

## FINAL OFFICIAL STATEMENT DATED JULY 21, 2011

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

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

*In the opinion of Bond Counsel, under existing statutes and regulations, interest on the Notes is included in gross income for Federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended. In the opinion of Bond Counsel, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; interest on the Notes 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.*



**\$7,410,000**

**City of Bristol, Connecticut**

**Taxable General Obligation Bond Anticipation Notes**

**Dated: August 1, 2011**

**Rate: 1.25%**

**Underwriter: Eastern Bank**

**Due: July 30, 2012**

**Yield: 0.975%**

**CUSIP: 109853S36**

The Notes will be issued in book-entry-only form and will bear interest, at such rate or rates per annum as are specified by the successful bidder or bidders, in accordance with the Notice of Sale, dated July 15, 2011. The Notes, when issued, will be registered in the name of Cede & Co., as Noteowner and nominee for DTC, New York, New York. See "Book-Entry-Only Transfer System" herein.

The Notes are not subject to redemption prior to maturity, as described herein under "Redemption Provisions".

The Notes 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 Notes when due. (See "Security and Remedies" herein.)

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

The Notes are offered for delivery when, as and if issued, subject to the final approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Notes in book-entry-only form will be made to DTC in New York, New York on or about August 1, 2011.

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No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations not contained in this Official Statement or any supplement which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement has been prepared only in connection with the initial offering and sale of the Notes 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 Notes 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.

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## **Taxable Note Issue Summary**

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

|   |  |
|---|--|
| <b>Date of Sale:</b>  | Thursday, July 21, 2011 at 11:30 A.M. (E.D.T.)   |
| <b>Location of Sale:</b>  | City Hall, Comptroller's Office, 111 North Main Street, Bristol, Connecticut 06010.  |
| <b>Issuer:</b>  | City of Bristol, Connecticut (the "City").   |
| <b>Issue:</b>   | \$7,410,000 Taxable General Obligation Bond Anticipation Notes   |
| <b>Dated Date:</b>  | August 1, 2011.  |
| <b>Interest Due:</b>  | At Maturity: July 30, 2012.  |
| <b>Principal Due:</b>   | At Maturity: July 30, 2012.  |
| <b>Purpose and Authority:</b>   | The Notes are being issued to provide temporary financing for general purpose projects.  |
| <b>Redemption:</b>  | The Notes are <u>NOT</u> subject to redemption prior to maturity.  |
| <b>Security:</b>  | The Notes 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 Notes when due.   |
| <b>Credit Rating:</b>   | No application has been made to any Rating Agency for a rating on the Notes. Moody's Investors Service, Inc., Standard & Poor's Corporation and Fitch Ratings assigned ratings of "Aa2," "AA+" and "AA+," respectively, on the City's most recent bond issue dated June 15, 2011.  |
| <b>Note Insurance:</b>  | The City does <u>NOT</u> expect to direct purchase a credit enhancement facility.  |
| <b>Basis of Award:</b>  | Lowest Net Interest Cost ("NIC"), as of the dated date.  |
| <b>Tax Exemption:</b>   | See Appendix B, "Opinion of Bond Counsel and Tax Exemption" Taxable Notes.   |
| <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, notices of material events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in form attached as Appendix C to this Official Statement. |
| <b>Registrar, Transfer Agent, Certifying Agent, and Paying Agent:</b> | U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 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 Notes in book-entry-only form will be made on or about August 1, 2011, 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) 584-6127.  |

## **I. Note 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 \$7,410,000 Taxable General Obligation Bond Anticipation Notes (the "Notes") of the City.

The Notes are being offered for sale at public bidding. A Notice of Sale dated July 15, 2011 has been furnished to prospective bidders. Reference is made to the Notices of Sale and Bid Forms for the terms and conditions of the bidding (see Appendix D).

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

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 Notes. 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 has served as Financial Advisor to the City with respect to the issuance of the Notes (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.

### **The Notes**

The \$7,410,000 principal amount of the Notes will be dated August 1, 2011 and will be due and payable as to both principal and interest at maturity, July 30, 2012. The Notes will bear interest calculated on the basis of twelve 30-day months and a 360-day year at such rate or rates per annum as are specified by the successful bidder or bidders. A book-entry system will be employed evidencing ownership of the Notes in principal amounts of \$25,000 or any integral multiples thereof, except for any odd amount, with transfers of ownership effected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry-Only System". The Notes are not subject to redemption prior to maturity.

The Certifying Agent, Paying Agent, Registrar and Transfer Agent for the Notes will be U.S. Bank National Association, 225 Asylum Street, Hartford, Connecticut 06103. The legal opinion on the Notes will be rendered by Day Pitney LLP in substantially the forms set forth in Appendix B of this Official Statement.

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## **Redemption Provisions**

The Notes 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 Notes. The Notes will be issued as fully-registered Notes 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 certificate will be issued for each maturity of the Notes, 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 security transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of security certificates. Direct Participants include both U.S. and non-U.S. security 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 Standard & Poor’s highest rating: AAA. 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) and [www.dtc.org](http://www.dtc.org).

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Security (“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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes 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 Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes 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 Notes unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Notes 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 Notes 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 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 Notes 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, the City or Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the City or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

### ***DTC Practices***

The Issuer can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Notes 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 Notes***

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

### ***Security and Remedies***

The Notes 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 Notes when due.

Unless paid from other sources, the Notes 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 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 of 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.

Payment of the Notes 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 Notes.

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 Notes, 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 Notes 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 Notes or other obligations.

### **Authorization and Purpose**

*Bristol Centre Mall Demolition-* On January 15, 2009, the Board of Finance and Joint Board authorized borrowing in the amount of \$3,500,000 for the demolition, abatement, clean up and other work at the Bristol Centre Mall site at 100 Main Street, Bristol.

*Mall Property Acquisition-* On January 15, 2009, the Board of Finance and Joint Board authorized borrowing in the amount of \$6,275,000 for the acquisition of 17 acres of property and associated costs of the property known as the Bristol Centre Mall.

### **Use of Proceeds**

| <i>Project</i>                                | <i>Authorized Amount</i> | <i>Notes Due: 8/01/11</i> | <i>New Money (Paydowns)</i> | <i>This Issue: Notes Due 7/30/12</i> |
|---|--------------------------|---------------------------|-----------------------------|--------------------------------------|
| Bristol Centre Mall Purchase/Legal.....       | \$ 6,275,000             | \$ 6,275,000              | \$ -                        | \$ 6,275,000                         |
| Bristol Centre Mall Demolition/Abatement..... | 3,500,000                | 1,135,000                 | -                           | 1,135,000                            |
| <b>Total.....</b>                             | <b>\$ 9,775,000</b>      | <b>\$ 7,410,000</b>       | <b>\$ -</b>                 | <b>\$ 7,410,000</b>                  |

### **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 Corporation 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, annual financial information and operating data with respect to the Notes and notices of material events with respect to the Notes pursuant to Continuing Disclosure Agreements to be executed in substantially the form of Appendix C to this Official Statement.

The City currently files its official statement for primary offerings with Bloomberg Municipal Repository, DPC Data Inc., Interactive Data Pricing and Reference Data, Inc., and Standard & Poor's Securities Evaluations, Inc., each a nationally recognized municipal securities information repository.

The City has previously undertaken in a Continuing Disclosure Agreement entered into for the benefit of holders of certain of its general obligation bonds to provide certain annual financial information pursuant to Rule 15c2-12(b)(5). To date the City has not failed to meet any of its undertakings under such agreement to provide annual financial information.



## **Ratings**

No application for a rating on the Notes has been made to any rating agency.

Moody's Investors Service, Inc., Standard & Poor's Corporation and Fitch Ratings assigned ratings of "Aa2," "AA+" and "AA+," respectively, on the City's most recent bond issue dated June 15, 2011. The ratings reflect only the views of the Rating Agencies and will be subject to revision or withdrawal, which could affect the market price of the Notes. Each agency should be contacted directly for its underlying ratings on the City and the explanation of such rating.

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

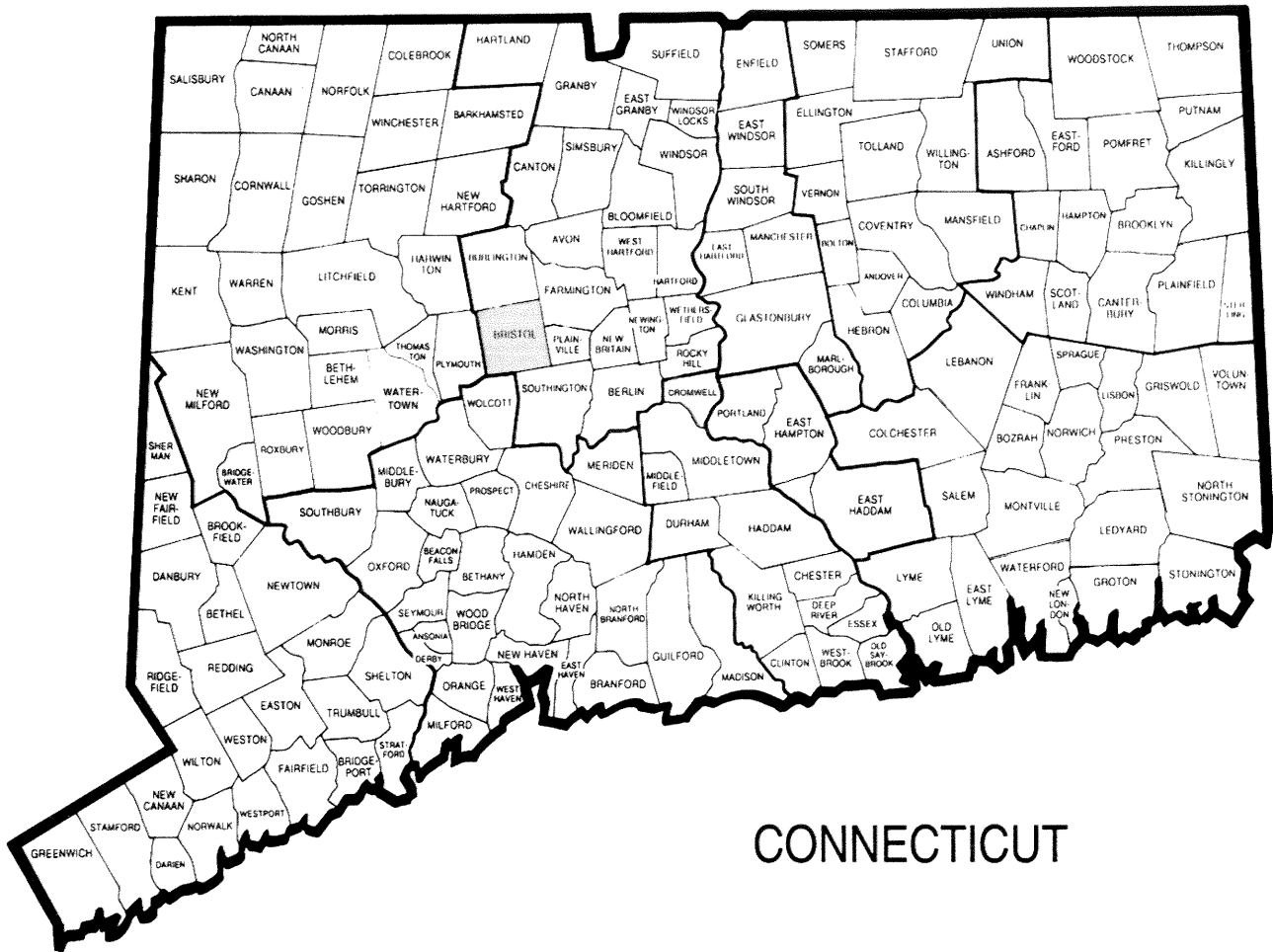
The City expects to furnish to the Rating Agencies information and materials that they may request. However, the City may issue short-term or other debt for which a rating is not requested. The City's Financial Advisor, Phoenix Advisors, LLC, recommends that all bonded debt be submitted for a credit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

## **Note Insurance**

The Town does not expect to purchase a credit enhancement facility for the Notes.

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## II. The Issuer



### *Description of the Municipality*

In June 2010, CNN/Money Magazine named Bristol #84 of the top 100 places to live in the United States. 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, and Hartford County 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.

Historically, 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 two largest centers for the manufacture of precision mechanical springs. Bristol's economy is further enhanced by the presence of a variety of smaller companies manufacturing such items as screw machine products, screws, electrical and electronic items, special purpose machines, timing devices, plastics, specialty steel, metal stamping, specialty steels and tools. Newer firms have added precision control systems and the design/production of robotic-based automation systems, securing Bristol's continued reputation as a leader in production technology. These specialty manufacturers produce for a diverse array of industries, including medical devices, surgical equipment, aerospace, automobile and electronics.

The economic development strategy for the City of Bristol is based upon tax development expansion and the creation of increased job opportunities. The creation of a new business park came to a conclusion in 2008. A new traffic signal was added allowing full connection to a widened Route 229 in 2011.

A major portion of Route 72, a major east-west route for the City, is already open for use. The remaining portion will be completed in 2011. This will provide better access to the City as a whole but is especially important for access to and the redevelopment of downtown.

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 1970's, the City began condemnation work on its first industrial development (Middle Street) and in the 1980's developed 229 Technology Park, widely regarded as one of the most successful industrial parks in the state. Three of the largest taxpayers in Bristol are located in or adjacent to the park and include ESPN, Covanta (formerly Ogden Martin), and the Otis Elevator research and test facility. The Technology Park has employed over 1,600 employees in 23 businesses. ESPN, located across Connecticut Route 229 from the park, employs over 3,000 people, 40% of whom live in Bristol.

The 229 Technology Park parcels were completely sold by 1986 and 109 acres were divided into 38 parcels. 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 firms to the park which is occupied by companies such as Village Cabinet, Forestville Manufacturing, B&W Manufacturing, ESPN, Armoloy, and the Clarion Inn (hotel). The hotel is set to undergo a major \$14.0 Million renovation that will add rooms and may result in reflagging the facility. A local landmark, visible from the highway when approaching Bristol, is the Otis Elevator Quality Assurance Center and Testing Tower (a subsidiary of United Technologies Corporation (UTC), Inc.) which operates a 29 story, 370 foot tall testing tower in the park with a helicopter pad available for use by other firms. Otis constructed a 1,640-foot people mover test track at its Bristol site to enable the company to test the Otis Shuttle System, a horizontal people mover that rides on a cushion of air. Multi/Cable is approved to add 9,200 square feet to their facility. HRF Fasteners, which produces hole saw arbors, recently relocated to 70 Horizon Drive.

A co-venture agreement with Tilcon Minerals provided an additional 51 acres, 24 of which were largely developed in 1997 and 1998. This companion industrial development is called Halcyon Industrial Park, which is a joint effort of the property owner and the City. It has been developed with the addition of Bauer Aerospace, NuCoil, Prime Screw Machine, Classic Coils, TAB Manufacturing, and ACG. An underutilized 25,000-sq. ft. Reynold's Aluminum Recycling Center was refurbished by Eastern Plastics which twice added on. A 10,000-sq. ft. addition was added to the facility in 1999, and 15,000 sq. ft. in 2004. Another future expansion was made possible by the acquisition of an adjoining parcel. The last parcel was developed for Dupont Archiving Systems which built a 30,000 square foot facility with 45 employees. Dupont now plans to add 20,000 square feet in 2011.

Both phases of the 51-acre Southeast Bristol Industrial Park are complete to the north of the 229 Technology Park. Thirty-two acres for the business park were acquired in March 2000, and another twenty acres were acquired from an adjoining property owner. The infrastructure has been a jointly funded project of the Federal, State and City governments. The acreage will accommodate up to 750,000 square feet of new industrial space. Two end-users have built in sites in the park. CMI is a producer/distributor of specialty electromagnetic steel and Precision Threaded Products (PTP, formerly the Bland Company) makes aircraft fasteners. Their footprints total 27,000 square feet. The City is actively marketing the park.

Bristol attracts and encourages growth with incentives such as tax abatements and cash grants. The City has developed a word-of-mouth reputation as a pro-business environment, due in part, to the use of grants as well as active marketing efforts. Each and every grant incentive is evaluated for return on investment. New taxes generated, less any abatement, can be calculated on improvements to the plant and the addition of new equipment and machinery. Every grantee is evaluated for financial viability and return to the City. Each must also sign a grant agreement with clawback provisions; Every agreement requires that the company stay in Bristol for ten years, stay current on property taxes, and make every effort to hire Bristol residents. The use of the Urban Jobs Program tax abatement and Manufacturers Assistance Act (MAA) for machinery, guarantees the City 60% and 100% reimbursement of the full amount of property taxes otherwise due.

The City funds companies which are making new investments in new buildings and equipment, expansions or relocations. Relocated companies need to expand to new quarters and not jump borders merely for incentives. Toward this end, the City has adopted an anti-raiding policy in cooperation with other cities and towns in the region.

In 1995, a state enterprise zone was established in downtown Bristol to promote additional development, renewed investment, and job opportunities through the creation of tax and other incentives. This was expanded by the Bio Science Zone in 2010. 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 sixty-five companies received grants and abatements from 1994 to 2011, mostly to construct new buildings for manufacturing. More than 550,000 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 2,700 new jobs (not retained, but new to Bristol) resulted from this effort alone.

Examples of recent growth include the following projects:

- Clark Steel Framing Systems (now ClarkDietrich)
- Better Molded Products
- C&M Screw Machine
- HRF Fasteners
- Dupont Archiving Systems
- Tiger Claw Fasteners
- 13<sup>th</sup> Floor Graphics and Printing
- Core Plating Technologies
- CMI Specialty Metal Products
- Beekley Corporation
- Precision Threaded Products (formerly Bland Mfg.)

ESPN continues to expand. The nation's first all-sports cable television network is an affiliate of ABC/Walt Disney. In 2005 it took over all operations of ABC Sports. 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 a second one is under construction. ESPN's future growth in Bristol was assured by their acquisition of 20 adjoining acres across Birch Street. The City contributed to the expansion by providing \$3.5 million in infrastructure improvements including a critical new access road, sewer improvements, re-paving Birch Street, road widening and re-grading of State Route 229, and intersection improvements/realignment of Ronzo and Redstone Hill Roads at Route 229. The City of Bristol received State and Federal grants to construct an access road to the property and will be closing a portion of Ronzo Road to accommodate more growth.

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 The Rowley Spring and Stamping Company, Century Spring, PA-TED Spring, Fourslide Spring Products, Inc., and Atlantic Precision Spring, most of which are ISO 9000 certified, ensures the area's designation as the spring making capital of the world. These companies have been challenged by foreign competition, mainly from The People's Republic of China. Nevertheless, there have been few closures and layoffs. But long term job growth is being substituted, in part, with capital investment.

While current thinking on "clusters" suggests that concentration of resources leads to growth based upon a critical mass of knowledge, human capital and other resource allocations, there is also a benefit in industry diversification. Metal working, including spring making and screw machining, is a core Bristol industry but the products generated are as diverse as aerospace, medical equipment, automotive, machine tools and a vast array of industrial and consumer applications. ESPN is driving a telecommunications cluster, and television production houses are locating in Bristol that have a symbiotic relationship with the sports network.

Covanta (formerly Ogden Martin), Bristol's second largest taxpayer, operates a \$68 million trash-to-energy facility and processes waste for use in generating electricity. Need for additional clean energy production in Connecticut is likely 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. The same group of communities that sponsored the regional waste facility also took the lead in implementing the State mandated recycling program. Bristol started composting leaves in 1992 and has a drop off station for papers, batteries, oil, etc. On July 1, 1991, the City started curbside pickup of papers, glass, plastic and also metal food containers. An expansion of the facility is now being considered due to regional needs.

