2/15/2017	100.00
		2/15/2024	4.000%	555,000	2/15/2017	100.00
		2/15/2025	4.000%	555,000	2/15/2017	100.00
<b>Total</b> .....		\$ 4,440,000				
<b>Grand Total</b> .....		\$ 7,480,000				

Upon delivery of the Bonds, the proceeds of the Bonds will be placed in an irrevocable escrow deposit fund (the "Escrow Deposit Fund") established with U.S. Bank National Association, as escrow agent (the "Escrow Agent") under an escrow deposit agreement (the "Escrow Agreement") to be dated as of the Date of Delivery between the Escrow Agent and the City. The Escrow Agent will use such proceeds and other monies, if any, to purchase a portfolio of non-callable direct obligations of, or obligations guaranteed by, the United States of America, including United States Treasury securities, or other investments permitted by Section 7-400 of the Connecticut General Statutes, as amended, all of which shall not be callable or prepayable at the option of the issuer thereof (the "Government Obligations"). The principal of and interest on the Government Obligations, when due, will provide amounts sufficient to meet principal, interest payments and redemption prices on the Refunded Bonds on the redemption dates. The Escrow Agreement permits substitution of certain Government Obligations for other Government Obligations provided that the maturing principal of and interest on all Government Obligations held at any time under the Escrow Agreement will provide amounts sufficient to pay the principal, interest and redemption prices on the Refunded Bonds on the date such payments are due. All investment income on maturing principal of the Government Obligations held in the Escrow Deposit Fund and needed to pay the principal of, interest and redemption prices, on the Refunded Bonds will be irrevocably deposited by the City for payment of the Refunded Bonds. The balance of the proceeds of the Refunding Bonds will be used to pay certain costs of issuance and underwriter's discount.

### **Verification of Mathematical Computations**

The accuracy of the mathematical computations regarding (i) the adequacy of maturing principal of and interest earned on the Government Obligations deposited with the Escrow Agent to pay, when due, the principal of, accrued interest and redemption premium on the Refunded Bonds on the redemption dates and (ii) the yield on the Bonds and the securities and moneys in the Escrow Deposit Fund will be verified by AMTEC of Avon, Connecticut (the "Verification Agent"). Such verification of the accuracy of the mathematical computations will be based upon information and assumptions supplied to the Verification Agent by the Underwriter.

### **Sources and Uses of Bond Proceeds:**

<b>Sources:</b>	<u><b>This Issue</b></u>
Par Amount of the Bonds.....	\$7,310,000.00
Original Issue Premium .....	503,352.70
<b>Total Sources</b> .....	<u>\$7,813,352.70</u>
<b>Uses:</b>	
Deposit to Escrow Deposit Fund .....	\$7,699,808.24
Costs of Issuance .....	81,888.21
Underwriter's Discount .....	31,656.25
<b>Total Uses</b> .....	<u>\$7,813,352.70</u>

### **Qualification for Financial Institutions**

The Bonds shall 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 Information**

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

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds not in excess of ten business days after the occurrence of such events, and (iii) timely notices of failure by the City to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement to be executed substantially in the form set out in Appendix C to this Official Statement. The Underwriter's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

The City has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds to provide annual financial information and event notices pursuant to Rule 15c2-12(b)(5). Within the last five years from the date hereof, the City has not failed to meet, in any material respect, any of its undertakings under such agreements.

**Ratings**

Standard & Poor’s Rating Services (“S&P”) has assigned a rating of “AA+” to the Bonds. The City furnished to S&P certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of S&P and will be subject to revision or withdrawal, which could affect the market price of the Bonds. S&P 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.

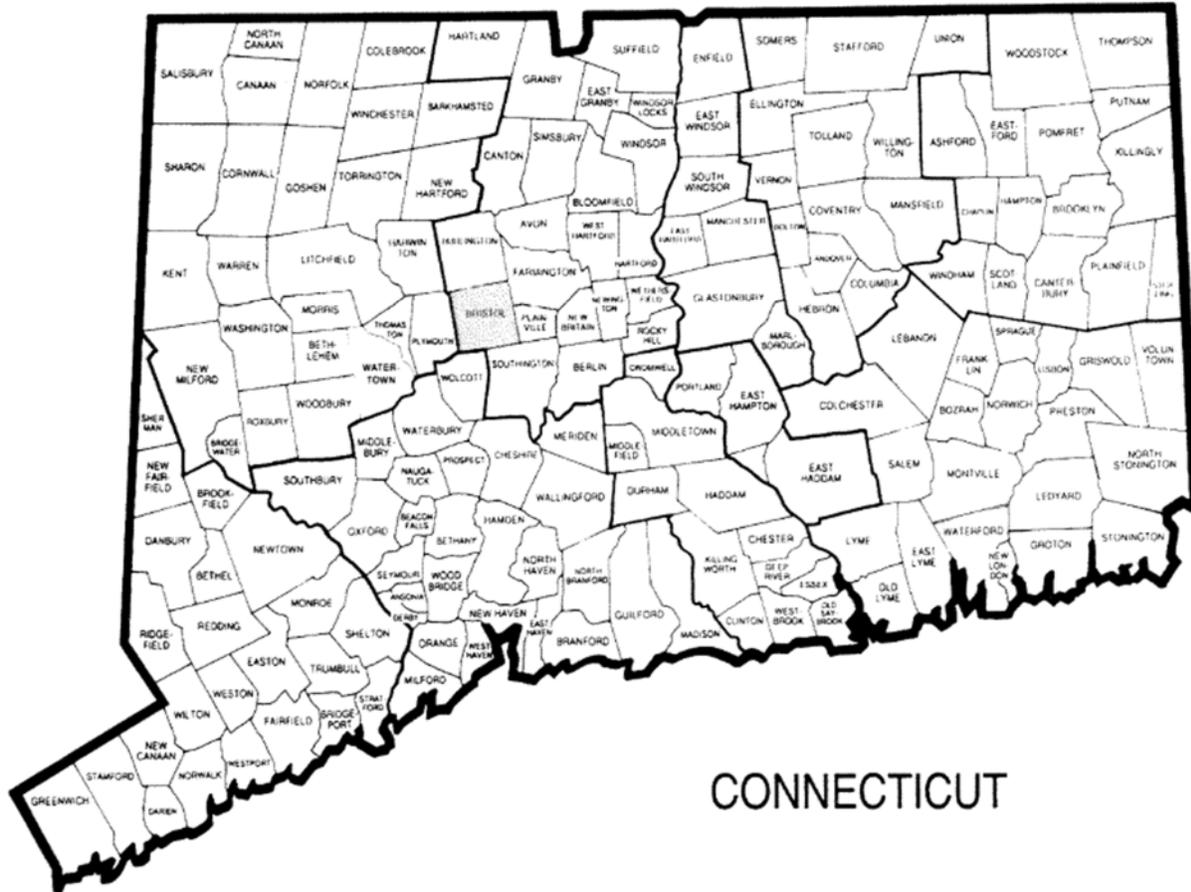
The City expects to furnish to S&P information and materials that they may request. However, the City may issue short-term or other debt for which a rating is not requested. The City's Financial Advisor, Phoenix Advisors, LLC, recommends that all bonded debt be submitted for a credit rating.

**Underwriting**

The Bonds are being purchased by Raymond James & Associates, Inc. (the “Underwriter”) pursuant to the terms of a purchase contract with the City (the “Contract of Purchase”). Pursuant to the Contract of Purchase, the Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the City at the net aggregate purchase price of \$7,781,696.45 (consisting of the principal amount of \$7,310,000.00, plus original issue premium of \$503,352.70 and less Underwriter’s discount of \$31,656.25). The Underwriter will be obligated to purchase all such Bonds, if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including unit investment trusts and other affiliated portfolios of certain underwriters and other dealers depositing the Bonds into investment trusts) at prices lower or yields higher than the public offering prices or yields stated on the cover page of this Official Statement, and such public offering prices or yields may be changed, from time to time by the Underwriter.

*(The remainder of this page intentionally left blank.)*

## II. The Issuer



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

Bristol is a city of approximately 61,000 residents with one of the State's largest and best-maintained park systems, a top-rated public school system for its size, a variety of museums and local attractions such as Lake Compounce Amusement Park, and a broad industry base, including its largest taxpayer and employer, the world headquarters of ESPN. Yet, Bristol also has one of the most affordable costs of living in the region. These reasons and others are why Money Magazine ranked Bristol 84th in the country as "Best Places to Live" in 2010, and in 2013 Hartford Magazine ranked Bristol as one of Greater Hartford's top municipalities in the category "Best Bang for the Buck."

Bristol enjoys the important advantages of a central location close to several major metropolitan markets: New York and Boston each lie within 100 miles of Bristol, accessible by interstate highway, train, and air; Hartford is 16 miles away and New Haven is 25 miles away. Connecticut's major east-west highway, Interstate 84, is less than five miles south of Downtown Bristol off Route 229. Route 72 through Bristol connects Interstate 84 with Interstate 91, providing access to Fairfield County, New Haven County, and New York City to the south, Hartford County to the east and Springfield to the north.

Route 6, one of the country's original transcontinental highways, runs through Bristol as part of its 3,234-mile expanse stretching from Cape Cod to California. Bristol is only 30 miles from Bradley International Airport, and is within two hours of New York's LaGuardia and Kennedy Airports. The City is even closer to several smaller airfields which can accommodate corporate jets. Helicopter service is available in Bristol's 229 Technology Park, and rail freight service is available locally.

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

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

Bristol's economic development efforts began in 1958 with the creation of the redevelopment agency for urban renewal. With a shift in focus from downtown in the 1970s, the City began work on its first industrial development on Middle Street and in the 1980s developed 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 and located many companies to the park, such as Multi/Cable Corp., Wall Systems Inc., Village Cabinets, the Otis Elevator Quality Assurance Center (North America's tallest elevator test tower), the newly renovated DoubleTree by Hilton Hotel, and more. 229 Technology Park has more than 1,600 employees in over 25 businesses. ESPN, established in 1980, is located across Route 229 from the park and now employs over 4,200 people, many of whom live in Bristol.

In 1997, the City partnered with Tilcon Minerals to develop roughly 24 acres adjacent to the 229 Technology Park to create the Halcyon Industrial 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, Cornerstone Records Management, and others. An underutilized 25,000-sq. ft. Reynold's Aluminum Recycling Center was refurbished by Eastern Plastics Inc. which has expanded twice: a 10,000-sq. ft. addition was added in 1999, and 15,000 additional sq. ft. was constructed in 2004.

In addition to the successful 229 Technology Park and Halcyon Technology Park, the City now offers building lots in the 51-acre Southeast Bristol Industrial 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. Three end-users have developed sites in the park: CMI Specialty Products is a producer/distributor of specialty electromagnetic steel; Precision Threaded Products makes aircraft fasteners; and GMN USA is a spindle repair/manufacturer set to complete construction on a new 30,000 square foot facility in the winter of 2015. In addition, a real estate development firm representing a large distributor has executed a real estate sales agreement for Lot #1 – the largest building lot in the park – and will begin construction on a 120,000 square foot distribution facility in early 2016.

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

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

More than 75 companies received economic development grants and abatements from 1994 to 2015. More than 600,000 square feet of new construction has resulted, along with an increase of \$100 million in the City's grand list. A total of more than 2,800 new jobs resulted from this effort alone.

Examples of recent business growth include the following projects:

- GMN USA constructing new manufacturing facility
- CMI Specialty Products constructing 6,500 square foot addition to its distribution facility
- DoubleTree by Hilton completing \$20,000,000 renovation of Clarion Hotel
- Century Spring renovating and relocating to new manufacturing facility

- RGD Technologies acquiring several new pieces of equipment to expand operations
- Barter Business Unlimited (BBU) purchasing and renovating a new company headquarters

ESPN continues to expand. 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. ESPN recently announced some workplace reduction at its Bristol location.

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 ensures the area's designation as the "Spring-Making Capital of the World." These companies 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, Bristol's second largest taxpayer, operates a 60,000 square-foot trash-to-energy facility and processes waste for use in generating electricity. 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 adjacent to 229 Technology Park. Growth opportunities that the City is pursuing include clean energy and bioscience. The strategy is being developed and may bear fruit over the coming decade.

Bristol Hospital, Inc. is a nonprofit, 154-bed hospital employing approximately 1,600 healthcare professionals and support staff. Bristol Hospital is the City's second largest employer. Bristol Hospital offers comprehensive inpatient, outpatient, and emergency services with a state-of-the-art intensive care unit and single room maternity care. The hospital also provides a wide range of educational programs and support groups. Within the past year, Bristol Hospital has opened a new Center for Wound Care and Hyperbaric Medicine, and a Center for Orthopedic and Spine Health. In 2015, Bristol Hospital was officially designated by the American Nurses Credentialing Center (ANCC) Magnet Recognition Program as a "Magnet Recognized Organization." Magnet is the highest recognition an organization can receive for nursing care as established by the ANCC, a division of the American Nurses Association. The Magnet status recognizes health care organizations that provide the very best in nursing care and uphold the tradition of professional nursing practice.

The City's two most heavily trafficked retail areas – CT Route 6 and CT Route 229 – continue to grow. CT Route 6 has enjoyed a large amount of retail renovation and expansion, particularly near the Farmington town line. This has included the development of a large LA Fitness facility, Chili's restaurant, and Sonic restaurant. Nearby on CT Route 6, a local pediatric care facility is constructing a new 6,000 square foot facility. New retail tenants for the remainder of CT Route 6 in Bristol include Fresh Worx, a fast casual eatery; Walmart Neighborhood Market; Hobby Lobby; and more. On CT Route 229, the Hospital of Central Connecticut recently opened a new urgent care facility, a new CVS pharmacy was recently constructed, the former Clarion Hotel was renovated as a DoubleTree by Hilton, ESPN continues its operations, and the Southeast Bristol Business Park is gaining steam with two new tenants set to open in 2016.

Downtown revitalization remains a top priority for reasons of economic vitality and quality of life. The City is currently studying the proper mix of public and private improvements and investments. To kickstart downtown revitalization, the City purchased a former mall on a 17-acre site in March 2005, and the building was later demolished. A private developer for the site was selected through a competitive process in 2009. The plan is for mixed-uses with an emphasis on residential use. To date, the developer has yet to secure adequate financing for its planned development. The re-use of the 17-acre site is a key component and opportunity for downtown revitalization. The eventual sale of the site, or portions of the site, could recoup a substantial portion of the purchase price, restart the income stream of taxes, and help spark renewed interest in surrounding downtown properties.

A downtown façade improvement program and other City incentives are encouraging redevelopment. Such redevelopment includes a new pharmacy and several new façade improvement projects designed to improve the appearance of prominent downtown buildings. The projects include a completely refurbished historic mixed use building on Main Street that, prior to renovation, was in danger of being demolished due to blighted and unsafe conditions. Also completed were several window and entrance upgrades, siding and painting projects, and a multitude of new signage for businesses.

Economic activity and growth has continued to occur in the downtown area while the fate of the 17-acre parcel has been undecided. On Main Street opposite the empty parcel, new and flourishing businesses include the gastro pub Barley Vine, MF Training, and Cathy's Uniforms. On the North Main Street side, Skewers Restaurant has introduced a new flavor to downtown dining options. Other young entrepreneurs have also flourished in the downtown area. This includes the brewers at Firefly Hollow Brewing Company, located in an old factory building on Center Street; the holistic spa Ada Rios on West Street, and Joamar Salon in the West End. BDA is supporting these startups with access to grants, advice, marketing support through Facebook and the BDA Buzz newsletter, and the façade improvement program mentioned above. In addition, the BDA recently launched an innovative business plan competition called StartUP Bristol, designed to encourage entrepreneurs and startup businesses from across the state to locate in Bristol.

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

### ***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, Board of Assessment Appeals (3) and Constables (6), The Mayor and City Council appoint other City officials and members of various Boards and Commissions.

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

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

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

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

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

## **Principal Municipal Officials**

<b>Office</b>	<b>Name</b>	<b>Manner of Selection</b>	<b>Term Expiration</b>
Mayor .....	Ken Cockayne	Elected	11/9/2015
Council Member .....	Calvin Brown	Elected	11/9/2015
Council Member .....	Eric L. Carlson	Elected	11/9/2015
Council Member .....	Mary Fortier	Elected	11/9/2015
Council Member .....	Henri Martin	Elected	11/9/2015
Council Member .....	Richard J. Miecznikowski	Elected	11/9/2015
Council Member .....	Ellen Zoppo-Sassu	Elected	11/9/2015
Board of Finance, Chairman .....	Cheryl Thibeault	Appointed	06/17
Board of Finance, Vice Chairman .....	John E. Smith	Appointed	06/19
Board of Finance .....	Jake Carrier	Appointed	06/19
Board of Finance .....	Derek Czenczelewski	Appointed	06/16
Board of Finance .....	Michael Fiorini	Appointed	06/18
Board of Finance .....	Michael LaMothe	Appointed	06/18
Board of Finance .....	Ron Burns	Appointed	06/16
Board of Finance .....	Orlando Calfe	Appointed	06/17
Board of Education, Chairperson .....	Larry Amara	Elected	11/9/2015
Board of Education, Member .....	Christopher Wilson	Elected	11/9/2015
Board of Education, Member.....	Karen L. Vibert	Elected	11/9/2015
Board of Education, Member .....	Jennifer Dube	Elected	11/9/2015
Board of Education, Member .....	Genard Dolan	Elected	11/9/2015
Board of Education, Secretary .....	Jill T. Fitzgerald	Elected	11/9/2015
Board of Education, Member .....	Karen Hintz	Elected	11/9/2015
Board of Education, Member .....	Jeffrey Morgan	Elected	11/9/2015
Board of Education, Member .....	Thomas P. O'Brien	Elected	11/9/2015
Town and City Clerk .....	Therese Pac	Appointed	11/18
Comptroller .....	Glenn S. Klocko	Appointed	05/18
Assistant Comptroller .....	Robin Manuele	Appointed	04/18
Treasurer .....	Thomas O. Barnes, Jr.	Elected	11/9/2015
Chief Assessor .....	Thomas DeNoto	Appointed	07/16
Tax Collector .....	Teresa Babon	Appointed	05/17
Purchasing Agent .....	Roger Rousseau	Appointed	01/18
Director of Public Works .....	Walter E. Veselka III	Appointed	11/15
Police Chief (Interim) .....	Brian Gould <sup>1</sup>	Appointed	--
Fire Chief .....	Jay Kolakoski	Appointed	07/19
Corporation Counsel .....	Edward C. Krawiecki, Jr.	Appointed	11/15
Superintendent of Schools .....	Dr. Ellen Solek	Appointed	Indefinite
Personnel Director .....	Diane Ferguson	Appointed	04/16
Superintendent of Parks and Recreation .....	Edward G. Swicklas	Appointed	12/18
Superintendent of Water Department .....	Robert Longo	Appointed	05/19
Bristol Development Authority Director .....	Justin Malley	Appointed	04/18
Registrar of Voters (D) .....	Kevin McCauley	Elected	1/4/2017
Registrar of Voters (R) .....	Sharon Krawiecki	Elected	1/4/2017
Director, Department of Aging .....	Patricia Tomascak	Appointed	Indefinite
Chairman, Inland Wetlands Commission .....	Zachary Fisk	Appointed	05/17
Director of Youth & Community Services .....	Eileen McNulty	Appointed	Indefinite
City Planner .....	Alan L. Weiner	Hired	Indefinite
Planning Secretary and City Engineer .....	Paul A. Strawderman	Appointed	01/16
Zoning Enforcement Officer .....	Monica Holloway	Hired	Indefinite
Director, Emergency Management .....	Harland Graime	Appointed	Indefinite
Building Official .....	Guy Morin	Appointed	07/18
Bristol-Burlington Health District .....	Charles Motes, Jr.	Appointed	Indefinite
Library Director .....	Deborah Prozzo	Appointed	Indefinite
Assistant Director PWD/WPC Manager .....	Brian Fowkes	Hired	Indefinite

<sup>1</sup> Chief Thomas Grimaldi resigned as of October 23, 2015. The City is in the process of finding a replacement.

## **Municipal Services**

**Police.** The Police Department has an authorized strength of 122 sworn personnel and 24 civilian employees, including the Police Chief, two Captains, eleven Lieutenants and thirteen Sergeants. Six Commissioners act as the policy-setting civilian board. The Police Department employs sixteen civilian dispatchers and two Animal Control Officers.

Police services in Bristol include a Patrol Bureau and Support Bureau. Ancillary Support Services include a narcotics enforcement unit, participation in the U.S. Department of Justice Drug Enforcement Administration Task Force, and a regional Emergency Response Team. The Department embraces advanced training and provides a 14-week field training officer program, augments college level classes and provides educational incentives for college education through a Master's Degree. In March 2015 the Chief of Police graduated from the FBI Academy and a Captain completed advanced management training school in August 2015.

**Fire.** The Bristol Fire Department provides emergency services through the use of 87 career personnel and 2 administrative personnel. The career personnel are divided into four platoons that work a 10-hour dayshift and a 14-hour nightshift. Members of the department responded to 2,266 emergency calls from July 1, 2014 to June 30, 2015 from five fire stations with six pieces of fire apparatus. There are five engine companies and one tower ladder which operate under the direction of four Deputy Chiefs. The department's personnel roster currently consists of the Fire Chief, four Deputy Chiefs, one Fire Marshal, three Fire Inspectors, one Drill Master, one Equipment Technician, six Captains, eighteen Lieutenants and fifty-two Firefighters. The overseeing body of the Bristol Fire Department is the Board of Fire Commissioners. Commissioners are appointed to the Board for a term of three years by the Mayor. The Fire Commissioners work hand-in-hand with the Fire Chief to establish the primary policies of the Fire Department. Based on 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 councilmen and three private citizens. Department programs include the maintenance of the City's streets 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; the collection and treatment of waste water; purchase, service and maintenance of the Public Works fleet; and land use development planning. The Department of Public Works is divided into the following eight Operating Divisions with 124 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 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.

*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. Facility Maintenance also provides support and landscaping tasks associated with the upkeep of the Depot Square Green, "The Patch Downtown", as required. 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.

*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.

*Streets:* 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, winter snow removal and ice control operations, and oversight of the upkeep on approximately 2 miles of industrial railroad spur with one bridge, 3 signalized crossings and 2 manual crossings.

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

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

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

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

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

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

Ten storage structures are spread throughout the City in six different pressure zones with a combined capacity of 16.7 million gallons. The distribution system consists of over 300 miles of cast iron and ductile iron water mains varying in size from 4" to 36". Ductile iron pipe is used for all new water main installations and for all service connections over 2" in diameter. Copper tubing is used for all service connections under 2" in diameter.

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

**Bristol Water Department Rates  
Effective July 1, 2009**

Consumption Rate: Billed at \$0.0234 per cubic foot.

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

**Minimum Quarterly Charges**

<b>Meter Size</b>	<b>Quarterly Service Charge</b>
5/8"	\$20.00
3/4"	53.00
1"	80.00
1-1/2"	102.00
2"	124.00
3"	172.00
4"	243.00
6"	310.00
8"	415.00

All accounts with meters are charged a Quarterly Service Charge and Consumption.

**Minimum Quarterly Charges**

3/4"..... Metered Service	\$52.80	1,600 cu. ft.
1"..... Metered Service	79.20	2,400 cu. ft.
1-1/2"..... Metered Service	101.50	3,000 cu. ft.
2"..... Metered Service	123.80	3,600 cu. ft.
3"..... Metered Service	171.60	5,200 cu. ft.
4"..... Metered Service	242.85	7,700 cu. ft.
6"..... Metered Service	310.00	10,000 cu. ft.

The Bristol Water Department miscellaneous charges are as follows:

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

All miscellaneous charges are included with the regular quarterly billing.

**Parks and Recreation.** In size, Bristol has the second largest municipal parks system in the State of Connecticut. Its staff consists of 20 full-time employees, and more than 175 part-time seasonal employees. Policy is set by a seven-member commission.