Growth opportunities that the City is pursuing include clean energy and bio-science. The strategy is being developed and may bear fruit over the coming decade. A Bristol clean energy project sponsored by Grow Jobs Connecticut is before the governor for his consideration now.

Bristol Hospital, Inc., which employs approximately 800 health care professionals and support staff is a nonprofit hospital licensed for 150 acute care patient beds. Since 1977, the City of Bristol has worked closely with Bristol Hospital to provide Basic and Advance Life emergency medical service. 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. Bristol Hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations as well as other allied health organizations. Healthcare continues to be an important job cluster.

The Bristol Business Center is a success story on the reuse of a major plant. After GM closed their plant in 1995 the building was aggressively marketed. Firestone's Building Products Division moved to Bristol in the fall of 1997. They now occupy 406,000 square feet of the former General Motors Plant. Their occupancy reestablished the financial viability of the plant and other occupants followed including: Arret Sales, MDF Systems and EPI Inc. With the addition of 250,000 square feet for Clark Steel Framing Systems (now ClarkDietrich) in 2007, this 1.25 million square foot building is essentially full.

Downtown revitalization remains a top priority for reasons of economic vitality and quality of life. The City needs a civic center, and is currently studying the proper mix of public and private improvements and investments. The City's re-use effort was improved by the purchase of the entire site in March 2005 by the City, and the building was demolished in the winter of 2008. The re-use of the 17-acre Bristol Center Mall site (now called Depot Square) is a key component and opportunity. The eventual sale of the site could recoup a substantial portion of the purchase price and restart the income stream of taxes. The mall property rents ran at about 75% to 85% lower than the Route 6 strip developments approximately one to three miles away. The mall was an underperforming property whose taxes will rise substantially when rents fall into parity with Route 6. A relocation of a McDonald's restaurant on the site is being negotiated which could open the site up and start some new investment. Of course the mall site's improvement will also improve surrounding properties as well.

A façade improvement program and other incentives are already encouraging redevelopment. This includes a new bank and drug store, a refurbished store front for a hairdresser and specialty foods stores, three renovated restaurants and repairs for a dentist's office. Other reinvestments are being contemplated as well. Transportation, shopping and living patterns are all changing, affected to a large degree by energy costs. Long term trends favor cities and those that plan for quality, higher density development. Bristol has been making those infrastructure investments towards that future. The state's downtown National Guard Armory is on its way to private ownership and will become part of the tax rolls, possibly as an entertainment venue.

The city chose Renaissance Downtowns as the preferred developer for the Depot Square site through an open competitive process in late 2009. Renaissance Downtowns Bristol assembled a top-flight team to create a redevelopment plan. They have engaged the public in a very expansive way and have employed social media in a productive manner. The plan is for mixed-uses with an emphasis on residential use, in order to anchor the development. A housing study by the University of Connecticut Real Estate Center in November 2010 noted that Bristol could absorb 250 to 300 units of new market rate workforce multi-family housing. Renaissance Downtowns is on schedule to solicit developers and some of them have begun consulting. As capital markets recover over the next few years there should be opportunities for phased development.

Route 6, with its strip development, has enjoyed a modest amount of retail renovation and expansion, especially near the Farmington line. This has included the development of a large LA Fitness facility, an Arby's and Chilis, as well as two other restaurant pads. Taco Bell also updated their store to a larger and newer version, and other retail stores have had facelifts nearby. Wal-Mart is planning to expand to allow for grocery sales. Cumulatively, these investments suggest continued faith in the Bristol market.

## **Form of Government**

Granted 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 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), and 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.

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## **Principal Municipal Officials**

| <b>Office</b>                                | <b>Name</b>            | <b>Manner of Selection &amp; Term</b> |               |
|--|------------------------|---------------------------------------|---------------|
| Mavor .....                                  | Arthur J. Ward         | Elected                               | 11/09 – 11/11 |
| Council Member.....                          | Kevin C. McCauley      | Elected                               | 11/09 – 11/11 |
| Council Member.....                          | Kevin Fuller           | Elected                               | 11/09 – 11/11 |
| Council Member.....                          | Dave Mills             | Elected                               | 11/09 – 11/11 |
| Council Member.....                          | Terry Parker           | Elected                               | 05/11 – 11/11 |
| Council Member.....                          | Clifford Block         | Elected                               | 11/09 – 11/11 |
| Council Member.....                          | Kenneth Cockayne       | Elected                               | 11/09 – 11/11 |
| Board of Finance, Chairman.....              | Richard Miecznikowski  | Appointed                             | 06/08 – 06/12 |
| Board of Finance, Vice Chairman .....        | John Smith             | Appointed                             | 06/07 – 06/11 |
| Board of Finance .....                       | Robert Casar           | Appointed                             | 02/10 – 06/11 |
| Board of Finance .....                       | Cheryl Thibeault       | Appointed                             | 07/09 – 06/13 |
| Board of Finance .....                       | Lisa Casey             | Appointed                             | 07/10 - 06/14 |
| Board of Finance .....                       | Gregory Fradette, Sr.  | Appointed                             | 09/09 – 06/13 |
| Board of Finance .....                       | Paul Tonon             | Appointed                             | 06/08 – 06/12 |
| Board of Finance .....                       | Robert Vojtek          | Appointed                             | 07/10 – 06/14 |
| Board of Education, Chairperson .....        | Barbara Y. Doyle       | Elected                               | 11/07 – 11/11 |
| Board of Education, Vice Chairman.....       | Julie M. Luczkow       | Elected                               | 11/07 – 11/11 |
| Board of Education, Secretary.....           | Karen L. Vibert        | Elected                               | 11/07 – 11/11 |
| Board of Education, Member .....             | Orlando Calfe, Jr.     | Appointed                             | 03/11 – 11/11 |
| Board of Education, Member .....             | Amy Coan               | Elected                               | 11/07 – 11/11 |
| Board of Education, Member .....             | Margaret L. Bonola     | Elected                               | 11/07 – 11/11 |
| Board of Education, Member .....             | Sherry A. Turcotte     | Elected                               | 11/07 – 11/11 |
| Board of Education, Member .....             | Thomas P. O'Brien      | Elected                               | 11/07 – 11/11 |
| Board of Education, Member .....             | Christopher C. Wilson  | Elected                               | 11/07 – 11/11 |
| Town and City Clerk .....                    | Therese Pac            | Appointed                             | 11/10 – 11/14 |
| Comptroller .....                            | Glenn S. Klocko        | Appointed                             | 05/10 – 05/14 |
| Assistant Comptroller.....                   | Robin L. Manuele       | Appointed                             | 11/10 – 11/12 |
| Treasurer .....                              | Rose C. Parenti        | Elected                               | 11/09 – 11/11 |
| Chief Assessor.....                          | Thomas DeNoto          | Appointed                             | 07/08 – 07/12 |
| Tax Collector.....                           | Teresa Babon           | Appointed                             | 05/09 – 05/13 |
| Purchasing Agent .....                       | Roger Rousseau         | Appointed                             | 01/10 – 01/14 |
| Director of Public Works .....               | Walter E. Veselka      | Appointed                             | 11/07 – 11/11 |
| Police Chief .....                           | Eric Osanitsch         | Appointed                             | Indefinite    |
| Fire Chief .....                             | Jon Pose               | Appointed                             | Indefinite    |
| Corporation Counsel.....                     | Edward Krawiecki, Jr.  | Appointed                             | 12/09 – 11/11 |
| Superintendent of Schools.....               | Dr. Philip A. Streifer | Appointed                             | Indefinite    |
| Personnel Director.....                      | Diane Ferguson         | Appointed                             | 04/08 – 04/12 |
| Superintendent of Parks and Recreation.....  | Edward Swicklas        | Appointed                             | 12/10 – 12/14 |
| Superintendent of Water Department.....      | Robert J. Longo        | Appointed                             | 05/11 – 05/15 |
| Bristol Development Authority Director.....  | Jonathan E. Rosenthal  | Appointed                             | 01/08 – 01/12 |
| Registrar of Voters (D).....                 | Mary Rydingsward       | Elected                               | 01/11 – 01/13 |
| Registrar of Voters (R).....                 | Sharon M. Krawiecki    | Elected                               | 01/11 – 01/13 |
| Director, Department of Aging.....           | Margaret Sokol         | Appointed                             | Indefinite    |
| Chairman, Inland Wetlands Commission .....   | William Englert        | Appointed                             | 05/09 – 05/12 |
| Director of Youth & Community Services ..... | Eileen McNulty         | Appointed                             | Indefinite    |
| City Planner.....                            | Alan L. Weiner         | Appointed                             | Indefinite    |
| Planning Secretary and City Engineer.....    | Paul A. Strawderman    | Appointed                             | 01/08 – 01/12 |
| Zoning Enforcement Officer .....             | Anthony DeCrisantis    | Appointed                             | Indefinite    |
| Director, Emergency Management.....          | Richard Ladisky        | Appointed                             | Indefinite    |
| Building Official .....                      | Guy Morin              | Appointed                             | 07/10 – 07/14 |
| Bristol-Burlington Health District.....      | Lynn Abrahamson        | Appointed                             | Indefinite    |
| Library Director .....                       | Francine Petosa        | Appointed                             | Indefinite    |
| Assistant Director PWD/WPC Manager .....     | Brian Fowkes           | Appointed                             | Indefinite    |

Source: City of Bristol, City Clerk.

## **Municipal Services**

**Police.** The Police Department has an authorized strength of 121 sworn personnel and 23 civilian employees, including the Chief, two Captains, ten 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/gang intervention unit, participation in the Connecticut State Police/Regional Narcotics Task Force, 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 Masters Degree. In September 1998, one of the Department's captains graduated from the FBI Academy and a Lieutenant completed advanced management training school in December 2009.

**Fire.** The Bristol Fire Department provides emergency services through the use of 93 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 2,012 emergency calls from July 1, 2009 to June 30, 2010 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 Senior Captain/Drill Master, one Equipment Technician, six Captains, eighteen Lieutenants and fifty-eight 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 eight Operating Divisions with 124 employees:

*Administration:* Performs all office functions for the Department including payroll, purchasing, processing bills, typing, filing and issuance of permits for landfill use, solid waste collection and recycling collection. Administration also acts as the City Hall Switchboard for all calls, handles sales of permits, manages the PW web site and handles communications and press releases for internal and external customers. The 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, City Planning, and Wetlands. Performs design, construction administration and inspection of the City's construction projects. Performs the updating of numerous 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.

*Land Use Administration:* Provides administrative and technical services for the City's four land use boards (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 agenda, 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.

*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, 14 pumping stations, and 237.8 miles of sewer lines and 5,600 manholes. It also provides administrative services for the operation, 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, it 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 wastes 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; operation of a transfer station/recycling drop-off center 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. 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 of Bristol. 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 \$ 0.0205 per cubic foot.

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

**Minimum Quarterly Charges**

| Meter Size | Quarterly Service Charge |
|------------|--------------------------|
| 5/8"       | \$ 15.00                 |
| 3/4"       | \$ 20.00                 |
| 1"         | \$ 30.00                 |
| 1-1/2"     | \$ 40.00                 |
| 2"         | \$ 50.00                 |
| 3"         | \$ 65.00                 |
| 4"         | \$ 85.00                 |
| 6"         | \$ 105.00                |

All accounts with meters 3/4" or larger are charged a Minimum Quarterly Charge which include the Quarterly Service Charge and a Minimum Consumption. Any Consumption above the minimum is billed at the Consumption Rate. There is no Minimum Quarterly Charge for 5/8" meters. The Minimum Quarterly Charges are as follows:

**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 |

*Source: City of Bristol, Water Department.*

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, 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.

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 seven and half million dollar 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.

Work is scheduled to begin in July on renovating the ball field at Casey Field (\$574,771) and should be completed by September 2011. The permit applications submitted to the DEP for the stabilization of the Pequabuck River (\$400,000) in Rockwell Park have been reviewed and should be approved by July 2011. Work on this project could begin in August 2011 and be completed by September 2012.

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

**Solid Waste Disposal Facility.** Under an Inter-Community Agreement dated August 15, 1985, the City of Bristol, together with thirteen other Connecticut municipalities, formed an Operating Committee, the Bristol Resource Recovery Facility Operating Committee (BRRFOC), authorized by statute to exercise certain rights on the communities' behalf in dealing with the trash to energy plant constructed by Covanta, Inc. ("Company"). The BRRFOC governing board consists of City officials appointed by each of the participating municipalities and assumes all management decisions for BRRFOC.

The Company operates a 650-ton per day mass burn solid waste disposal, electric power generation and resource recovery facility (the "Facility") at 229 Technology Park in Bristol, Connecticut. The Company is a subsidiary of Covanta, Inc., a Delaware Corporation ("Covanta"). The Company was formed in 1984 for the purpose of owning, designing, constructing, and operating the Facility for the processing and disposing of certain solid waste ("Acceptable Waste") from each of the City of Bristol, the Town of Berlin, the Town of Burlington, the City of New Britain, the Town of Plainville, the Town of Plymouth, the Town of Prospect, the Town of Southington, the Town of Washington, the Town of Wolcott, and the Town of Warren (such eleven municipalities being collectively referred to as the "Contracting Communities"). In addition, the Towns of Seymour, Branford and Hartland have also become contracting communities.

The project was funded from the proceeds of the Connecticut Development Authority's (the "Authority") \$73,520,000 Series 1985 Bonds loaned to the Company by the Authority. On May 15, 1995, BRRFOC issued \$68,040,000 in Solid Waste Revenue Refunding Bonds with interest rates varying from 5.20% to 6.50% to currently refund \$66,835,000 of outstanding special obligation bonds of the Authority. In April 2005, the Committee issued \$41,920,000 Solid Waste Revenue Refunding Bonds (Covanta Bristol, Inc. Project – 2005 Series) (the "Bonds") with interest rates varying from 3.00% to 5.00% to currently refund \$46,670,000 outstanding revenue bonds of the Committee, with an interest rate of 6.50%. The current refunding was undertaken to reduce total debt service costs over the period of fiscal years 2005 through 2014 by approximately \$4,300,000 and resulted in present value savings of approximately \$4,000,000.

All required federal and state permits for construction of the Facility were granted prior to the issuance of the Series 1985 Bonds. Commercial operations began in April of 1988.

Under the Service Agreement, the Company has obligated itself to accept and dispose of, using the Facility and Alternate Disposal Methods, in each contract Year at least (1) 200,000 tons per year of Acceptable Waste, (2) the sum of the billing Period Acceptance Guarantees for a Contract Year, and (3) the sum of the Tons delivered during the Contract Year and Acceptable Waste that would have been Waste but for its rejection by the Company or the Service Agreement sum of the yearly Adjusted Guarantee Facility Capacity and the amount of landfill capacity for such Contract Year. Additionally, the Company has obligated itself to operate and maintain the Facility throughout the term of the Service Agreement for a service fee paid by the Contracting Communities through BRRFOC. The Contracting Communities have agreed to use their best efforts to cause to be delivered to the Facility all Acceptable Waste generated within their boundaries up to the Annual Guaranteed Capacity of the Facility and in any event, to deliver, or cause to be delivered, to the Facility, not less than 153,300 tons of Acceptable Waste in each Contract Year. The Company and the Contracting Communities have each agreed to seek additional Acceptable Waste up to the capacity of the Facility. In the event that for any reason such additional Acceptable Waste is not available, each Contracting Community is nevertheless obligated to pay its respective portion of the Service Fee, which is currently \$64.50 per ton and will remain the same through June 30, 2012. The extension of the current cost for another year was voted on by the BRRFOC at their meeting of January 28, 2011.

Waste disposal by the Company is to be provided through the operation of the Facility or by any other Alternate Disposal Method reasonably acceptable to the Contracting Communities, including permitted sanitary landfills. The Service Fee payable by each contracting Community for such waste disposal service is its pro-rata share, based on its respective tonnage deliveries of Acceptable Waste, of the sum for each monthly billing portion of (1) an amount equal to debt service on the BRRFOC Solid Waste Revenue Refunding Series 2005 Bonds; (2) the Operation and Maintenance Expense; and (3) passthrough costs, including certain taxes, insurance, and utility costs, less a credit equal to 90% of all energy revenues and with an adjustment with respect to recovered ferrous metals. Bristol is committed to deliver 42,004 tons of Acceptable Waste in fiscal year 2011 and 42,175 tons of Acceptable Waste in fiscal year 2012.

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 alternate disposal methods. In such circumstances, the Energy Credit and the Recovered Materials Adjustment will decrease.

The Company is obligated under the Service Agreement to seek to mitigate the effect of any shutdown, and the Operation and Maintenance Expense is to be adjusted to the extent the Facility is unable to receive and process Acceptable Waste, to reflect the Company's actual direct costs of alternate disposal.

For as long as the Service Agreement remains in effect, the Contracting Communities are obligated to pay the Service Fee to the Company whether or not the Contracting Communities deliver Acceptable Waste to the Facility and whether or not the Company disposes of such Acceptable Waste through the Facility. This obligation is absolute and unconditional, it is not subject to any rights of set-off, recoupment or counterclaim any contracting community may have against the Company, the Bond Indenture Trustee or any other person, and may not be suspended or discontinued for any purpose. In the event of a payment default under the Service Agreement by any one or more of the Contracting Communities, the non-defaulting Contracting Communities are jointly and severally liable to pay such defaulted amount. Each of the Contracting Communities pledges its full faith and credit to, and is obligated to appropriate, levy taxes, or otherwise raise the funds necessary for the payment in full of all amounts at any given time due from such Contracting Community under the Project Agreement or the Service Agreement to the complete satisfaction of all obligations of such Contracting Community under such agreements.

The Contracting Communities' obligation to pay the Service Fee ceases if the Service Agreement is terminated. If the Service Agreement is terminated due to a default by the Contracting Community, the Contracting Communities are obligated to pay amounts sufficient to decrease the Bonds or pay amounts sufficient to make timely payments of principal and interest on the Bonds. If the Service Agreement is terminated due to a default by the Company, the Company is generally obligated to defease the Bonds or continue to make timely payments of principal and interest on the Bonds. If the Company does not perform its obligation under the Service Agreement and Ogden Corporation fails to perform such obligations pursuant to the Guaranty Agreement referred to below, the Contracting Communities have certain rights to terminate the Service Agreement and upon termination would be no longer obligated to pay the Service Fee.

The Company provides specific performance to the Contracting Communities under the Project Agreement and the Service Agreement. These include an Annual Acceptance Guarantee and an Energy Efficiency Guarantee of a minimum of 486.5-kilowatt hours of electricity net of in-plant use per ton of reference composition Acceptable Waste. Specific liquidated damages are payable for failure to meet performance guarantees. In the event the Company fails to demonstrate that the Facility meets the Minimal Performance Standard in Performance Tests by the end of the Extension Period which is a period of one year following the scheduled Commercial Operation Date (can be subject to extensions), the Contracting Communities have the right to terminate the Project Agreement and the Service Agreement.

The Contracting Communities have each designated, in accordance with State legislation, the Facility as the area for the disposal of municipal solid waste generated within such Contracting Communities' boundaries.

Covanta guarantees the performance of all the obligations of the Company under the Project Agreement and the Service Agreement, including its obligation upon default, pursuant to a guarantee dated as of August 1, 1985 (the "Guaranty Agreement"). The obligations of Covanta under the Guaranty Agreement are absolute and unconditional.