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

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

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

Within these areas are located two outdoor swimming pools, 15 tennis courts (5 lighted), 6 outdoor basketball courts, 6 lighted sand volleyball courts, a supervised ice skating area, 5 fishing areas, a sliding area (Nelson Field), 6 pre-school playscapes, 3 baseball diamonds, 3 softball fields (1 lighted), picnic sites, 3 water spray parks, horseshow courts, bocce courts, eighteen hole disc golf course, a para-fitness course, a universal accessible playscape, a jogging and walking path, hiking trails and a cast-in-place skate park.

The department is fortunate to have had many benefactors over the years, who established numerous Trust and Endowment funds to benefit some of the City's parks. Major park renovations recently took place at Rockwell Park, Riley Field, Wilson Field, Brackett Park, Stocks Playground and Page Park Tennis Courts. Pond dredging of 4 park ponds, ADA compliant renovations to Page Park Pavilion, Page Park Pool and Ski Lodge, plus fire and safety code upgrades to Page Park Pool are additional renovations that have been undertaken.

Renovations at Brackett Park included a new basketball park, gate-way entry treatments, signage, gazebo, fenced-in playscape and new lighting and sidewalks. Renovations at Stocks Playground included a new basketball court, 4 lighted sand volleyball courts, a water spray play area, ADA compliant restroom, and creation of 50 additional parking spaces, sidewalks, landscaping and signage.

A \$7.5 million project was completed at Rockwell Park. It included new drainage, an additional 175 parking spaces, two new gateways, lighting, pedestrian access, new basketball court, landscaping, a cast-in-place skate park, a water spray park, 2 lighted sand volleyball courts, 2 new playscapes, a new west entrance into the park, horseshoe pits, bocce court, lighted little league field, sidewalks, dredging of the lagoon, creation of a wetlands habitat, ice skating area, wetlands board walk and a video security system.

Parking and pedestrian improvements were completed at the Hoppers/Birge Pond Nature Preserve. A new ADA compliant pedestrian walkway was installed along with parking lot improvements, drainage improvements, signage, landscaping and lighting. Total cost of the project was \$300,000.

Future plans call for renovations to Muzzy Field with additional seating improvements with gateway treatments and pedestrian and parking improvements at Page Park.

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

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

The City pays a tipping fee of \$ 61.05 per ton for refuse (effective June 30, 2015) and is required to deliver up to its minimum commitment of 21,284 tons for the current fiscal year.

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.

*(The remainder of this page intentionally left blank.)*

## Municipal Employees Full-Time

<b>Fiscal Year Ended June 30</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Board of Education.....	1,057	1,061	1,066	1,065	1,121
General Government.....	510	488	495	509	513
<b>Total.....</b>	<b>1,567</b>	<b>1,549</b>	<b>1,561</b>	<b>1,574</b>	<b>1,634</b>

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

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

<b>Department</b>	<b>Full Time</b>	<b>Part-Time &amp; Temporary</b>
Police .....	146	1
Fire .....	88	1
Administrative and Financial ...	74	12
Youth Services.....	1	43
Recreation .....	22	160
Library .....	30	6
Public Works .....	113	1
Water .....	36	-
<b>Total .....</b>	<b>510</b>	<b>224</b>

Source: City of Bristol, Personnel Office.

## Employee Relations

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

<b>Board of Education</b>	<b>Employees Represented <sup>1</sup></b>	<b>Current Contract Expiration Date</b>
Bristol Federation of Teachers Local 1464 .....	654	6/30/2018
Bristol Association of Principals & Supervisors .....	41	6/30/2017
Bristol Educational Secretaries Association .....	75	6/30/2013 <sup>2</sup>
Bristol Municipal Employees Local 2267 Board of Education, Custodial, Maintenance & Teachers Aides .....	245	6/30/2012 <sup>3</sup>
AFL Local 2267 Council No. 4 (Board of Education Cafeteria) #818 Council 4 .....	54	6/30/2012 <sup>2</sup>
Non-Bargaining Employees .....	6	6/30/2012 <sup>2</sup>
<b>Sub-total .....</b>	<b>14</b>	<b>--</b>
<b>Sub-total .....</b>	<b>1,089</b>	
<b>City Groups</b>		
Local 1338 of Council No. 4, AFSCME, AFL-CIO .....	116	6/30/2017
Police Local 754 of Council No. 15 .....	115	6/30/2015 <sup>2</sup>
Local 773, International Association of Fire Fighters .....	88	6/30/2015 <sup>2</sup>
Bristol City Hall Employees, Local 233 .....	124	6/30/2017
Bristol Professionals & Supervisors Association .....	47	6/30/2017
Non-Bargaining Employees .....	20	--
<b>Sub-total .....</b>	<b>510</b>	
<b>Total .....</b>	<b>1,599</b>	

<sup>1</sup> Excludes part-time employees.

<sup>2</sup> In negotiation.

<sup>3</sup> In Litigation.

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

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

**Educational Services.** The Bristol Public School system provides educational services ranging from pre-school programs through adult education programs. Within the system, there are seven elementary schools which accommodate grades kindergarten through five; three 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. Two new elementary schools with a K - 8<sup>th</sup> grade model have been completed and are fully functional.

In addition to these schools, alternative education programs are provided at the Bristol Community-Senior Center. Bristol maintains an extensive special education program with a variety of services provided for handicapped and learning disabled students from pre-school to age twenty-one. Bristol's program for gifted and talented children includes special programs and resource services for students identified as gifted or talented in grades three through twelve. The academic program is complemented 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 four elementary (K-8) schools 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 Latchkey programs in all of the elementary schools in Bristol.

*(The remainder of this page intentionally left blank.)*

## School Facilities

<b>School</b>	<b>Grades</b>	<b>Construction (Remodeling or Renovation)</b>	<b>Number of Classrooms<sup>1</sup></b>	<b>Rated Capacity</b>	<b>Actual Enrollment 10/1/15<sup>2,3</sup></b>
Bristol Central High School ....	9-12	1967, 2000	55	1,582	1,174
Bristol Eastern High School ...	9-12	1959 (65), 2000	60	1,700	1,223
Chippens Hill Middle School ..	6-8	1993	45	911	713
Memorial Blvd. School .....	6-8	1922 (59,79)	29	748	444
Northeast Middle School .....	6-8	1922 (65,83)	41	1050	899
Stafford School .....	K- 5	1951 (54,85)	41	1050	887
Edgewood School .....	K- 5	1957 (64,86)	24	497	461
Greene-Hills .....	K- 5	1928 (54,83)	18	431	342
Ellen Hubbell .....	K- 5	1991	28	529	382
Ivy Drive School .....	K- 5	1967 (2007)	29	480	375
Mountain View School .....	K- 5	1967 (2007)	27	441	348
South Side School .....	K- 5	1974	28	569	437
<b>Totals .....</b>			<b>425</b>	<b>9,988</b>	<b>7,685</b>

<sup>1</sup> New England School Development Annual Report.

<sup>2</sup> 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.

<sup>3</sup> 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

<b>School Year</b>	<b>Pre K</b>	<b>K - 5</b>	<b>6 - 8</b>	<b>9-12</b>	<b>Total<sup>2</sup></b>
<b>Historical<sup>1</sup></b>					
2006-2007	293	4,184	2,032	2,753	9,262
2007-2008	297	3,780	2,039	2,776	8,892
2008-2009	340	3,728	2,002	2,713	8,783
2009-2010	326	3,628	2,039	2,700	8,693
2010-2011	309	3,585	1,960	2,714	8,568
2011-2012	276	3,628	2,039	2,641	8,584
2012-2013	287	3,581	1,836	2,546	8,250
2013-2014	290	3,585	1,750	2,509	8,134
2014-2015	337	3,546	1,772	2,448	8,103
2015-2016	335	3,554	1,734	2,408	8,031
<b>Projected<sup>3</sup></b>					
2017-2018	337	3,493	1,822	2,351	8,003
2018-2019	337	3,471	1,800	2,365	7,973
2019-2020	337	3,428	1,824	2,323	7,912
2020-2021	337	3,473	1,732	2,362	7,904
2021-2022	337	3,472	1,707	2,388	7,904

<sup>1</sup> Bristol Board of Education (excludes 79 out-of-district placements).

<sup>2</sup> Special Education students are included in counts of regular education.

<sup>3</sup> State of Connecticut, Department of Education.

Source: City of Bristol, Board of Education.

### III. Economic and Demographic Information

#### Population and Density

<b>Year</b>	<b>Population</b> <sup>1</sup>	<b>% Increase (Decrease)</b>	<b>Density</b> <sup>2</sup>
2013 <sup>3</sup>	60,536	0.1%	2,233.8
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

<sup>1</sup> 1970-2010, U.S. Department of Commerce, Bureau of Census

<sup>2</sup> Per square mile: 27.0 square miles

<sup>3</sup> American Community Survey 2009-2013

#### Age Distribution of the Population

<b>Age</b>	<b>City of Bristol</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Under 5 years .....	3,125	5.2%	197,395	5.5%
5 to 9 years .....	4,154	6.9	220,139	6.2
10 to 14 years .....	3,228	5.3	236,742	6.6
15 to 19 years .....	3,158	5.2	255,816	7.2
20 to 24 years .....	3,851	6.4	229,708	6.4
25 to 34 years .....	8,344	13.8	428,258	12.0
35 to 44 years .....	8,139	13.4	469,746	13.1
45 to 54 years .....	9,657	16.0	568,510	15.9
55 to 59 years .....	4,231	7.0	246,210	6.9
60 to 64 years .....	3,289	5.4	210,753	5.9
65 to 74 years .....	4,346	7.2	269,422	7.5
75 to 84 years .....	3,203	5.3	164,260	4.6
85 years and over .....	1,811	3.0	86,602	2.4
<b>Total.....</b>	<b>60,536</b>	<b>100.0%</b>	<b>3,574,097</b>	<b>100.0%</b>
Median Age (Years) 2013.....	40.8		40.2	
Median Age (Years) 2010! <sup>1</sup> .....	40.0		40.0	

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

Source: American Community Survey 2009-2013

(The remainder of this page intentionally left blank.)

### Income Distribution

	<b>City of Bristol</b>		<b>State of Connecticut</b>	
	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>
Less than \$10,000.....	614	4.0%	29,895	3.3%
\$10,000 to \$14,999.....	260	1.7	19,176	2.1
\$15,000 to \$24,999.....	1,199	7.7	47,319	5.2
\$25,000 to \$34,999.....	1,097	7.1	56,997	6.3
\$35,000 to \$49,999.....	1,591	10.3	86,025	9.5
\$50,000 to \$74,999.....	3,487	22.5	143,989	15.9
\$75,000 to \$99,999.....	2,396	15.4	131,874	14.6
\$100,000 to \$149,999...	3,205	20.7	187,718	20.8
\$150,000 to \$199,999...	1,009	6.5	90,602	10.0
\$200,000 or more.....	653	4.2	109,982	12.2
<b>Total.....</b>	<b>15,511</b>	<b>100.0%</b>	<b>903,577</b>	<b>100.0%</b>

Source: American Community Survey 2009-2013

### Income Levels

	<b>City of Bristol</b>	<b>State of Connecticut</b>
Per Capita Income, 2013.....	\$30,573	\$37,892
Median Family Income, 2013.....	\$69,862	\$87,245
Median Household Income, 2013.	\$57,610	\$69,461

Source: American Community Survey 2009-2013

### Employment Data

<b>Period</b>	<b>City of Bristol</b>		<b>Percentage Unemployed</b>		
	<b>Employed</b>	<b>Unemployed</b>	<b>City of Bristol</b>	<b>Hartford Labor Market</b>	<b>State of Connecticut</b>
September 2015.....	31,105	1,905	5.8	5.1	5.1
<b>Annual Average</b>					
2014.....	31,282	2,406	7.2	6.7	6.7
2013.....	30,635	2,742	8.2	7.9	7.9
2012.....	31,220	2,947	8.6	8.4	8.3
2011.....	31,618	3,181	9.2	8.9	8.8
2010.....	31,557	3,444	9.8	9.1	9.0
2009.....	31,932	3,161	9.0	8.3	8.2
2008.....	32,315	2,092	6.1	5.9	5.8
2007.....	32,602	1,734	5.1	4.7	4.6
2006.....	32,101	1,627	4.8	4.4	4.3
2005.....	31,608	1,842	5.5	5.1	4.9

Source: Department of Labor, State of Connecticut

### Employment by Industry

<b>Sector</b>	<b>City of Bristol</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Agriculture, forestry, fishing and hunting, and mining.....	52	0.2%	6,945	0.4%
Construction.....	2,030	6.7	99,444	5.7
Manufacturing.....	4,678	15.5	193,945	11.0
Wholesale trade.....	791	2.6	43,550	2.5
Retail trade.....	3,322	11.0	191,841	10.9
Transportation warehousing, and utilities....	969	3.2	65,630	3.7
Information.....	1,273	4.2	41,588	2.4
Finance, insurance, real estate, and leasing..	2,805	9.3	160,976	9.1
Professional, scientific, management, administrative, and waste management....	2,008	6.6	194,959	11.1
Education, health and social services.....	7,554	25.0	464,177	26.4
Arts, entertainment, recreation, accommodation and food services.....	2,414	8.0	148,097	8.4
Other services (except public admin.).....	1,118	3.7	81,443	4.6
Public Administration.....	1,204	4.0	66,817	3.8
<b>Total Labor Force, Employed.....</b>	<b>30,218</b>	<b>100.0%</b>	<b>1,759,412</b>	<b>100.0%</b>

Source: American Community Survey 2009-2013

### Educational Attainment Years of School Completed Age 25 & Over

	<b>City of Bristol</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	1,936	4.2%	109,133	4.4%
9th to 12th grade, no diploma.....	3,137	5.8	155,272	6.1
High School graduate (includes equivalency)...	16,073	26.7	678,370	27.5
Some college, no degree.....	8,777	18.1	431,469	17.8
Associate degree.....	3,213	8.7	178,597	7.4
Bachelor's degree.....	6,399	20.3	498,124	20.5
Graduate or professional degree.....	3,485	16.3	392,796	16.4
<b>Total.....</b>	<b>43,020</b>	<b>100%</b>	<b>2,443,761</b>	<b>100%</b>
Percent high school graduate or higher.....		88.2%		89.2%
Percent bachelor's degree or higher.....		23.0%		36.5%

Source: American Community Survey 2009-2013

### Age Distribution of Housing

<b>Year Built</b>	<b>City of Bristol</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1939 or earlier.....	5,945	22.0%	336,587	22.6%
1940 to 1969.....	9,831	36.5	538,727	36.2
1970 to 1979.....	3,610	13.4	200,576	13.5
1980 to 1989.....	4,791	17.8	192,185	12.9
1990 to 1999.....	1,527	5.7	111,295	7.5
2000 or 2009.....	1,234	4.6	102,666	6.9
2010 or later.....	25	0.1	4,959	0.3
<b>Total Housing Units.....</b>	<b>26,963</b>	<b>100.0%</b>	<b>1,486,995</b>	<b>100.0%</b>

Source: American Community Survey 2009-2013

### Housing Inventory

<b>Housing Units</b>	<b>City of Bristol</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1-unit, detached.....	14,991	55.6%	882,026	59.3%
1-unit, attached.....	1,145	4.2	80,070	5.4
2 units.....	2,566	9.5	119,386	8.0
3 or 4 units.....	3,252	12.1	132,699	8.9
5 to 9 units.....	1,360	5.0	80,615	5.4
10 to 19 units.....	838	3.1	54,993	3.7
20 or more units.....	2,624	9.7	124,355	8.4
Mobile home.....	187	0.7	12,427	0.8
Boat, RV, van, etc.....	-	-	424	0.0
<b>Total Inventory.....</b>	<b>26,963</b>	<b>100.0%</b>	<b>1,486,995</b>	<b>100.0%</b>

Source: American Community Survey 2009-2013

### Owner-Occupied Housing Values

<b>Specified Owner-Occupied Units</b>	<b>City of Bristol</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000.....	371	2.2%	20,800	2.3%
\$50,000 to \$99,999.....	470	2.8	24,638	2.7
\$100,000 to \$149,999.....	2377	14.2	66,934	7.3
\$150,000 to \$199,999.....	4,819	28.8	135,714	14.8
\$200,000 to \$299,999.....	6,455	38.6	264,832	28.8
\$300,000 to \$499,999.....	1,940	11.6	250,076	27.2
\$500,000 to \$999,999.....	232	1.4	114,622	12.5
\$1,000,000 or more.....	58	0.3	41,872	4.6
<b>Total.....</b>	<b>16,722</b>	<b>100.0%</b>	<b>919,488</b>	<b>100.0%</b>
<b>Median Value.....</b>	<b>\$204,500</b>		<b>\$278,900</b>	

Source: American Community Survey 2009-2013

### Major Employers Employment Levels As of October 2015

<b>Name</b>	<b>Business</b>	<b>Estimated Number of Employees</b>
ESPN <sup>1</sup> .....	Broadcasting Facility Headquarters	4,200
Bristol Hospital, Inc. ....	Healthcare	1,684
City of Bristol.....	Municipality	1,553
Sheriden Woods Health Care Center....	Health Care	225
IDEX Health & Science LLC.....	Health Care	200
Stop & Shop .....	Retail	175
Quality Coils.....	Manufacturing	171
The Pines at Bristol.....	Health Care	140
Stephen World of Wheels .....	Auto Dealership	130
Rowley Spring.....	Manufacturing	95
<b>Total.....</b>		<b>8,573</b>

Source: City of Bristol Personnel Offices.

<sup>1</sup> ESPN has recently announced a workplace reduction of roughly 200 employees in the Bristol location.

## 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%
<b>Totals.....</b>	<b>17,170</b>	<b>100.00%</b>

## Building Permits Ten-Year Comparison

Calendar Year	Residential		Commercial & Industrial		Apartments & Condominiums		Total Estimates	
	No.	Value	No.	Value	No.	Value	No.	Value
2015 <sup>1</sup>	927	\$ 8,796,688	204	\$ 11,932,724	-	\$ -	1,131	\$ 20,729,412
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 <sup>2</sup>	826	8,643,765	180	16,542,180	-	-	1,006	25,185,945
2010	1,169	12,966,812	275	20,080,414	-	-	1,444	33,047,226
2009	1,113	9,993,010	297	37,602,324	-	-	1,410	47,595,334
2008	1,323	13,158,760	318	16,255,135	-	-	1,641	29,413,895
2007	1,295	18,448,089	267	27,522,663	43	4,022,000	1,605	49,992,752
2006	1,473	20,607,994	350	19,239,966	-	-	1,823	39,847,960

Note: Does not include mechanicals.

Source: City of Bristol, Building Department.

<sup>1</sup> Data from 1/1/15 through 10/7/15.

<sup>2</sup> Missing 1/1/11 through 4/30/11 data due to change in recording system.

(The remainder of this page intentionally left blank.)

## **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 2012. 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, 2017.

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 address 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 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.

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

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

## Levy

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

### 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:

<b>Grand List Year</b>	<b>Revenue Abatement Real Estate</b>	<b>Revenue Abatement Personal Property</b>	<b>Total</b>
2010	\$ 157,425.50	\$ 47,790.27	\$ 205,215.77
2011	174,028.19	67,929.87	241,958.06
2012	148,198.88	39,712.35	187,911.23
2013	151,198.69	54,279.41	205,478.10
2014	115,914.57	58,251.96	174,166.53
<b>Total.....</b>			<b>\$ 1,014,729.69</b>

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.

**Comparative Assessed Valuation**

<b>Grand List as of 10/1</b>	<b>Residential Real Property</b>	<b>Commercial/Industrial Real Property</b>	<b>All Land</b>	<b>Personal Property</b>	<b>Motor Vehicle</b>	<b>Gross Taxable Grand List</b>	<b>Less Exemptions</b>	<b>Net Taxable Grand List</b>	<b>Percent Growth</b>
2014	52.0	27.0	1.0	12.0	8.0	\$4,551,714,608	\$312,000,962	\$4,239,713,646	-0.17%
2013	53.0	27.0	1.0	11.0	8.0	4,479,086,450	232,210,578	4,246,875,872	1.26%
2012 <sup>1</sup>	53.0	27.0	2.0	10.0	8.0	4,420,875,010	226,672,927	4,194,202,083	-10.76%
2011	58.0	24.0	2.0	9.0	7.0	4,923,653,260	223,986,450	4,699,666,810	1.20%
2010	59.0	24.2	1.8	8.0	7.0	4,855,301,920	211,187,671	4,644,114,249	0.00%
2009	59.2	24.2	1.8	7.9	6.9	4,825,349,090	181,046,126	4,644,302,964	0.37%
2008	59.5	24.0	2.0	7.8	6.7	4,801,496,900	174,309,060	4,627,187,840	0.27%
2007 <sup>1</sup>	59.1	24.9	1.2	7.2	7.6	4,785,651,520	171,074,590	4,614,576,930	51.76%
2006	58.8	17.5	1.4	11.7	10.6	3,196,184,610	155,518,380	3,040,666,230	1.83%
2005	59.2	17.5	1.3	11.3	10.7	3,144,365,830	158,409,030	2,985,956,800	-

<sup>1</sup> Revaluation.

Source: City of Bristol, City Assessor.

**Exempt Property Assessed Value**

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

<b>Public</b>	<b>Assessed Value</b>
State of Connecticut .....	\$ 11,835,730
City of Bristol .....	248,389,740
United States of America .....	9,583,840
<b>Sub-Total Public</b> .....	<b>\$ 269,809,310</b>
<b>Private</b>	
Recreation Facilities .....	\$ 3,677,590
Churches .....	38,998,000
Hospitals and Sanitariums .....	54,482,540
Veterans' Organizations .....	812,210
Scientific, Educational, Historical and Charitable .....	47,989,960
Cemeteries .....	2,133,950
<b>Sub-Total Private</b> .....	<b>\$ 148,094,250</b>
<b>Total Tax Exempt Property</b> .....	<b>\$ 417,903,560</b>
Percent Compared to Net Taxable Grand List <sup>1</sup> .....	9.86%

<sup>1</sup> Based on a Net Taxable Grand List as of October 1, 2014 of \$4,239,713,646.

Source: City of Bristol, Assessor.

## Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List <sup>1</sup>
ESPN (Entertainment & Sports TV) <sup>2</sup> .....	Broadcasting Facility Headquarters	\$193,854,960	4.57%
Covanta Inc. ....	Solid Waste Facility	45,992,600	1.08%
Bristol Center.....	Real Estate Holding Company	32,758,530	0.77%
Connecticut Light & Power Co. ....	Utility	49,359,390	1.16%
Carpenter Realty Company .....	Real Estate Holding Company	20,483,602	0.48%
Federal Realty Investment Trust .....	Shopping Plaza	22,149,560	0.52%
Win Stanley Enterprises.....	Office / Industrial Complex	20,791,050	0.49%
Lake Compounce.....	Amusement Park	14,755,300	0.35%
Elk Bristol Annex LLC / Elias Kalimian....	Shopping Center	13,892,620	0.33%
Theis Precision Steel.....	Commercial & Industrial	3,578,470	0.08%
<b>Total</b> .....		<b>\$417,616,082</b>	<b>9.83%</b>

<sup>1</sup> Based on a Net Taxable Grand List as of October 1, 2014 of \$4,239,713,646.

<sup>2</sup> 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. ESPN recently announced a work force reduction that includes its Bristol facilities.

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 6/30/2015
2014	2016 <sup>2</sup>	\$4,239,713,646	34.61	\$135,392,014		<b>IN COLLECTION</b>	
2013	2015	4,246,875,872	34.61	134,241,698	98.39	1.61	1.79
2012 <sup>1</sup>	2014	4,194,202,083	33.50	127,846,858	98.46	1.54	0.39
2011	2013	4,699,666,810	28.75	125,219,747	98.75	1.25	0.12
2010	2012	4,644,114,249	27.24	117,025,188	98.74	1.26	0.06
2009	2011	4,644,302,964	27.24	116,072,405	98.63	1.37	0.05
2008	2010	4,627,187,840	25.99	110,504,691	98.32	1.68	0.05
2007 <sup>1</sup>	2009	4,614,576,930	25.99	110,667,948	98.15	1.85	0.04
2006	2008	3,040,666,230	34.71	106,591,042	98.10	1.90	0.04
2005	2007	2,985,956,800	34.21	101,682,014	97.94	2.06	0.04

<sup>1</sup> Revaluation.

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

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
2015	\$ 3,592	\$ 2,397
2014	3,462	2,242
2013	2,762	1,691
2012	2,732	1,406
2011	2,468	1,316

Source: City of Bristol, Tax Collector.

**V. Debt Summary**  
**Long-Term Debt**  
**As of November 17, 2015**  
**Principal Only**  
**(Pro-Forma)**

<b>Date</b>	<b>Purpose</b>	<b>Rate %</b>	<b>Amount of Original Issue</b>	<b>Amount Outstanding</b>	<b>Date of Fiscal Year Maturity</b>
06/26/02	Clean Water PLO (415-D/C) .....	2.00	\$ 1,409,533	\$ 453,792	2021
06/26/02	Clean Water PLO (498-D/C) .....	2.00	1,483,380	477,567	2021
12/31/03	Clean Water PLO (504-C) .....	2.00	1,488,101	597,102	2022
05/28/04	Clean Water PLO (562-C) .....	2.00	693,527	311,072	2023
04/20/06	Clean Water PLO (464-C) .....	2.00	470,225	269,130	2026
02/15/09	General Purpose .....	2.00-4.00	8,515,000	1,065,000	2025
02/15/09	Schools .....	2.00-4.00	385,000	45,000	2025
06/15/11	General Purpose .....	2.00-4.00	8,637,000	6,817,000	2031
06/15/11	Schools .....	2.00-4.00	25,550,000	20,170,000	2031
06/15/11	Sewer .....	2.00-4.00	5,400,000	4,260,000	2031
06/15/11	Water <sup>1</sup> .....	2.00-4.00	813,000	633,000	2031
08/24/11	General Purpose Refunding .....	3.00-5.00	15,589,000	11,839,000	2023
08/24/11	Schools Refunding .....	3.00-5.00	6,234,000	4,856,000	2023
08/24/11	Water Refunding .....	3.00-5.00	2,112,000	1,640,000	2023
06/27/14	Water PLO .....	2.00	501,000	458,658	2033
07/31/15	Clean Water PLO (622-C).....	2.00	631,833	631,833	2035
09/30/15	Water PLO .....	2.00	344,155	344,155	2035
<b>Total Outstanding Long-Term Debt.....</b>			<b>\$80,256,754</b>	<b>\$ 54,868,310</b>	

***This Issue***

11/17/15	General Purpose Refunding .....	3.00-5.00	\$ 4,126,000	\$ 4,126,000	2025
11/17/15	Schools Refunding .....	3.00-5.00	2,991,000	2,991,000	2025
11/17/15	Water Refunding .....	3.00-5.00	193,000	193,000	2018
<b>Total This Issue.....</b>			<b>\$ 7,310,000</b>	<b>\$ 7,310,000</b>	

**Grand Total.....** **\$87,566,754** **\$ 62,178,310**

<sup>1</sup> 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 17, 2015**

The City has short-term debt outstanding as follows:

<b>Project</b>	<b>Amount Authorized</b>	<b>Notes Due 4/21/16</b>
Bristol Centre Mall Demolition/Abatement.....	\$ 3,500,000	\$ 725,500
Bristol Centre Mall Purchase/Legal.....	6,275,000	3,974,500
<b>Totals.....</b>	<b>\$ 9,775,000</b>	<b>\$ 4,700,000</b>

**General Fund  
Bonded Debt Maturity Schedule <sup>1</sup>  
As of November 17, 2015  
(Pro-Forma)**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Pro-forma: This Issue</b>			<b>Cumulative Principal Retired</b>
				<b>Pub. Imp.</b>	<b>Schools</b>	<b>Total</b>	
2016 <sup>2</sup>	\$ 793,021	\$ 935,260	\$ 1,728,281	\$ -	\$ -	\$ -	1.35%
2017	5,526,757	1,735,199	7,261,956	-	962,000	962,000	12.36%
2018	4,980,312	1,549,697	6,530,009	519,000	951,000	1,470,000	23.31%
2019	4,986,999	1,388,313	6,375,312	518,000	932,000	1,450,000	34.24%
2020	4,988,807	1,206,039	6,194,846	520,000	25,000	545,000	43.63%
2021	5,004,781	1,010,748	6,015,529	520,000	25,000	545,000	53.05%
2022	4,846,294	826,920	5,673,214	516,000	24,000	540,000	62.20%
2023	3,515,054	685,652	4,200,706	511,000	24,000	535,000	69.07%
2024	2,158,078	596,048	2,754,126	511,000	24,000	535,000	73.64%
2025	2,141,952	527,137	2,669,090	511,000	24,000	535,000	78.19%
2026	2,135,970	454,356	2,590,326	-	-	-	81.81%
2027	2,115,305	378,031	2,493,336	-	-	-	85.40%
2028	2,115,957	296,636	2,412,593	-	-	-	88.99%
2029	2,116,622	212,677	2,329,299	-	-	-	92.59%
2030	2,117,301	128,678	2,245,979	-	-	-	96.18%
2031	2,117,993	44,666	2,162,659	-	-	-	99.78%
2032	35,699	2,288	37,987	-	-	-	99.84%
2033	36,420	1,579	37,999	-	-	-	99.90%
2034	37,155	844	37,999	-	-	-	99.96%
2035	22,019	147	22,166	-	-	-	100.00%
<b>Total.....</b>	<b>\$ 51,792,497</b>	<b>\$ 11,980,916</b>	<b>\$ 63,773,413</b>	<b>\$ 4,126,000</b>	<b>\$ 2,991,000</b>	<b>\$ 7,117,000</b>	

<sup>1</sup> Includes debt service related to Clean Water Fund Loans from the State of Connecticut outstanding as of November 17, 2015 but excludes self-supporting water debt and refunded bonds.

<sup>2</sup> Excludes \$5,718,808 of principal and \$1,024,072 of interest paid between July 1, 2015 and November 17, 2015.

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

**Self-Supporting Water Debt Maturity Schedule**  
**As of November 17, 2015**  
**(Pro-Forma)**

<b>Fiscal Year</b>	<b>Principal<sup>2</sup></b>	<b>Interest<sup>2</sup></b>	<b>Total</b>	<b>Pro-forma: This Issue Water</b>	<b>Cumulative Principal Retired</b>
2016	\$ 34,792	\$ 55,661	\$ 90,453	\$ -	1.06%
2017	318,787	98,572	417,359	193,000	16.72%
2018	317,510	86,989	404,499	-	26.43%
2019	318,249	75,640	393,889	-	36.17%
2020	319,002	63,828	382,830	-	45.93%
2021	320,770	50,839	371,609	-	55.74%
2022	321,554	37,995	359,549	-	65.58%
2023	287,354	27,375	314,729	-	74.37%
2024	83,169	21,491	104,660	-	76.91%
2025	84,002	19,316	103,318	-	79.48%
2026	84,851	17,023	101,874	-	82.08%
2027	85,717	14,634	100,351	-	84.70%
2028	86,601	12,108	98,709	-	87.35%
2029	87,503	9,541	97,044	-	90.03%
2030	88,423	6,941	95,364	-	92.73%
2031	89,362	4,322	93,684	-	95.47%
2032	48,319	2,518	50,837	-	96.95%
2033	49,296	1,548	50,844	-	98.45%
2034	35,156	615	35,771	-	99.53%
2035	15,395	129	15,523	-	100.00%
<b>Total.....</b>	<b>\$ 3,075,813</b>	<b>\$ 607,085</b>	<b>\$3,682,897</b>	<b>\$ 193,000</b>	

<sup>1</sup> Excludes \$489,962 of principal and \$27,334 of interest paid between July 1, 2015 and November 17, 2015.

<sup>2</sup> 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.**

(The remainder of this page intentionally left blank.)

**Debt Statement**  
**As of November 17, 2015**  
**Principal Only**  
**(Pro Forma)**

**Long-Term Debt Outstanding:**

General Purpose (Including This Issue).....	\$23,847,000
Schools (Including This Issue) .....	28,062,000
Sewers .....	7,000,497
Water (Including This Issue).....	<u>3,268,813</u>
<b>Total Long-Term Debt</b> .....	<b>62,178,310</b>
<b>Short-Term Debt</b> .....	<b>4,700,000</b>
<b>Total Direct Debt</b> .....	<b>66,878,310</b>
Less: Amount to be provided by the State for school construction <sup>1</sup> .....	-
Self Supporting Water Debt <sup>2</sup> .....	<u>(3,268,813)</u>
<b>Total Net Direct Debt</b> .....	<b>63,609,497</b>
Plus: Overlapping/Underlying Debt .....	-
<b>Total Overall Net Debt</b> .....	<b><u>\$63,609,497</u></b>

<sup>1</sup> 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.

<sup>2</sup> 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 17, 2015**  
**(Pro Forma)**

Population (2010) <sup>1</sup> .....	60,536
Net Taxable Grand List (10/1/14) <sup>2</sup> .....	\$4,239,713,646
Estimated Full Value (70%).....	\$6,056,733,780
Equalized Grand List (10/1/12) <sup>3</sup> .....	\$5,400,791,639
Income per Capita (2013) <sup>1</sup> .....	\$ 30,573

	<b>Total</b>	<b>Total Net</b>	<b>Total Overall</b>
	<b>Direct Debt</b>	<b>Direct Debt</b>	<b>Net Debt</b>
	<b>\$66,878,310</b>	<b>\$63,609,497</b>	<b>\$63,609,497</b>
Per Capita.....	\$ 1,104.77	\$ 1,050.77	\$ 1,050.77
Ratio to Net Taxable Grand List.....	1.58%	1.50%	1.50%
Ratio to Estimated Full Value.....	1.10%	1.05%	1.05%
Ratio to Equalized Grand List.....	1.24%	1.18%	1.18%
Debt per Capita to Income per Capita (2013).....	3.61%	3.44%	3.44%

<sup>1</sup> U.S. Bureau of Census, American Community Survey (2009-2013).

<sup>2</sup> Revalued: October 1, 2012.

<sup>3</sup> 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).

*(The remainder of this page intentionally left blank.)*

**Statement of Debt Limitation**  
**As of November 17, 2015**  
**(Pro Forma)**

<b>Total Tax Collections</b> (including interest and lien fees) for the year ended June 30, 2015 (unaudited).....	\$ 133,700,000
Reimbursement for Revenue Loss on Tax Relief for Elderly-Freeze (unaudited) .....	6,000
<b>Base</b> .....	<u>\$ 133,706,000</u>

	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Unfunded Pension</b>
<b>Debt Limitation:</b>					
2 1/4 times base.....	300,838,500	-	-	-	-
4 1/2 times base.....	-	601,677,000	-	-	-
3 3/4 times base.....	-	-	501,397,500	-	-
3 1/4 times base.....	-	-	-	434,544,500	-
3 times base.....	-	-	-	-	401,118,000
<b>Total Debt Limitation</b> .....	300,838,500	601,677,000	501,397,500	434,544,500	401,118,000
<b>Indebtedness:</b>					
Outstanding Debt: <sup>1</sup>					
Bonds Payable.....	19,721,000	25,071,000	7,000,497	-	-
Bonds of This Issue.....	4,126,000	2,991,000	-	-	-
Notes .....	4,700,000	-	-	-	-
Bonds Authorized But Unissued. <sup>2</sup> ...	38,652,017	5,943,465	19,820,967	-	-
<b>Total Indebtedness</b> .....	67,199,017	34,005,465	26,821,464	-	-
Less School Construction Grants. <sup>3</sup> ...	-	-	-	-	-
<b>Total Net Indebtedness For Debt</b>					
<b>Limitation Calculation</b> .....	67,199,017	34,005,465	26,821,464	-	-
<b>DEBT LIMITATION IN EXCESS</b>					
<b>OF INDEBTEDNESS</b> .....	<u>\$ 233,639,483</u>	<u>\$ 567,671,535</u>	<u>\$ 474,576,036</u>	<u>\$ 434,544,500</u>	<u>\$ 401,118,000</u>

<sup>1</sup> Because water debt is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes, excluded from above is \$3,075,813 of water bonds outstanding, \$193,000 of water bonds of this issue and \$258,000 of authorized but unissued water debt.

<sup>2</sup> 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.

<sup>3</sup> 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 \$935,942,000.

(The remainder of this page intentionally left blank.)

**Authorized but Unissued Debt**  
**As of November 17, 2015**  
**(Pro Forma)**

Project	Authorized Amount	Debt Previously Issued	Notes Due: 4/21/16	Gross Authorized but Unissued	Estimated Grants or Other Funds to		Net Authorized but Unissued
					Reduce Bond Authorization		
Bristol Centre Mall Purchase/Legal.....	\$ 6,275,000	\$ -	\$ 3,974,500	\$ 2,300,500	\$ 2,300,500	\$ -	
Bristol Centre Mall Demolition/Abatement.....	3,500,000	-	725,500	2,774,500	409,500	2,365,000	
Forestville K-8 School.....	53,000,000	12,650,000	-	40,350,000	39,182,900	1,167,100	
West Bristol K-8 School.....	52,000,000	12,900,000	-	39,100,000	38,443,600	656,400	
Kilmartin Sewers.....	450,000	-	-	450,000	-	450,000	
Reconstruction of Waterbury Road- Design .....	60,000	-	-	60,000	-	60,000	
Sediment Control Structures- Pequabuck River .....	20,000	-	-	20,000	-	20,000	
Fire Department Architectural Study- E4 .....	400,000	-	-	400,000	-	400,000	
Frederick Street/Coppermine Engineering Study.....	81,000	-	-	81,000	-	81,000	
HJ Mills Parking Lot Construction .....	880,000	-	-	880,000	-	880,000	
Broad Street Pump Station Force Main .....	5,460,000	5,400,000	-	60,000	-	60,000	
Water Storage Tank Replacement .....	821,000	813,000	-	8,000	-	8,000	
Public Works Garage Design.....	120,000	-	-	120,000	-	120,000	
South Street Widening.....	80,000	-	-	80,000	-	80,000	
Pequabuck River Stabilization - Rockwell Park.....	680,000	-	-	680,000	-	680,000	
Casey Field Improvements.....	210,000	-	-	210,000	-	210,000	
Willis Street - Reconstruction Phase II.....	900,000	-	-	900,000	451,607	448,393	
Hillside Place Intersection Reconstruction.....	440,000	-	-	440,000	-	440,000	
Single Stream Recycling - Phase II.....	800,000	-	-	800,000	-	800,000	
Senior Center Infrastructure Upgrade Project.....	2,160,700	-	-	2,160,700	-	2,160,700	
Roof Replacement - Administration Building.....	297,500	-	-	297,500	-	297,500	
Muzzy Field Improvements - Phase I & II.....	1,000,000	-	-	1,000,000	-	1,000,000	
Coppermine Brook Flood Control ("CBFC") - Fredericks St. Bridge/Channel Improvements.....	1,400,000	-	-	1,400,000	-	1,400,000	
CBFC - Stevens St. Waterhead Storage Area.....	820,000	-	-	820,000	-	820,000	
CBFC - Stevens Street Bridge Channel Imp. & Richard Court Berm Construction.....	550,000	-	-	550,000	-	550,000	
CBFC - Removal of private bridge/channel improvements & modifications of existing parking lot.....	380,000	-	-	380,000	-	380,000	
Matthews Street Reconstruction.....	800,000	-	-	800,000	323,538	476,462	
Dorset Horn & Great Pyreness Way Reconstruction.....	400,000	-	-	400,000	-	400,000	
Waterbury Road Construction.....	3,500,000	-	-	3,500,000	962,686	2,537,314	
Engine 4 Renovations.....	5,600,000	-	-	5,600,000	-	5,600,000	
Engine 5 Renovations.....	400,000	-	-	400,000	-	400,000	
Muzzy Field Improvements - Phase II.....	1,500,000	-	-	1,500,000	-	1,500,000	
Northeast Middle School Roof Replacement.....	1,196,650	-	-	1,196,650	-	1,196,650	
Clark Avenue, Terryville Road, and Barlow Street Water Main.....	250,000	-	-	250,000	-	250,000	
Roadway Reclamation.....	580,000	-	-	580,000	159,572	420,428	
Divinity Street Culvert Replacement.....	350,000	-	-	350,000	-	350,000	
Bristol Central High School Track Replacement.....	750,000	-	-	750,000	-	750,000	
Mix Street Firehouse Renovations.....	200,000	-	-	200,000	-	200,000	
Purchase Street Lights.....	952,720	-	-	952,720	-	952,720	
Fern Hill Road Reclamation.....	690,000	-	-	690,000	-	690,000	
Birch Street - Roadway Reclamation.....	480,000	-	-	480,000	-	480,000	
Munchausen & Bartholomew St. Reconstruction.....	310,000	-	-	310,000	-	310,000	
Mountain Road Rock Face Stabalization.....	320,000	-	-	320,000	-	320,000	
Public Works Garage Renovations.....	400,000	-	-	400,000	-	400,000	
Radio Communications System Replacement.....	10,000,000	-	-	10,000,000	-	10,000,000	
Hubbell School - Roof Replacement/Repointing.....	1,475,815	-	-	1,475,815	-	1,475,815	
HVAC Replacement - DMAC.....	400,000	-	-	400,000	-	400,000	
Replacement of Down Street Bridge.....	320,000	-	-	320,000	-	320,000	
Restoration of Memorial Boulevard School .....	400,000	-	-	400,000	-	400,000	
Water Pollution Control Facility Upgrades.....	18,442,800	-	-	18,442,800	-	18,442,800	
Broad St. Pump Sta. Force Main Inst.....	1,500,000	631,833	-	868,167	-	868,167	
<b>Total.....</b>	<b>\$ 184,003,185</b>	<b>\$ 32,394,833</b>	<b>\$ 4,700,000</b>	<b>\$ 146,908,352</b>	<b>\$ 82,233,903</b>	<b>\$ 64,674,449</b>	

**Principal Amount of Outstanding Debt<sup>1</sup>**

**Last Five Fiscal Years**

**General Obligation**

<b>Bonds Payable From:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
General Fund <sup>2</sup> .....	\$68,667,000	\$70,637,000	\$77,193,000	\$83,839,000	\$89,235,000
Water Enterprise Fund <sup>3</sup> .....	3,452,000	3,931,000	4,025,000	4,619,000	5,263,000
<b>Sub-Total</b> .....	<b>72,119,000</b>	<b>74,568,000</b>	<b>81,218,000</b>	<b>88,458,000</b>	<b>94,498,000</b>

**Short-Term Debt**

Bond Anticipation Notes .....	5,000,000	5,300,000	5,810,000	7,410,000	7,410,000
<b>Total</b> .....	<b>\$ 5,000,000</b>	<b>\$ 5,300,000</b>	<b>\$ 5,810,000</b>	<b>\$ 7,410,000</b>	<b>\$ 7,410,000</b>

<sup>1</sup> Amounts rounded.

<sup>2</sup> Includes Clean Water Fund Loans.

<sup>3</sup> 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**

<b>Fiscal Year Ended 6/30</b>	<b>Net Assessed Value (000s)</b>	<b>Estimated Full Value (000s)</b>	<b>Net Long-Term Debt<sup>1</sup></b>	<b>Ratio of Net Long-Term Debt to Assessed Value</b>	<b>Ratio of Net Long-Term Debt to Estimated Full Value</b>	<b>Population<sup>2</sup></b>	<b>Net Long-Term Debt per Capita</b>	<b>Ratio of Net Long-Term Debt per Capita to Per Capita Income<sup>3</sup></b>
2015	\$ 4,246,876	\$ 6,066,966	\$ 68,667	1.62%	1.13%	60,536	\$ 1,134.32	3.71%
2014	4,194,202	5,991,717	70,637	1.68%	1.18%	60,536	1,166.86	3.82%
2013	4,699,667	6,713,810	77,193	1.64%	1.15%	60,536	1,275.16	4.17%
2012	4,644,114	6,634,449	83,839	1.81%	1.26%	60,536	1,384.94	4.53%
2011	4,644,303	6,634,719	89,235	1.92%	1.34%	60,536	1,474.08	4.82%
2010	4,627,188	6,610,268	54,223	1.17%	0.82%	60,536	895.71	2.93%

<sup>1</sup> Exclusive of water debt and school building grants receivable.

<sup>2</sup> U.S. Bureau of Census, America Community Survey (2009-2013)

<sup>3</sup> Income per Capita: \$30,573. U.S. Bureau of Census, American Community Survey (2009-2013).

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

<b>Fiscal Year Ended 6/30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service<sup>1</sup></b>	<b>Total General Fund Expenditures<sup>2</sup></b>	<b>Ratio of General Fund Debt Service To Total General Fund Expenditures</b>
2015 <sup>3</sup>	\$ 6,177	\$ 2,170	\$ 8,347	\$ 188,576	4.43%
2014	6,275	2,685	8,960	199,599	4.49%
2013	6,370	3,133	9,503	194,626	4.88%
2012	4,275	2,370	6,645	191,037	3.48%
2011	4,310	1,940	6,250	183,728	3.40%
2010	4,310	2,218	6,528	179,750	3.63%

<sup>1</sup> Excludes the Water Department's debt accounted for in the Enterprise Fund.

<sup>2</sup> Includes General Fund Expenditures and Transfers-Out.

<sup>3</sup> Budgetary Basis.

Source: City of Bristol, Audit Reports 2010-2014. Comptroller's Office, 2015.

## **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, 2014, the financial statements of the various funds of the City were audited by Blum Shapiro & Company Certified Public Accountants, 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 consecutive years including the June 30, 2014 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, 2015. 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 fifteenth consecutive year to the City for the Popular Annual Financial Report for the fiscal year ending June 30, 2014. 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:

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

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

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

**Five-Year Capital Improvement Program Summary**

<b>Proposed Projects</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>Total</b>
ADA Committee.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board of Education .....	2,408	725	28,146	2,909	-	34,188
Bristol Dev. Authority .....	-	200	2,000	-	-	2,200
Information Systems .....	-	1,000	1,000	1,000	1,000	4,000
Fire Department .....	170	5,070	4,250	2,250	-	11,740
MB Task Force .....	400	2,300	2,500	1,900	-	7,100
Parks & Recreation .....	775	4,000	1,650	180	130	6,735
Police Department .....	10,000	-	-	-	-	10,000
Public Works .....	3,070	7,597	3,242	5,425	2,675	22,009
Water Pollution Control.....	1,535	200	3,600	200	2,700	8,235
Water Department .....	-	-	-	-	-	-
<b>TOTAL .....</b>	<b>\$ 18,358</b>	<b>\$ 21,092</b>	<b>\$ 46,388</b>	<b>\$ 13,864</b>	<b>\$ 6,505</b>	<b>\$ 106,207</b>
<b>Funding Sources</b>						
General Fund Cash.....	\$ 544	\$ 1,370	\$ 1,000	\$ 1,180	\$ 1,130	\$ 5,224
State & Federal Aid .....	2,553	4,725	4,796	909	-	12,983
WPC CNR Fund.....	1,535	200	-	200	-	1,935
Other Funds.....	1,130	597	642	425	675	3,469
Bonds .....	12,596	14,200	39,950	11,150	4,700	82,596
<b>TOTAL .....</b>	<b>\$ 18,358</b>	<b>\$ 21,092</b>	<b>\$ 46,388</b>	<b>\$ 13,864</b>	<b>\$ 6,505</b>	<b>\$ 106,207</b>

**Insurance & Risk Management**

In the early 1970s the City of Bristol acquired all of its insurances through a local insurance association. In the middle 1970s, the City ceased this practice and started a practice of selection of qualified agents and brokers to secure and market the City's insurance needs. In the early 1980s, the City hired an insurance consultant through the Request for Proposal (RFP) process to assist the City in identifying exposures and recommend types of insurance to be secured. The selection process for the consultant and qualified brokers is repeated every four to five years.

In 1985, the City established a Workers’ Compensation self-insurance program to be administered by a third party, Constitution State Services Co. (Travelers). The program ran through June 30, 1988. The program was terminated due to lack of adequate availability of excess liability insurance for self-insured. This self-insurance fund will be maintained until all outstanding claims are closed. After a thorough analysis between the City's legal department and Travelers, it was determined that \$150,000 should be sufficient funding for all open claims. A periodic review is conducted to ensure adequate funding, therefore, as of June 30, 2015, a balance of \$150,000 was available to pay claims.