**Municipal Employees  
Full-Time**

| <b>Fiscal Year Ended June 30</b> | <b>2010</b>  | <b>2009</b>  | <b>2008</b>  | <b>2007</b>  | <b>2006</b>  |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Board of Education.....          | 1,136        | 1,164        | 1,211        | 1,131        | 1,130        |
| General Government.....          | 531          | 546          | 548          | 550          | 535          |
| <b>Total.....</b>                | <b>1,667</b> | <b>1,710</b> | <b>1,759</b> | <b>1,681</b> | <b>1,665</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;<br/>Temporary</b> |
|-----------------------------------|------------------|--------------------------------------|
| Police .....                      | 144              | -                                    |
| Fire .....                        | 93               | -                                    |
| Administrative and Financial .... | 85               | 9                                    |
| Welfare .....                     | 1                | 45                                   |
| Recreation .....                  | 21               | 57                                   |
| Library .....                     | 31               | 7                                    |
| Public Works .....                | 122              | -                                    |
| Water .....                       | 34               | 1                                    |
| <b>Total .....</b>                | <b>531</b>       | <b>119</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<br/>Represented<sup>1</sup></b> | <b>Current Contract<br/>Expiration Date</b> |
|---|--|---|
| Bristol Federation of Teachers Local 1464 .....   | 668  | 6/30/2012                                   |
| Bristol Association of Principals & Supervisors .....   | 35   | 6/30/2014                                   |
| Bristol Educational Secretaries Association .....   | 74   | 6/30/2013                                   |
| Bristol Municipal Employees Local 2267 Board of Education,<br>Custodial, Maintenance & Teachers Aides ..... | 230  | 6/30/2012                                   |
| AFL Local 2267 Council No. 4 (Board of Education Cafeteria) ...   | 60   | 6/30/2012                                   |
| Bristol Association of Crossing Guards .....  | 24   | 6/30/2011                                   |
| #818 Council 4 .....  | 7  | 6/30/2012                                   |
| Non-Bargaining Employees .....  | 38   | --  |
| <b>Sub-total .....</b>  | <b>1,136</b>                                 |   |
| <b>City Groups</b>  |  |   |
| Local 1338 of Council No. 4, AFSCME, AFL-CIO .....  | 116  | 6/30/2012                                   |
| Police Local 754 of Council No. 15 .....  | 116  | 6/30/2011                                   |
| Local 773, International Association of Fire Fighters .....   | 88   | 6/30/2011                                   |
| Bristol City Hall Employees, Local 233 .....  | 120  | 6/30/2012                                   |
| Bristol Professionals & Supervisors Association .....   | 54   | 6/30/2010 <sup>2</sup>                      |
| Non-Bargaining Employees .....  | 21   | --  |
| <b>Sub-total .....</b>  | <b>515</b>                                   |   |
| <b>Total .....</b>  | <b>1,651</b>                                 |   |

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

<sup>2</sup> In negotiation.

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

General Statutes Sections 7-473c, 7-474 and 10-153a to 153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. Effective October 1, 1997, for binding arbitration of teachers' contracts, in assessing the financial capability of a town, 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 nine 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 are currently under construction.

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.

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## School Facilities

### Construction

| School                            | Grades | (Remodeling or<br>Renovation) | Number of<br>Classrooms <sup>1</sup> | Rated Capacity | Actual Enrollment<br>10/1/010 <sup>2, 3</sup> |
|-----------------------------------|--------|-------------------------------|--------------------------------------|----------------|---|
| Bristol Central High School ..... | 9-12   | 1967, 2000                    | 96                                   | 1,260          | 1,327   |
| Bristol Eastern High School ..... | 9-12   | 1959 (65), 2000               | 90                                   | 1,260          | 1,362   |
| Chippens Hill Middle School ....  | 6-8    | 1993                          | 45                                   | 990            | 882   |
| Memorial Blvd. School .....       | 6-8    | 1922 (59,79)                  | 25                                   | 560            | 515   |
| Northeast Middle School .....     | 6-8    | 1922 (65,83)                  | 25                                   | 550            | 563   |
| Stafford School .....             | K- 5   | 1951 (54,85)                  | 18                                   | 380            | 463   |
| C. A. Bingham .....               | K- 5   | 1916 (37,81)                  | 17                                   | 316            | 0 <sup>4</sup>                                |
| Edgewood School .....             | K- 5   | 1957 (64,86)                  | 20                                   | 444            | 395   |
| Greene-Hills .....                | K- 5   | 1928 (54,83)                  | 21                                   | 468            | 325   |
| Ellen Hubbell .....               | K- 5   | 1991                          | 26                                   | 594            | 467   |
| Ivy Drive School .....            | K- 5   | 1967 (2007)                   | 22                                   | 378            | 378   |
| Jennings School .....             | K- 5   | 1921 (29,80)                  | 20                                   | 380            | 366   |
| Mountain View School .....        | K- 5   | 1967 (2007)                   | 19                                   | 298            | 320   |
| O'Connell School .....            | K- 5   | 1913 (19,27,60,82)            | 22                                   | 444            | 321   |
| South Side School .....           | K- 5   | 1974                          | 30                                   | 612            | 579   |
| <b>Totals .....</b>               |        |                               | 496                                  | 8,934          | 8,263   |

<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 61 out-of-district placements and 309 pre-school students, but includes Special Education students.

<sup>4</sup> C. A. Bingham was closed at the end of the 2010 school year.

Source: City of Bristol, Board of Education.

## School Enrollment

| School Year                    | Pre K | K - 5 | 6 - 8 | 9 - 12 | Total <sup>2</sup> |
|--------------------------------|-------|-------|-------|--------|--------------------|
| <b>Historical <sup>1</sup></b> |       |       |       |        |                    |
| 2001-2002                      | 192   | 3,871 | 2,071 | 2,793  | 8,927              |
| 2002-2003                      | 209   | 3,901 | 2,112 | 2,749  | 8,971              |
| 2003-2004                      | 192   | 3,890 | 2,108 | 2,812  | 9,002              |
| 2004-2005                      | 253   | 3,850 | 2,109 | 2,779  | 8,991              |
| 2005-2006                      | 293   | 3,912 | 2,086 | 2,758  | 9,049              |
| 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              |
| <b>Projected <sup>3</sup></b>  |       |       |       |        |                    |
| 2011-2012                      | 330   | 3,648 | 1,941 | 2,661  | 8,580              |
| 2012-2013                      | 332   | 3,630 | 1,906 | 2,620  | 8,488              |
| 2013-2014                      | 334   | 3,667 | 1,802 | 2,632  | 8,435              |
| 2014-2015                      | 336   | 3,630 | 1,828 | 2,531  | 8,325              |
| 2015-2016                      | 338   | 3,620 | 1,781 | 2,525  | 8,264              |

<sup>1</sup> Bristol Board of Education (excludes 56 out-of-district placements).

<sup>2</sup> As of 1998-99 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

| Year | City of Bristol                |                           |                      | Hartford County |                           | State of Connecticut |                           |
|------|--------------------------------|---------------------------|----------------------|-----------------|---------------------------|----------------------|---------------------------|
|      | Actual Population <sup>1</sup> | % Increase/<br>(Decrease) | Density <sup>2</sup> | Population      | % Increase/<br>(Decrease) | Population           | % Increase/<br>(Decrease) |
| 1960 | 45,499                         | 26.5%                     | 1,679                | 689,555         | 21.0%                     | 2,535,234            | 26.3%                     |
| 1970 | 55,487                         | 22.0                      | 2,047                | 816,737         | 18.4                      | 3,032,217            | 19.6                      |
| 1980 | 57,370                         | 3.4                       | 2,117                | 807,766         | (1.1)                     | 3,107,576            | 2.5                       |
| 1990 | 60,640                         | 5.7                       | 2,238                | 851,783         | 5.4                       | 3,287,116            | 5.8                       |
| 2000 | 60,062                         | (1.0)                     | 2,216                | 857,183         | 0.6                       | 3,405,565            | 3.6                       |
| 2010 | 60,477                         | 0.7                       | 2,232                | 894,014         | 4.3                       | 3,574,097            | 4.9                       |

<sup>1</sup> 1960 - 2010, U.S. Department of Commerce, Bureau of Census.

<sup>2</sup> Per square mile: 27.1 square miles.

#### Age Distribution of the Population

| Age                            | City of Bristol |         | State of Connecticut |         |
|--------------------------------|-----------------|---------|----------------------|---------|
|                                | Number          | Percent | Number               | Percent |
| Under 5 .....                  | 3,761           | 6.3     | 223,344              | 6.6     |
| 5 - 9 .....                    | 3,931           | 6.5     | 244,144              | 7.2     |
| 10 - 14 .....                  | 3,988           | 6.6     | 241,587              | 7.1     |
| 15 - 19 .....                  | 3,394           | 5.7     | 216,627              | 6.4     |
| 20 - 24 .....                  | 3,192           | 5.3     | 187,571              | 5.5     |
| 25 - 34 .....                  | 9,065           | 15.1    | 451,640              | 13.3    |
| 35 - 44 .....                  | 10,462          | 17.4    | 581,049              | 17.1    |
| 45 - 54 .....                  | 8,087           | 13.5    | 480,807              | 14.1    |
| 55 - 59 .....                  | 2,981           | 5.0     | 176,961              | 5.2     |
| 60 - 64 .....                  | 2,276           | 3.8     | 131,652              | 3.9     |
| 65 - 74 .....                  | 4,374           | 7.3     | 231,565              | 6.8     |
| 75 - 84 .....                  | 3,367           | 5.6     | 174,345              | 5.1     |
| 85 and over .....              | 1,184           | 2.0     | 64,273               | 1.9     |
| <b>Total</b> .....             | 60,062          | 100.0   | 3,405,565            | 100.0   |
| <b>Median Age (2000)</b> ..... |                 | 37.6    |                      | 37.4    |

Source: U.S. Department of Commerce, Bureau of the Census, 2000.

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## Income Distribution

| <b>Income Distribution</b> | <b>City of Bristol</b> |                | <b>State of Connecticut</b> |                |
|----------------------------|------------------------|----------------|-----------------------------|----------------|
|                            | <b>2000</b>            | <b>Percent</b> | <b>2000</b>                 | <b>Percent</b> |
| Less than \$10,000.....    | 1,651                  | 6.6            | 91,721                      | 7.0            |
| 10,000 - 14,999.....       | 1,372                  | 5.5            | 64,895                      | 5.0            |
| 15,000 - 24,999.....       | 2,847                  | 11.4           | 126,157                     | 9.7            |
| 25,000 - 34,999.....       | 3,054                  | 12.3           | 130,916                     | 10.1           |
| 35,000 - 49,999.....       | 4,039                  | 16.3           | 188,021                     | 14.4           |
| 50,000 - 74,999.....       | 6,059                  | 24.3           | 265,470                     | 20.4           |
| 75,000 - 99,999.....       | 3,182                  | 12.8           | 172,569                     | 13.3           |
| 100,000 - 149,999.....     | 2,019                  | 8.1            | 152,405                     | 11.7           |
| 150,000 - 199,999.....     | 407                    | 1.6            | 48,533                      | 3.7            |
| 200,000 or more.....       | 257                    | 1.1            | 61,540                      | 4.7            |
| <b>Total</b> .....         | <b>24,887</b>          | <b>100.0</b>   | <b>1,302,227</b>            | <b>100.0</b>   |

Source: U.S. Department of Commerce, Bureau of the Census, 2000.

## Income Levels

|                                   | <b>City of<br/>Bristol</b> | <b>State of<br/>Connecticut</b> |
|-----------------------------------|----------------------------|---------------------------------|
| Per Capita Income, 1999 .....     | \$23,362                   | \$28,766                        |
| Per Capita Income, 1989 .....     | 16,909                     | 20,189                          |
| Median Family Income, 1999.....   | \$58,259                   | \$65,521                        |
| Percent Below Poverty, 1999 ..... | 4.8%                       | 5.6%                            |

Source: U.S. Department of Commerce, Bureau of the Census, 2000.

## Employment Data <sup>1</sup>

| <b>Period</b>         | <b>City of Bristol</b> |                   | <b>Percentage Unemployed</b> |                                       |                                 |
|-----------------------|------------------------|-------------------|------------------------------|---------------------------------------|---------------------------------|
|                       | <b>Employed</b>        | <b>Unemployed</b> | <b>City of<br/>Bristol</b>   | <b>Hartford Labor<br/>Market Area</b> | <b>State of<br/>Connecticut</b> |
| May 2011.....         | 31,333                 | 3,171             | 9.2                          | 9.1                                   | 9.1                             |
| <b>Annual Average</b> |                        |                   |                              |                                       |                                 |
| 2010.....             | 31,557                 | 3,444             | 9.8                          | 9.2                                   | 9.1                             |
| 2009.....             | 31,932                 | 3,161             | 9.0                          | 8.3                                   | 8.2                             |
| 2008.....             | 32,315                 | 2,092             | 6.1                          | 5.7                                   | 5.6                             |
| 2007.....             | 32,602                 | 1,734             | 5.1                          | 4.7                                   | 4.6                             |
| 2006.....             | 32,101                 | 1,627             | 4.8                          | 4.5                                   | 4.4                             |
| 2005.....             | 31,608                 | 1,842             | 5.5                          | 5.1                                   | 4.9                             |
| 2004.....             | 29,724                 | 1,783             | 5.7                          | 5.1                                   | 4.7                             |
| 2003.....             | 29,882                 | 2,065             | 6.5                          | 5.9                                   | 5.5                             |
| 2002.....             | 30,255                 | 1,671             | 5.2                          | 4.5                                   | 4.3                             |
| 2001.....             | 30,927                 | 1,241             | 3.9                          | 3.3                                   | 3.3                             |

<sup>1</sup> Not seasonally adjusted.

Source: Department of Labor, State of Connecticut.

## Employment by Industry

| <u>Trade</u>  | <u>City of Bristol</u> |                | <u>State of Connecticut</u> |                |
|---|------------------------|----------------|-----------------------------|----------------|
|   | <u>Number</u>          | <u>Percent</u> | <u>Number</u>               | <u>Percent</u> |
| Agriculture, forestry, fisheries, mining .....      | 64                     | 0.2            | 7,445                       | 0.4            |
| Construction .....                                  | 2,073                  | 6.6            | 99,913                      | 6.0            |
| Manufacturing .....                                 | 7,127                  | 22.8           | 246,607                     | 14.8           |
| Transportation .....                                | 949                    | 3.0            | 64,662                      | 3.9            |
| Information.....                                    | 897                    | 2.9            | 55,202                      | 3.3            |
| Wholesale trade.....                                | 928                    | 3.0            | 53,231                      | 3.2            |
| Retail trade .....                                  | 3,405                  | 10.9           | 185,633                     | 11.2           |
| Finance, Insurance, Real Estate .....               | 3,362                  | 10.8           | 163,568                     | 9.8            |
| Professional, scientific, management services ..... | 1,900                  | 6.1            | 168,334                     | 10.1           |
| Personal, Entertainment, Recreation .....           | 1,745                  | 5.6            | 111,424                     | 6.8            |
| Educational, health and social services .....       | 6,198                  | 19.9           | 366,568                     | 22.0           |
| Other services (except public administration).....  | 1,477                  | 4.7            | 74,499                      | 4.5            |
| Public Administration .....                         | 1,094                  | 3.5            | 67,354                      | 4.0            |
| <b>Total Labor Force, Employed</b> .....            | <b>31,219</b>          | <b>100.0</b>   | <b>1,664,440</b>            | <b>100.0</b>   |

Source: U.S. Department of Commerce, Bureau of the Census, 2000.

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

| <u>Grade Level</u>                        | <u>City of Bristol</u> |                | <u>State of Connecticut</u> |                |
|---|------------------------|----------------|-----------------------------|----------------|
|   | <u>Number</u>          | <u>Percent</u> | <u>Number</u>               | <u>Percent</u> |
| Less than 9th grade.....                  | 2,824                  | 6.7            | 132,917                     | 5.8            |
| 9th to 12th grade.....                    | 5,215                  | 12.5           | 234,739                     | 10.2           |
| High school graduate.....                 | 15,877                 | 37.9           | 653,300                     | 28.5           |
| Some college, no degree.....              | 8,109                  | 19.4           | 402,741                     | 17.5           |
| Associate's degree.....                   | 3,080                  | 7.4            | 150,926                     | 6.6            |
| Bachelor's degree.....                    | 4,500                  | 10.7           | 416,751                     | 18.2           |
| Graduate or professional degree.....      | 2,262                  | 5.4            | 304,243                     | 13.2           |
| <b>Total</b> .....                        | <b>41,867</b>          | <b>100.0</b>   | <b>2,295,617</b>            | <b>100.0</b>   |
| Total high school graduate or higher..... | 80.8%                  |                | 84.0%                       |                |
| Total bachelor's degree or higher .....   | 16.2%                  |                | 31.4%                       |                |

Source: U.S. Department of Commerce, Bureau of the Census, 2000.

## Age Distribution of Housing

| <u>Year Built</u>                      | <u>City of Bristol</u> |                | <u>State of Connecticut</u> |                |
|--|------------------------|----------------|-----------------------------|----------------|
|  | <u>Units</u>           | <u>Percent</u> | <u>Units</u>                | <u>Percent</u> |
| 1939 or earlier .....                  | 5,303                  | 20.3           | 308,896                     | 22.3           |
| 1940 to 1969.....                      | 10,861                 | 41.6           | 571,218                     | 41.2           |
| 1970 to 1979.....                      | 4,007                  | 15.3           | 203,377                     | 14.7           |
| 1980 to 1989 .....                     | 4,174                  | 16.0           | 183,405                     | 13.2           |
| 1990 to March 2000 .....               | 1,780                  | 6.8            | 119,079                     | 8.6            |
| <b>Total Housing Units, 2000</b> ..... | <b>26,125</b>          | <b>100.0</b>   | <b>1,385,975</b>            | <b>100.0</b>   |

Percent Owner-Occupied, 2000..... 49.5% 66.8%

Source: U.S. Department of Commerce, Bureau of the Census, 2000.

### Housing Inventory

| <b>Type of Unit</b>              | <b>Units</b>  | <b>Percent</b> |
|----------------------------------|---------------|----------------|
| 1-unit detached.....             | 13,761        | 52.7           |
| 1-unit attached.....             | 1,018         | 3.9            |
| 2 to 4 units.....                | 5,997         | 23.0           |
| 5 to 9 units.....                | 1,793         | 6.9            |
| 10 or more units .....           | 3,335         | 12.7           |
| Mobile home, trailer, other..... | 221           | 0.8            |
| <b>Total Inventory</b> .....     | <b>26,125</b> | <b>100.0</b>   |

Source: U.S. Department of Commerce, Bureau of the Census, 2000.

### Owner-Occupied Housing Values

| <b>Specified Owner-Occupied Values</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.....                | 51                     | 0.4            | 5,996                       | 0.8            |
| \$50,000 to \$99,999.....              | 2,541                  | 19.7           | 85,221                      | 11.7           |
| \$100,000 to \$149,999.....            | 6,477                  | 50.1           | 212,010                     | 29.1           |
| \$150,000 to \$199,999.....            | 2,615                  | 20.2           | 156,397                     | 21.5           |
| \$200,000 to \$299,000.....            | 1,063                  | 8.2            | 137,499                     | 18.9           |
| \$300,000 or more .....                | 172                    | 1.4            | 131,121                     | 18.0           |
| <b>Total</b> .....                     | <b>12,919</b>          | <b>100.0</b>   | <b>728,244</b>              | <b>100.0</b>   |

Source: U.S. Department of Commerce, Bureau of the Census, 2000.