Starting in 1988, in addition to use of the private sector insurers, the City utilized a Municipal Insurance Pool operated by Connecticut Interlocal Risk Management Association ("CIRMA"). The use of both the private sector and the Municipal Insurance Pool made for better competition at the time.

Due to rising insurance rates, the Board of Finance decided in July 2003 to self-insure its Workers' Compensation program. The program is administered by a third party, PMA Management Corp. of New England.

The City constantly analyzes the advantages of self-insurance and identifying programs for self-insurance.

In September 1988, the decision was also made to self-insure the City's Hospital, Medical Surgical, Dental and Major Medical Benefits. A Special Fund was established for this program. An internal service fund was then established for this program in 1993. Effective July 1, 2010 the administrators of the plans changed to Cigna for medical and Medco for prescription from Anthem Blue Cross/Blue Shield. The firm of AON Hewitt is the City's consultant for this program. As of June 30, 2014 the Health Insurance Benefit Fund had an excess of over \$7.8 million which was available.

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, including Section 7-400 and 7-402. Please refer to Note 15 in the Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2014.

### ***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 Retirement Board and the Boards of Trustees of the Police and Firefighters' Benefit Funds 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 Pension Boards ("Boards"), while the City Treasurer and Comptroller, as Custodian and Secretary of the Municipal Employees' fund respectively, and the Treasurer and Mayor, as custodians of the Police and Firefighters' Benefit Funds, respectively, carry out the directives of the three Pension Boards.

### ***Investment Objectives and Guidelines***

#### **A. Philosophy**

The Boards are to follow generally accepted mandates comparable to the Employee Retirement Income Security Act ("ERISA"). The policy's purpose for the investment of the funds is to provide benefits to the participants and their beneficiaries of the pension plan and to defray reasonable expenses for the administration of the plan.

#### **B. Investment Objectives**

These objectives relate to the total fund as it relates to all of the various managers that have responsibility for managing the assets of the fund.

1. To achieve a favorable relative return on the total funds invested, as compared with the inflation rate, the common stock market, the bond market, real estate market, cash equivalents and other similar funds with similar objectives.
2. Long-term growth and preservation of capital.
3. An average absolute rate of return of 8.0% per year over a five year period.
4. While income is currently not required, nor is it expected to be required for the foreseeable future, an overall target yield of 3 to 5% per annum is desired.

C. Investment Guidelines - Asset Allocation

The general asset mix of the total portfolio should be as indicated below:

	<u>Maximum</u>	<u>Target</u>	<u>Minimum</u>
Fixed Income	50%	30%	25%
High Quality	50	25	25
International	10	2.5	0
High Yield	10	2.5	0
Common Stocks	75	60	35
Large Capitalization	45	25	10
Mid-Capitalization <sup>1</sup>	20	7.5	5
Small Capitalization <sup>1</sup>	20	7.5	5
International <sup>2</sup>	20	15	5
Real Estate Investment Trusts	7.5	5	0
Alternative Investments <sup>3</sup>	15	10	0

<sup>1</sup> Small Capitalization and Mid-Capitalization equities are to be combined for their percentage allocation in the total portfolio.

<sup>2</sup> Included as part of the International asset class shall be an allocation to emerging markets.

<sup>3</sup> Alternative Investments shall include Hedge Funds, Venture Capital, Private Equity and Real Estate Investment Trusts.

D. Permissible Investments

Common Stocks, Real Estate, Convertible Securities, Preferred Stock, Corporate Bonds (investment grade or better, unless otherwise specified), U.S. Government Bonds & Agencies of the U.S. Government, Commercial Paper, Money Market Funds, Participating Mortgages, Zero Coupon Bonds (Government & Corporate), Limited Partnerships, Mutual Funds, and Foreign Stocks and Bonds.

E. Prohibited Transactions

Selling Short, Commodities, Letter or Restricted Securities, Naked Options, Options and Futures.

F. Investment Managers

Investment managers are hired to diversify risk and add complimentary investment styles. Each manager is provided a copy of the general guidelines and policies of the Board with regard to the total fund and to their particular role if multiple managers are being used.

G. Periodic Reviews

The Board meets with each manager, consultant, actuary and custodian periodically. Each manager is interviewed at least once a year or more frequently, if necessary. The managers' strategy is discussed relative to the current environment.

**City Retirement System**

The actuarial firm of Milliman, Inc. performs an annual valuation for all the City retirement plans. Following is an outline of the assumptions and valuation methods used for the plans from the July 1, 2014 actuarial reports:

**Interest:** 7.5% compounded annually.

**Employee Turnover:** Termination rates illustrated as follows are assumed:

Age	Percent
20	6.0
25	6.0
30	4.0
35	3.0
40	2.0
45	1.0
50	0.0

**Salary Scale:** It is assumed that salaries will increase by 3.25%, plus 1.75% per year for promotion or merit increase compounded annually to retirement date.

**Retirement Age:** According to the Rule of 80 but not before age 55, unless age and service is equal to 85.

**Disability:** 1985 Pension Disability Table. Class 1 x 50%. 40% are assumed to be service-connected, and 60% are assumed to be non-service-connected.

**Asset Valuation:** Market Value appreciation or depreciation of assets is recognized over a four year period at 25% per year.

**Actuarial Method:** Projected Unit Credit Actuarial Cost Method for retirement benefits.

Actuarial Valuation Date	Actuarial Value of Assets (a) (000s)	Actuarial Liability (AAL) (b) (000s)	Funded	Percentage Funded (a/b)	Covered Payroll (c) (000s)	UAAL
			(Unfunded) AAL (UAAL) (a-b) (000s)			as a % of Covered Payroll ((a-b)/c)
7/1/2008	\$ 207,698	\$ 143,268	\$ 64,430	145.0%	\$ 30,309	212.6%
7/1/2009	203,537	150,284	53,253	135.4%	31,268	170.3%
7/1/2010	202,904	156,145	46,759	129.9%	30,783	151.9%
7/1/2011	200,861	161,266	39,595	124.6%	30,610	129.4%
7/1/2012	198,149	170,641	27,508	116.1%	31,280	87.9%
7/1/2013	205,783	177,167	28,616	116.2%	30,808	92.9%
7/1/2014	215,541	184,009	31,532	117.1%	TBD	TBD

### Police and Firefighter's Benefit Funds

The actuarial assumptions and actuarial cost method used to determine costs and actuarial liabilities under these Police and Firefighter's plans are as outlined below:

**Mortality:** UP-94 projected to the valuation year and 10 years with separate male and female tables.

**Interest:** 7.5% compounded annually.

**Average Age at Retirement:** When 25 years is completed for Police; and 25 years of service for Firefighters. Maximum age 65.

**Expenses:** Loading for estimated actuarial fees is included in Future Service recommended contributions. Loading equals 17% of payroll.

**Termination of Employment:** No discount for terminations is included in the actuarial assumptions.

**Salary Scale:** It is assumed that salaries will increase by 4% per year or merit increases plus 2.25% per year for promotion.

<b>Pension Escalation:</b>	It is assumed that pensions will increase at a compound rate of 4.50% per annum.
<b>Asset Valuation:</b>	Market value appreciation or depreciation of assets is recognized over a four year period at 25% per year.
<b>Actuarial Cost Method:</b>	Projected Unit Credit Actuarial Cost Method.
<b>Salary Basis:</b>	Base Pay.

#### **Firefighters' Benefit Fund**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a) (000s)</b>	<b>Actuarial Liability (AAL) (b) (000s)</b>	<b>Funded (Unfunded) AAL (UAAL) (a-b) (000s)</b>	<b>Percentage Funded (a/b)</b>	<b>Covered Payroll (c) (000s)</b>	<b>UAAL as a % of Covered Payroll ((a-b)/c)</b>
7/1/2008	\$ 155,198	\$ 61,374	\$ 93,824	252.9%	\$ 5,219	1797.7%
7/1/2009	155,135	61,873	93,262	250.7%	5,298	1760.3%
7/1/2010	157,354	62,506	94,848	251.7%	5,275	1798.1%
7/1/2011	159,247	66,073	93,174	241.0%	5,454	1708.4%
7/1/2012	160,794	65,874	94,920	244.1%	5,521	1719.3%
7/1/2013	170,795	66,094	104,701	258.4%	5,630	1859.7%
7/1/2014	183,077	70,318	112,759	260.4%	TBD	TBD

#### **Police Benefit Fund**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a) (000s)</b>	<b>Actuarial Liability (AAL) (b) (000s)</b>	<b>Funded (Unfunded) AAL (UAAL) (a-b) (000s)</b>	<b>Percentage Funded (a/b)</b>	<b>Covered Payroll (c) (000s)</b>	<b>UAAL as a % of Covered Payroll ((a-b)/c)</b>
7/1/2008	\$ 170,638	\$ 77,990	\$ 92,648	218.8%	\$ 7,421	1248.5%
7/1/2009	170,404	83,227	87,177	204.7%	8,245	1057.3%
7/1/2010	172,814	86,099	86,715	200.7%	8,377	1035.2%
7/1/2011	175,219	91,283	83,936	192.0%	8,295	1011.9%
7/1/2012	176,389	95,527	80,862	184.6%	8,024	1007.8%
7/1/2013	186,283	107,921	78,362	172.6%	8,420	930.7%
7/1/2014	198,869	108,899	89,970	182.6%	TBD	TBD

#### **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 calculated using the terminal funding method. Neither the City nor the Board of Education is required to 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 initial analysis of its estimated basic liability for post-employment benefits as of June 30, 2012. The following is a detailed analysis, as of the most recent valuation.

**Net OPEB Obligations**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a) (000s)</b>	<b>Actuarial Accrued Liability (AAL) (b) (000s)</b>	<b>Funded (Unfunded) AAL (UAAL) (a-b) (000s)</b>	<b>Percentage Funded (a/b)</b>	<b>Covered Payroll (c) (000s)</b>	<b>UAAL as a % of Covered Payroll ((a-b)/c)</b>
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%

**Schedule of Funding Progress**

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC) (000s)</b>	<b>Actual Contribution (000s)</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation (000s)</b>
6/30/2012	\$ 7,605	\$ 4,755	62.5%	\$ 21,347
6/30/2013	7,958	5,166	64.9%	24,139
6/30/2014	8,205	6,722	81.9%	25,622

The City contributed \$610,355 to OPEB for fiscal year 2013 and \$935,940 for fiscal year 2014.

*(The remainder of this page intentionally left blank.)*

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

	<b>Budget 2016<sup>1</sup></b>	<b>Projected 2015<sup>1</sup></b>	<b>Actual 2014</b>	<b>Actual 2013</b>	<b>Actual 2012</b>	<b>Actual 2011</b>
<b>Revenues:</b>						
Taxes and assessments .....	\$ 131,911	\$ 133,092	\$ 126,853	\$ 124,611	\$ 116,768	\$ 116,744
Interest and lien fees .....	575	953	904	1,024	750	927
Licenses and permits .....	875	980	939	881	1,582	1,198
Intergovernmental .....	47,949	53,356	64,980	64,542	66,772	60,526
Charges for Services .....	2,751	3,166	3,304	3,049	3,310	3,376
Investment Income .....	213	317	253	203	176	156
Sale of property and equipment .....	75	84	-	-	-	-
Miscellaneous .....	651	1,882	905	970	924	829
<b>Total Revenues .....</b>	<b>185,000</b>	<b>193,830</b>	<b>198,138</b>	<b>195,280</b>	<b>190,282</b>	<b>183,756</b>
<b>Expenditures:</b>						
General government .....	6,155	5,806	5,574	5,640	5,640	5,542
Public safety .....	23,127	22,610	21,958	21,956	20,959	21,229
Public works .....	12,694	13,606	12,996	11,758	14,512	10,504
Health and Welfare .....	3,512	6,274	5,700	5,720	4,884	4,868
Libraries .....	2,103	1,977	1,997	1,944	1,962	1,942
Parks and Recreation .....	2,429	2,345	2,198	2,267	2,386	2,159
Education .....	106,836	90,860	102,684	98,435	100,448	96,785
Employee Benefits .....	2,269	3,039	3,719	3,349	3,898	4,393
Insurance .....	754	716	820	586	967	465
Miscellaneous .....	2,700	1,576	379	946	514	1,352
Debt Service .....	-	-	-	-	186	-
<b>Total Expenditures.....</b>	<b>162,579</b>	<b>148,809</b>	<b>158,025</b>	<b>152,601</b>	<b>156,356</b>	<b>149,239</b>
<b>Operating Results .....</b>	<b>22,421</b>	<b>45,021</b>	<b>40,113</b>	<b>42,679</b>	<b>33,926</b>	<b>34,517</b>
<b>Other Financing Source (Uses):</b>						
Operating transfers in & Other .....	3	4	2,288	15	1,562	337
Operating transfers (out) .....	(22,422)	(39,767)	(41,574)	(42,025)	(34,681)	(34,489)
Refunding bonds issued.....	-	-	-	-	21,823	-
Premium on refunding bonds issued.....	-	-	-	-	2,932	-
Payment to refunded bond escrow agent.....	-	-	-	-	(24,569)	-
<b>Net Other Financing Sources (Uses) .....</b>	<b>(22,419)</b>	<b>(39,763)</b>	<b>(39,286)</b>	<b>(42,010)</b>	<b>(32,933)</b>	<b>(34,152)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses.....</b>						
<b>Fund Balance, July 1 .....</b>	<b>N/A</b>	<b>5,258</b>	<b>827</b>	<b>669</b>	<b>993</b>	<b>365</b>
<b>Fund Balance, June 30 .....</b>	<b>N/A</b>	<b>\$ 36,184</b>	<b>\$ 30,926</b>	<b>\$ 30,099</b>	<b>\$ 29,430</b>	<b>\$ 28,437</b>

**Analysis of General Fund Equity**

	<b>Budget 2016<sup>1</sup></b>	<b>Est. Actual 2015<sup>1</sup></b>	<b>Actual 2014</b>	<b>Actual 2013</b>	<b>Actual 2012</b>	<b>Actual 2011</b>
Nonspendable.....	N/A	\$ 2	\$ 2	\$ 3	\$ 2	\$ 10
Restricted.....	N/A	-	-	-	-	-
Committed.....	N/A	5,000	3,856	3,835	3,848	4,975
Assigned.....	N/A	3,000	1,113	2,112	1,617	2,008
Unassigned.....	N/A	28,000	25,955	24,149	23,963	21,444
<b>Total Fund Balance.....</b>	<b>N/A</b>	<b>\$ 36,002</b>	<b>\$ 30,926</b>	<b>\$ 30,099</b>	<b>\$ 29,430</b>	<b>\$ 28,437</b>

<sup>1</sup> 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)

	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Operating Revenues:</b>					
Charges for services .....	\$ 6,855	\$ 6,866	\$ 6,583	\$ 6,097	\$ 5,475
Miscellaneous .....	352	393	255	230	193
<b>Total Operating Revenues</b>	<b>7,207</b>	<b>7,259</b>	<b>6,838</b>	<b>6,327</b>	<b>5,668</b>
<b>Operating Expenses:</b>					
Source of supply .....	205	179	194	18	127
Pumping .....	295	307	291	329	250
Purification .....	1,027	1,047	1,127	1,023	1,028
Transmission and distribution .....	1,592	2,007	1,837	1,580	1,150
Customer accounts, administrative and general.....	2,148	1,967	2,031	2,129	2,120
Depreciation .....	945	1,060	860	843	775
Taxes other than income taxes .....	423	437	281	355	558
Loss on disposal .....	-	-	-	-	-
<b>Total Operating Expenses...</b>	<b>6,635</b>	<b>7,004</b>	<b>6,621</b>	<b>6,277</b>	<b>6,008</b>
<b>Operating Income (Loss) .....</b>	<b>572</b>	<b>255</b>	<b>217</b>	<b>50</b>	<b>(340)</b>
<b>Non-Operating Revenue (Expenses):</b>					
Interest income (loss) .....	674	405	(329)	949	451
Interest expense .....	(269)	(52)	(141)	(247)	(186)
Other, net .....	-	-	-	-	-
Loss on disposal .....	-	(6)	(7)	-	(9)
Amortization of debt discount and expense....	(5)	(4)	(6)	(5)	(5)
<b>Total Non-Operating Revenues (Expenses) .....</b>	<b>400</b>	<b>343</b>	<b>(483)</b>	<b>697</b>	<b>251</b>
Income (loss) before capital contribution and operating transfers .....	972	598	(266)	747	(89)
Capital Contribution .....	28	25	27	8	33
Change in Net Assets.....	1,000	623	(239)	755	(56)
<b>Fund Balance, July 1 .....</b>	<b>25,404</b>	<b>24,781</b>	<b>25,020</b>	<b>24,265</b>	<b>24,321</b>
<b>Fund Balance, June 30 .....</b>	<b>\$ 26,404</b>	<b>\$ 25,404</b>	<b>\$ 24,781</b>	<b>\$ 25,020</b>	<b>\$ 24,265</b>

(The remainder of this page intentionally left blank.)

**Bristol Water Department**  
**Balance Sheet**  
**June 30, 2014**  
(In Thousands)

**Assets and Other Debits**

Current Assets:	
Cash and cash equivalents .....	\$ 1,355
Investments .....	4,835
Receivables, net .....	1,323
Inventories .....	258
Other assets .....	10
<b>Total Current Assets</b> .....	<b>7,781</b>
Noncurrent Assets:	
Other deferred charges .....	-
Capital assets:	
Assets not being depreciated.....	3,321
Assets being depreciated, net.....	21,098
<b>Total Noncurrent Assets</b> .....	<b>24,419</b>
<b>Total Assets</b> .....	<b>32,200</b>

**Liabilities, Equity and Other Credits**

Current Liabilities:	
Accounts and contracts payable .....	725
Payroll liabilities .....	47
Customer deposits .....	687
Unearned revenues .....	21
Compensated absences .....	52
Bonds payable - current .....	505
Notes payable - current.....	35
<b>Total Current Liabilities</b> .....	<b>2,072</b>
Non-current Liabilities:	
Compensated absences .....	254
Bonds payable .....	3,136
Notes payable .....	466
<b>Total Noncurrent Liabilities</b> .....	<b>3,856</b>
<b>Total Liabilities</b> .....	<b>5,928</b>
Net Assets:	
Invested in capital assets, net of related debt ....	20,910
Unrestricted .....	5,494
<b>Total Net Assets</b> .....	<b>26,404</b>
<b>Total Liabilities and Fund Equity</b> .....	<b>\$ 32,332</b>

(The remainder of this page intentionally left blank.)

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

### ***Litigation***

It is the opinion of the City's Corporation Counsel, Edward C. Krawiecki, Jr., 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***

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

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the City, signed by the Mayor, 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 on the date the Contract of Purchase is executed, the descriptions and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut.
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C to this Official Statement.
6. A copy of the Escrow Agreement pertaining to the Refunded Bonds.
7. Any other documents required by the Contract of Purchase for the Bonds.

A reasonable number of additional copies of the Official Statement may be obtained by the Underwriter by arrangement with the printer. 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, 23rd Floor, 225 Asylum Street, 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.

Information herein has been derived by the City from official and other sources and is believed by the City and the Underwriter to be reliable, but such information other than that obtained from official records of the City has not been independently confirmed or verified by the City or the Underwriter and its accuracy is not guaranteed.

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/ Kenneth B. Cockayne*  
\_\_\_\_\_  
KENNETH B. COCKAYNE, *Mayor*

*/s/ Cheryl Thibeault*  
\_\_\_\_\_  
CHERYL THIBEAULT, *Chairman and Agent of the Board of Finance*

*/s/ Glenn S. Klocko*  
\_\_\_\_\_  
GLENN S. KLOCKO, *Comptroller*

Dated: November 4, 2015

*(This page intentionally left blank)*

## ***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, 2014. 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.

*(This page intentionally left blank)*

# BlumShapiro

Accounting | Tax | Business Consulting

## Independent Auditors' Report

To the Member of 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, 2014, 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 of material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Bristol, Connecticut, as of June 30, 2014 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, the budgetary comparison information on pages 57 through 68, the schedules of changes in the City's net pension liability and related ratios on pages 69 through 71, the schedules of employer contributions on pages 72 through 74 and the schedule of investment returns on page 75 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Bristol, Connecticut, as of and for the year ended June 30, 2013 (not presented herein), and have issued our report thereon dated December 12, 2013, which contained unmodified opinions on the respective financial statements of the governmental activities, business-type activities, the 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, 2013 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 2013 financial statements. The accompanying 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 2013 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial statements for the General Fund, Water Enterprise Fund, Internal Service Funds and Pension Trust Funds are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2013.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2014 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bristol, Connecticut's internal control over financial reporting and compliance.

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

West Hartford, Connecticut  
December 22, 2014

**CITY OF BRISTOL, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014. Please read this MD&A in conjunction with the transmittal letter beginning on page 1 and the City's financial statements, Exhibits I to IX.

**FINANCIAL HIGHLIGHTS**

- The City's total net position increased by \$10.7 million as a result of this year's operations. While net position of our business-type increased by \$1 million, or 3.9%, net position of our governmental activities increased by \$9.7 million, or 3.4%. Increases were primarily due to the aggregate acquisition of any new assets during the fiscal year and revenues exceeding actual expenses during the year.
- During the year, the City had expenses that were \$10.7 million less than the \$235.6 million generated in tax and other revenues for governmental programs and business activities. Revenues exceeding expenses were clearly a result of receiving increased operating grants and increased property tax collections.
- In the City's business-type activities, revenues increased \$220 thousand or 2.8% while expenses decreased by 1.7%. There was a decrease in water expenses over prior year results.
- Total cost of all of the City's programs was \$224.8 million with no new programs added this year. This represents a \$3.8 million increase compared to fiscal year 2013. The increase represents, in part, increased budgetary appropriations for city-wide operations including education operations.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$25.9 million, or 12.9% of general fund expenditures and transfers out.
- The tax collection rate was 98.46% of the current levy and a slight decrease compared last year's rate of 98.75%.
- The City of Bristol's total bonded indebtedness including its Enterprise fund bonds decreased by \$6.6 million to \$74.5 million or 8.2% before payments during the current fiscal year. The decrease is the annual debt service payment. The City also "rolled over" (reissued) \$5.3 million in taxable general obligation bond anticipation notes originally issued in 2008.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

The analysis of the City as a whole begins on Exhibit I and II. The statement of net position and the statement of activities report information about the City as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net position and changes in them. The City's net position, the difference between assets and liabilities, are one way to measure

the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's capital assets, to assess the overall health of the City.

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

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

### ***Fund Financial Statements***

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

- *Governmental funds (Exhibit III and IV)* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary funds (Exhibit V through VII)* – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact the City's enterprise fund (a component of proprietary funds) is the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities – such as the City's Health Benefit and Workers' Compensation Internal Service Fund.
- *Fiduciary funds (Exhibit VIII and IX)* – The City is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other post employee benefit assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's combined net position increased from a year ago from \$309.2 million to \$320 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**  
*Net Position*  
*(in thousands)*

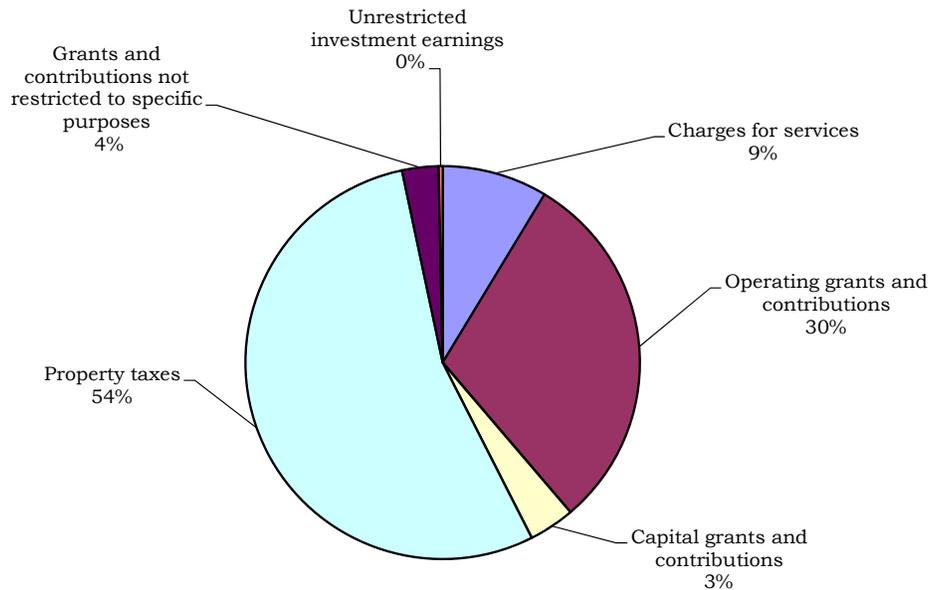
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Current assets	\$ 99,948	\$ 97,239	\$ 7,781	\$ 6,999	\$ 107,729	\$ 104,238
Capital assets, net of accumulated depreciation	333,943	336,787	24,419	24,145	358,362	360,932
Total assets	<u>433,891</u>	<u>434,026</u>	<u>32,200</u>	<u>31,144</u>	<u>466,091</u>	<u>465,170</u>
Deferred Outflows of Resources:						
Deferred charge on refunding	<u>1,408</u>	<u>1,580</u>	<u>132</u>	<u>165</u>	<u>1,540</u>	<u>1,745</u>
Long-term liabilities						
outstanding	118,432	126,518	4,448	4,683	122,880	131,201
Other liabilities	23,171	25,062	1,480	1,222	24,651	26,284
Total liabilities	<u>141,603</u>	<u>151,580</u>	<u>5,928</u>	<u>5,905</u>	<u>147,531</u>	<u>157,485</u>
Deferred Inflows of Resources:						
Advance property tax collection	<u>94</u>	<u>187</u>	<u>-</u>	<u>-</u>	<u>94</u>	<u>187</u>
Net Position:						
Net investment in capital assets	256,306	251,935	20,910	20,027	277,216	271,962
Restricted	1,095	1,004			1,095	1,004
Unrestricted	<u>36,201</u>	<u>30,900</u>	<u>5,494</u>	<u>5,377</u>	<u>41,695</u>	<u>36,277</u>
Total Net Position	<u>\$ 293,602</u>	<u>\$ 283,839</u>	<u>\$ 26,404</u>	<u>\$ 25,404</u>	<u>\$ 320,006</u>	<u>\$ 309,243</u>

Net position of the City's governmental activities increased by 3.4% or \$9.7 million compared to a prior \$283.8 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 \$36.2 million at the end of this year. The net position of business-type activities increased by \$623 thousand in 2014 compared to 2013.

**Table 2**  
**Changes in Net Position**  
**(in thousands)**

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 14,743	\$ 12,775	\$ 7,207	\$ 7,259	\$ 21,950	\$ 20,034
Operating grants and contributions	76,664	69,848			76,664	69,848
Capital grants and contributions	4,950	8,696	28	25	4,978	8,721
General revenues:						
Property taxes	128,534	125,518			128,534	125,518
Grants and contributions not restricted to specific programs	2,231	5,199			2,231	5,199
Unrestricted investment earnings	420	347	674	405	1,094	752
Other general revenues	172	770			172	770
Total revenues	<u>227,714</u>	<u>223,153</u>	<u>7,909</u>	<u>7,689</u>	<u>235,623</u>	<u>230,842</u>
Program expenses:						
General government	10,867	12,352			10,867	12,352
Public safety	31,240	31,136			31,240	31,136
Public works	27,337	25,065			27,337	25,065
Health and welfare	6,705	7,243			6,705	7,243
Libraries	2,902	3,032			2,902	3,032
Parks and recreation	3,344	3,345			3,344	3,345
Education	132,972	128,708			132,972	128,708
Interest on long-term debt	2,584	3,041			2,584	3,041
Water			6,909	7,066	6,909	7,066
Total program expenses	<u>217,951</u>	<u>213,922</u>	<u>6,909</u>	<u>7,066</u>	<u>224,860</u>	<u>220,988</u>
Increase in Net Position	<u>\$ 9,763</u>	<u>\$ 9,231</u>	<u>\$ 1,000</u>	<u>\$ 623</u>	<u>\$ 10,763</u>	<u>\$ 9,854</u>

The City's total revenues were \$235.6 million. The total cost of all programs and services was \$224.8 million. Our pie chart analysis below considers the operations of governmental and business-type activities.



***Governmental Activities***

Governmental Activities increased the City of Bristol's net position by \$9.7 million. The prior year increase in net position was \$9.2 million. Key elements of this increase with offsetting decreases are as follows:

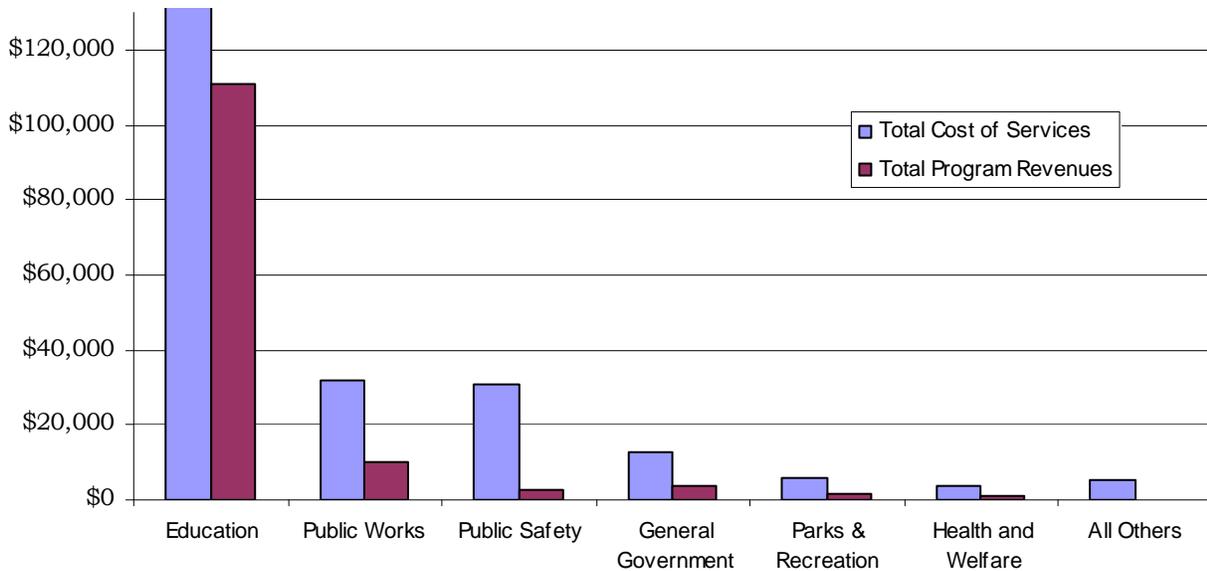
- Property tax collections increased by \$3 million during the year. Most of this increase is the product of increased tax revenue estimates to balance increased budgeted appropriations.
- Operating grants and contributions for governmental activities increased by \$6.8 million, mostly as a result of increases in state aid for education related programs.
- Charges for services increased \$1.9 million. This is a result of a combination of increased real estate transfer taxes, and public safety and public works fees.
- Investment earnings increased \$73 thousand. A reflection of a new and more expansive investment policy on idle funds.
- General government activities expenses increased \$4 million as a result of increased appropriation expenses for the education department programs and scheduled increases for fleet replacements in the Public Works department.
- For the most part, any increases in departmental expenses closely paralleled inflationary costs for utilities, operational contractual obligations and increased costs for health benefits.
- The State of Connecticut Teacher Retirement System is funded by the State. The funding levels have remained relatively flat. This year the on-behalf state teacher's contribution was \$11.04 million, the same amount as the previous year.

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

**Table 3**  
**Governmental Activities**  
*(in thousands)*

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Education	\$ 132,972	\$ 128,708	\$ 57,423	\$ 52,160
Public works	27,337	25,065	14,722	16,599
Public safety	31,240	31,136	28,068	29,309
General government	10,867	12,352	7,538	9,091
Health and welfare	6,705	7,243	6,140	7,078
Parks and recreation	3,344	3,345	2,322	2,411
All others	5,486	6,073	5,381	5,955
<b>Total</b>	<b>\$ 217,951</b>	<b>\$ 213,922</b>	<b>\$ 121,594</b>	<b>\$ 122,603</b>

**Expenses and Program Revenues- Governmental Activities (in millions)**



**Business-Type Activities**

Revenues of the City’s business-type activities (see Table 2) were \$7.9 million in 2014 compared to \$7.7 million in 2013 and expenses increased by 2.2%. The factors influencing these results included:

- Revenues: Increases were experienced on the investment of idle funds.
- Expenses: Marginal decreases were experienced in the supplies and capital outlay accounts.

## 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 \$46.2 million.

Approximately 37.6% of this total amount (\$17.4 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 \$25.9 million, while total fund balance reached \$31 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 16.4% of total general fund expenditures, while total fund balance represents 19.7% of that same amount, and exactly the same percentage as the year before.

The Debt Service Fund has a total fund balance of \$1.03 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 and Health Benefits and Workers' Compensation funds at the end of the year amounted to \$16.2 million, of that amount; the Health Benefits and Workers' Compensation fund has accumulated \$10.7 million of net position, which is equal to the funds unrestricted net position. This fund is self-funded and has experienced a leveling off of year-to-year medical claims. To demonstrate this expense trend, current year expenses were \$33.7 million compared to 2013 expenses of \$34.4 million and \$34.2 million in 2012.

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

### *General Fund Budgetary Highlights*

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

#### *Estimated Revenues:*

- Current Property Tax Collections are estimated year to year at 98%. Actual current collections were 100.95% of the budgeted amount.
- State grants are budgeted with available known estimates from the State. Some state grants exceeded original expectations due to the reimbursement nature of the grants (excess student cost base), while others are formula driven, such as the PILOT- for manufacturing and equipment grant. A municipal grant in aid was received in the amount of \$359 thousand as a one-time grant dispersed by the State of Connecticut. A FEMA grant was also received for \$261 thousand.
- Building permit collections were \$160 thousand over original budgeted estimates. This revenue source increase was due to existing permits issued to ESPN for a new digital programming facility.

- 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.
- Excess Student Cost Base Grant, like many education grants are difficult to estimate and are usually based on data from a prior year which may not reflect current year data. The City received \$510 over budgeted estimates.

*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, all year end over expenditures are covered by either transfers within the department line items or transfers from other departments with excessive 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 were caused between Fire and Police Departments by the associated personnel savings in one department (Fire) and costs of overtime for unplanned local emergencies and contractual replacement for sick or injured personnel in the Police divisions.
- A \$27.39 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 – Fleet Maintenance increased due to higher than anticipated increased cost of motor fuels and repairs to fleet vehicles. Additionally, more funds were needed for retro-fitting dump trucks.
- Public Works – Snow Removal expenses increased due to higher than average snow and ice storm events.
- Police Heart & Hypertension expenses increased due to an increase in claimed benefits.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### *Capital Assets*

At June 30, 2014, the City had \$358.3 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 decrease (including additions and deductions) of \$2.6 million, or .72%, under last year.

**Table 4**  
***Capital Assets at Year-End (Net of Depreciation)***  
***(in millions)***

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Land	\$ 18.4	\$ 18.0	\$ 2.8	\$ 2.7	\$ 21.2	\$ 20.7
Construction in progress	91.0	91.0	0.5		91.5	91.0
Buildings	89.5	94.2	18.5	19.2	108.0	113.4
Improvement other than buildings	10.6	9.1			10.6	9.1
Machinery and equipment	18.6	19.2	2.6	2.2	21.2	21.4
Infrastructure	105.8	105.3			105.8	105.3
<b>Total</b>	<b>\$ 333.9</b>	<b>\$ 336.8</b>	<b>\$ 24.4</b>	<b>\$ 24.1</b>	<b>\$ 358.3</b>	<b>\$ 360.9</b>

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

Construction Work in Progress

- Increase in Business-Type Activities is for Water Department improvements for Water Storage facilities.

Improvements other than buildings

- Decreases are attributed to sales of City property no longer in use and retirement of older vehicles and equipment

Buildings

- Decrease due to the closing and sale of a school building.

<b>Fiscal Year 2014</b>	
<b><u>Capital Budget</u></b>	
<b><u>Department</u></b>	
Board of Education	\$1,841,100
Fire Department	6,000,000
Information Systems	50,000
Police Department	148,665
Parks & Recreation	1,500,000
Public Works	1,940,000
Water	250,000
Water Pollution Controls	180,000
<b>Total All Departments</b>	<b><u><u>\$11,909,765</u></u></b>
<b><u>Funding</u></b>	
Sale of Bonds	\$9,876,650
General Fund Cash	428,665
State Grant -LoCIP	540,000
Grants	884,450
WPC CNR Cash	180,000
<b>Total All Funding</b>	<b><u><u>\$11,909,765</u></u></b>

The City’s fiscal year 2013-2014 capital budget called for it to spend \$11.9 million for capital projects. Some of the main highlights of these projects include:

- Improve various roads- cul-de-sacs, right of ways, storm drains and related pavement outlay
- Education department funding for roof replacement on Northeast Middle School
- Fire facility renovations and improvement to firehouses No. 4 & 5
- Information systems will continue a phone system upgrade
- Police Department is performing a traffic retro-flectivity upgrade
- Parks & Recreation has capital expenses for on-going renovations to historic Muzzy Field
- Water Department will be replacing a central water main line to its facility
- Water Pollution Control is replacing sanitary sewers on Blakeslee Street

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

## Long-term Debt

At June 30, 2014 the City had \$74.5 million in total bonded indebtedness versus \$81.2 million last year – a decrease of 8.25% – as shown in Table 5. The decrease is due the annual payments for debt service.

**Table 5**  
**Outstanding Debt, at Year-End**  
**(in millions)**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Primary Government</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
General Obligation Bonds (Backed by the City)	\$ 70.6	\$ 77.2	\$ 3.9	\$ 4.0	\$ 74.5	\$ 81.2

The City also “rolled over” for a fourth time (reissued) \$5.3 million in taxable general obligation notes. The City paid down \$2.11 million of the original 2008 issue of \$7.41 million.

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

The State limits the amount of general obligation debt that cities can issue based on formula determined under State Statutes based on type of debt and tax base. The City’s outstanding general obligation debt is significantly below this \$894.34 million state-imposed limit.

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

## ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The City’s elected and appointed officials considered many factors when setting the fiscal-year 2013 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 now stands at 6.7% versus 8.2% a year ago. This compares with the State’s unemployment rate of 6.4% (not seasonally adjusted) and the national rate of 5.8%. (Source: CT Department of Labor, 2014 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 2014-15. Amounts appropriated in the 2014-2015 General Fund budget are \$185.1 million, an increase of \$4.5 million over the previous year’s budget of approximately \$180.6 million. The property tax rate increased by 1.11 mills, to 34.61. The prior year mill rate was 33.50.

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

If these estimates are realized, the City's budgetary General Fund balance is expected to slightly increase at June 30, 2014. Building Permits, Conveyance Tax fees, interest income and delinquent tax collections continue to lag behind any signs of economic improvement. Those revenue estimates will be kept at lower levels to reflect current economic conditions.

The City of Bristol has appropriated \$350 thousand of its \$30.9 million total fund balance to balance its 2014-2015 operating budget. This represents a decrease of \$145 thousand from the previous year. The eventual goal, gradually attained, is zero.

As for the City's business-type activities we expect marginal growth (0.50 -0.75%) to net position based on sales over the past three fiscal years. Expense increases will be primarily due to salaries and benefits other expenses are expected to have a slight marginal increase. Also, expenses will increase for continued watershed expansion purchases and other infrastructure and equipment improvements.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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

# **Basic Financial Statements**

## CITY OF BRISTOL, CONNECTICUT

## STATEMENT OF NET POSITION

JUNE 30, 2014

(In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Bristol- Burlington Health District
<b>Assets:</b>				
Cash and cash equivalents	\$ 82,876	\$ 1,355	\$ 84,231	\$ 1,655
Investments	757	4,835	5,592	
Receivables, net	10,251	1,323	11,574	5
Due from fiduciary funds	250		250	
Inventory	33	258	291	
Other assets	5,781	10	5,791	
<b>Capital assets:</b>				
Assets not being depreciated	109,389	3,321	112,710	
Assets being depreciated, net	224,554	21,098	245,652	50
<b>Total assets</b>	<b>433,891</b>	<b>32,200</b>	<b>466,091</b>	<b>1,710</b>
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding	1,408	132	1,540	
<b>Liabilities:</b>				
Accounts and other payables	7,665	725	8,390	20
Accrued liabilities	9,628	47	9,675	15
Bond anticipation notes payable	5,300		5,300	
Other current liabilities		687	687	
Unearned revenue	578	21	599	
<b>Noncurrent liabilities:</b>				
Due within one year	12,300	592	12,892	87
Due in more than one year	106,132	3,856	109,988	38
<b>Total liabilities</b>	<b>141,603</b>	<b>5,928</b>	<b>147,531</b>	<b>160</b>
<b>Deferred Inflows of Resources:</b>				
Advance property tax collection	94		94	
<b>Net Position:</b>				
Net investment in capital assets	256,306	20,910	277,216	50
<b>Restricted for:</b>				
<b>Trust purposes:</b>				
Expendable	294		294	
Nonexpendable	801		801	
Unrestricted	36,201	5,494	41,695	1,500
<b>Total Net Position</b>	<b>\$ 293,602</b>	<b>\$ 26,404</b>	<b>\$ 320,006</b>	<b>\$ 1,550</b>

The accompanying notes are an integral part of the financial statements

## CITY OF BRISTOL, CONNECTICUT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Expenses	Program Revenues			Primary Government			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Bristol-Burlington Health District
Primary Government:								
Governmental activities:								
General government	\$ 10,867	\$ 2,389	\$ 940	\$	\$ (7,538)	\$	\$ (7,538)	
Public safety	31,240	1,607	1,565		(28,068)		(28,068)	
Public works	27,337	8,573	1,405	2,637	(14,722)		(14,722)	
Health and welfare	6,705	294	271		(6,140)		(6,140)	
Libraries	2,902	37	68		(2,797)		(2,797)	
Parks and recreation	3,344	519	503		(2,322)		(2,322)	
Education	132,972	1,324	71,912	2,313	(57,423)		(57,423)	
Debt service:								
Interest and fiscal charges	2,584				(2,584)		(2,584)	
Total governmental activities	<u>217,951</u>	<u>14,743</u>	<u>76,664</u>	<u>4,950</u>	<u>(121,594)</u>	<u>-</u>	<u>(121,594)</u>	
Business-type activities:								
Water	<u>6,909</u>	<u>7,207</u>		<u>28</u>		<u>326</u>	<u>326</u>	
Total Primary Government	<u>\$ 224,860</u>	<u>\$ 21,950</u>	<u>\$ 76,664</u>	<u>\$ 4,978</u>	<u>(121,594)</u>	<u>326</u>	<u>(121,268)</u>	
Component Unit:								
Bristol-Burlington Health District	<u>\$ 3,075</u>	<u>\$ 215</u>	<u>\$ 3,201</u>	<u>\$ -</u>			<u>341</u>	
General revenues:								
Property taxes					128,534		128,534	
Grants and contributions not restricted to specific programs					2,231		2,231	
Unrestricted investment earnings					420	674	1,094	
Miscellaneous					172		172	
Total general revenues					<u>131,357</u>	<u>674</u>	<u>132,031</u>	
Change in net position					9,763	1,000	10,763	
Net Position at Beginning of Year					<u>283,839</u>	<u>25,404</u>	<u>309,243</u>	
Net Position at End of Year					<u>\$ 293,602</u>	<u>\$ 26,404</u>	<u>\$ 320,006</u>	
							<u>\$ 1,550</u>	

The accompanying notes are an integral part of the financial statements

## CITY OF BRISTOL, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2014

(In Thousands)

	<u>General</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 42,337	\$ 1,029	\$ 1,207	\$ 18,084	\$ 62,657
Investments				757	757
Receivables, net	4,996		2,677	2,578	10,251
Due from other funds	707			43	750
Other assets	2				2
Inventories				33	33
Total Assets	<u>\$ 48,042</u>	<u>\$ 1,029</u>	<u>\$ 3,884</u>	<u>\$ 21,495</u>	<u>\$ 74,450</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts and contracts payables	\$ 3,798	\$	\$ 1,789	\$ 953	\$ 6,540
Accrued liabilities	8,908			720	9,628
Due to other funds	42			1,123	1,165
Due to other governments				9	9
Bond anticipation notes payable			5,300		5,300
Unearned revenue	288			285	573
Total liabilities	<u>13,036</u>	<u>-</u>	<u>7,089</u>	<u>3,090</u>	<u>23,215</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	3,986				3,986
Unavailable revenue - sewer use				339	339
Unavailable revenue - sewer assessments				576	576
Advance property tax collections	94				94
Total deferred inflows of resources	<u>4,080</u>	<u>-</u>	<u>-</u>	<u>915</u>	<u>4,995</u>
Fund balances:					
Nonspendable	2			834	836
Restricted		1,029		4,272	5,301
Committed	3,856		5,371	12,325	21,552
Assigned	1,113			59	1,172
Unassigned	25,955		(8,576)		17,379
Total fund balances	<u>30,926</u>	<u>1,029</u>	<u>(3,205)</u>	<u>17,490</u>	<u>46,240</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 48,042</u>	<u>\$ 1,029</u>	<u>\$ 3,884</u>	<u>\$ 21,495</u>	<u>\$ 74,450</u>

(Continued on next page)

## CITY OF BRISTOL, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2014

(In Thousands)

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	\$ 46,240
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental capital assets	\$ 636,658
Less accumulated depreciation	<u>(302,715)</u>
Net capital assets	333,943
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:	
Net pension asset	5,779
Property tax receivables greater than 60 days	2,601
Interest receivable on property taxes	1,385
Sewer assessments receivable	893
Sewer assessments interest receivable	22
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.	10,728
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	(70,637)
Unamortized premium on general obligation bonds	(3,108)
Interest payable on bonds and notes	(1,020)
Compensated absences	(7,396)
Landfill post closure care	(1,614)
Deferred charges on refunding	1,408
Other postemployment benefit obligation	<u>(25,622)</u>
Net Position of Governmental Activities (Exhibit I)	<u>\$ 293,602</u>

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, 2014

(In Thousands)

	<u>General</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Taxes and assessments	\$ 126,853	\$	\$ 22	\$ 3	\$ 126,878
Interest and lien fees on delinquent taxes and assessments	904				904
Licenses, permit and fees	939			6,202	7,141
Intergovernmental	64,980		4,918	12,225	82,123
Charges for services	3,304			3,208	6,512
Income on investments	253	1	12	128	394
Miscellaneous	905	123	18	1,700	2,746
Total revenues	<u>198,138</u>	<u>124</u>	<u>4,970</u>	<u>23,466</u>	<u>226,698</u>
Expenditures:					
Current:					
General government	5,574			1,378	6,952
Public safety	21,958			772	22,730
Public works	12,996			7,367	20,363
Health and welfare	5,700			816	6,516
Libraries	1,997			23	2,020
Parks and recreation	2,198			177	2,375
Education	102,684			11,460	114,144
Citywide:					
Employee benefits and pensions	3,719				3,719
Insurance	820				820
Miscellaneous	379				379
Capital outlay			7,569		7,569
Debt service:					
Principal retirement		6,275	281		6,556
Interest and fiscal charges		2,685	53		2,738
Total expenditures	<u>158,025</u>	<u>8,960</u>	<u>7,903</u>	<u>21,993</u>	<u>196,881</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>40,113</u>	<u>(8,836)</u>	<u>(2,933)</u>	<u>1,473</u>	<u>29,817</u>
Other Financing Sources (Uses):					
Transfers in	2,288	9,789	2,975	4,601	19,653
Transfers out	(41,574)	(510)	(3,266)	(3,526)	(48,876)
Total other financing sources (uses)	<u>(39,286)</u>	<u>9,279</u>	<u>(291)</u>	<u>1,075</u>	<u>(29,223)</u>
Net Change in Fund Balance	827	443	(3,224)	2,548	594
Fund Balance at Beginning of Year	<u>30,099</u>	<u>586</u>	<u>19</u>	<u>14,942</u>	<u>45,646</u>
Fund Balance at End of Year	<u>\$ 30,926</u>	<u>\$ 1,029</u>	<u>\$ (3,205)</u>	<u>\$ 17,490</u>	<u>\$ 46,240</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, 2014