### Major Employers Employment Levels As of May 2011

| <b>Name</b>                            | <b>Business</b>                    | <b>Estimated<br/>Number of<br/>Employees</b> |
|--|------------------------------------|--|
| ESPN .....                             | Broadcasting Facility Headquarters | 3,400  |
| City of Bristol.....                   | Municipality                       | 1,656  |
| Bristol Hospital, Inc. ....            | Healthcare                         | 1,750  |
| Stephen World of Wheels .....          | Auto Dealership                    | 200  |
| IDEX Health & Science LLC.....         | Health Care                        | 200  |
| Sheriden Woods Health Care Center..... | Health Care                        | 180  |
| Quality Coils.....                     | Manufacturing                      | 170  |
| Stop & Shop .....                      | Retail                             | 150  |
| Rowley Spring.....                     | Manufacturing                      | 150  |
| The Pines at Bristol.....              | Health Care                        | 140  |
| <b>Total</b> .....                     |                                    | <b>7,996</b>                                 |

Source: Bristol Chamber of Commerce

## Land Use Summary

| <b>Category</b>                         | <b>All Land</b> |                | <b>Undeveloped Land</b> |                |
|---|-----------------|----------------|-------------------------|----------------|
|   | <b>Acreage</b>  | <b>Percent</b> | <b>Acreage</b>          | <b>Percent</b> |
| Residential .....                       | 8,012           | 46.67%         | 2,822                   | 85.10%         |
| Industrial and Commercial .....         | 1,519           | 8.85%          | 494                     | 14.90%         |
| Public and Semi-Public .....            | 3,250           | 18.93%         | -                       | 0.00%          |
| Roads and Transportation Networks ..... | 1,072           | 6.24%          | -                       | 0.00%          |
| Vacant Land .....                       | 3,316           | 19.31%         | -                       | 0.00%          |
| <b>Totals.....</b>                      | <b>17,169</b>   | <b>100.00%</b> | <b>3,316</b>            | <b>100.00%</b> |

|                      | <b>Sewer</b> | <b>Percent</b> | <b>With Water</b> | <b>Percent</b> |
|----------------------|--------------|----------------|-------------------|----------------|
| Area (acreage) ..... | 13,452       | 78.40%         | 16,323            | 95.00%         |
| Population .....     | 53,626       | 89.30%         | 52,560            | 87.50%         |

Source: Central Connecticut Regional Planning Agency, City of Bristol Public Works Department and City of Bristol Water Department.

## Building Permits Ten-Year Comparison

| <b>Calendar Year</b> | <b>Residential</b> |              | <b>Commercial &amp; Industrial</b> |              | <b>Apartments &amp; Condominiums</b> |              | <b>Total Estimates</b> |              |
|----------------------|--------------------|--------------|------------------------------------|--------------|--------------------------------------|--------------|------------------------|--------------|
|                      | <b>No.</b>         | <b>Value</b> | <b>No.</b>                         | <b>Value</b> | <b>No.</b>                           | <b>Value</b> | <b>No.</b>             | <b>Value</b> |
| 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   |
| 2005                 | 1,466              | 27,050,846   | 323                                | 26,513,564   | 1                                    | 600,000      | 1,790                  | 54,164,410   |
| 2004                 | 1,620              | 27,299,151   | 301                                | 25,670,439   | 1                                    | 600,000      | 1,922                  | 53,569,590   |
| 2003                 | 1,612              | 28,417,188   | 324                                | 30,889,817   | -                                    | -            | 1,936                  | 59,307,005   |
| 2002                 | 1,485              | 24,620,400   | 262                                | 15,508,615   | -                                    | -            | 1,747                  | 40,129,015   |
| 2001                 | 1,568              | 21,336,261   | 237                                | 49,189,126   | -                                    | -            | 1,805                  | 70,525,387   |

Note: Does not include mechanicals.

Source: City of Bristol, Building Department.

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## **IV. Tax Base Data**

### **Property Tax**

#### **Assessments**

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the limits of the City of Bristol for inclusion on the Grand List is the responsibility of the Assessor. The Grand List represents the total assessed value for all taxable real and personal property and motor vehicles located within the City as of October 1st. The three classes of taxable property that create the Grand List are Real Estate, Motor Vehicles, and Personal Property. Real Property includes land and improvements that are permanently attached to the land. Personal Property includes all other property not classified as real property, such as machinery, equipment, furniture, fixtures, registered and non-registered motor vehicles. Assessments for real property are computed at seventy percent (70%) of the estimated market value at the time of the last revaluation. The last City-wide revaluation was 2007. 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, 2012.

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 of 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**

In November 2009, Bristol voters approved a five-year extension of the Tax Abatement Policy as authorized under the Connecticut City and Town Development Act. The City originally adopted the tax exemption policy in 1984 for the purpose of attracting new firms and to promote expansion of business and industry. To qualify for full or partial exemption from local property taxation, a property must meet the definition of "development property" under Section 7-482 of the Connecticut General Statutes. The exemption must be requested in writing prior to an irrevocable commitment to the investment and must certify that the new investment would not occur in Bristol without the tax exemption requested. The Tax Exemption Policy uses a matrix system using new jobs and building size to determine years of partial tax exemption for real estate. The maximum years a business can qualify for exemption is six years.

Bristol's Enterprise Zone primarily encompasses the geographic center of downtown Bristol but also includes Riverside Avenue, the West End Business District, a portion of Federal Hill, Park Street to the entrance of Rockwell Park, the Maple End, and the Gavelick (industrial) property. The approximate boundaries of the Zone are West Street on the West (with an extension down Park Street to the entrance of Rockwell Park), South Street on the South end, Bellevue and Maple Streets on the East end, and Route 6 (Farmington, North, and Terryville Avenues) on the North side. The Zone contains an entire census tract and part of two others. Commercial properties immediately bordering either side of these streets are usually included in the Zone. The Enterprise Zone property tax abatements reimburse the City for 50% of the abatement.

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## Comparative Assessed Valuation

| Grand List as of 10/1 | Commercial/Industrial/    |               |          |                   |               | Gross Taxable Grand List | Less Exemptions | Net Taxable Grand List | Percent Growth |
|-----------------------|---------------------------|---------------|----------|-------------------|---------------|--------------------------|-----------------|------------------------|----------------|
|                       | Residential Real Property | Real Property | All Land | Personal Property | Motor Vehicle |                          |                 |                        |                |
| 2010                  | 59.00                     | 24.20         | 1.80     | 8.00              | 7.00          | \$4,855,301,920          | \$ 211,187,671  | \$4,644,114,249        | 0.00%          |
| 2009                  | 59.20                     | 24.20         | 1.80     | 7.90              | 6.90          | 4,825,349,090            | 181,046,126     | 4,644,302,964          | 0.37%          |
| 2008                  | 59.50                     | 24.00         | 2.00     | 7.80              | 6.70          | 4,801,496,900            | 174,309,060     | 4,627,187,840          | 0.27%          |
| 2007 <sup>1</sup>     | 59.10                     | 24.90         | 1.20     | 7.20              | 7.60          | 4,785,651,520            | 171,074,590     | 4,614,576,930          | 51.76%         |
| 2006                  | 58.80                     | 17.50         | 1.40     | 11.70             | 10.60         | 3,196,184,610            | 155,518,380     | 3,040,666,230          | 1.83%          |
| 2005                  | 59.20                     | 17.50         | 1.30     | 11.30             | 10.70         | 3,144,365,830            | 158,409,030     | 2,985,956,800          | 0.90%          |
| 2004                  | 59.30                     | 17.60         | 1.30     | 11.50             | 10.30         | 3,102,022,760            | 142,739,030     | 2,959,283,730          | 2.92%          |
| 2003                  | 61.50                     | 17.90         | 1.50     | 8.90              | 10.20         | 2,947,077,540            | 71,826,520      | 2,875,251,020          | 1.06%          |
| 2002 <sup>1</sup>     | 61.00                     | 17.40         | 1.90     | 9.10              | 10.60         | 2,934,401,850            | 89,196,060      | 2,845,205,790          | 18.95%         |
| 2001                  | 55.90                     | 20.10         | 1.20     | 10.70             | 12.10         | 2,497,532,520            | 105,522,930     | 2,392,009,590          | 1.90%          |

<sup>1</sup> Revaluation.

Source: City of Bristol, City Assessor.

### Exempt Property Assessed Value as of October 1, 2010

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

| <b>Public</b>   | <b>Assessed Value</b> |
|---|-----------------------|
| State of Connecticut .....                                    | \$ 7,334,360          |
| City of Bristol .....   | 206,212,920           |
| United States of America .....                                | 8,400,490             |
| <b>Sub-Total Public</b> .....                                 | <b>\$ 221,947,770</b> |
| <br>  |                       |
| <b>Private</b>  |                       |
| Recreation Facilities .....                                   | \$ 2,753,240          |
| Churches .....  | 32,761,680            |
| Hospitals and Sanitariums .....                               | 58,287,320            |
| Veterans' Organizations .....                                 | 732,900               |
| Scientific, Educational, Historical and Charitable .....      | 18,644,870            |
| Cemeteries .....  | 2,211,230             |
| <b>Sub-Total Private</b> .....                                | <b>\$ 115,391,240</b> |
| <b>Total Tax Exempt Property</b> .....                        | <b>\$ 337,339,010</b> |
| <br>  |                       |
| Percent Compared to Net Taxable Grand List <sup>1</sup> ..... | 7.26%                 |

<sup>1</sup> Based on a Net Taxable Grand List as of October 1, 2010 of \$4,644,114,249.

Source: City of Bristol, Assessor.



### Ten Largest Taxpayers

| Name  | Nature of Business                 | Taxable<br>Valuation  | Percent of<br>Net Taxable<br>Grand List <sup>1</sup> |
|---|------------------------------------|-----------------------|--|
| ESPN (Entertainment & Sports TV) <sup>2</sup> ..... | Broadcasting Facility Headquarters | \$ 289,978,740        | 6.24%  |
| Covanta Inc. ....                                   | Solid Waste Facility               | 42,723,230            | 0.92%  |
| Bristol Center .....                                | Real Estate Holding Company        | 34,424,950            | 0.74%  |
| Connecticut Light & Power Co. ....                  | Utility                            | 33,370,190            | 0.72%  |
| Carpenter Realty Company .....                      | Real Estate Holding Company        | 24,102,040            | 0.52%  |
| Federal Realty Investment Trust .....               | Shopping Plaza                     | 22,520,350            | 0.48%  |
| Win Stanley Enterprises.....                        | Office / Industrial Complex        | 18,232,200            | 0.39%  |
| Lake Compounce.....                                 | Amusement Park                     | 17,787,250            | 0.38%  |
| Elk Bristol Annex LLC / Elias Kalimian.....         | Shopping Center                    | 16,664,200            | 0.36%  |
| This Precision Steel.....                           | Commercial & Industrial            | 15,710,480            | 0.34%  |
| <b>Total</b> .....                                  |                                    | <b>\$ 515,513,630</b> | <b>11.09%</b>  |

<sup>1</sup> Based on a Net Taxable Grand List as of October 1, 2010 of \$4,644,114,249.

<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.

Source: City of Bristol, Assessor.

### Property Tax Levies and Collections

| Grand<br>List of<br>10/1 | Fiscal<br>Year<br>Ending<br>6/30 | Net<br>Taxable<br>Grand List | Mill<br>Rate | Adjusted<br>Annual<br>Levy | Percent<br>Collected<br>at End of<br>Fiscal Year | Uncollected  |  |
|--------------------------|----------------------------------|------------------------------|--------------|----------------------------|--|--|--|
|                          |                                  |                              |              |                            |  | Percent of<br>Annual Levy<br>Uncollected<br>at End of<br>Fiscal Year | Percent of<br>Annual Levy<br>Uncollected<br>as of<br>6/30/10 |
| 2009                     | 2011 <sup>2</sup>                | \$4,644,302,964              | 27.24        | \$116,072,405              |  | <b>IN COLLECTION</b>   |  |
| 2008                     | 2010                             | 4,627,187,840                | 25.99        | 110,504,691                | 98.32  | 1.68   | 1.68   |
| 2007 <sup>1</sup>        | 2009                             | 4,614,576,930                | 25.99        | 110,667,948                | 98.15  | 1.85   | 0.51   |
| 2006                     | 2008                             | 3,040,666,230                | 34.71        | 106,591,042                | 98.10  | 1.90   | 0.08   |
| 2005                     | 2007                             | 2,985,956,800                | 34.21        | 101,682,014                | 97.94  | 2.06   | 0.07   |
| 2004                     | 2006                             | 2,959,283,730                | 33.33        | 98,632,926                 | 98.11  | 1.89   | 0.05   |
| 2003                     | 2005                             | 2,875,251,020                | 32.83        | 95,389,437                 | 97.81  | 2.19   | 0.04   |
| 2002 <sup>1</sup>        | 2004                             | 2,845,205,790                | 30.93        | 88,824,439                 | 97.65  | 2.35   | 0.05   |
| 2001                     | 2003                             | 2,392,009,590                | 32.25        | 77,983,080                 | 97.34  | 2.66   | 0.05   |
| 2000                     | 2002                             | 2,346,737,530                | 30.50        | 72,315,000                 | 97.07  | 2.93   | 0.05   |

<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<br>June 30 | Total<br>Uncollected<br>Taxes | Current<br>Year<br>Levy |
|------------------|-------------------------------|-------------------------|
| 2010             | \$3,001                       | \$1,656                 |
| 2009             | 3,924                         | 2,005                   |
| 2008             | 3,602                         | 2,012                   |
| 2007             | 3,949                         | 2,124                   |
| 2006             | 3,979                         | 1,883                   |

## V. Debt Summary

### Long-Term Debt

As of August 1, 2011

Principal Only  
(Pro-Forma)

| Date   | Purpose                                      | Rate %    | Amount of<br>Original Issue | Amount<br>Outstanding | Date of Fiscal<br>Year Maturity |
|--|--|-----------|-----------------------------|-----------------------|---------------------------------|
| 12/15/93                                     | Refunding Bonds - Sewer .....                | 3.25-5.40 | \$ 1,490,000                | \$ 190,000            | 2013                            |
| 05/15/95                                     | Water.. <sup>1</sup> .....                   | 4.90-6.00 | 1,640,000                   | 300,000               | 2014                            |
| 06/30/02                                     | Clean Water PLO (415-D/C) .....              | 2.00      | 1,409,533                   | 761,959               | 2021                            |
| 06/30/02                                     | Clean Water PLO (498-D/C) .....              | 2.00      | 1,483,380                   | 801,879               | 2021                            |
| 12/31/03                                     | Clean Water PLO (504-C) .....                | 2.00      | 1,488,101                   | 912,818               | 2022                            |
| 10/15/04                                     | General Purpose .....                        | 3.00-5.00 | 22,365,000                  | 14,465,000            | 2022                            |
| 10/15/04                                     | Water <sup>1</sup> .....                     | 3.00-5.00 | 600,000                     | 385,000               | 2022                            |
| 11/30/04                                     | Clean Water PLO (562-C) .....                | 2.00      | 693,527                     | 455,550               | 2023                            |
| 06/15/05                                     | Refunding Bonds – Schools .....              | 3.00-5.00 | 10,635,000                  | 7,690,000             | 2019                            |
| 06/15/05                                     | Refunding Bonds – Water.. <sup>1</sup> ..... | 2.70-5.00 | 2,315,000                   | 1,210,000             | 2017                            |
| 05/31/06                                     | Clean Water PLO (464-C) .....                | 2.00      | 470,225                     | 363,825               | 2026                            |
| 12/01/06                                     | General Purpose .....                        | 3.50-5.50 | 10,006,000                  | 6,879,125             | 2022                            |
| 12/01/06                                     | Schools .....                                | 3.50-5.50 | 11,600,000                  | 7,975,000             | 2022                            |
| 12/01/06                                     | Water <sup>1</sup> .....                     | 3.50-5.50 | 3,394,000                   | 2,345,875             | 2022                            |
| 02/15/09                                     | General Purpose .....                        | 2.00-4.00 | 8,515,000                   | 7,445,000             | 2025                            |
| 02/15/09                                     | Schools .....                                | 2.00-4.00 | 385,000                     | 335,000               | 2025                            |
| 06/15/11                                     | General Purpose .....                        | 2.00-4.00 | 8,637,000                   | 8,637,000             | 2031                            |
| 06/15/11                                     | Schools .....                                | 2.00-4.00 | 25,550,000                  | 25,550,000            | 2031                            |
| 06/15/11                                     | Sewer .....                                  | 2.00-4.00 | 5,400,000                   | 5,400,000             | 2031                            |
| 06/15/11                                     | Water <sup>1</sup> .....                     | 2.00-4.00 | 813,000                     | 813,000               | 2031                            |
| <b>Total Outstanding Long-Term Debt.....</b> |  |           | <b>\$ 118,889,766</b>       | <b>\$ 92,916,031</b>  |                                 |

<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: Effective July 1, 1990, the City's debt service for general obligation sewer bonds is paid completely from the General Fund.

### Short-Term Debt

As of August 1, 2011

The City has short-term debt outstanding as follows:

| Project                                       | Amount<br>Authorized | This Issue: Notes<br>Due 7/30/12 |
|---|----------------------|----------------------------------|
| Bristol Centre Mall Demolition/Abatement..... | \$ 3,500,000         | \$ 1,135,000                     |
| Bristol Centre Mall Purchase/Legal.....       | 6,275,000            | 6,275,000                        |
| <b>Totals .....</b>                           | <b>\$ 9,775,000</b>  | <b>\$ 7,410,000</b>              |

**General Fund  
Bonded Debt Maturity Schedule <sup>1</sup>  
As of August 1, 2011  
(Pro-Forma)**

| <b>Fiscal<br/>Year</b> | <b>Principal</b>     | <b>Interest</b>      | <b>Total</b>          | <b>Cumulative<br/>Principal<br/>Retired</b> |
|------------------------|----------------------|----------------------|-----------------------|---|
| 2012 <sup>2</sup>      | \$ 3,172,637         | \$ 2,320,586         | \$ 5,493,223          | 3.61%                                       |
| 2013                   | 6,645,754            | 2,966,459            | 9,612,213             | 11.17%                                      |
| 2014                   | 6,556,315            | 2,705,974            | 9,262,288             | 18.64%                                      |
| 2015                   | 6,571,988            | 2,450,276            | 9,022,263             | 26.12%                                      |
| 2016                   | 6,572,775            | 2,208,092            | 8,780,867             | 33.60%                                      |
| 2017                   | 6,573,680            | 1,968,266            | 8,541,945             | 41.08%                                      |
| 2018                   | 6,552,703            | 1,749,484            | 8,302,187             | 48.54%                                      |
| 2019                   | 6,543,849            | 1,536,315            | 8,080,164             | 55.99%                                      |
| 2020                   | 5,620,117            | 1,316,006            | 6,936,123             | 62.38%                                      |
| 2021                   | 5,626,514            | 1,111,235            | 6,737,749             | 68.79%                                      |
| 2022                   | 5,457,452            | 915,326              | 6,372,778             | 75.00%                                      |
| 2023                   | 4,100,615            | 747,418              | 4,848,033             | 79.66%                                      |
| 2024                   | 2,682,653            | 632,914              | 3,315,567             | 82.72%                                      |
| 2025                   | 2,665,913            | 542,377              | 3,208,291             | 85.75%                                      |
| 2026                   | 2,104,304            | 448,023              | 2,552,327             | 88.15%                                      |
| 2027                   | 2,083,000            | 372,336              | 2,455,336             | 90.52%                                      |
| 2028                   | 2,083,000            | 291,620              | 2,374,620             | 92.89%                                      |
| 2029                   | 2,083,000            | 208,300              | 2,291,300             | 95.26%                                      |
| 2030                   | 2,083,000            | 124,980              | 2,207,980             | 97.63%                                      |
| 2031                   | 2,083,000            | 41,660               | 2,124,660             | 100.00%                                     |
| <b>Total.....</b>      | <b>\$ 87,862,267</b> | <b>\$ 24,657,647</b> | <b>\$ 112,519,914</b> |   |

<sup>1</sup> Includes debt service related to Clean Water Fund Loans from the State of Connecticut outstanding as of August 1, 2011 but excludes self-supporting water debt and refunded bonds.