(In Thousands)

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)	\$ 594
---	--------

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	12,372
Depreciation expense	(15,214)

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. (2)

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

Property tax receivable - accrual basis change	592
Property tax interest and lien revenue - accrual basis change	79
Sewer assessment receivable - accrual basis change	320
Net pension asset	(523)
Other	(155)

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

Bond principal payments	6,556
Amortization of deferred charge on refunding	(172)
Accrued interest	161
Bond premiums	321

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

Compensated absences	93
Other postemployment benefits	(1,483)
Landfill post closure care	28

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. 6,196

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 9,763</u>
--	-----------------

The accompanying notes are an integral part of the financial statements

## CITY OF BRISTOL, CONNECTICUT

**PROPRIETARY FUNDS  
STATEMENT OF NET POSITION**

**June 30, 2014**  
(In Thousands)

	<b>Business-Type Activities Water Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,355	\$ 20,219
Investments	4,835	
Receivables, net	1,323	
Due from other funds		665
Inventories	258	
Other assets	10	
Total current assets	7,781	20,884
Noncurrent assets:		
Capital assets:		
Assets not being depreciated	3,321	
Assets being depreciated, net	21,098	
Total noncurrent assets	24,419	-
Total assets	32,200	20,884
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refunding	132	
<b>LIABILITIES</b>		
Current liabilities:		
Accounts and other payables	725	96
Payroll liabilities	47	
Customer deposits	687	
Unearned revenues	21	5
Compensated absences - current	52	
Bonds payable - current	505	
Notes payable - current	35	
Unpaid claims - current		4,664
Total current liabilities	2,072	4,765
Noncurrent liabilities:		
Compensated absences	254	
Bonds payable	3,136	
Notes payable	466	
Unpaid claims		5,391
Total noncurrent liabilities	3,856	5,391
Total liabilities	5,928	10,156
<b>NET POSITION</b>		
Net investment in capital assets	20,910	
Unrestricted	5,494	10,728
Total Net Position	\$ 26,404	\$ 10,728

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, 2014**

(In Thousands)

	<b>Business-Type Activities Water Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Operating revenues:		
Charges for services	\$ 6,855	\$ 7,939
Contributions		9
Miscellaneous	352	2,733
Total operating revenues	<u>7,207</u>	<u>10,681</u>
Operating expenses:		
Source of supply	205	
Pumping	295	
Purification	1,027	
Transmission and distribution	1,592	
Customer accounts, administrative and general	2,148	
Depreciation	945	
Taxes other than income taxes	423	
Insurance claims, premiums and fees		33,735
Total operating expenses	<u>6,635</u>	<u>33,735</u>
Operating income (loss)	<u>572</u>	<u>(23,054)</u>
Nonoperating revenues (expenses):		
Income on investments	674	27
Interest expense	(269)	
Amortization of debt discount and expense	(5)	
Total nonoperating revenues	<u>400</u>	<u>27</u>
Income (loss) before capital contributions and transfers	972	(23,027)
Capital contributions	28	
Transfers:		
Transfers in		29,223
Change in Net Position	1,000	6,196
Net Position at Beginning of Year	<u>25,404</u>	<u>4,532</u>
Net Position at End of Year	<u>\$ 26,404</u>	<u>\$ 10,728</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, 2014**

(In Thousands)

	<b>Business-Type Activities Water Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>
Cash Flows from Operating Activities:		
Cash received from charges for services and contributions	\$ 7,211	\$ 8,268
Cash received from other operating revenue		2,732
Cash paid to employees	(2,186)	
Cash paid to suppliers	(3,413)	
Cash payment for claims paid		(36,224)
Deposits paid back to customers	20	
Cash paid for interfund services used	(8)	
Net cash provided by (used in) operating activities	1,624	(25,224)
Cash Flows from Noncapital Financing Activities:		
Transfers from other funds		29,223
Cash Flows from Capital Financing Activities:		
Purchase of capital assets/utility plant	(1,223)	
Issuance of bonds and notes	501	
Principal payments bonds/notes	(595)	
Interest payments and issuance costs	(226)	
Net cash used in capital and related financing activities	(1,543)	-
Cash Flows from Investing Activities:		
Income on investments	2	27
Net Increase in Cash and Cash Equivalents	83	4,026
Cash and Cash Equivalents at Beginning of Year	1,272	16,193
Cash and Cash Equivalents at End of Year	\$ 1,355	\$ 20,219
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ 572	\$ (23,054)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	945	
(Increase) decrease in accounts receivable	(32)	329
Increase (decrease) in provision for uncollectible accounts	36	
(Increase) decrease in inventory	(43)	
(Increase) decrease in other assets	(10)	
Increase (decrease) in accounts payable	235	81
Increase (decrease) in deferred revenues		(10)
Increase (decrease) in accrued liabilities	3	
Increase (decrease) in accrued compensated absences	(94)	
Increase (decrease) in unpaid claims		(2,570)
Increase (decrease) in customer deposits	20	
Increase (decrease) in due to (from) other funds	(8)	
Total adjustments	1,052	(2,170)
Net Cash Provided by (Used in) Operating Activities	\$ 1,624	\$ (25,224)
Noncash Investing and Capital Activities:		
Capital contributions	\$ 28	\$ -

The accompanying notes are an integral part of the financial statements

## CITY OF BRISTOL, CONNECTICUT

**FIDUCIARY FUNDS**  
**STATEMENT OF NET POSITION**

**JUNE 30, 2014**

(In Thousands)

	<b>Pension Trust Funds</b>	<b>OPEB Trust Fund</b>	<b>Agency Funds</b>
	<u>          </u>	<u>          </u>	<u>          </u>
Assets:			
Cash and cash equivalents	\$ 422	\$ 412	\$ 532
Investments, at fair value:			
Certificates of deposit			138
Corporate bonds	57,099		
U.S. treasury	45,664		
U.S. government agencies	13,755		
Securitized instruments	12,958		
Common stock	279,276		
Mutual funds	204,846	3,778	
Total investments	<u>613,598</u>	<u>3,778</u>	<u>138</u>
Receivables, net		<u>250</u>	
Total assets	<u>614,020</u>	<u>4,440</u>	<u>\$ 670</u>
Liabilities:			
Accounts payable			\$ 7
Due to senior citizens			28
Due to student groups			635
Due to other funds	<u>250</u>		
Total liabilities	<u>250</u>	<u>-</u>	<u>\$ 670</u>
Net Position:			
Held in Trust for Pension Benefits	613,770		
Held in Trust for OPEB Benefits		<u>4,440</u>	
Total Net Position	<u>\$ 613,770</u>	<u>\$ 4,440</u>	

The accompanying notes are an integral part of the financial statements

## CITY OF BRISTOL

## FIDUCIARY FUNDS

STATEMENT OF CHANGES IN NET POSITION  
PENSION TRUST FUNDS AND OPEB TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	<b>Pension Trust Funds</b>	<b>OPEB Trust Funds</b>
	<u>          </u>	<u>          </u>
Additions:		
Contributions:		
Employer	\$      228	\$      936
Plan members	2,487	
Total additions	<u>2,715</u>	<u>936</u>
Investment income:		
Net appreciation in fair value of investments	71,680	48
Interest and dividends	11,803	19
Total	<u>83,483</u>	<u>67</u>
Less investment expense	(538)	
Total investment income	<u>82,945</u>	<u>67</u>
Total additions	<u>85,660</u>	<u>1,003</u>
Deductions:		
Benefits	20,637	
Administration	3,865	10
Police and fire retiree health care	520	
Other	16	
Total deductions	<u>25,038</u>	<u>10</u>
Net Change	60,622	993
Net Position at Beginning of Year	<u>553,148</u>	<u>3,447</u>
Net Position at End of Year	<u>\$ 613,770</u>	<u>\$ 4,440</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2014**

(amounts expressed in thousands)

**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.

**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 (80%) of the District's annual operating budget. Additionally, if the District were to dissolve, according to state statute the District would immediately become a department of the City. The District does not provide services primarily to the City 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**

**Bristol Downtown Development Corporation**

The Bristol Downtown Development Corporation (the Corporation) was formed on April 5, 2007. The Corporation is a nonstock corporation organized pursuant to the Non-Stock Corporation act, Connecticut General Statute Section 33-1000 as a separate entity. All Directors are nominated by the Mayor and approved by vote of the City Council. During the current year, the City transferred \$30,000 (amount not rounded) to the Corporation.

## **Joint Venture**

The City is a participant in two joint ventures as described below.

### **Tunxis Recycling Operating Committee**

The City is a participant with thirteen (13) other cities and towns in a joint venture, the Tunxis Recycling Operating Committee (TROC). TROC is responsible for the development, operations and management of a solid waste recycling program for all participating communities. The governing board consists of City officials appointed by each of the participating municipalities, and assumes all the management decisions. The City has an obligation to appropriate funds in amounts necessary to fulfill its obligations created pursuant to the intercommunity agreement dated as of June 21, 1990. Expenditures of \$29 were incurred in 2013-14 related to the City's participation in TROC. The unassigned fund balance for fiscal year ended June 30, 2014 as reflected in TROC's financial statements is \$360. A complete set of financial statements for TROC can be obtained from TROC's administrative office at 27 W. Main Street, New Britain, Connecticut 06051.

### **Bristol Resource Recovery Facility Operating Committee**

The City is a participant with thirteen (13) other cities and towns in a joint venture, the Bristol Resource Recovery Facility (BRRFOC). BRRFOC was created pursuant to an intercommunity 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. The City has an obligation to appropriate funds in amounts necessary to fulfill its obligations created pursuant to the intercommunity agreement dated as of August 15, 1985. These obligations deal with guarantees to meet certain tonnage requirements. The City expenditures to BRRFOC amounted to \$2,514 this year. The unassigned fund balance for fiscal year ended June 30, 2014 as reflected in BRRFOC's financial statements is \$7.5 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.

The fourteen Contracting Communities which comprise BRRFOC entered into a Municipal Solid Waste Disposal and Recycling Services Agreement by and among Covanta in December 2012, which will provide for managing disposable and recyclable wastes for a twenty-year period commencing July 2014.

## **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 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

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

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

The Other Post Employment Benefits (OPEB) Trust Fund accounts for the activities of the City's Post Employment Benefits plan, which accumulates resources for healthcare 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." All trade and property tax receivables are shown net of an allowance for uncollectibles.

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 (not rounded) 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.

Uncollected taxes, other than amounts received within 60 days of year-end, and taxes collected in advance of the fiscal year in which they were levied, are reflected as deferred revenue in the fund financial statements. Property taxes receivable at June 30, 2014 are stated net of allowance for estimated uncollectible amounts of \$300.

#### **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. 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 (amount not rounded) 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 are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend 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

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, 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.

## **I. 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.

## **J. 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 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.

## **K. 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.

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 their 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.

## **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.

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

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

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

The budget is prepared on the modified accrual basis, except for encumbrances, by function, activity and object. Expenditures may not legally exceed appropriations at the object level within a department. The Board of Finance has the power to approve budget revisions during the year up to \$5,000 (amount not rounded). Revisions in excess of \$5,000 (amount not rounded) require Joint Board approval. All budget revisions must be approved. Additional appropriations in the amount of \$7,859 were approved during the fiscal year.

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

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

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

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

### **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*, \$57,624 of the City's bank balance of \$68,870 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 37,264
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>20,360</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 57,624</u>

At June 30, 2014, the entire amount of the component unit's deposits was covered by federal depository insurance.

**Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. As of June 30, 2014, the cash equivalent amounted to \$19,402. 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 &amp; Poor's</u>
State of Connecticut Short-Term Investment Fund (STIF)	AAAm
Cutwater Asset Management - Cooperative Liquid Assets Securities System (CLASS)	AAAm

## B. Investments

Investments as of June 30, 2014 in all funds are as follows:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1-10	More Than 10
Interest-bearing investments:					
U.S. Treasury bonds	Aaa	\$ 45,664	\$ 9,984	\$ 35,680	\$
U.S. Government agencies	Aaa	13,755		12,909	846
Corporate bonds	Aa1-Aa3	4,445	752	3,693	
Corporate bonds	A1-A3	15,410	622	14,788	
Corporate bonds	Baa1-Baa3	27,841	289	27,552	
Corporate bonds	Ba1-Ba3	6,887	174	6,713	
Corporate bonds	B1-B3	2,516	1,218	1,298	
Securitized instruments	Aaa	12,958		1,075	11,883
Certificates of deposit	*	138	138		
Total		129,614	\$ 13,177	\$ 103,708	\$ 12,729
Other investments:					
Common stock		279,276			
Mutual funds		214,216			
Total Investments		\$ 623,106			

\*Subject to coverage by federal depository insurance and collateralization.

*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.

*Credit Risk - Investments* - As indicated above, State Statutes limit the investment options of cities and towns. 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, 2014, 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.

#### 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	\$ 3,462	\$	\$	\$	\$ 3,462
Interest	1,385		30		1,415
Accounts	160		1,451	659	2,270
Special assessments			10	576	586
Intergovernmental	<u>299</u>	<u>2,677</u>	<u>        </u>	<u>1,343</u>	<u>4,319</u>
Gross receivables	5,306	2,677	1,491	2,578	12,052
Less allowance for uncollectibles	<u>(310)</u>	<u>        </u>	<u>(168)</u>	<u>        </u>	<u>(478)</u>
Net Total Receivables	<u>\$ 4,996</u>	<u>\$ 2,677</u>	<u>\$ 1,323</u>	<u>\$ 2,578</u>	<u>\$ 11,574</u>

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

General Fund:	
Uncollectibles related to taxes receivable	\$ 300
Uncollectibles related to accounts receivable	10
Water Enterprise Fund:	
Uncollectibles related to accounts receivable	<u>168</u>
Total Uncollectibles of the Current Fiscal Year	<u>\$ 478</u>

## 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

### Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 18,005	\$ 356	\$ (2)	\$ 18,359
Construction in progress	90,950	6,944	(6,864)	91,030
Total capital assets not being depreciated	<u>108,955</u>	<u>7,300</u>	<u>(6,866)</u>	<u>109,389</u>
Capital assets being depreciated:				
Buildings	200,072	1,909	(1,639)	200,342
Improvements other than buildings	14,244	1,834	(110)	15,968
Machinery and equipment	68,470	3,348	(1,136)	70,682
Infrastructure	236,771	4,845	(1,339)	240,277
Total capital assets being depreciated	<u>519,557</u>	<u>11,936</u>	<u>(4,224)</u>	<u>527,269</u>
Less accumulated depreciation for:				
Buildings	(105,804)	(6,703)	1,639	(110,868)
Improvements other than buildings	(5,194)	(247)	110	(5,331)
Machinery and equipment	(49,286)	(3,930)	1,136	(52,080)
Infrastructure	(131,441)	(4,334)	1,339	(134,436)
Total accumulated depreciation	<u>(291,725)</u>	<u>(15,214)</u>	<u>4,224</u>	<u>(302,715)</u>
Total capital assets being depreciated, net	<u>227,832</u>	<u>(3,278)</u>	<u>-</u>	<u>224,554</u>
Governmental Activities Capital Assets, Net	<u>\$ 336,787</u>	<u>\$ 4,022</u>	<u>\$ (6,866)</u>	<u>\$ 333,943</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,700	\$ 52	\$ -	\$ 2,752
Construction in progress	17	560	(8)	569
Total capital assets not being depreciated	<u>2,717</u>	<u>612</u>	<u>(8)</u>	<u>3,321</u>
Capital assets being depreciated:				
Buildings and system	36,798	27	-	36,825
Machinery and equipment	5,486	592	(7)	6,071
Total capital assets being depreciated	<u>42,284</u>	<u>619</u>	<u>(7)</u>	<u>42,896</u>
Less accumulated depreciation for:				
Buildings and system	(17,600)	(775)	-	(18,375)
Machinery and equipment	(3,256)	(170)	3	(3,423)
Total accumulated depreciation	<u>(20,856)</u>	<u>(945)</u>	<u>3</u>	<u>(21,798)</u>
Total capital assets being depreciated, net	<u>21,428</u>	<u>(326)</u>	<u>(4)</u>	<u>21,098</u>
Business-Type Activities Capital Assets, Net	<u>\$ 24,145</u>	<u>\$ 286</u>	<u>\$ (12)</u>	<u>\$ 24,419</u>

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

Governmental activities:	
General government	\$ 374
Public safety	1,642
Public works	7,923
Health and welfare	8
Libraries	661
Parks and recreation	426
Education	<u>4,180</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u><u>15,214</u></u>
 Business-type activities	
Water	\$ <u><u>945</u></u>

### Construction Commitments

The City has several active construction projects as of June 30, 2014. The following is a summary of capital projects as of June 30, 2014:

	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>
Schools	\$ 179,894	\$ 160,088
Streets, bridges and building improvements	61,175	43,747
Capital and nonrecurring	<u>58,069</u>	<u>36,793</u>
 Total	 \$ <u><u>299,138</u></u>	 \$ <u><u>240,628</u></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, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Furniture and equipment	\$ 237	\$ 3	\$ (1)	\$ 239
Less accumulated depreciation for:				
Furniture and equipment	<u>(171)</u>	<u>(19)</u>	<u>1</u>	<u>(189)</u>
 District Capital Assets, Net	 \$ <u><u>66</u></u>	 \$ <u><u>(16)</u></u>	 \$ <u><u>-</u></u>	 \$ <u><u>50</u></u>

## 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2014, 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	\$ 707
Nonmajor Governmental Funds	General Fund	43
Internal Service	Nonmajor Governmental Funds	415
Internal Service	Pension Trust Funds	<u>250</u>
Total		<u>\$ 1,415</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>	<u>Internal Service Funds</u>	
Transfer out:						
General Fund	\$	\$ 8,798	\$ 784	\$ 4,596	\$ 27,396	\$ 41,574
Debt Service Fund			510			510
Capital Projects	2270	991		5		3,266
Nonmajor Governmental Funds	<u>18</u>		<u>1,681</u>		<u>1,827</u>	<u>3,526</u>
Total Transfers In	<u>\$ 2,288</u>	<u>\$ 9,789</u>	<u>\$ 2,975</u>	<u>\$ 4,601</u>	<u>\$ 29,223</u>	<u>\$ 48,876</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.

## 7. LEASES

### Operating Leases

The City leases computers under noncancelable operating leases. Total costs for such leases were \$695 for the year ended June 30, 2014. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 659
2016	532
2017	407
2018	143
2019	<u>2</u>
	<u>\$ 1,743</u>

## 8. LONG-TERM DEBT

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2014 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 and Clean Water Fund Loans	\$ 77,193	\$	\$ 6,556	\$ 70,637	\$ 6,473
Premium on general obligation bonds	3,429		321	3,108	
Total bonds payable	80,622		6,877	73,745	6,473
Compensated absences	7,489	991	1,084	7,396	1,100
Landfill postclosure care	1,642	35	63	1,614	63
Net OPEB obligation	24,139	1,483		25,622	
Unpaid claims	12,626	33,735	36,306	10,055	4,664
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$ 126,518</b>	<b>\$ 36,244</b>	<b>\$ 44,330</b>	<b>\$ 118,432</b>	<b>\$ 12,300</b>
Business-Type Activities:					
Bonds payable:					
General obligation bonds	\$ 4,025	\$	\$ 595	\$ 3,430	\$ 479
Premium on general obligation bonds	236		25	211	26
Notes payable		501		501	35
Total bonds payable and notes payable	4,261	501	620	4,142	540
Compensated absences	400		94	306	52
<b>Total Business-Type Activities Long-Term Liabilities</b>	<b>\$ 4,661</b>	<b>\$ 501</b>	<b>\$ 714</b>	<b>\$ 4,448</b>	<b>\$ 592</b>
Component Unit:					
Compensated Absences	\$ 118	\$ 88	\$ 81	\$ 125	\$ 87

For the governmental activities, compensated absences and OPEB obligations are generally liquidated by the General Fund.

### Bond Anticipation Notes

Bond anticipation notes payable activity for the year ended June 30, 2014 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	04/29/13	01/28/14	1.00%	\$ 5,810	\$	\$ 5,810	\$
Bond anticipation notes	01/28/14	10/27/14	1.00%		5,300		5,300
<b>Total</b>				<b>\$ 5,810</b>	<b>\$ 5,300</b>	<b>\$ 5,810</b>	<b>\$ 5,300</b>

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

Bonds and notes payable at June 30, 2014 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, 2014</u>
General City Bonds:					
General improvement:					
2009	02/15/09	02/15/17	2.00-4.18	\$ 8,515	\$ 5,840
2011	06/27/11	08/01/30	2.00-4.00	8,637	7,727
2012 Refunding	08/11/11	07/15/22	3.00-5.00	15,589	<u>15,589</u>
Total general improvement bonds					<u>29,156</u>
School:					
2005 Refunding	06/15/05	10/15/18	2.70-5.00	10,635	4,800
2009	02/15/09	02/15/17	2.00-4.18	385	265
2011	06/27/11	08/01/30	2.00-4.00	25,550	22,860
2012 Refunding	08/11/11	07/15/22	3.00-5.00	6,234	<u>6,234</u>
Total school bonds					<u>34,159</u>
Sewers:					
2011	06/27/11	08/01/30	2.00-4.00	5,400	<u>4,830</u>
Capital Projects Fund:					
Clean Water Fund Notes 498-D/C	06/30/02	06/30/21	2.00	1,483	582
Clean Water Fund Notes 415-D/C	06/30/02	06/30/21	2.00	1,410	553
Clean Water Fund Notes 504-C	12/31/03	12/31/22	2.00	1,488	699
Clean Water Fund Notes 562-C	11/30/04	11/30/23	2.00	694	358
Clean Water Fund Notes 464-C	05/31/06	03/31/26	2.00	470	<u>300</u>
Total capital projects level debt					<u>2,492</u>
Total General City Serial Bonds and Clean Water Fund Loans					<u>70,637</u>
Water Department:					
Enterprise Fund Bonds:					
Water 2005 Refunding	06/15/05	10/15/18	2.70-5.00	2,315	595
Water 2011	06/27/11	08/01/30	2.00-4.00	813	723
Water 2012 Refunding	08/11/11	07/15/22	3.00-5.00	2,112	<u>2,112</u>
Total Water Bonds					<u>3,430</u>
Water 2014 Notes	12/31/14	12/31/33	2.00	501	<u>501</u>
Total Water Department Enterprise Fund Bonds and Notes					<u>3,931</u>
Total Bonded Indebtedness					<u>\$ 74,568</u>

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, 2014 are as follows:

General Fund:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 5,901	\$ 2,236	\$ 8,137
2016	5,892	2,018	7,910
2017	5,887	1,793	7,680
2018	5,866	1,586	7,452
2019	5,851	1,388	7,239
2020-2024	20,775	4,184	24,959
2025-2029	9,547	1,610	11,157
2030-2031	<u>3,596</u>	<u>144</u>	<u>3,740</u>
Total	<u>\$ 63,315</u>	<u>\$ 14,959</u>	<u>\$ 78,274</u>

Sewer Operating and Assessment Fund:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 285	\$ 164	\$ 449
2016	285	152	437
2017	285	141	426
2018	283	133	416
2019	283	126	409
2020-2024	1,416	488	1,904
2025-2029	1,423	252	1,675
2030-2031	<u>570</u>	<u>23</u>	<u>593</u>
Total	<u>\$ 4,830</u>	<u>\$ 1,479</u>	<u>\$ 6,309</u>

Capital Projects Fund:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 287	\$ 47	\$ 334
2016	292	41	333
2017	298	36	334
2018	305	30	335
2019	310	23	333
2020-2024	951	38	989
2025-2029	<u>49</u>	<u>1</u>	<u>50</u>
2030-2031			
Total	<u>\$ 2,492</u>	<u>\$ 216</u>	<u>\$ 2,708</u>

Water Enterprise Fund:  
Bonds:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 479	\$ 125	\$ 604
2016	483	106	589
2017	478	87	565
2018	281	73	354
2019	281	62	343
2020-2024	1,134	145	1,279
2025-2029	210	37	247
2030-2031	<u>84</u>	<u>3</u>	<u>87</u>
Total	<u>\$ 3,430</u>	<u>\$ 638</u>	<u>\$ 4,068</u>

Note:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 35	\$ 10	\$ 45
2016	21	9	30
2017	21	9	30
2018	22	8	30
2019	22	8	30
2020-2024	119	32	151
2025-2029	131	20	151
2030-2034	<u>130</u>	<u>6</u>	<u>136</u>
Total	<u>\$ 501</u>	<u>\$ 102</u>	<u>\$ 603</u>

The City does not have any overlapping debt contingencies as of June 30, 2013.