<sup>2</sup> Excludes \$1,372,666 of principal and \$323,713 of interest paid between July 1, 2011 and August 1, 2011.

Note: Effective July 1, 1990, 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 August 1, 2011**  
**(Pro-Forma)**

| <b>Fiscal<br/>Year</b> | <b>Principal</b>    | <b>Interest</b>     | <b>Total</b>        | <b>Cumulative<br/>Principal<br/>Retired</b> |
|------------------------|---------------------|---------------------|---------------------|---|
| 2012 <sup>1</sup>      | \$ 340,000          | \$ 147,202          | \$ 487,202          | 6.73%                                       |
| 2013                   | 594,625             | 182,171             | 776,796             | 18.49%                                      |
| 2014                   | 594,625             | 153,294             | 747,919             | 30.26%                                      |
| 2015                   | 489,625             | 124,711             | 614,336             | 39.95%                                      |
| 2016                   | 494,625             | 105,174             | 599,799             | 49.73%                                      |
| 2017                   | 489,625             | 86,855              | 576,480             | 59.42%                                      |
| 2018                   | 291,625             | 72,881              | 364,506             | 65.19%                                      |
| 2019                   | 291,625             | 62,249              | 353,874             | 70.96%                                      |
| 2020                   | 291,625             | 50,794              | 342,419             | 76.73%                                      |
| 2021                   | 291,625             | 39,317              | 330,942             | 82.50%                                      |
| 2022                   | 291,625             | 28,006              | 319,631             | 88.27%                                      |
| 2023                   | 256,625             | 17,418              | 274,043             | 93.35%                                      |
| 2024                   | 42,000              | 11,839              | 53,839              | 94.18%                                      |
| 2025                   | 42,000              | 10,474              | 52,474              | 95.01%                                      |
| 2026                   | 42,000              | 9,030               | 51,030              | 95.84%                                      |
| 2027                   | 42,000              | 7,508               | 49,508              | 96.68%                                      |
| 2028                   | 42,000              | 5,880               | 47,880              | 97.51%                                      |
| 2029                   | 42,000              | 4,200               | 46,200              | 98.34%                                      |
| 2030                   | 42,000              | 2,520               | 44,520              | 99.17%                                      |
| 2031                   | 42,000              | 840                 | 42,840              | 100.00%                                     |
| <b>Total.....</b>      | <b>\$ 5,053,875</b> | <b>\$ 1,122,361</b> | <b>\$ 6,176,236</b> |   |

<sup>1</sup> Excludes \$209,625 of principal and \$50,158 of interest paid between July 1, 2011 and August 1, 2011.

**Overlapping/Underlying Debt**

The City of Bristol has neither overlapping nor underlying debt.

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

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**Debt Statement**  
**As of August 1, 2011**  
**Principal Only**  
**(Pro Forma)**

**Long-Term Debt Outstanding:**

|   |                                    |
|---|------------------------------------|
| General Purpose.....  | \$ 37,426,125                      |
| Schools .....   | 41,550,000                         |
| Sewers .....  | 8,886,031                          |
| Water.....  | <u>5,053,875</u>                   |
| <b>Total Long-Term Debt</b> .....   | <b>92,916,031</b>                  |
| <b>Short-Term Debt (This Issue)</b> .....   | <b><u>7,410,000</u></b>            |
| <b>Total Direct Debt</b> .....  | <b>100,326,031</b>                 |
| Less: Amount to be provided by the State for school construction <sup>1</sup> ..... | -                                  |
| Self Supporting Water Debt <sup>2</sup> .....                                       | <u>(5,053,875)</u>                 |
| <b>Total Net Direct Debt</b> .....  | <b>95,272,156</b>                  |
| Plus: Overlapping/Underlying Debt .....   | -                                  |
| <b>Total Overall Net Debt</b> .....   | <b><u><u>\$ 95,272,156</u></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 August 1, 2011**  
**(Pro Forma)**

|   |                  |
|---|------------------|
| Population (2010) <sup>1</sup> .....                | 60,477           |
| Net Taxable Grand List (10/1/10) <sup>2</sup> ..... | \$ 4,644,114,249 |
| Estimated Full Value (70%).....                     | \$ 6,634,448,927 |
| Equalized Grand List (10/1/08) <sup>3</sup> .....   | \$ 6,164,454,137 |
| Income per Capita (1990) <sup>1</sup> .....         | \$ 16,909        |
| Income per Capita (2000) <sup>1</sup> .....         | \$ 23,362        |

|  | <b>Total</b>         | <b>Total Net</b>    | <b>Total Overall</b> |
|--|----------------------|---------------------|----------------------|
|  | <b>Direct Debt</b>   | <b>Direct Debt</b>  | <b>Net Debt</b>      |
|  | <b>\$100,326,031</b> | <b>\$95,272,156</b> | <b>\$95,272,156</b>  |
| Per Capita.....                                  | \$ 1,658.91          | \$ 1,575.35         | \$ 1,575.35          |
| Ratio to Net Taxable Grand List.....             | 2.16%                | 2.05%               | 2.05%                |
| Ratio to Estimated Full Value.....               | 1.51%                | 1.44%               | 1.44%                |
| Ratio to Equalized Grand List.....               | 1.63%                | 1.55%               | 1.55%                |
| Debt per Capita to Income per Capita (1990)..... | 9.81%                | 9.32%               | 9.32%                |
| Debt per Capita to Income per Capita (2000)..... | 7.10%                | 6.74%               | 6.74%                |

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

<sup>2</sup> Revalued: October 1, 2007.

<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.

### **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) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer projects, by the amount of time temporary financing has been outstanding.

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

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

Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

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**Statement of Debt Limitation**  
**As of August 1, 2011**  
**(Pro Forma)**

|   |                      |
|---|----------------------|
| <b>Total Tax Collections</b> (including interest and lien fees) for the year ended June 30, 2011 (unaudited)..... | \$115,952,147        |
| Reimbursement for Revenue Loss on Tax Relief for Elderly-Freeze (unaudited) .....                                 | 10,000               |
| <b>Base</b> .....   | <u>\$115,962,147</u> |

|  | <u>General Purpose</u> | <u>Schools</u>       | <u>Sewers</u>        | <u>Urban Renewal</u>  | <u>Unfunded Pension</u> |
|--|------------------------|----------------------|----------------------|-----------------------|-------------------------|
| <b>Debt Limitation :</b>   |                        |                      |                      |                       |                         |
| 2 1/4 times base.....  | 260,914,831            | -                    | -                    | -                     | -                       |
| 4 1/2 times base.....  | -                      | 521,829,662          | -                    | -                     | -                       |
| 3 3/4 times base.....  | -                      | -                    | 434,858,051          | -                     | -                       |
| 3 1/4 times base.....  | -                      | -                    | -                    | 376,876,978           | -                       |
| 3 times base.....  | -                      | -                    | -                    | -                     | 347,886,441             |
| <b>Total Debt Limitation.....</b>                                  | <b>260,914,831</b>     | <b>521,829,662</b>   | <b>434,858,051</b>   | <b>376,876,978</b>    | <b>347,886,441</b>      |
| <b>Indebtedness:</b>   |                        |                      |                      |                       |                         |
| Outstanding Debt: <sup>1</sup>                                     |                        |                      |                      |                       |                         |
| Bonds Payable.....   | 37,426,125             | 41,550,000           | 8,886,031            | -                     | -                       |
| Notes (This Issue).....  | 7,410,000              | -                    | -                    | -                     | -                       |
| Bonds Authorized But Unissued... <sup>2</sup>                      | 8,092,850              | 102,436,481          | 450,000              | -                     | -                       |
| <b>Total Indebtedness.....</b>                                     | <b>52,928,975</b>      | <b>143,986,481</b>   | <b>9,336,031</b>     | <b>-</b>              | <b>-</b>                |
| Less School Construction Grants... <sup>3</sup>                    | -                      | -                    | -                    | -                     | -                       |
| <b>Total Net Indebtedness For Debt Limitation Calculation.....</b> | <b>52,928,975</b>      | <b>143,986,481</b>   | <b>9,336,031</b>     | <b>-</b>              | <b>-</b>                |
| <b>DEBT LIMITATION IN EXCESS OF INDEBTEDNESS.....</b>              | <b>\$207,985,856</b>   | <b>\$377,843,181</b> | <b>\$425,522,021</b> | <b>\$ 376,876,978</b> | <b>\$347,886,441</b>    |

<sup>1</sup> Because water debt is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes, excluded from above is \$5,053,875 of water bonds outstanding and \$8,000 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 during Fiscal Year 2008-09.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$811,735,029.

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**Authorized but Unissued Debt**  
**As of August 1, 2011**  
**(Pro Forma)**

| <i>Project</i>                                     | <i>Authorized Amount</i> | <i>Debt Previously Issued</i> | <i>This Issue: Notes Due: 7/30/12</i> | <i>Authorized but Unissued</i> | <i>Estimated Grants or Other Funds to Reduce Bond Authorization</i> |
|--|--------------------------|-------------------------------|---------------------------------------|--------------------------------|---|
| Revitalization of Public Parks.....                | \$ 684,700               | \$ 675,000                    | \$ -                                  | 9,700 <sup>2</sup>             | \$ -  |
| Main Street Culvert Replacement.....               | 800,000                  | 650,000                       | -                                     | 150,000 <sup>2</sup>           | -   |
| Matthews Street Culvert Replacement.....           | 480,000                  | 472,120                       | -                                     | 7,880 <sup>2</sup>             | -   |
| North Creek Storm Drainage Repair.....             | 700,000                  | 650,000                       | -                                     | 50,000 <sup>2</sup>            | -   |
| Reconstruction of Willis Street.....               | 350,000                  | 340,000                       | -                                     | 10,000 <sup>2</sup>            | -   |
| Camp Street Reconstruction.....                    | 102,000                  | 95,000                        | -                                     | 7,000 <sup>2</sup>             | -   |
| Bristol Centre Mall Purchase/Legal.....            | 6,275,000                | -                             | 6,275,000                             | -                              | -   |
| Bristol Centre Mall Demolition/Abatement.....      | 3,500,000                | -                             | 1,135,000                             | 2,365,000                      | -   |
| Forestville K-8 School.....                        | 53,000,000               | 12,650,000                    | -                                     | 40,350,000                     | 39,182,900  |
| West Bristol K-8 School.....                       | 52,000,000               | 12,900,000                    | -                                     | 39,100,000                     | 38,443,600  |
| Bristol Eastern High School.....                   | 21,200,000               | 10,455,000                    | -                                     | 3,202,366 <sup>1,2</sup>       | 3,202,366   |
| Bristol Central High School.....                   | 18,000,000               | 8,435,000                     | -                                     | 2,483,907 <sup>1,2</sup>       | 2,483,907   |
| Mountain View School.....                          | 14,250,945               | 5,700,300                     | -                                     | 8,550,645 <sup>2</sup>         | 8,550,567   |
| Ivy Drive School.....                              | 14,249,055               | 5,699,700                     | -                                     | 8,549,355 <sup>2</sup>         | 8,549,433   |
| Downtown Revitalization Phase I.....               | 4,200,000                | 1,685,000                     | -                                     | 2,515,000 <sup>2</sup>         | 2,000,000   |
| Perkins Street Reconstruction.....                 | 2,318,000                | 2,200,000                     | -                                     | 118,000 <sup>2</sup>           | 243,826   |
| Bristol Eastern High School Roof.....              | 1,500,000                | 520,000                       | -                                     | 200,208 <sup>1,2</sup>         | 200,208   |
| West Washington St. Bridge Improvements.....       | 1,175,000                | 797,880                       | -                                     | 377,120 <sup>2</sup>           | 377,120   |
| Brackett Park Improvements.....                    | 900,000                  | 875,000                       | -                                     | 25,000 <sup>2</sup>            | -   |
| Stafford Avenue and Milton Road Sidewalks.....     | 540,000                  | 500,000                       | -                                     | 40,000 <sup>2</sup>            | -   |
| Kilmartin Sewers.....                              | 450,000                  | -                             | -                                     | 450,000                        | -   |
| Reconstruction of Waterbury Road- Design .....     | 60,000                   | -                             | -                                     | 60,000                         | -   |
| Sediment Control Structures- Pequabuck River ..... | 20,000                   | -                             | -                                     | 20,000                         | -   |
| Fire Department Architectural Study- E4 .....      | 400,000                  | -                             | -                                     | 400,000                        | -   |
| Frederick Street/Coppermine Engineering Study....  | 81,000                   | -                             | -                                     | 81,000                         | -   |
| Marsh Road Reconstruction .....                    | 650,000                  | 504,000                       | -                                     | 146,000 <sup>2</sup>           | -   |
| Radio System Upgrade Z" release Smartzone .....    | 243,610                  | 243,000                       | -                                     | 610 <sup>2</sup>               | -   |
| HJ Mills Parking Lot Construction .....            | 880,000                  | -                             | -                                     | 880,000                        | -   |
| Broad Street Pump Station Force Main .....         | 5,460,000                | 5,400,000                     | -                                     | 60,000                         | -   |
| Water Storage Tank Replacement .....               | 821,000                  | 813,000                       | -                                     | 8,000                          | -   |
| Bike Trail.....                                    | 405,040                  | -                             | -                                     | 405,040 <sup>2</sup>           | -   |
| Merrill Court Improvements.....                    | 360,500                  | 255,000                       | -                                     | 105,500 <sup>2</sup>           | 80,500  |
| Vincent Road Storm Drainage.....                   | 240,000                  | 180,000                       | -                                     | 60,000 <sup>2</sup>            | -   |
| Public Works Garage Design.....                    | 120,000                  | -                             | -                                     | 120,000                        | -   |
| South Street Widening.....                         | 80,000                   | -                             | -                                     | 80,000                         | -   |
| <b>Total.....</b>                                  | <b>\$ 206,495,850</b>    | <b>\$ 72,695,000</b>          | <b>\$ 7,410,000</b>                   | <b>110,987,331</b>             | <b>\$ 103,314,427</b>   |

<sup>1</sup> Reduced by grants for school construction received from the State of Connecticut.

<sup>2</sup> The City does not expect to issue the balance of this appropriation.



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

**Last Five Fiscal Years**

**General Obligation**

| <b>Bonds Payable From:</b>                | <b>2010</b>       | <b>2009</b>       | <b>2008</b>       | <b>2007</b>       | <b>2006</b>       |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund <sup>2</sup> .....           | \$50,640,000      | \$54,950,000      | \$50,731,000      | \$ 55,416,000     | \$ 38,665,000     |
| Water Enterprise Fund. <sup>3</sup> ..... | 5,000,000         | -                 | 6,109,000         | 7,034,000         | 4,355,000         |
| <b>Sub-Total</b> .....                    | <b>55,640,000</b> | <b>54,950,000</b> | <b>56,840,000</b> | <b>62,450,000</b> | <b>43,020,000</b> |

**Short-Term Debt**

|                               |                     |                     |             |             |                      |
|-------------------------------|---------------------|---------------------|-------------|-------------|----------------------|
| Bond Anticipation Notes ..... | 7,410,000           | 7,410,000           | -           | -           | 11,000,000           |
| <b>Total</b> .....            | <b>\$ 7,410,000</b> | <b>\$ 7,410,000</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 11,000,000</b> |

<sup>1</sup> Amounts rounded.

<sup>2</sup> Excludes 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> |
|-------------------------------|----------------------------------|------------------------------------|--|--|--|--------------------------------|--------------------------------------|---|
| 2010                          | \$4,627,188                      | \$ 6,610,268                       | \$ 50,640                              | 1.09%  | 0.77%  | 60,477                         | \$ 837.34                            | 3.58%   |
| 2009                          | 4,614,577                        | 6,592,253                          | 54,950                                 | 1.19%  | 0.83%  | 60,927                         | 901.90                               | 3.86%   |
| 2008                          | 3,040,666                        | 4,343,809                          | 50,731                                 | 1.67%  | 1.17%  | 60,927                         | 832.65                               | 3.56%   |
| 2007                          | 2,985,957                        | 4,265,653                          | 55,416                                 | 1.86%  | 1.30%  | 60,911                         | 909.79                               | 3.89%   |
| 2006                          | 2,959,284                        | 4,227,548                          | 38,665                                 | 1.31%  | 0.91%  | 61,258                         | 631.18                               | 2.70%   |

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

<sup>2</sup> U.S. Department of Commerce, Bureau of Census, 2010. State of Connecticut, Department of Public Health, 2006-2009.

<sup>3</sup> Income per Capita: \$23,362 U.S. Department of Commerce, Bureau of Census, 2000

**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> |
|-------------------------------|------------------|-----------------|--|---|--|
| 2011 <sup>3</sup>             | \$4,310          | \$1,940         | \$6,250                                | \$173,739   | 3.60%  |
| 2010                          | 4,310            | 2,218           | 6,528                                  | 179,750   | 3.63%  |
| 2009                          | 4,681            | 1,929           | 6,610                                  | 182,895   | 3.61%  |
| 2008                          | 4,686            | 2,207           | 6,893                                  | 203,630   | 3.39%  |
| 2007                          | 4,855            | 1,507           | 6,362                                  | 165,032   | 3.86%  |

<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 2007-2010. Comptroller's Office, 2011.

## **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, 2010, 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 twenty five consecutive years including the June 30, 2010 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 eleventh consecutive year for its annual budget for fiscal year ending June 30, 2010. 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 eleventh consecutive year to the City for the Popular Annual Financial Report for the fiscal year ending June 30, 2010. 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 recommendation of the Board of Finance and approval by the legislative body, the City Council.

### **Five-Year Capital Improvement Program Summary**

| <b>Proposed Projects</b>     | <b>2011-12</b>  | <b>2012-13</b>   | <b>2013-14</b>   | <b>2014-15</b>   | <b>2015-16</b>   | <b>Total</b>     |
|------------------------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| ADA Committee.....           | \$ -            | \$ 50            | \$ 50            | \$ -             | \$ -             | \$ 100           |
| Board of Education .....     | -               | -                | 298              | 660              | -                | 958              |
| Bristol Dev. Authority ..... | -               | 200              | 2,000            | -                | -                | 2,200            |
| Information Systems .....    | -               | -                | 100              | 100              | -                | 200              |
| Fire Department .....        | -               | 1,800            | 1,800            | 2,500            | 2,500            | 8,600            |
| Parks & Recreation .....     | 990             | 2,780            | 2,975            | 1,500            | 775              | 9,020            |
| Police Department .....      | -               | -                | -                | -                | -                | -                |
| Public Works .....           | 4,931           | 5,967            | 4,217            | 6,860            | 7,460            | 29,435           |
| Water Pollution Control..... | 170             | 14,900           | 1,400            | 800              | -                | 17,270           |
| Water Department .....       | -               | 1,000            | 1,000            | 1,004            | -                | 3,004            |
| <b>TOTAL .....</b>           | <b>\$ 6,091</b> | <b>\$ 26,697</b> | <b>\$ 13,840</b> | <b>\$ 13,424</b> | <b>\$ 10,735</b> | <b>\$ 70,787</b> |
| <b>Funding Sources</b>       |                 |                  |                  |                  |                  |                  |
| General Fund Cash.....       | \$ 320          | \$ 400           | \$ 458           | \$ 480           | \$ 500           | \$ 2,158         |
| State & Federal Aid .....    | 410             | 5,000            | 500              | 500              | 500              | 6,910            |
| WPC CNR Fund.....            | 170             | 400              | 600              | 800              | -                | 1,970            |
| Other Funds.....             | -               | -                | -                | 20               | -                | 20               |
| Bonds .....                  | 5,191           | 20,897           | 12,282           | 11,624           | 9,735            | 59,729           |
| <b>TOTAL .....</b>           | <b>\$ 6,091</b> | <b>\$ 26,697</b> | <b>\$ 13,840</b> | <b>\$ 13,424</b> | <b>\$ 10,735</b> | <b>\$ 70,787</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, 2010, a balance of \$163,000 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, 2010 the Health Insurance Benefit Fund had an excess of over \$4,009,000 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, 2010.

### ***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, as provided by 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 June 30, 2010 actuarial reports:

**Interest:** 8% 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%. Forty percent 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.

### **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:** 8% 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.

**Pension Escalation:** It is assumed that pensions will increase at a compound rate of 4.50% per annum.

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

**Actuarial Cost Method:** Projected Unit Credit Actuarial Cost Method.

**Salary Basis:** Base Pay.

|  | <b>General<br/>Retirement<br/>System</b> | <b>Firefighter's<br/>Benefit Fund</b> | <b>Police<br/>Benefit Fund</b> | <b>Total</b>   |
|--|--|---------------------------------------|--------------------------------|----------------|
| Cash & Securities:   |  |                                       |                                |                |
| Adjusted Asset Value .....   | \$ 202,903,999                           | \$ 157,353,517                        | \$ 172,814,049                 | \$ 533,071,565 |
| Market Value .....   | 180,300,034                              | 140,560,083                           | 154,398,873                    | 475,258,990    |
| Unfunded Actuarial Liability .....                                       | 46,758,871                               | 94,847,832                            | (86,714,682)                   | 54,892,021     |
| Covered Payroll (est.) .....   | 30,783,005                               | 5,274,545                             | 8,377,025                      | 44,434,575     |
| Total Actuarial Liabilities .....  | 156,145,128                              | 62,505,685                            | 86,099,367                     | 304,750,180    |
| Annual Pensions .....  | 9,251,000                                | 3,017,000                             | 3,448,000                      | 15,716,000     |
| City Contribution :  |  |                                       |                                |                |
| Actual 2010-2011 .....   | -0-                                      | -0-                                   | -0-                            | -0-            |
| Funded Ratio (Adjusted Asset<br>Value to Total Actuarial Liabilities) .. | 129.9%                                   | 251.7%                                | 200.7%                         |                |

### **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 of Bristol nor the Board of Education is required to contribute to the 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. For 2009-10, 246 retirees received these benefits with a cost to the City in the amount of \$2,001,054 (amount not rounded). Please refer to Note 14 in the Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2010.

The City has designated \$1.1 million (amount not rounded) from the General Fund's unreserved fund balance for implementation of GASB 45.

The City commissioned the actuarial firm of Aon Hewitt to perform an analysis of its estimated basic liability for post-employment benefits as of June 30, 2010. The following is a summary of this analysis, dated December 2010.

| <b>Estimated Basic Liability Valuation: June 30, 2010</b>           |                |
|---|----------------|
| Present Value of all Projected Benefits ("PVPB") <sup>1</sup> ..... | \$ 120,700,875 |
| Present Value of Benefits Earned to Date ("AAL").....               | 80,451,260     |
| 2009/2010 Annual Required Contribution (ARC) <sup>2</sup> .....     | 9,322,264      |
| 2009/2010 Annual OPEB Cost.....                                     | 9,157,427      |
| <b>Annual Required Contribution: June 30, 2010</b>                  |                |
| Normal cost at End of Year. <sup>2</sup> .....                      | \$ 3,939,616   |
| AAL Amortization.....   | 5,382,648      |
| Total Annual Required Contribution.....                             | \$ 9,322,264   |

<sup>1</sup> As of 7/1/2009

<sup>2</sup> ARC reflects a 30-year, level amortization of the unfunded AAL.

The City contributed \$312,500 to OPEB for fiscal year 2010 and \$390,625 for fiscal year 2011.

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

|   | <b>Budget<br/>2012<sup>1</sup></b> | <b>Est. Actual<br/>2011<sup>1</sup></b> | <b>Actual 2010</b> | <b>Actual 2009</b> | <b>Actual<br/>2008</b> |
|---|------------------------------------|---|--------------------|--------------------|------------------------|
| <b>Revenues:</b>  |                                    |   |                    |                    |                        |
| Taxes and assessments .....   | \$ 116,174                         | \$ 116,950                              | \$ 110,760         | \$ 110,048         | \$ 105,498             |
| Interest and lien fees .....  | 570                                | 883                                     | 1,073              | 1,087              | 1,012                  |
| Licenses and permits .....  | 743                                | 1,105                                   | 805                | 824                | 946                    |
| Intergovernmental .....   | 49,386                             | 51,210                                  | 60,286             | 62,075             | 90,193                 |
| Charges for Services .....  | 2,984                              | 2,908                                   | 4,149              | 3,778              | 4,237                  |
| Investment Income .....   | 105                                | 153                                     | 271                | 960                | 2,067                  |
| Sale of property and equipment .....  | 50                                 | 20                                      | -                  | -                  | -                      |
| Miscellaneous .....   | 1,135                              | 622                                     | 834                | 793                | 1,009                  |
| <b>Total Revenues</b> .....   | <b>171,147</b>                     | <b>173,851</b>                          | <b>178,178</b>     | <b>179,565</b>     | <b>204,962</b>         |
| <b>Expenditures:</b>  |                                    |   |                    |                    |                        |
| General government .....  | 5,638                              | 5,450                                   | 5,775              | 6,257              | 6,278                  |
| Public safety .....   | 21,778                             | 21,550                                  | 21,477             | 20,767             | 20,499                 |
| Public works .....  | 11,358                             | 11,058                                  | 10,577             | 14,214             | 12,580                 |
| Health and Welfare .....  | 2,746                              | 4,832                                   | 5,026              | 5,121              | 4,646                  |
| Libraries .....   | 2,004                              | 1,987                                   | 1,971              | 1,958              | 1,980                  |
| Parks and Recreation .....  | 2,280                              | 2,385                                   | 2,210              | 2,278              | 2,275                  |
| Education .....   | 83,050                             | 86,000                                  | 95,615             | 96,364             | 121,810                |
| Employee Benefits .....   | 5,516                              | 4,897                                   | 2,637              | 2,702              | 2,892                  |
| Insurance .....   | 1,034                              | 897                                     | 589                | 681                | 655                    |
| Miscellaneous .....   | 3,582                              | 3,000                                   | 792                | 758                | 837                    |
| <b>Total Expenditures</b> .....   | <b>138,986</b>                     | <b>142,056</b>                          | <b>146,669</b>     | <b>151,100</b>     | <b>174,452</b>         |
| <b>Operating Results</b> .....  | <b>32,161</b>                      | <b>31,795</b>                           | <b>31,509</b>      | <b>28,465</b>      | <b>30,510</b>          |
| <b>Other Financing Source (Uses):</b>   |                                    |   |                    |                    |                        |
| Operating transfers in & Other .....  | 3                                  | 338                                     | 2,053              | 1,868              | 1,787                  |
| Operating transfers (out) .....   | (32,164)                           | (31,683)                                | (33,081)           | (31,795)           | (30,965)               |
| <b>Net Other Financing Sources (Uses)</b> ....  | <b>(32,161)</b>                    | <b>(31,345)</b>                         | <b>(31,028)</b>    | <b>(29,927)</b>    | <b>(29,178)</b>        |
| <b>Excess (Deficiency) of Revenues and<br/>Other Financing Sources over<br/>Expenditures and Other Financing<br/>Uses</b> ..... |                                    |   |                    |                    |                        |
|   | N/A                                | 450                                     | 481                | (1,462)            | 1,332                  |
| <b>Fund Balance, July 1</b> .....   | N/A                                | 28,072                                  | 27,591             | 29,053             | 27,721                 |
| <b>Fund Balance, June 30</b> .....  | N/A                                | <b>\$ 28,522</b>                        | <b>\$ 28,072</b>   | <b>\$ 27,591</b>   | <b>\$ 29,053</b>       |

**Analysis of General Fund Equity**

|   | <b>Budget<br/>2012<sup>1</sup></b> | <b>Est. Actual<br/>2011<sup>1</sup></b> | <b>Actual 2010</b> | <b>Actual<br/>2009</b> | <b>Actual<br/>2008</b> |
|---|------------------------------------|---|--------------------|------------------------|------------------------|
| Reserved for encumbrances.....                  | N/A                                | \$ 350                                  | \$ 249             | \$ 496                 | \$ 1,350               |
| Reserved for landfill closure.....              | N/A                                | 510                                     | 500                | 502                    | 509                    |
| Unreserved :                                    |                                    |   |                    |                        |                        |
| Designated for subsequent year .....            | N/A                                | 750                                     | 875                | 2,895                  | 1,120                  |
| Designated for specific projects & purposes ... | N/A                                | 6,700                                   | 6,552              | 6,053                  | 10,639                 |
| Undesignated .....                              | N/A                                | 20,212                                  | 19,896             | 17,645                 | 15,435                 |
| <b>Total Fund Balance</b> .....                 | <b>N/A</b>                         | <b>\$ 28,522</b>                        | <b>\$ 28,072</b>   | <b>\$ 27,591</b>       | <b>\$ 29,053</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)

|  | Actual<br>2010   | Actual<br>2009   | Actual<br>2008   | Actual<br>2007   | Actual<br>2006            |
|--|------------------|------------------|------------------|------------------|---------------------------|
| <b>Operating Revenues:</b>   |                  |                  |                  |                  |                           |
| Charges for services .....   | \$ 5,475         | \$ 5,264         | \$ 5,342         | \$ 5,297         | \$ 5,521                  |
| Miscellaneous .....  | 193              | 129              | 155              | 131              | 140                       |
| <b>Total Operating Revenues</b>  | <b>5,668</b>     | <b>5,393</b>     | <b>5,497</b>     | <b>5,428</b>     | <b>5,661</b>              |
| <b>Operating Expenses:</b>   |                  |                  |                  |                  |                           |
| Source of supply .....   | 127              | 212              | 146              | 228              | 149                       |
| Pumping .....  | 250              | 307              | 261              | 214              | 208                       |
| Purification .....   | 1,028            | 1,171            | 1,055            | 1,018            | 903                       |
| Transmission and distribution .....  | 1,150            | 1,150            | 1,023            | 1,354            | 918                       |
| Customer accounts, administrative<br>and general .....                     | 2,120            | 2,050            | 1,984            | 1,860            | 1,672                     |
| Depreciation .....   | 775              | 852              | 808              | 805              | 829                       |
| Taxes other than income taxes .....  | 558              | 397              | 375              | 331              | 385                       |
| Loss on disposal .....   | -                | -                | -                | -                | -                         |
| <b>Total Operating Expenses</b> .....                                      | <b>6,008</b>     | <b>6,139</b>     | <b>5,652</b>     | <b>5,810</b>     | <b>5,064</b>              |
| <b>Operating Income (Loss)</b> .....                                       | <b>(340)</b>     | <b>(746)</b>     | <b>(155)</b>     | <b>(382)</b>     | <b>597</b>                |
| <b>Non-Operating Revenue (Expenses):</b>                                   |                  |                  |                  |                  |                           |
| Interest income (loss) .....   | 451              | 661              | 320              | 325              | 84                        |
| Interest expense .....   | (186)            | (251)            | (226)            | (246)            | (210)                     |
| Other, net .....   | -                | -                | -                | -                | -                         |
| Loss on disposal .....   | (9)              | (63)             | (53)             | (57)             | (48)                      |
| Amortization of debt discount and expense.....                             | (5)              | (5)              | (5)              | (41)             | (41)                      |
| <b>Total Non-Operating Revenues<br/>(Expenses)</b> .....                   | <b>251</b>       | <b>342</b>       | <b>36</b>        | <b>(19)</b>      | <b>(215)</b>              |
| Income (loss) before capital contribution<br>and operating transfers ..... | (89)             | (404)            | (119)            | (401)            | 382                       |
| Capital Contribution .....   | 33               | 30               | 90               | 209              | 19                        |
| Change in Net Assets .....   | (56)             | (374)            | (29)             | (192)            | 401                       |
| <b>Fund Balance, July 1</b> .....  | <b>24,321</b>    | <b>24,695</b>    | <b>24,724</b>    | <b>24,916</b>    | <b>24,515<sup>1</sup></b> |
| <b>Fund Balance, June 30</b> .....   | <b>\$ 24,265</b> | <b>\$ 24,321</b> | <b>\$ 24,695</b> | <b>\$ 24,724</b> | <b>\$ 24,916</b>          |

<sup>1</sup> As restated.

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**Bristol Water Department  
Balance Sheet  
June 30, 2010  
(In Thousands)**

**Assets and Other Debits**

|                                      |                      |
|--------------------------------------|----------------------|
| Current Assets:                      |                      |
| Cash and cash equivalents .....      | \$ 411               |
| Investments .....                    | 3,459                |
| Receivables, net .....               | 1,068                |
| Inventories .....                    | 180                  |
| Other assets .....                   | -                    |
| <b>Total Current Assets</b> .....    | <b>5,118</b>         |
| Noncurrent Assets:                   |                      |
| Other deferred charges .....         | 18                   |
| Capital assets:                      |                      |
| Assets not being depreciated.....    | 2,750                |
| Assets being depreciated, net.....   | <u>22,916</u>        |
| <b>Total Noncurrent Assets</b> ..... | <b>25,684</b>        |
| <b>Total Assets</b> .....            | <b><u>30,802</u></b> |

**Liabilities, Equity and Other Credits**

|   |                         |
|---|-------------------------|
| Current Liabilities:                                  |                         |
| Accounts and contracts payable .....                  | 329                     |
| Payroll liabilities .....                             | 97                      |
| Customer deposits .....                               | 677                     |
| Deferred credits .....                                | 21                      |
| Compensated absences .....                            | 42                      |
| Bonds payable .....                                   | <u>550</u>              |
| <b>Total Current Liabilities</b> .....                | <b>1,716</b>            |
| Non-current Liabilities:                              |                         |
| Compensated absences .....                            | 372                     |
| Bonds payable .....                                   | <u>4,449</u>            |
| <b>Total Noncurrent Liabilities</b> .....             | <b>4,821</b>            |
| <b>Total Liabilities</b> .....                        | <b>6,537</b>            |
| Net Assets:   |                         |
| Invested in capital assets, net of related debt ..... | 20,667                  |
| Unrestricted .....                                    | <u>3,598</u>            |
| <b>Total Net Assets</b> .....                         | <b>24,265</b>           |
| <b>Total Liabilities and Fund Equity</b> .....        | <b><u>\$ 30,802</u></b> |

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## **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 Notes, the winning purchaser(s) 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 Notes 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 sale date of the Notes, the description and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Notes.
4. The approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut.
5. An executed Continuing Disclosure Agreement for the Notes in substantially the form attached hereto as Appendix C to this Official Statement.
6. The City of Bristol has prepared an Official Statement for the Notes which is dated July 15, 2011. The City deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(1), but it is subject to revision or amendment. The City will make available to the winning bidder(s) of the Notes ten (10) copies of the final Official Statement at the City's expense. The copies of the Official Statement will be made available to the winning bidder(s) at the office of the City's financial advisor no later than seven business days of the bid opening. If the City's financial advisor is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Notes are received, the copies of the final Official Statement will include an additional cover page and other pages indicating the interest rates, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, and any changes on the Securities. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser.

A record of the proceedings taken by the City in authorizing the Notes 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 Notes. 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 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 and its accuracy is not guaranteed.

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/ Art Ward*

---

ARTHUR WARD, *Mayor*

*/s/ Richard Miecznikowski*

---

RICHARD MIECZNIKOWSKI, *Chairman and Agent of the Board of Finance*

*/s/ Glenn S. Klocko*

---

GLENN S. KLOCKO, *Comptroller*

Dated: July 21, 2011

## ***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, 2010. 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, Managing Director, Phoenix Advisors, LLC, 53 River Street, Suite #3, Milford, Connecticut. Telephone (203) 878-4945.

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Accounting | Tax | Business Consulting

## Independent Auditors' Report

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

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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2010 on our consideration of the City of Bristol'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 14 and budgetary comparison information on pages 54 through 65 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

December 27, 2010



**CITY OF BRISTOL, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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, 2010. 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 assets decreased by \$4.9 million as a result of this year's operations. While net assets of our business-type decreased by \$56 thousand, or less than one percent, net assets of our governmental activities decreased by \$4.8 million, or 2%. Decreases were primarily due to depreciation expenses exceeding the aggregate acquisition of any new assets during the fiscal year and expenses exceeding actual revenues during the year.
- During the year, the City had expenses that were \$4.9 million more than the \$208.1 million generated in tax and other revenues for governmental programs and business activities. Revenues not exceeding expenses are clearly a result of a recessionary economy resulting in lower than expected revenues while maintaining budgeted expense service levels.
- In the City's business-type activities, revenues increased \$68 thousand or 1.1% while expenses decreased by 3.9%. A slight decrease in user charges were offset by a doubling of current investment earnings over prior year results. The earnings were a result of high cash and reserve levels.
- Total cost of all of the City's programs was \$213 million with no new programs added this year. This represents a \$3.4 million reduction compared to fiscal year 2009. The reduction represents, in part, reduced budget appropriations and mid-year freezes in open employee positions and overtime.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$19.9 million, or 11.07% of general fund expenditures and transfers out.
- The tax collection rate was 98.32% of the current levy, which includes current interest and liens equaling last year's rate of 98.15%.
- The City designated \$1.1 million of fund balance for Governmental Accounting Standards Board (GASB) Statement No. 45, which requires recognition of Other Post Employment Benefits (OPEB) other than pension benefits. An additional \$390 thousand is budgeted for OPEB designation in the 2010-2011 budget.
- The City of Bristol's total debt decreased by \$5.1 million to \$59.2 million or 7.9% during the current fiscal year. The key factors in this decrease were the scheduled debt service payments made and no new tax exempt long-term general obligation debt issuance. The City also "rolled over" (reissued) \$7.41 million in taxable general obligation bond anticipation notes originally issued in 2009.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The statement of net assets 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 assets 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 assets and changes in them. The City's net assets, 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 assets 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 assets 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 assets 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, VI and 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 assets 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 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 assets and changes in fiduciary net assets. 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 assets decreased from a year ago from \$263.2 million to \$258.3 million. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities.