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 287,467	\$ 44,981	\$ 242,486
Schools	574,934	35,982	538,952
Sewers	479,111	5,340	473,771
Urban renewal	415,230		415,230
Pension deficit	383,289		383,289

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation (\$894,341).

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	\$	8,033
Schools		102,436
Sewers		<u>510</u>
	\$	<u><u>110,979</u></u>

Additionally, net indebtedness is reduced by State of Connecticut grant commitments in the amount of \$100,613.

## 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 Committee and the related contracting communities. Solid waste landfill closure and postclosure care requirements have been established by the State of Connecticut Department of Environmental Protection Agency and the Federal Environmental Protection Agency. The costs associated with monitoring and maintaining the landfill area during the postclosure period are the responsibility of the City. The projected costs of this postclosure period is \$1,614. 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 \$10,055 reported in the Internal Service Fund at June 30, 2014 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:

		<b>Current Year Claims And Changes In Estimates</b>		<b>Claim Payment</b>		<b>Liability June 30,</b>
	<b>Liability July 1,</b>					<b>Liability June 30,</b>
2012-13	\$ 12,143	\$ 34,401	\$ 33,918	\$ 12,626		\$ 12,626
2013-14	12,626	33,735	36,306	10,055		10,055

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

## 11. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2014 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	\$	\$	\$	\$ 33	\$ 33
Prepays	2				2
Trust purpose				801	801
Restricted for:					
Grants				4,272	4,272
Debt service		1,029			1,029
Committed to:					
Landfill closure	556		1,851		2,407
Compensated absences	2,500			167	2,667
Heart and Hypertension	800				800
Capital and nonrecurring			991		991
Capital and nonrecurring WPCA			2,529		2,529
Equipment				5,817	5,817
Education				953	953
Manross Memorial Library				535	535
Sewer				3,576	3,576
Solid waste disposal				366	366
Pine Lake challenge course				112	112
Transfer station				59	59
Open space				4	4
Centre mall				442	442
Trust purpose				294	294
Assigned to:					
Subsequent year's budget	350				350
Carryovers	584			59	643
General government encumbrances	10				10
Public safety encumbrances	76				76
Public works encumbrances	55				55
Libraries encumbrances	29				29
Parks and recreation encumbrances	3				3
Miscellaneous encumbrances	6				6
Unassigned	25,955		(8,576)		17,379
Total Fund Balances	\$ 30,926	\$ 1,029	\$ (3,205)	\$ 17,490	\$ 46,240

## 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, 2014, the City is of the opinion that such reimbursements in respect of disallowed expenditures, if any, will not be significant.

## 13. OTHER POSTEMPLOYMENT BENEFITS

### 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, 2012, plan membership consisted of the following:

	<b>Retiree Healthcare Plan</b>
Active plan members	1,458
Retired members	<u>532</u>
Total Participants	<u><u>1,990</u></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.

## Annual OPEB Cost and Net OPEB Obligations

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

	<b>Retiree Healthcare Plan</b>
Annual required contribution	\$ 8,568
Interest on net OPEB obligation	1,207
Adjustment to annual required contribution	<u>(1,570)</u>
Annual OPEB cost	8,205
Contributions made	<u>6,722</u>
Increase in net OPEB obligation	1,483
Net OPEB Obligation, Beginning of Year	<u>24,139</u>
Net OPEB Obligation, End of Year	<u><u>\$ 25,622</u></u>

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

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost (AOC)</b>	<b>Actual Contribution</b>	<b>Percentage of AOC Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2012	\$ 7,605	\$ 4,755	62.5%	\$ 21,347
6/30/2013	7,958	5,166	64.9	24,139
6/30/2014	8,205	6,722	81.9	25,622

## Schedule of Funding Progress

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Funded (Unfunded) AAL (UAAL) (a-b)</b>	<b>Percentage Funded (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((a-b)/c)</b>
7/1/08	\$ -	\$ 72,000	\$ (72,000)	0.0%	\$ 70,000	(102.9)%
7/1/10	-	64,510	(64,510)	0.0	91,807	(70.3)
7/1/12	1,847	75,052	(73,205)	2.0	88,563	(82.7)

## Schedule of Employer Contributions

<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2009	\$ 8,768	36.0%
2010	9,322	47.7
2011	7,528	59.2
2012	7,883	60.3
2013	8,279	62.4
2014	8,568	78.5

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

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

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The ARC reflects a closed 30-year, level amortization of the unfunded actuarial accrued liability (AAL). The actuarial assumptions include a 5% investment rate of return and inflation rate of 3%. The annual healthcare cost trend rate is 10% initially, grading down to 5% in year 2019 and thereafter.

## 14. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

### A. Plan Description

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

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

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

The management of the City retirement system is vested in a retirement board consisting of ten (10) members, as follows: A member of the City Council, a member of the Board of Finance, the comptroller, the treasurer, three (3) electors of the City, none of whom shall be an officer or employee of the City, one elector of the City who shall be a member of the City's employees' local number 1338 of the American Federation of State, County and Municipal Employees, AFL-CIO, one elector of the City who shall be a member of the City's employees' Bristol Professionals and Supervisors Association (BPSA), and the mayor, ex officio. All members, except the comptroller, the treasurer and the mayor, shall be nominated

by the mayor and confirmed by the City Council. The members representing the City Council and the Board of Finance shall be appointed for terms of two (2) years and three (3) years, respectively. The others members of the retirement board shall be appointed for five-year terms. The term of office of each appointed member shall continue until a successor is appointed and has qualified. In the event of a vacancy on such board, such vacancy shall be filled in the same manner as the member to be succeeded was appointed or elected. In no event shall any person remain a member of such retirement board except during the time he continues to be a member of the board or body from which he was appointed or elected.

### Combining Schedule of Position

	Employee Retirement Funds			
	City Retirement System Fund	Firefighters' Benefit Fund	Police Benefit Fund	Total
Assets:				
Cash and cash equivalents	\$ 100	\$ 188	\$ 134	\$ 422
Investments	221,217	187,915	204,466	613,598
Total Assets	221,317	188,103	204,600	614,020
Liabilities:				
Due to other funds			250	250
Net Position:				
Held in trust for pension benefits	221,317	188,103	204,350	613,770
Total Net Position	\$ 221,317	\$ 188,103	\$ 204,350	\$ 613,770

### Combining Schedule of Changes in Plan Net Position

	Employee Retirement Funds			
	City Retirement System Fund	Firefighters' Benefit Fund	Police Benefit Fund	Total
Additions:				
Contributions:				
Employer	\$ 228	\$	\$	\$ 228
Plan members	1,816	257	414	2,487
Total contributions	2,044	257	414	2,715
Investment income:				
Net appreciation in fair value of investments	26,198	21,758	23,724	71,680
Interest and dividends	4,314	3,583	3,906	11,803
Total investment income	30,512	25,341	27,630	83,483
Less investment expenses	(334)	(101)	(103)	(538)
Net investment income	30,178	25,240	27,527	82,945
Total additions	32,222	25,497	27,941	85,660
Deductions:				
Benefits	11,635	3,776	5,226	20,637
Administration	1,425	1,177	1,263	3,865
Police and Fire retiree health care		332	188	520
Other			16	16
Total deductions	13,060	5,285	6,693	25,038
Change in net position	19,162	20,212	21,248	60,622
Net Position - Beginning of Year	202,155	167,891	183,102	553,148
Net Position - End of Year	\$ 221,317	\$ 188,103	\$ 204,350	\$ 613,770

At July 1, 2013, PERS membership consisted of:

	<u>City of Bristol Retirement System</u>	<u>Firefighters' Benefit Fund</u>	<u>Police Benefit Fund</u>
Retirees, disabled and beneficiaries currently receiving benefits	498	92	113
Terminated employees entitled to benefits but not yet receiving them	57	2	2
Current employees:			
Vested	383	50	66
Nonvested	328	41	47
	<u>1,266</u>	<u>185</u>	<u>228</u>
Total	<u>1,266</u>	<u>185</u>	<u>228</u>

The City of Bristol Retirement System 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.

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

The City of Bristol Police Benefit Fund covers all members of the Police Department. The City provides all retirement, death and disability benefits through a single-employer, contributory, defined benefit plan. Under the plan, all employees of the Police Department are eligible to join. Employees are 100% vested after 10 years of continuous service, if their contributions remain in the fund upon termination. Police employees who 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 ¼ of an employee's unused sick leave paid out at the time of retirement if applicable.

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

## **B. 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.

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

## **C. Funding Status and Progress**

Employees covered under the City of Bristol Retirement System are required to contribute 6.0% of pay. If an employee leaves employment or dies before meeting the vesting requirements, accumulated employee contributions and interest are refunded.

The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. For the year ended June 30, 2014, the City was not required to make a contribution of \$228. Benefits and employee contributions are fixed by contract and may be amended by union negotiations.

Fire employees are required to contribute 6% of their base pay to the PERS. After 25 years of service, employee contributions cease. 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. The City is required to contribute the remaining amounts necessary to finance the benefits for its employees. For the year ended June 30, 2014, the City was not required to make a contribution. Benefits and employee contributions are fixed by contract and may be amended by union negotiations.

Police employees are required to contribute 6% of their base pay to the PERS. After 25 years of service, employee contributions cease. 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. For the year ended June 30, 2014, the City was not required to make a contribution. Benefits and employee contributions are fixed by contract and may be amended by union negotiations.

**D. Investments**

Investment Policy: The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board. It is the policy of the Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board’s adopted asset allocation policy as of June 30, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Intermediate Term Bonds	21.3%
High Yield Bonds	7.6%
Large Cap US Equities	30.0%
Mid Cap US Equities	2.5%
Small Cap US Equities	2.5%
Developed Foreign Equities	13.6%
Emerging Market Equities	7.5%
Private Equities	5.0%
Hedge Funds/Absolute Return	10.0%
Total	<u>100.0%</u>

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.44%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability of the City**

In accordance with GASB Statement No. 67, the components of the net pension liability (asset) of the City at June 30, 2014 were as follows:

	<u>City of Bristol Retirement System</u>	<u>Firefighters’ Benefit Fund</u>	<u>Police Benefit Fund</u>
Total pension liability	\$ 192,404	\$ 66,673	\$ 111,597
Plan fiduciary net position	<u>221,317</u>	<u>188,103</u>	<u>204,350</u>
Net Pension Asset	<u>\$ (28,913)</u>	<u>\$ (121,430)</u>	<u>\$ (92,753)</u>
Plan fiduciary net position as a percentage of the total pension liability	115.03%	282.13%	183.11%

The City’s net pension liability will be required to be recorded on the government-wide statement of net position at June 30, 2015.

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

	<b>City of Bristol Retirement System</b>	<b>Firefighters' Benefit Fund</b>	<b>Police Benefit Fund</b>
Actuarial valuation date	July 1, 2013	July 1, 2013	July 1, 2013
Measurement date	June 30, 2014	June 30, 2014	June 30, 2014
Inflation	2.75%	2.75%	2.75%
Salary increases including inflation	Graded salary growth with an ultimate rate of 3.5%	Graded salary growth with an ultimate rate of 3.5%	Graded salary growth with an ultimate rate of 3.5%
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal

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

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period June 30, 2006-June 30, 2010.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<b>Asset Class</b>	<b>Long Term Expected Real Rate of Return</b>
Intermediate Term Bonds	2.50%
High Yield Bonds	4.81%
Large Cap US Equities	6.15%
Mid Cap US Equities	7.42%
Small Cap US Equities	7.42%
Developed Foreign Equities	6.59%
Emerging Market Equities	9.51%
Private Equities	9.43%
Hedge Funds/Absolute Return	4.05%

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that 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 7.50%, 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 (6.50%) or 1 percentage point higher (8.50%) than the current rate:

**City of Bristol Retirement System**

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6.50%</b>	<b>Discount Rate</b>	<b>8.50%</b>
	<b>_____</b>	<b>_____</b>	<b>_____</b>
Net Pension Liability (Asset)	\$ (7,659)	\$ (28,913)	\$ (47,041)

**Firefighters' Benefit Fund**

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6.50%</b>	<b>Discount Rate</b>	<b>8.50%</b>
	<b>_____</b>	<b>_____</b>	<b>_____</b>
Net Pension Liability (Asset)	\$ (113,269)	\$ (121,430)	\$ (128,242)

**Police Benefit Fund**

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>6.50%</b>	<b>Discount Rate</b>	<b>8.50%</b>
	<b>_____</b>	<b>_____</b>	<b>_____</b>
Net Pension Liability (Asset)	\$ (78,130)	\$ (92,753)	\$ (99,551)

**E. Annual Pension Cost and Net Pension Obligations**

The annual pension cost and net pension obligation for the current year were as follows:

	<b>City of</b>	<b>Firefighters'</b>	<b>Police</b>
	<b>Bristol</b>	<b>Benefit</b>	<b>Benefit</b>
	<b>Retirement</b>	<b>Fund</b>	<b>Fund</b>
	<b>System</b>	<b>_____</b>	<b>_____</b>
Annual required contribution	\$ 605	\$ -	\$ -
Interest on net pension obligation	(127)	(129)	(216)
Adjustment to annual required contribution	166	169	283
	<b>_____</b>	<b>_____</b>	<b>_____</b>
Annual pension cost	644	40	67
Contributions made	(228)	-	-
	<b>_____</b>	<b>_____</b>	<b>_____</b>
Decrease in net pension asset	416	40	67
Net Pension Asset, Beginning of Year	(1,694)	(1,722)	(2,886)
	<b>_____</b>	<b>_____</b>	<b>_____</b>
Net Pension Assets, End of Year	\$ (1,278)	\$ (1,682)	\$ (2,819)

The following is a summary of certain significant actuarial assumptions and other PERS information:

**F. Trend Information**

<b>City of Bristol Retirement System</b>			
<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation (Asset)</b>
6/30/12	\$ 40	0.0%	\$ (1,734)
6/30/13	40	0.0	(1,694)
6/30/14	644	35.4	(1,278)

<b>Firefighters' Benefit Fund</b>			
<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation (Asset)</b>
6/30/12	\$ 40	0.0%	\$ (1,763)
6/30/13	41	0.0	(1,722)
6/30/14	40	0.0	(1,682)

<b>Police Benefit Fund</b>			
<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation (Asset)</b>
6/30/12	\$ 68	0.0%	\$ (2,954)
6/30/13	68	0.0	(2,886)
6/30/14	67	0.0	(2,819)

<b>City of Bristol Retirement System</b>						
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Liability (AAL) Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (a-b)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a % of Covered Payroll ((a-b)/c)</b>
7/1/2008	\$ 207,698	\$ 143,268	\$ 64,430	145.0 %	\$ 30,309	212.60 %
7/1/2009	203,537	150,284	53,253	135.4	31,268	170.30
7/1/2010	202,904	156,145	46,759	129.9	30,783	151.90
7/1/2011	200,861	161,266	39,595	124.6	30,610	129.40
7/1/2012	198,149	170,641	27,508	116.1	31,280	87.90

**Firefighters' Benefit Fund**

Actuarial Valuation Date	Actuarial Accrued			Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
	Actuarial Value of Assets (a)	Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (a-b)			
7/1/2008	\$ 155,198	\$ 61,374	93,824	252.9 %	\$ 5,219	1,797.60 %
7/1/2009	155,135	61,873	93,262	250.7	5,298	1,760.40
7/1/2010	157,354	62,506	94,848	251.7	5,275	1,798.10
7/1/2011	159,247	66,073	93,174	241.0	5,454	1,708.20
7/1/2012	160,794	65,874	94,920	244.1	5,521	1,719.20
7/1/2013	170,795	66,094	104,701	258.4	5,630	1,859.60

**Police Benefit Fund**

Actuarial Valuation Date	Actuarial Accrued			Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
	Actuarial Value of Assets (a)	Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (a-b)			
7/1/2008	\$ 170,638	\$ 77,990	92,648	218.8 %	\$ 7,421	1,248.50 %
7/1/2009	170,404	83,227	87,177	204.7	8,245	1,057.30
7/1/2010	172,814	86,099	86,715	200.7	8,377	1,035.10
7/1/2011	175,219	91,283	83,936	192.0	8,295	1,011.90
7/1/2012	176,389	95,527	80,862	184.6	8,024	1,007.80
7/1/2013	186,283	107,921	78,362	172.6	8,420	930.60

**H. Teacher Retirement**

All City of Bristol Board of Education certified employees participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. A teacher is eligible to receive a normal retirement benefit if he or she has: 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Total covered payroll and total certified Board payroll was \$53,246 for the year ended June 30, 2014.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. For the year ended June 30, 2014, the City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$13,216 as payments made by the State of Connecticut on behalf of the City. The City does not have any liability for teacher pensions.

The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

**Required Supplementary  
Information**

## CITY OF BRISTOL, CONNECTICUT

## GENERAL FUND

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014 WITH  
COMPARATIVE ACTUAL AMOUNTS FOR 2013  
(In Thousands)**

	2014				Variance Over (Under)	2013 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Property taxes:						
Current levy	\$ 124,307	\$ 1,154	\$ 125,461	\$ 125,492	\$ 31	\$ 123,470
Prior levies	950	400	1,350	1,361	11	1,141
Interest and penalties	500	404	904	904	-	1,024
Total property taxes	<u>125,757</u>	<u>1,958</u>	<u>127,715</u>	<u>127,757</u>	<u>42</u>	<u>125,635</u>
Licenses, permits and fees:						
Assessors' late filing fees	1		1	1	-	1
Circuit court fines	1		1	1	-	2
Dog penalties	1		1	1	-	1
Merchandising licenses	2		2	5	3	3
Animal licenses	8		8	8	-	7
Marriage licenses	2		2	2	-	2
Fees	6	32	38	40	2	9
Notary services	4		4	5	1	4
Burial permits	2		2	3	1	2
Trade names	1		1	1	-	
Vital statistics	118	20	138	138	-	140
Parking violations	65		65	46	(19)	61
Alarm fees	15		15	20	5	22
Police report fees	10		10	10	-	9
Building permits	450	160	610	610	-	558
PW excavating permits	7		7	8	1	7
Land use fees and permits	16		16	15	(1)	28
BBHD code enforcement fees			-		-	1
Library fines	24		24	25	1	24
Total licenses, permits and fees	<u>733</u>	<u>212</u>	<u>945</u>	<u>939</u>	<u>(6)</u>	<u>881</u>
State and Federal Grants:						
State grants-in-aid:						
State Owned Property (PILOT)	87		87	85	(2)	87
PILOT: Manufacturing and Equipment			-		-	1,974
State Grant: Elderly Freeze			-		-	6
Tax Relief Elderly/Disabled Homeowner	346		346	351	5	352
Private Hospitals (PILOT)	522		522	522	-	553
Tax Relief Totally Disabled	10		10	13	3	11
Additional Tax Relief: Veterans	25		25	32	7	28
Enterprise zone reimbursement	115		115	116	1	163
Sales Tax			-		-	494
Town Aid Road Transportation	666		666	666	-	333
Mashantucket Pequot Grant	590		590	589	(1)	590
PILOT			-	84	84	68
Off-track betting	65		65	70	5	74
Municipal Grant in Aid		359	359	359	-	
Utilities tax	100	34	134	138	4	146
Youth Services Bureau	49		49	50	1	49
Youth Service Bureau - Enhancement		7	7	7	-	7
E911 Subsidy Grant	134		134	134	-	134

(Continued on next page)

## CITY OF BRISTOL, CONNECTICUT

## GENERAL FUND

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014 WITH  
COMPARATIVE ACTUAL AMOUNTS FOR 2013  
(In Thousands)**

	2014				Variance Over (Under)	2013 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
School Readiness Grant/Quality Enhancement	\$	\$ 2,382	\$ 2,382	\$ 2,405	\$ 23	\$ 2,300
Education Cost Sharing	41,657		41,657	41,622	(35)	41,697
Trans. Child - Public	400		400	322	(78)	300
Medicaid Coordination	100	271	371	371	-	201
Excess Student Cost Base	2,600	510	3,110	3,110	-	2,512
Health Serv. PA 481/Private School Health Reimbursement	250	25	275	277	2	282
Transportation School Child-Nonpublic	140		140	38	(102)	142
Miscellaneous State grants	27	63	90	82	(8)	256
Federal Grants:						
Housing Authority (FED-PILOT)	60		60	110	50	101
FEMA Disaster Grant		261	261	207	(54)	641
Public safety federal grants	6		6	4	(2)	2
Total state and federal grants	47,949	3,912	51,861	51,764	(97)	53,503
Charges for services:						
Copier charges	55		55	63	8	66
Code enforcement reimbursements	21		21	21	-	154
Water reimbursement fees	1		1	3	2	
Foreclosure reimbursement fees	10		10	1	(9)	
Recording fees	275	14	289	289	-	316
Real estate transfer tax	750	168	918	918	-	563
Department of Aging Services	51		51	64	13	65
Public safety charges for services	620	244	864	907	43	715
Animal control charges	3		3	2	(1)	12
Miscellaneous charges for services	10	1	11	5	(6)	11
Public works service and maps	303	27	330	319	(11)	331
Recycling permits	31		31	35	4	139
City building rentals	207		207	208	1	220
School tuition	175		175	147	(28)	167
Pool revenue	188		188	184	(4)	167
Park program	108		108	138	30	123
Total charges for services	2,808	454	3,262	3,304	42	3,049
Investment earnings:						
Interest-General Fund	175	74	249	249	-	198
Interest-Miscellaneous A/R	5		5	4	(1)	5
Total investment earnings	180	74	254	253	(1)	203
Sale of property and equipment	77	53	130	129	(1)	172

(Continued on next page)

## CITY OF BRISTOL, CONNECTICUT

## GENERAL FUND

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2014 WITH  
COMPARATIVE ACTUAL AMOUNTS FOR 2013  
(In Thousands)**

	2014				Variance Over (Under)	2013 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Other local revenue:						
Miscellaneous	\$ 18	\$ 133	\$ 151	\$ 188	\$ 37	\$ 350
Contributions Interdistrict Cooperative		63	63	63	-	
Public Safety contributions		8	8	7	(1)	
Library Trust Funds	18		18	13	(5)	17
Park Trust Funds and Gifts	358	143	501	503	2	431
Total other local revenue	394	347	741	774	33	798
Transfers in	2,273	8	2,281	2,290	9	15
Total Revenues and Other Financing Sources	\$ 180,171	\$ 7,018	\$ 187,189	187,210	\$ 21	\$ 184,256

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for City teachers are not budgeted

13,216

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

\$ 200,426

## CITY OF BRISTOL, CONNECTICUT

## GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING  
USES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2013  
(In Thousands)**