**TABLE 1**  
**NET ASSETS**  
*(in thousands)*

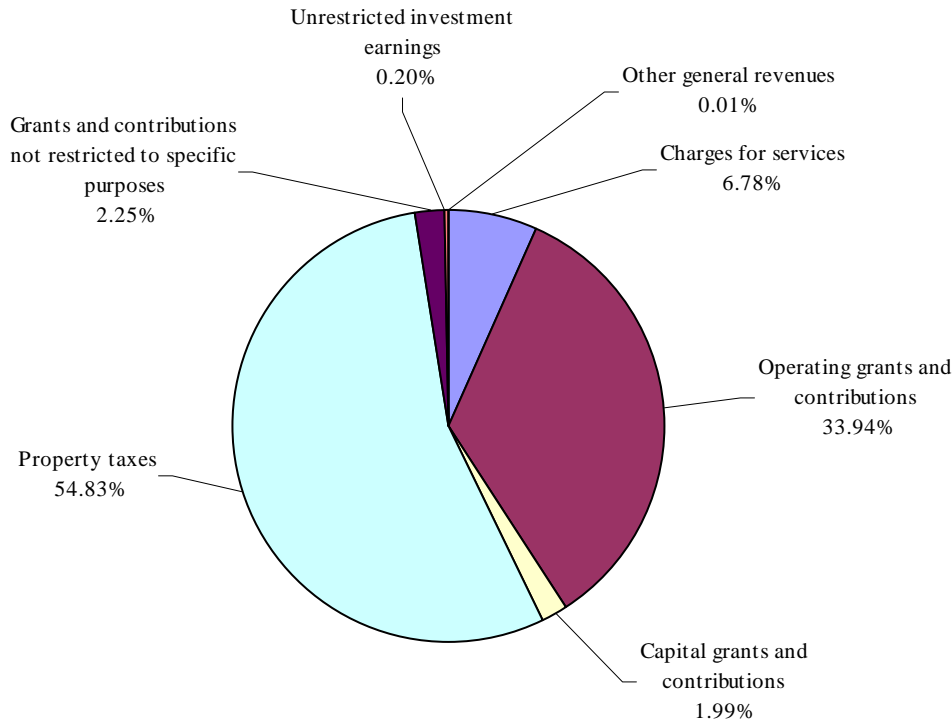
|  | <b>Governmental<br/>Activities</b> |                   | <b>Business-Type<br/>Activities</b> |                  | <b>Total<br/>Primary Government</b> |                   |
|--|------------------------------------|-------------------|-------------------------------------|------------------|-------------------------------------|-------------------|
|  | <b>2010</b>                        | <b>2009</b>       | <b>2010</b>                         | <b>2009</b>      | <b>2010</b>                         | <b>2009</b>       |
| Current assets                                     | \$ 81,783                          | \$ 84,731         | \$ 5,136                            | \$ 5,236         | \$ 86,919                           | \$ 89,967         |
| Capital assets, net of<br>accumulated depreciation | 267,905                            | 267,760           | 25,666                              | 26,141           | 293,571                             | 293,901           |
| Total assets                                       | <u>349,688</u>                     | <u>352,491</u>    | <u>30,802</u>                       | <u>31,377</u>    | <u>380,490</u>                      | <u>383,868</u>    |
| Long-term liabilities<br>outstanding               | 88,330                             | 87,145            | 5,413                               | 5,986            | 93,743                              | 93,131            |
| Other liabilities                                  | 27,258                             | 26,428            | 1,124                               | 1,070            | 28,382                              | 27,498            |
| Total liabilities                                  | <u>115,588</u>                     | <u>113,573</u>    | <u>6,537</u>                        | <u>7,056</u>     | <u>122,125</u>                      | <u>120,629</u>    |
| Net Assets:  |                                    |                   |                                     |                  |                                     |                   |
| Invested in capital assets,<br>net of related debt | 206,272                            | 201,557           | 20,667                              | 20,592           | 226,939                             | 222,149           |
| Restricted   | 655                                | 557               |                                     |                  | 655                                 | 557               |
| Unrestricted                                       | <u>27,173</u>                      | <u>36,804</u>     | <u>3,598</u>                        | <u>3,729</u>     | <u>30,771</u>                       | <u>40,533</u>     |
| Total Net Assets                                   | <u>\$ 234,100</u>                  | <u>\$ 238,918</u> | <u>\$ 24,265</u>                    | <u>\$ 24,321</u> | <u>\$ 258,365</u>                   | <u>\$ 263,239</u> |

Net assets of the City's governmental activities decreased by 2 % or \$234.1 million compared to a prior \$238.9 million. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements is \$27.2 million at the end of this year. The net assets of business-type activities decreased by \$56 thousand in 2010 compared to 2009.

**TABLE 2**  
**CHANGES IN NET ASSETS**  
(in thousands)

|  | <b>Governmental</b> |                   | <b>Business-Type</b> |                 | <b>Total</b>              |                   |
|--|---------------------|-------------------|----------------------|-----------------|---------------------------|-------------------|
|  | <b>Activities</b>   |                   | <b>Activities</b>    |                 | <b>Primary Government</b> |                   |
|  | <b>2010</b>         | <b>2009</b>       | <b>2010</b>          | <b>2009</b>     | <b>2010</b>               | <b>2009</b>       |
| Revenues:  |                     |                   |                      |                 |                           |                   |
| Program revenues:  |                     |                   |                      |                 |                           |                   |
| Charges for services   | \$ 13,687           | \$ 13,450         | \$ 5,668             | \$ 5,393        | \$ 19,355                 | \$ 18,843         |
| Operating grants and contributions                           | 68,554              | 67,428            |                      |                 | 68,554                    | 67,428            |
| Capital grants and contributions                             | 4,014               | 2,896             | 33                   | 30              | 4,047                     | 2,926             |
| General revenues:  |                     |                   |                      |                 |                           |                   |
| Property taxes   | 110,752             | 111,163           |                      |                 | 110,752                   | 111,163           |
| Grants and contributions not restricted to specific programs | 4,553               | 5,421             |                      |                 | 4,553                     | 5,421             |
| Unrestricted investment earnings                             | 396                 | 1,332             | 451                  | 661             | 847                       | 1,993             |
| Other general revenues                                       | 25                  | 82                |                      |                 | 25                        | 82                |
| Total revenues   | <u>201,981</u>      | <u>201,772</u>    | <u>6,152</u>         | <u>6,084</u>    | <u>208,133</u>            | <u>207,856</u>    |
| Program expenses:  |                     |                   |                      |                 |                           |                   |
| General government   | 14,433              | 14,551            |                      |                 | 14,433                    | 14,551            |
| Public safety  | 31,548              | 29,854            |                      |                 | 31,548                    | 29,854            |
| Public works   | 24,696              | 28,190            |                      |                 | 24,696                    | 28,190            |
| Health and welfare   | 5,656               | 6,445             |                      |                 | 5,656                     | 6,445             |
| Libraries  | 2,651               | 2,933             |                      |                 | 2,651                     | 2,933             |
| Parks and recreation   | 2,972               | 3,032             |                      |                 | 2,972                     | 3,032             |
| Education  | 122,597             | 122,846           |                      |                 | 122,597                   | 122,846           |
| Interest on long-term debt                                   | 2,246               | 2,063             |                      |                 | 2,246                     | 2,063             |
| Water  |                     |                   | 6,208                | 6,458           | 6,208                     | 6,458             |
| Total program expenses                                       | <u>206,799</u>      | <u>209,914</u>    | <u>6,208</u>         | <u>6,458</u>    | <u>213,007</u>            | <u>216,372</u>    |
| Decrease in Net Assets                                       | <u>\$ (4,818)</u>   | <u>\$ (8,142)</u> | <u>\$ (56)</u>       | <u>\$ (374)</u> | <u>\$ (4,874)</u>         | <u>\$ (8,516)</u> |

The City's total revenues were \$208.1 million. The total cost of all programs and services was \$213 million. Our pie chart analysis below considers the operations of governmental and business-type activities.



### ***Governmental Activities***

Governmental Activities decreased the City of Bristol's net assets by \$4.8 million, thereby accounting for 98.9% of the total decline in the net assets of the City of Bristol. The prior year decline in net assets was \$8.1 million. Key elements of this decline with off setting increases are as follows:

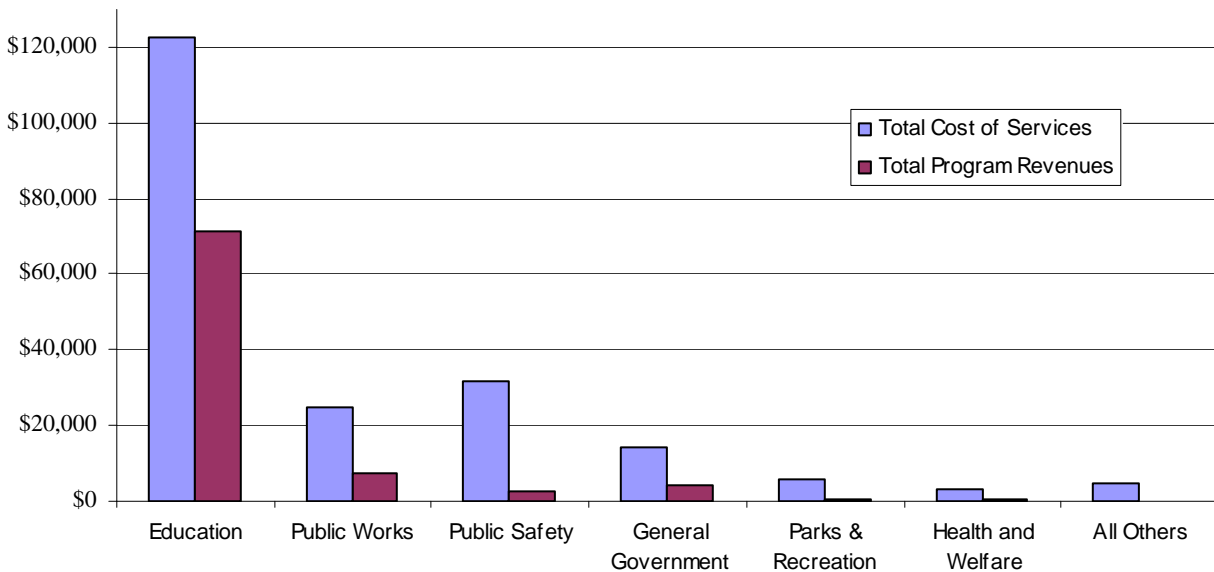
- Taxes and Assessment collections increased by \$706 thousand (.64 %) during the year. Most of this increase is the product of an increased mill rate and emphasis on collection of delinquent taxes.
- Operating grants and contributions for governmental activities increased by \$1.1 million, mostly as a result of the federal stimulus monies afforded exclusively to the City's education Department.
- Charges for services increased \$237 thousand. This is a direct result of police extra duty services provided at a State road refurbishment project.
- Investment earnings dropped \$662 thousand. Once again, a reflection of investment rates in a recessionary economy.
- Public Works expenses significantly decreased due to significant budget reductions for vehicle replacements and elimination and/or restructuring of departmental staffing (11 positions eliminated).
- For the most part, increases in expenses closely paralleled inflationary costs for utilities, operational contractual obligations and double digit 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 \$8.27 million, last year the amount was \$8.25 million.

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>2010</u>                   | <u>2009</u>       | <u>2010</u>                 | <u>2009</u>       |
| Education            | \$ 122,597                    | \$ 122,846        | \$ 51,225                   | \$ 54,337         |
| Public works         | 24,696                        | 28,190            | 17,505                      | 20,444            |
| Public safety        | 31,548                        | 29,854            | 28,974                      | 27,534            |
| General government   | 14,433                        | 14,551            | 10,467                      | 11,218            |
| Health and welfare   | 5,656                         | 6,445             | 5,366                       | 5,552             |
| Parks and recreation | 2,972                         | 3,032             | 2,235                       | 2,181             |
| All others           | 4,897                         | 4,996             | 4,772                       | 4,874             |
| Total                | <u>\$ 206,799</u>             | <u>\$ 209,914</u> | <u>\$ 120,544</u>           | <u>\$ 126,140</u> |

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



***Business-type Activities***

Revenues of the City’s business-type activities (see Table 2) were approximately the same at \$6.2 million in 2010 compared to \$6.1 million in 2009 and expenses decreased by 3.9%. The factors influencing these results included:

- There were no increases to water consumption and no rate increases.
- Decreases to expenses were due to reduced costs for water treatment plant chemicals which are typically used in large quantities for the operations of the plant.

## 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 \$30.7 million.

Approximately 47% of this total amount (\$14.3 million) constitutes *unreserved fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is *reserved* 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 purposes.

The General Fund is the chief operating fund of the City of Bristol. At the end of the current fiscal year, *unreserved fund balance* of the general fund was \$27.3 million, while total fund balance reached \$28.1 million. As a measure of the general fund's liquidity, it may be useful to compare both *unreserved fund balance* and total fund balance to total fund expenditures. *Unreserved fund balance* represents 18.6% of total general fund expenditures, while total fund balance represents 19.1% of that same amount.

The unreserved undesignated fund balance of the City of Bristol's General Fund increased by \$2.3 million during the current fiscal year. A key factor for this was a planned reduction of designated fund balance shifted to undesignated fund balance.

The Debt Service Fund has a total fund balance of \$714 thousand, all of which is reserved 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 assets of the Water Department and Health Benefits and Workers' Compensation funds at the end of the year amounted to \$8.2 million, of that amount; the Health Benefits and Workers' Compensation fund has accumulated \$4.6 million of net assets, which is equal to the funds unrestricted net assets. This fund is self funded and has experienced increasingly high year-to-year medical claims. To demonstrate this increasing expense trend, current year expenses were \$28.8 million compared to 2009 expenses of \$28.6 million and \$26.7 million in 2008.

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:*

- Property Tax Collections are estimated at 98.02%. Actual collections were 100.34% of the budgeted amount.
- State grants are budgeted with available known estimates from the State. Some state grants exceeded 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.
- Building permit collections variance was \$36 thousand under budgeted estimates. This revenue source is economy driven.

- Vital Statistics are fees collected for recording marriages and deaths during the year. A \$56 thousand positive variance was by all estimates compared to prior year's collections, a one time anomaly.
- State and Federal grant estimates and resulting variances for our larger state provided grants, such as the Educational Cost Sharing and Public (child) transportation grants, are subject to political debate and approval at the state level and are not of local control.
- Interest income on idle general fund monies were significantly under budgeted amounts. The depth and duration of the recession could not have been accurately predicted. The budget for this revenue source is estimated 12-18 months prior to known economic activity.
- School tuition expenses are difficult to estimate since it is relatively unknown the total change in students switching school districts.

*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 by the associated costs of overtime for unplanned local emergencies and contractual replacement for sick or injured personnel.
- A \$9.4 million transfer from Other Financing Uses (department) refers to the collection of health benefits budgeted within the City side of the General Fund is combined with \$12.9 million from the education side of the General Fund budget, which reflects a similar amount transferred in to Other Financing Services- Internal Service (health benefits) fund. The total transfer-in from all sources for health benefits is \$22.3 million.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### *Capital Assets*

At June 30, 2010, the City had \$293.5 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 \$400 thousand, or .14%, over last year.



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

|                                  | <b>Governmental</b> |                 | <b>Business-Type</b> |                | <b>Total</b>              |                 |
|----------------------------------|---------------------|-----------------|----------------------|----------------|---------------------------|-----------------|
|                                  | <b>Activities</b>   |                 | <b>Activities</b>    |                | <b>Primary Government</b> |                 |
|                                  | <b>2010</b>         | <b>2009</b>     | <b>2010</b>          | <b>2009</b>    | <b>2010</b>               | <b>2009</b>     |
| Land                             | \$ 17.5             | \$ 15.6         | \$ 2.7               | \$ 2.7         | \$ 20.2                   | \$ 18.3         |
| Construction in progress         | 34.4                | 30.9            |                      |                | 34.4                      | 30.9            |
| Buildings                        | 99.1                | 101.3           | 21.3                 | 22.0           | 120.4                     | 123.3           |
| Improvement other than buildings | 2.1                 | 2.3             |                      |                | 2.1                       | 2.3             |
| Machinery and equipment          | 15.0                | 15.7            | 1.6                  | 1.4            | 16.6                      | 17.1            |
| Infrastructure                   | 99.8                | 102.0           |                      |                | 99.8                      | 102.0           |
| <b>Total</b>                     | <b>\$ 267.9</b>     | <b>\$ 267.8</b> | <b>\$ 25.6</b>       | <b>\$ 26.1</b> | <b>\$ 293.5</b>           | <b>\$ 293.9</b> |

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

**Land**

- Increase represents irregular and small land pieces remaining from new residential developments and donated to the City by the developers.

**Construction Work in Progress**

- Decrease represents projects completed during the year and reclassified to buildings.

**Infrastructure**

- Increase accounts for completed road, bridge and cul-de-sac improvements or replacements as provided by the operations budget and the 5 Year Capital Improvement Plan (C.I.P) the first year funding representing the Capital Budget.

| <b>Fiscal Year 2010<br/>Capital Budget</b> |                                   |
|--|-----------------------------------|
| <b><u>Department</u></b>                   |                                   |
| Public Works                               | \$5,503,000                       |
| Parks & Recreation                         | 2,655,000                         |
| Water Pollution Control                    | 420,000                           |
| Information Systems                        | 300,000                           |
| Police                                     | 150,000                           |
| Bristol Development Authority              | 2,300,000                         |
| Water                                      | 500,000                           |
| <b>Total All Departments</b>               | <b><u><u>\$11,828,000</u></u></b> |
| <br><b><u>Funding</u></b>                  |                                   |
| Sale of Bonds                              | \$7,500,000                       |
| State/Federal Grants                       | 2,550,000                         |
| General Fund Reserve                       | 510,000                           |
| General Fund Cash                          | 75,000                            |
| LoCIP                                      | 413,000                           |
| WPC CNR Cash                               | 420,000                           |
| Other Funds                                | 360,000                           |
| <b>Total All Funding</b>                   | <b><u><u>\$11,828,000</u></u></b> |

The City's fiscal year 2009-2010 capital budget called for it to spend \$11.8 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
- Main Street Streetscapes project
- Water storage tank improvements throughout the City
- Upgrade City Control signals
- Continuation of public park revitalization efforts
- Continuation of fiberoptic connections to all City Buildings
- Upgrades to the Broad Street Pump Station

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

**Long-term debt**

At June 30, 2010 the City had \$59.2 million in bonds or notes outstanding versus \$64.3 million last year – a decrease of 7.9 % – as shown in Table 5.

**TABLE 5**  
**OUTSTANDING DEBT, AT YEAR-END**  
(in millions)

|  | <u>Governmental</u><br><u>Activities</u> |                | <u>Business-Type</u><br><u>Activities</u> |               | <u>Total</u><br><u>Primary Government</u> |                |
|--|--|----------------|---|---------------|---|----------------|
|  | <u>2010</u>                              | <u>2009</u>    | <u>2010</u>                               | <u>2009</u>   | <u>2010</u>                               | <u>2009</u>    |
| General Obligation Bonds<br>(Backed by the City) | \$ <u>54.2</u>                           | \$ <u>58.8</u> | \$ <u>5.0</u>                             | \$ <u>5.5</u> | \$ <u>59.2</u>                            | \$ <u>64.3</u> |

The City also “rolled over” (reissued) \$7.41 million in taxable general obligation notes originally issued in 2009.

The City also paid \$6.53 million on previously issued debt service obligations.

The City’s general obligation bond ratings are Aa3 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 \$783 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 9 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 2010 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 9.5 % versus 8.5 % a year ago. This compares with the State’s unemployment rate of 8.5 % (seasonally adjusted) and the national rate of 9.3 %.

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 89% of the state’s average and 107% of the nation’s average.

These indicators were taken into account when adopting the General Fund budget for 2010-11. Amounts appropriated in the 2010-2011 General Fund budget are \$170.9 million, an increase of \$100 thousand over the previous year’s budget of approximately \$170.8 million. The property tax rate increased 1.25 mills to 27.24 mills.

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, 2010. 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. In addition, the Mayor instituted a hiring freeze, restricted overtime usage and limited expenditures for conferences, dues and travel to help offset revenue deficiencies.