	2014				Variance (Over) Under	2013 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
<b>General Government</b>						
City Council:						
Personnel Services	\$ 58	\$	\$ 58	58	\$ -	\$ 58
Mayor's Office:						
Personnel Services	154	8	162	158	4	153
Contractual Services	61		61	59	2	58
Supplies	1		1	1	-	1
Total mayor's office	<u>216</u>	<u>8</u>	<u>224</u>	<u>218</u>	<u>6</u>	<u>212</u>
Probate Court:						
Contractual Services	31	(3)	28	20	8	22
Supplies	5	2	7	6	1	5
Total probate court	<u>36</u>	<u>(1)</u>	<u>35</u>	<u>26</u>	<u>9</u>	<u>27</u>
Registrar of Voters:						
Personnel Services	142		142	140	2	142
Contractual Services	85		85	36	49	90
Supplies	7		7	4	3	6
Total registrar of voters	<u>234</u>	<u>-</u>	<u>234</u>	<u>180</u>	<u>54</u>	<u>238</u>
Assessor:						
Personnel Services	369		369	339	30	352
Contractual Services	19		19	16	3	21
Supplies	2		2	2	-	2
Total assessor	<u>390</u>	<u>-</u>	<u>390</u>	<u>357</u>	<u>33</u>	<u>375</u>
Board of Assessment Appeals:						
Personnel Services	6		6	4	2	6
Tax Collector:						
Personnel Services	291		291	288	3	285
Contractual Services	96		96	81	15	74
Supplies	1		1	-	1	1
Total tax collector	<u>388</u>	<u>-</u>	<u>388</u>	<u>369</u>	<u>19</u>	<u>360</u>
Purchasing:						
Personnel Services	169		169	168	1	168
Contractual Services	9		9	7	2	7
Total purchasing	<u>178</u>	<u>-</u>	<u>178</u>	<u>175</u>	<u>3</u>	<u>175</u>
Comptroller's Office:						
Personnel Services	655		655	618	37	615
Contractual Services	13		13	12	1	10
Supplies	1		1	1	-	1
Total comptroller's office	<u>669</u>	<u>-</u>	<u>669</u>	<u>631</u>	<u>38</u>	<u>626</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, 2014 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2013  
(In Thousands)**

	2014					2013 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance (Over) Under	
Treasurer:						
Personnel Services	\$ 112	\$	\$ 112	\$ 112	\$ -	\$ 109
Contractual Services	5		5	4	1	4
Supplies	1		1		1	
Other/Misc.	45		45	2	43	17
Total treasurer	<u>163</u>	<u>-</u>	<u>163</u>	<u>118</u>	<u>45</u>	<u>130</u>
Information Systems:						
Personnel Services	519		519	518	1	514
Contractual Services	274	4	278	243	35	238
Supplies	19	4	23	8	15	26
Total information systems	<u>812</u>	<u>8</u>	<u>820</u>	<u>769</u>	<u>51</u>	<u>778</u>
Personnel Department:						
Personnel Services	454	(1)	453	402	51	445
Contractual Services	111	(37)	74	70	4	134
Purch. Professional Services	5	1	6	5	1	5
Supplies	6		6	5	1	5
Capital Outlay		23	23	24	(1)	
Total personnel department	<u>576</u>	<u>(14)</u>	<u>562</u>	<u>506</u>	<u>56</u>	<u>589</u>
Corporation Counsel:						
Personnel Services	389	(8)	381	362	19	355
Contractual Services	186	(9)	177	177	-	136
Supplies	17		17	10	7	12
Total corporation counsel	<u>592</u>	<u>(17)</u>	<u>575</u>	<u>549</u>	<u>26</u>	<u>503</u>
City Clerk:						
Personnel Services	321	1	322	308	14	317
Contractual Services	78	(1)	77	62	15	53
Purch. Prof. Services	2		2	1	1	
Total city clerk	<u>401</u>	<u>-</u>	<u>401</u>	<u>371</u>	<u>30</u>	<u>372</u>
Board of Finance:						
Personnel Services	1	1	2	2	-	1
Contractual Services	70		70	70	-	70
Total board of finance	<u>71</u>	<u>1</u>	<u>72</u>	<u>72</u>	<u>-</u>	<u>71</u>
Aging Department:						
Personnel Services	351	2	353	348	5	317
Contractual Services	135	109	244	232	12	164
Supplies	52	6	58	45	13	41
Capital Outlay		5	5	4	1	
Total aging department	<u>538</u>	<u>122</u>	<u>660</u>	<u>629</u>	<u>31</u>	<u>522</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, 2014 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2013  
(In Thousands)**

	2014				Variance (Over) Under	2013 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Downtown Corporation (BDDC):						
Contractual Services	\$ 30	\$	\$ 30	\$ 30	\$ -	\$ 60
Veteran's Office:						
Personnel Services	6		6	1	5	4
CCRPA:						
Contractual Services	29		29	29	-	29
Youth Services:						
Personnel Services	253		253	251	2	235
Contractual Services	121	7	128	119	9	124
Supplies	15		15	13	2	11
Total youth services	389	7	396	383	13	370
Interdistrict COOP:						
Personnel Services		39	39	39	-	59
Contractual Services		2	2	2	-	6
Purchased other services		21	21	21	-	27
Supplies			-		-	1
Total interdistrict COOP	-	62	62	62	-	93
Community Promotions:						
Contractual Services	5	26	31	28	3	1
Other	25		25	13	12	15
Total community promotions	30	26	56	41	15	16
Boards and Commissions						
Personnel Services	5	(1)	4	4	-	5
Contractual Services	1		1		1	1
Total boards and commissions	6	(1)	5	4	1	6
Total general government	5,818	201	6,019	5,582	437	5,620

(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, 2014 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2013  
(In Thousands)**

	2014				Variance (Over) Under	2013 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
<b>Public Safety</b>						
Police Department:						
Personnel Services	\$ 12,888	\$ 109	\$ 12,997	\$ 12,952	\$ 45	\$ 12,509
Contractual Services	634	(1)	633	550	83	569
Supplies	358	13	371	290	81	326
Capital Outlay	52	73	125	123	2	248
Total police department	<u>13,932</u>	<u>194</u>	<u>14,126</u>	<u>13,915</u>	<u>211</u>	<u>13,652</u>
Fire Department:						
Personnel Services	7,290	(206)	7,084	7,084	-	7,289
Contractual Services	217	14	231	224	7	190
Supplies	189	8	197	186	11	165
Capital Outlay	36		36	35	1	68
Total fire department	<u>7,732</u>	<u>(184)</u>	<u>7,548</u>	<u>7,529</u>	<u>19</u>	<u>7,712</u>
Animal Control:						
Personnel Services	127		127	122	5	124
Contractual Services	12	(1)	11	8	3	10
Supplies	5	1	6	5	1	5
Total animal control	<u>144</u>	<u>-</u>	<u>144</u>	<u>135</u>	<u>9</u>	<u>139</u>
Emergency Management:						
Personnel Services	6		6	6	-	6
Contractual Services	6		6	4	2	5
Supplies	1		1	1	-	1
Total emergency management	<u>13</u>	<u>-</u>	<u>13</u>	<u>11</u>	<u>2</u>	<u>12</u>
Building Inspection:						
Personnel Services	448	(31)	417	416	1	446
Contractual Services	4	1	5	5	-	3
Supplies	7		7	5	2	7
Total building inspection	<u>459</u>	<u>(30)</u>	<u>429</u>	<u>426</u>	<u>3</u>	<u>456</u>
Total public safety	<u>22,280</u>	<u>(20)</u>	<u>22,260</u>	<u>22,016</u>	<u>244</u>	<u>21,971</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, 2014 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2013  
(In Thousands)**

	2014				Variance (Over) Under	2013 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
<b>Public Works</b>						
Administration:						
Personnel Services	\$ 330	\$	\$ 330	\$ 330	\$ -	\$ 328
Contractual Services	8	(2)	6	6	-	7
Supplies	2		2	1	1	2
Total administration	<u>340</u>	<u>(2)</u>	<u>338</u>	<u>337</u>	<u>1</u>	<u>337</u>
Engineering:						
Personnel Services	759	(14)	745	745	-	730
Contractual Services	42	(14)	28	28	-	9
Supplies	3		3	3	-	2
Total engineering	<u>804</u>	<u>(28)</u>	<u>776</u>	<u>776</u>	<u>-</u>	<u>741</u>
Land Use:						
Personnel Services	201	(24)	177	177	-	197
Contractual Services	16	(7)	9	9	-	12
Supplies	1		1	1	-	
Total land use	<u>218</u>	<u>(31)</u>	<u>187</u>	<u>187</u>	<u>-</u>	<u>209</u>
Maintenance:						
Personnel Services	470	(9)	461	461	-	420
Contractual Services	509	85	594	594	-	535
Supplies	186	15	201	201	-	156
Capital Outlay		40	40	40	-	
Total maintenance	<u>1,165</u>	<u>131</u>	<u>1,296</u>	<u>1,296</u>	<u>-</u>	<u>1,111</u>
Streets Division:						
Personnel Services	1,700	(179)	1,521	1,502	19	1,428
Contractual Services	24	10	34	29	5	30
Supplies	165	(23)	142	142	-	138
Capital Outlay			-		-	12
Total streets division	<u>1,889</u>	<u>(192)</u>	<u>1,697</u>	<u>1,673</u>	<u>24</u>	<u>1,608</u>
Solid Waste Division:						
Personnel Services	1,017	(40)	977	928	49	1,167
Contract Services	1,294	(1)	1,293	1,255	38	1,232
Supplies	18	(5)	13	13	-	19
Transfer out	(1,186)		(1,186)	(1,186)	-	(1,123)
Total solid waste division	<u>1,143</u>	<u>(46)</u>	<u>1,097</u>	<u>1,010</u>	<u>87</u>	<u>1,295</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, 2014 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2013  
(In Thousands)**

	2014				Variance (Over) Under	2013 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Fleet Maintenance:						
Personnel Services	\$ 554	\$ (37)	\$ 517	\$ 517	\$ -	\$ 516
Contractual Services	216	10	226	225	1	219
Supplies	934	164	1,098	1,097	1	1,179
Total fleet maintenance	<u>1,704</u>	<u>137</u>	<u>1,841</u>	<u>1,839</u>	<u>2</u>	<u>1,914</u>
Snow Removal:						
Personnel Services	266	(30)	236	236	-	270
Contractual Services	336	68	404	404	-	775
Supplies	398	322	720	720	-	482
Capital Outlay			-		-	4
Total snow removal	<u>1,000</u>	<u>360</u>	<u>1,360</u>	<u>1,360</u>	<u>-</u>	<u>1,531</u>
Major Road Improvements:						
Personnel Services	12		12	8	4	2
Contractual Services	1,723	67	1,790	1,777	13	1,523
Total major road improvements	<u>1,735</u>	<u>67</u>	<u>1,802</u>	<u>1,785</u>	<u>17</u>	<u>1,525</u>
Railroad Maintenance:						
Contractual Services	54	(40)	14	6	8	31
Total railroad maintenance	<u>54</u>	<u></u>	<u>14</u>	<u>6</u>	<u>-</u>	<u>31</u>
Other City Buildings:						
Personnel Services					-	
Contractual Services	145	(34)	111	111	-	104
Supplies	181	48	229	219	10	190
Capital Outlay	5	1	6	6	-	1
Total other city buildings	<u>331</u>	<u>15</u>	<u>346</u>	<u>336</u>	<u>10</u>	<u>295</u>
Composting:						
Contractual Services			-		-	50

(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, 2014 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2013  
(In Thousands)**

	2014					2013 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance (Over) Under	
Perm Patch Utility Trenches:						
Contractual Services	\$	\$	\$ -	\$	\$ -	\$ 15
Public Works Fleet:						
Capital Outlay	700	172	872	781	91	688
Public Works Line Painting:						
Personnel Services	1		1		1	
Contractual Services	103	60	163	163		
Total public works line painting	104	60	164	163	1	-
Storm Water Maintenance						
Personnel Services		7	7	7	-	2
Contractual Services		2	2	2	-	
Total storm water maintenance	-	9	9	9	-	2
Street Lighting:						
Contractual Services	770	14	784	784	-	783
Total public works	11,957	626	12,583	12,342	241	12,135
<b>Health and Welfare</b>						
Community Services:						
Personnel Services	44		44	44	-	44
Contractual Services	15	(5)	10	10	-	9
Other/Miscellaneous	7	4	11	11	-	11
Total community services	66	(1)	65	65	-	64
Bristol-Burlington Health:						
Contractual Services	2,919		2,919	2,919	-	2,916
Code Enforcement:						
Contractual Services	8	5	13	13	-	9
Supplies	1	(1)	-		-	1
Other/Miscellaneous	50	146	196	196	-	282
Total code enforcement	59	150	209	209	-	292

(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, 2014 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2013  
(In Thousands)**

	2014				Variance (Over) Under	2013 Actual
	Original Budget	Adjustments	Amended Budget	Actual		
Health/SS Outside Agencies:						
Contractual Services	\$ 73	\$	\$ 73	\$ 73	\$ -	\$ 67
Cemetery Upkeep:						
Purch. Prof. Services	75		75	75	-	75
School Readiness Program:						
Personnel Services	4	65	69	69	-	69
Contractual Service	3	2,317	2,320	2,288	32	2,238
Total school readiness program	7	2,382	2,389	2,357	32	2,307
Total health and welfare	3,199	2,531	5,730	5,698	32	5,721
<b>Libraries</b>						
Library:						
Personnel Services	1,452	(59)	1,393	1,374	19	1,414
Contractual Services	347	9	356	338	18	281
Supplies	259	(10)	249	227	22	254
Capital Outlay		62	62	62	-	2
Total libraries	2,058	2	2,060	2,001	59	1,951
<b>Parks and Recreation</b>						
Parks and Recreation:						
Personnel Services	1,689	(68)	1,621	1,600	21	1,590
Contractual Services	302	31	333	281	52	303
Supplies	276	1	277	269	8	254
Capital Outlay	4		4	4	-	92
Other/Miscellaneous	5		5	1	4	5
General Insurance	28	10	38	38	-	28
Total parks and recreation	2,304	(26)	2,278	2,193	85	2,272
<b>Employee Benefits and Pension</b>						
Employee benefits and pension:						
Retirement Benefits	76		76	76	-	2,056
Heart and Hypertension Police	675	50	725	720	5	683
Employee Benefits	12,900	490	13,390	1,978	11,412	
Transfer to Internal Service	(11,396)		(11,396)		(11,396)	
Other Post Employment Benefits	686	250	936	936	-	610
Total employee benefits and pension	2,941	790	3,731	3,710	21	3,349

(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, 2014 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2013  
(In Thousands)**

	2014					2013 Actual
	Original Budget	Adjustments	Amended Budget	Actual	Variance (Over) Under	
<b>General Insurance</b>						
General Insurance	\$ 695	\$ 161	\$ 856	\$ 820	\$ 36	\$ 586
<b>Miscellaneous</b>						
Miscellaneous:						
All Other Costs and Fees	2,238	(501)	1,737	583	1,154	1,152
Public Buildings	300	(300)	-	-	-	-
Total miscellaneous	<u>2,538</u>	<u>(801)</u>	<u>1,737</u>	<u>583</u>	<u>1,154</u>	<u>1,152</u>
<b>Education</b>						
Board of Education:						
General Control	2,517	38	2,555	2,534	21	
Instruction	46,454	(1,165)	45,289	45,173	116	
Transportation	3,719	380	4,099	4,095	4	
Operation of Plant	5,822	451	6,273	6,252	21	
Maintenance of Plant	2,104	53	2,157	2,154	3	
Benefits and Fixed	17,738	(15,133)	2,605	2,600	5	
Athletics and Student	1,660	(8)	1,652	1,641	11	
Capital Outlay	1,778	124	1,902	1,886	16	
Other/miscellaneous	22,494	729	23,223	23,132	91	
Operating Transfers Out		292	292	292	-	
Board of Education			-	-	-	87,738
Total Board of Education	<u>104,286</u>	<u>(14,239)</u>	<u>90,047</u>	<u>89,759</u>	<u>288</u>	<u>87,738</u>
Transfers to other funds:						
Special Revenue	1,651	2,129	3,780	3,639	141	5,013
Debt Service	8,798		8,798	8,798	-	9,731
Trust and Agency		166	166	166	-	
Capital Projects	744	40	784	784	-	1,856
Sinking Fund		300	300	300	-	200
Internal Service	11,397	15,999	27,396	27,396	-	24,683
Total transfers to other funds	<u>22,590</u>	<u>18,634</u>	<u>41,224</u>	<u>41,083</u>	<u>141</u>	<u>41,483</u>
Total	<u>\$ 180,666</u>	<u>\$ 7,859</u>	<u>\$ 188,525</u>	<u>185,787</u>	<u>\$ 2,738</u>	<u>\$ 183,978</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers'

Retirement System for City teachers are not budgeted

13,216

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

596

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

\$ 199,599

## CITY OF BRISTOL, CONNECTICUT

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
CITY OF BRISTOL RETIREMENT SYSTEM**

**LAST FISCAL YEAR**

(In Thousands)

	<u><b>2014</b></u>
Total pension liability:	
Service cost	\$ 4,481
Interest	13,837
Benefit payments, including refunds of member contributions	<u>(11,635)</u>
Net change in total pension liability	6,683
Total pension liability - beginning	<u>185,721</u>
Total pension liability - ending	<u><u>192,404</u></u>
 Plan fiduciary net position:	
Contributions - employer	228
Contributions - member	1,816
Net investment income	30,178
Benefit payments, including refunds of member contributions	(11,635)
Administrative expense	<u>(1,425)</u>
Net change in plan fiduciary net position	19,162
Plan fiduciary net position - beginning	<u>202,155</u>
Plan fiduciary net position - ending	<u><u>221,317</u></u>
 Net Pension Liability (Asset) - Ending	\$ <u><u>(28,913)</u></u>
 Plan fiduciary net position as a percentage of the total pension liability/asset	115.03%
 Covered-employee payroll	\$ 31,095,000
 Net pension liability (asset) as a percentage of covered-employee payroll	-92.98%

## CITY OF BRISTOL, CONNECTICUT

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
FIREFIGHTERS' BENEFIT FUND**

**LAST FISCAL YEAR**

(In Thousands)

	<u><b>2014</b></u>
Total pension liability:	
Service cost	\$ 1,446
Interest	4,786
Benefit payments, including refunds of member contributions	<u>(3,776)</u>
Net change in total pension liability	2,456
Total pension liability - beginning	<u>64,217</u>
Total pension liability - ending	<u><u>66,673</u></u>
 Plan fiduciary net position:	
Contributions - employer	
Contributions - member	257
Net investment income	25,240
Benefit payments, including refunds of member contributions	(3,776)
Administrative expense	(1,177)
Retiree health care payments	<u>(332)</u>
Net change in plan fiduciary net position	20,212
Plan fiduciary net position - beginning	<u>167,891</u>
Plan fiduciary net position - ending	<u><u>188,103</u></u>
 Net Pension Liability (Asset) - Ending	\$ <u><u>(121,430)</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	282.13%
 Covered-employee payroll	\$ 5,582
 Net pension liability as a percentage of covered-employee payroll	-2175.39%

## CITY OF BRISTOL, CONNECTICUT

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
POLICE BENEFIT FUND**

**LAST FISCAL YEAR**

(In Thousands)

	<u><b>2014</b></u>
Total pension liability:	
Service cost	\$ 2,037
Interest	7,971
Differences between expected and actual experience	<u>(5,226)</u>
Net change in total pension liability	4,782
Total pension liability - beginning	<u>106,815</u>
Total pension liability - ending	<u><u>111,597</u></u>
 Plan fiduciary net position:	
Contributions - employer	
Contributions - member	414
Net investment income	27,527
Benefit payments, including refunds of member contributions	(5,226)
Administrative expense	(1,263)
Retiree health care payments	(188)
Other	<u>(16)</u>
Net change in plan fiduciary net position	21,248
Plan fiduciary net position - beginning	<u>183,102</u>
Plan fiduciary net position - ending	<u><u>204,350</u></u>
 Net Pension Liability (Asset) - Ending	\$ <u><u>(92,753)</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	183.11%
 Covered-employee payroll	\$ 8,215
 Net pension liability as a percentage of covered-employee payroll	-1129.07%

**CITY OF BRISTOL, CONNECTICUT**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
CITY OF BRISTOL RETIREMENT SYSTEM**

**LAST TEN FISCAL YEARS**

(In Thousands)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Actuarially determined contribution	\$ 49	\$ 80	\$ 115	\$	\$	\$	\$	\$	\$	\$ 605
Contributions in relation to the actuarially determined contribution	<u>49</u>	<u>49</u>	<u>115</u>							<u>228</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 377</u>						
Covered-employee payroll	\$ 2,519	\$ 26,022	\$ 26,901	\$ 29,345	\$ 30,309	\$ 31,268	\$ 30,783	\$ 30,610	\$ 31,280	\$ 31,095
Contributions as a percentage of covered-employee payroll	1.95%	0.19%	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.73%

Notes to Schedule

Valuation date July 1, 2013  
 Measurement date June 30, 2014  
 Valuation timing Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

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

## CITY OF BRISTOL, CONNECTICUT

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' BENEFIT FUND

## LAST TEN FISCAL YEARS

(In Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Actuarially determined contribution	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Contributions in relation to the actuarially determined contribution										
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 4,750	\$ 4,668	\$ 4,696	\$ 5,184	\$ 5,219	\$ 5,298	\$ 5,275	\$ 5,454	\$ 5,521	\$ 5,582
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

## Notes to Schedule

Valuation date	July 1, 2013
Measurement date	June 30, 2014
Valuation timing	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

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

## CITY OF BRISTOL, CONNECTICUT

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE BENEFIT FUND

## LAST TEN FISCAL YEARS

(In Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Actuarially determined contribution	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Contributions in relation to the actuarially determined contribution										
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 6,339	\$ 6,718	\$ 6,768	\$ 7,502	\$ 7,421	\$ 8,245	\$ 8,377	\$ 8,295	\$ 7,838	\$ 8,215
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

## Notes to Schedule

Valuation date July 1, 2013

Measurement date June 30, 2014

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

Methods and assumptions used to determine contribution rates:

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

**CITY OF BRISTOL, CONNECTICUT**  
**SCHEDULE OF INVESTMENT RETURNS**  
**PENSION TRUST FUNDS**  
**LAST FISCAL YEAR**

**2014**

---

Annual money-weighted rate of return, net of investment expense

15.44%

*(This page intentionally left blank)*

## ***Appendix B***

### ***Opinion of Bond Counsel and Tax Exemption***

*(This page intentionally left blank)*

## APPENDIX B - OPINION OF BOND COUNSEL AND TAX EXEMPTION

*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 initial purchaser 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 initial purchaser.

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

[FORM OF BOND COUNSEL OPINION]

(date of closing)

City of Bristol  
Bristol, Connecticut

We have represented the City of Bristol, Connecticut as Bond Counsel in connection with the issuance by the City of \$7,310,000 General Obligation Refunding Bonds, Issue of 2015, dated as of November 17, 2015.

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. The representations and agreements also provide that the Bonds are designated or deemed designated as "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.

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; (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, but in the case of corporations a

portion of such interest may be included in alternative minimum taxable income for purposes of computing any Federal alternative minimum tax; and (3) the Bonds are "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.

Based on the record of proceedings authorizing the Bonds, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax.

Very truly yours,

Day Pitney LLP

## **FEDERAL INCOME TAX.**

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

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

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

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

***Financial Institutions.*** The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The City's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds will 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.

## ***Appendix C***

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

*(This page intentionally left blank)*

## 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 17, 2015 by the City of Bristol, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$7,310,000 General Obligation Refunding Bonds, Issue of 2015, dated as of November 17, 2015 (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 November 4, 2015 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, 2015) as follows:

- (i) Financial statements of the Issuer's general fund for the prior fiscal year which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.
- (ii) The following financial information and operating data to the extent not included in the financial statements described in (i) above:
  - (A) amounts of the net taxable grand list applicable to the fiscal year,
  - (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
  - (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,

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

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

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

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

### **Section 3. Notice of Certain Events.**

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

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;

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

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

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

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

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

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

#### **Section 5. Use of Agents.**

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

#### **Section 6. Termination.**

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

#### **Section 7. Enforcement.**

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Comptroller, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Comptroller is 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 \_\_\_\_\_  
Kenneth B. Cockayne  
Mayor

By \_\_\_\_\_  
Cheryl L. Thibeault  
Chairman and Agent of the Board of Finance

By \_\_\_\_\_  
Glenn S. Klocko  
Comptroller