The City of Bristol has appropriated \$875 thousand of its \$28.1 million total fund balance to balance its 2010-2011 operating budget. This represents a decrease of \$125 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%) to retained earnings based on sales over the past three fiscal years. Expense increases will be primarily due to salaries and benefits other expenses will remain flat. 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 Comptrollers Office, City of Bristol, 111 North Main Street, Bristol, Connecticut, 06010.

# **Basic Financial Statements**

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## CITY OF BRISTOL, CONNECTICUT

## STATEMENT OF NET ASSETS

JUNE 30, 2010

(In Thousands)

|  | Primary Government         |                             |                   | Component Unit                            |
|--|----------------------------|-----------------------------|-------------------|---|
|  | Governmental<br>Activities | Business-Type<br>Activities | Total             | Bristol-<br>Burlington<br>Health District |
| Assets:  |                            |                             |                   |   |
| Cash and cash equivalents                      | \$ 60,067                  | \$ 411                      | \$ 60,478         | \$ 936                                    |
| Investments                                    | 375                        | 3,459                       | 3,834             |   |
| Receivables, net                               | 14,172                     | 1,068                       | 15,240            | 91  |
| Inventory                                      | 53                         | 180                         | 233               |   |
| Other assets                                   | 7,116                      | 18                          | 7,134             |   |
| Capital assets:                                |                            |                             |                   |   |
| Assets not being depreciated                   | 51,907                     | 2,750                       | 54,657            |   |
| Assets being depreciated, net                  | 215,998                    | 22,916                      | 238,914           | 107                                       |
| Total assets                                   | <u>349,688</u>             | <u>30,802</u>               | <u>380,490</u>    | <u>1,134</u>                              |
| Liabilities:                                   |                            |                             |                   |   |
| Accounts and other payables                    | 7,533                      | 329                         | 7,862             | 84  |
| Accrued liabilities                            | 10,676                     | 97                          | 10,773            | 30  |
| Bond anticipation notes payable                | 7,410                      |                             | 7,410             |   |
| Other current liabilities                      |                            | 677                         | 677               |   |
| Unearned revenue                               | 1,639                      | 21                          | 1,660             |   |
| Noncurrent liabilities:                        |                            |                             |                   |   |
| Due within one year                            | 10,601                     | 592                         | 11,193            | 54  |
| Due in more than one year                      | 77,729                     | 4,821                       | 82,550            | 31  |
| Total liabilities                              | <u>115,588</u>             | <u>6,537</u>                | <u>122,125</u>    | <u>199</u>                                |
| Net Assets:                                    |                            |                             |                   |   |
| Invested in capital assets net of related debt | 206,272                    | 20,667                      | 226,939           | 107                                       |
| Restricted for:                                |                            |                             |                   |   |
| Trust purposes:                                |                            |                             |                   |   |
| Expendable                                     | 236                        |                             | 236               |   |
| Nonexpendable                                  | 419                        |                             | 419               |   |
| Unrestricted                                   | <u>27,173</u>              | <u>3,598</u>                | <u>30,771</u>     | <u>828</u>                                |
| Total Net Assets                               | <u>\$ 234,100</u>          | <u>\$ 24,265</u>            | <u>\$ 258,365</u> | <u>\$ 935</u>                             |

The accompanying notes are an integral part of the financial statements

## CITY OF BRISTOL, CONNECTICUT

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

(In Thousands)

| Functions/Programs   | Net (Expense) Revenue and Changes in Net Assets |                      |                                    |                                  |                         |                          |                   |                                    |
|--|---|----------------------|------------------------------------|----------------------------------|-------------------------|--------------------------|-------------------|------------------------------------|
|  | 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   | \$ 14,433                                       | \$ 2,481             | \$ 1,272                           | \$ 213                           | \$ (10,467)             | \$ (10,467)              | \$                |                                    |
| Public safety  | 31,548  | 2,093                | 481                                |                                  | (28,974)                | (28,974)                 |                   |                                    |
| Public works   | 24,696  | 6,582                | 372                                | 237                              | (17,505)                | (17,505)                 |                   |                                    |
| Health and welfare   | 5,656   | 8                    | 282                                |                                  | (5,366)                 | (5,366)                  |                   |                                    |
| Libraries  | 2,651   | 38                   | 87                                 |                                  | (2,526)                 | (2,526)                  |                   |                                    |
| Parks and recreation   | 2,972   | 353                  | 328                                | 56                               | (2,235)                 | (2,235)                  |                   |                                    |
| Education  | 122,597   | 2,132                | 65,732                             | 3,508                            | (51,225)                | (51,225)                 |                   |                                    |
| Debt service:  |   |                      |                                    |                                  |                         |                          |                   |                                    |
| Interest and fiscal charges                                  | 2,246   |                      |                                    |                                  | (2,246)                 | (2,246)                  |                   |                                    |
| Total governmental activities                                | <u>206,799</u>                                  | <u>13,687</u>        | <u>68,554</u>                      | <u>4,014</u>                     | <u>(120,544)</u>        | <u>-</u>                 | <u>(120,544)</u>  | <u>-</u>                           |
| Business-type activities:                                    |   |                      |                                    |                                  |                         |                          |                   |                                    |
| Water  | <u>6,208</u>                                    | <u>5,668</u>         |                                    | <u>33</u>                        |                         | <u>(507)</u>             | <u>(507)</u>      |                                    |
| Total Primary Government                                     | <u>\$ 213,007</u>                               | <u>\$ 19,355</u>     | <u>\$ 68,554</u>                   | <u>\$ 4,047</u>                  | <u>(120,544)</u>        | <u>(507)</u>             | <u>(121,051)</u>  | <u>-</u>                           |
| Component Unit:  |   |                      |                                    |                                  |                         |                          |                   |                                    |
| Bristol-Burlington Health District                           | <u>\$ 3,038</u>                                 | <u>\$ 198</u>        | <u>\$ 2,809</u>                    | <u>\$ -</u>                      |                         |                          |                   | <u>(31)</u>                        |
| General revenues:  |   |                      |                                    |                                  |                         |                          |                   |                                    |
| Property taxes   |   |                      |                                    |                                  | 110,752                 | 110,752                  |                   |                                    |
| Grants and contributions not restricted to specific programs |   |                      |                                    |                                  | 4,553                   | 4,553                    |                   |                                    |
| Unrestricted investment earnings                             |   |                      |                                    |                                  | 396                     | 451                      | 847               | 3                                  |
| Miscellaneous  |   |                      |                                    |                                  | 25                      | 25                       |                   |                                    |
| Total general revenues and transfers                         |   |                      |                                    |                                  | <u>115,726</u>          | <u>451</u>               | <u>116,177</u>    | <u>3</u>                           |
| Change in net assets   |   |                      |                                    |                                  | (4,818)                 | (56)                     | (4,874)           | (28)                               |
| Net Assets at Beginning of Year                              |   |                      |                                    |                                  | <u>238,918</u>          | <u>24,321</u>            | <u>263,239</u>    | <u>963</u>                         |
| Net Assets at End of Year                                    |   |                      |                                    |                                  | <u>\$ 234,100</u>       | <u>\$ 24,265</u>         | <u>\$ 258,365</u> | <u>\$ 935</u>                      |

The accompanying notes are an integral part of the financial statements



## CITY OF BRISTOL, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2010

(In Thousands)

|                                     | <u>General</u>   | <u>Debt<br/>Service<br/>Fund</u> | <u>Capital<br/>Projects</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|-------------------------------------|------------------|----------------------------------|-----------------------------|--|---|
| <b>ASSETS</b>                       |                  |                                  |                             |  |   |
| Cash and cash equivalents           | \$ 30,242        | \$ 714                           | \$ 3,740                    | \$ 12,032                                  | \$ 46,728                               |
| Investments                         |                  |                                  |                             | 375  | 375                                     |
| Receivables, net                    | 5,061            |                                  | 7,107                       | 1,882                                      | 14,050                                  |
| Due from other funds                | 11,094           |                                  |                             | 142  | 11,236                                  |
| Other assets                        | 366              |                                  |                             |  | 366                                     |
| Inventories                         |                  |                                  |                             | 53   | 53                                      |
| Total Assets                        | <u>\$ 46,763</u> | <u>\$ 714</u>                    | <u>\$ 10,847</u>            | <u>\$ 14,484</u>                           | <u>\$ 72,808</u>                        |
| <b>LIABILITIES AND FUND BALANCE</b> |                  |                                  |                             |  |   |
| Liabilities:                        |                  |                                  |                             |  |   |
| Accounts and contracts payables     | \$ 4,616         | \$                               | \$ 1,201                    | \$ 1,059                                   | \$ 6,876                                |
| Accrued liabilities                 | 9,941            |                                  | -                           | 735  | 10,676                                  |
| Due to other funds                  | 43               |                                  | 10,570                      | 572  | 11,185                                  |
| Due to other governments            |                  |                                  | -                           | 42   | 42                                      |
| Bond anticipation notes payable     |                  |                                  | 7,410                       |  | 7,410                                   |
| Deferred revenue                    | 4,091            |                                  | 1                           | 1,822                                      | 5,914                                   |
| Total liabilities                   | <u>18,691</u>    | <u>-</u>                         | <u>19,182</u>               | <u>4,230</u>                               | <u>42,103</u>                           |
| Fund balances (deficits):           |                  |                                  |                             |  |   |
| Reserved                            | 749              | 714                              | 13,788                      | 1,109                                      | 16,360                                  |
| Unreserved, reported in:            |                  |                                  |                             |  |   |
| General Fund                        | 27,323           |                                  |                             |  | 27,323                                  |
| Special Revenue Funds               |                  |                                  |                             | 8,726                                      | 8,726                                   |
| Capital Project Funds               |                  |                                  | (22,123)                    |  | (22,123)                                |
| Permanent Fund                      |                  |                                  |                             | 419  | 419                                     |
| Total fund balances                 | <u>28,072</u>    | <u>714</u>                       | <u>(8,335)</u>              | <u>10,254</u>                              | <u>30,705</u>                           |
| Total Liabilities and Fund Balances | <u>\$ 46,763</u> | <u>\$ 714</u>                    | <u>\$ 10,847</u>            | <u>\$ 14,484</u>                           | <u>\$ 72,808</u>                        |

(Continued on next page)

## CITY OF BRISTOL, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2010

(In Thousands)

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

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

|  |           |
|--|-----------|
| Fund balances - total governmental funds | \$ 30,705 |
|--|-----------|

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

|                               |                  |         |
|-------------------------------|------------------|---------|
| Governmental capital assets   | \$ 526,513       |         |
| Less accumulated depreciation | <u>(258,608)</u> |         |
| Net capital assets            |                  | 267,905 |

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

|   |       |
|---|-------|
| Net pension asset                             | 6,750 |
| Property tax receivables greater than 60 days | 2,035 |
| Interest receivable on property taxes         | 1,660 |
| Sewer assessments receivable                  | 548   |
| Sewer assessments interest receivable         | 32    |

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 assets.

|  |       |
|--|-------|
|  | 4,564 |
|--|-------|

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          | (54,223)        |
| Interest payable on bonds and notes     | (615)           |
| Compensated absences                    | (7,885)         |
| Landfill post closure care              | (1,717)         |
| Other postemployment benefit obligation | <u>(15,659)</u> |

|   |                   |
|---|-------------------|
| Net Assets of Governmental Activities (Exhibit I) | <u>\$ 234,100</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, 2010

(In Thousands)

|   | <u>General</u>   | <u>Debt<br/>Service<br/>Fund</u> | <u>Capital<br/>Projects</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|------------------|----------------------------------|-----------------------------|--|---|
| Revenues:   |                  |                                  |                             |  |   |
| Taxes and assessments   | \$ 110,760       | \$                               | \$ 40                       | \$ 3                                       | \$ 110,803                              |
| Interest and lien fees on delinquent taxes<br>and assessments | 1,073            |                                  |                             |  | 1,073                                   |
| Licenses, permit and fees                                     | 805              |                                  |                             | 5,379                                      | 6,184                                   |
| Intergovernmental   | 60,286           |                                  | 3,605                       | 12,033                                     | 75,924                                  |
| Charges for services  | 4,149            |                                  |                             | 3,165                                      | 7,314                                   |
| Income on investments   | 271              | 1                                | 26                          | 49   | 347                                     |
| Miscellaneous   | 834              | 22                               | 160                         | 690  | 1,706                                   |
| Total revenues  | <u>178,178</u>   | <u>23</u>                        | <u>3,831</u>                | <u>21,319</u>                              | <u>203,351</u>                          |
| Expenditures:   |                  |                                  |                             |  |   |
| Current:  |                  |                                  |                             |  |   |
| General government  | 5,775            |                                  |                             | 1,519                                      | 7,294                                   |
| Public safety   | 21,477           |                                  |                             | 322  | 21,799                                  |
| Public works  | 10,577           |                                  |                             | 6,534                                      | 17,111                                  |
| Health and welfare  | 5,026            |                                  |                             | 462  | 5,488                                   |
| Libraries   | 1,971            |                                  |                             | 10   | 1,981                                   |
| Parks and recreation  | 2,210            |                                  |                             | 186  | 2,396                                   |
| Education   | 95,615           |                                  |                             | 11,125                                     | 106,740                                 |
| Citywide:   |                  |                                  |                             |  |   |
| Employee benefits and pensions                                | 2,637            |                                  |                             |  | 2,637                                   |
| Insurance   | 589              |                                  |                             |  | 589                                     |
| Miscellaneous   | 792              |                                  |                             |  | 792                                     |
| Capital outlay  |                  |                                  | 10,521                      |  | 10,521                                  |
| Debt service:   |                  |                                  |                             |  |   |
| Principal retirement  |                  | 4,310                            | 260                         |  | 4,570                                   |
| Interest and fiscal charges                                   |                  | 2,218                            | 74                          |  | 2,292                                   |
| Total expenditures  | <u>146,669</u>   | <u>6,528</u>                     | <u>10,855</u>               | <u>20,158</u>                              | <u>184,210</u>                          |
| Excess (Deficiency) of Revenues Over Expenditures             | <u>31,509</u>    | <u>(6,505)</u>                   | <u>(7,024)</u>              | <u>1,161</u>                               | <u>19,141</u>                           |
| Other Financing Sources (Uses):                               |                  |                                  |                             |  |   |
| Transfers in  | 2,053            | 7,028                            | 984                         | 3,732                                      | 13,797                                  |
| Transfers out   | (33,081)         | (200)                            | (502)                       | (3,837)                                    | (37,620)                                |
| Total other financing sources (uses)                          | <u>(31,028)</u>  | <u>6,828</u>                     | <u>482</u>                  | <u>(105)</u>                               | <u>(23,823)</u>                         |
| Net Change in Fund Balance                                    | 481              | 323                              | (6,542)                     | 1,056                                      | (4,682)                                 |
| Fund Balance at Beginning of Year                             | <u>27,591</u>    | <u>391</u>                       | <u>(1,793)</u>              | <u>9,198</u>                               | <u>35,387</u>                           |
| Fund Balance at End of Year                                   | <u>\$ 28,072</u> | <u>\$ 714</u>                    | <u>\$ (8,335)</u>           | <u>\$ 10,254</u>                           | <u>\$ 30,705</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, 2010

(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) \$ (4,682)

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       | 12,426   |
| Depreciation expense | (11,978) |

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets sold. (229)

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. (74)

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                | (1,001) |
| Property tax interest and lien revenue - accrual basis change | (178)   |
| Sewer assessment receivable - accrual basis change            | (13)    |
| Net pension asset   | (157)   |

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 assets. 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 | 4,570 |
|-------------------------|-------|

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          | (53)    |
| Accrued interest              | 46      |
| Other postemployment benefits | (4,707) |
| Landfill post closure care    | 46      |

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.

1,166

Change in Net Assets of Governmental Activities (Exhibit II) \$ (4,818)

The accompanying notes are an integral part of the financial statements

## CITY OF BRISTOL, CONNECTICUT

**PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS**

**JUNE 30, 2010**  
(In Thousands)

|   | <b>Business Type<br/>Activities<br/>Water Enterprise<br/>Fund</b> | <b>Governmental<br/>Activities<br/>Internal<br/>Service Fund</b> |
|---|---|--|
|   | <u>                    </u>                                       | <u>                    </u>                                      |
| <b>ASSETS AND OTHER DEBITS</b>                  |   |  |
| Assets:   |   |  |
| Current assets:                                 |   |  |
| Cash and cash equivalents                       | \$ 411  | \$ 13,339  |
| Investments                                     | 3,459   |  |
| Receivables, net                                | 1,068   | 122  |
| Due from other funds                            |   | 48   |
| Inventories                                     | 180   |  |
| Total current assets                            | <u>5,118</u>  | <u>13,509</u>  |
| Noncurrent assets:                              |   |  |
| Other deferred charges                          | 18  |  |
| Capital assets:                                 |   |  |
| Assets not being depreciated                    | 2,750   |  |
| Assets being depreciated, net                   | 22,916  |  |
| Total noncurrent assets                         | <u>25,684</u>   | <u>-</u>   |
| Total assets                                    | <u>30,802</u>   | <u>13,509</u>  |
| <b>LIABILITIES, EQUITY AND OTHER CREDITS</b>    |   |  |
| Liabilities:                                    |   |  |
| Current liabilities:                            |   |  |
| Accounts and other payables                     | 329   |  |
| Payroll liabilities                             | 97  |  |
| Due to other funds                              |   | 99   |
| Customer deposits                               | 677   |  |
| Deferred credits                                | 21  |  |
| Compensated absences - current                  | 42  |  |
| Bonds payable - current                         | 550   |  |
| Unpaid claims - current                         |   | 4,605  |
| Total current liabilities                       | <u>1,716</u>  | <u>4,704</u>   |
| Noncurrent liabilities:                         |   |  |
| Compensated absences                            | 372   |  |
| Bonds payable                                   | 4,449   |  |
| Unpaid claims                                   |   | 4,241  |
| Total noncurrent liabilities                    | <u>4,821</u>  | <u>4,241</u>   |
| Total liabilities                               | <u>6,537</u>  | <u>8,945</u>   |
| Net Assets:                                     |   |  |
| Invested in capital assets, net of related debt | 20,667  |  |
| Unrestricted                                    | <u>3,598</u>  | <u>4,564</u>   |
| Total Net Assets                                | <u>\$ 24,265</u>  | <u>\$ 4,564</u>  |

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2010**  
(In Thousands)

|   | <b>Business-Type<br/>Activities<br/>Water<br/>Enterprise Fund</b> | <b>Governmental<br/>Activities<br/>Internal<br/>Service Fund</b> |
|---|---|--|
|   | <u>Enterprise Fund</u>  | <u>Service Fund</u>  |
| Operating revenues:                             |   |  |
| Charges for services                            | \$ 5,475  | \$ 5,789   |
| Contributions                                   |   | 111  |
| Miscellaneous                                   | 193   | 204  |
| Total operating revenues                        | <u>5,668</u>  | <u>6,104</u>   |
| Operating expenses:                             |   |  |
| Source of supply                                | 127   |  |
| Pumping   | 250   |  |
| Purification                                    | 1,028   |  |
| Transmission and distribution                   | 1,150   |  |
| Customer accounts, administrative and general   | 2,120   |  |
| Depreciation                                    | 775   |  |
| Taxes other than income taxes                   | 558   |  |
| Insurance claims, premiums and fees             |   | 28,810   |
| Total operating expenses                        | <u>6,008</u>  | <u>28,810</u>  |
| Operating loss                                  | <u>(340)</u>  | <u>(22,706)</u>  |
| Nonoperating revenues (expenses):               |   |  |
| Income on investments                           | 451   | 49   |
| Interest expense                                | (186)   |  |
| Loss on disposal                                | (9)   |  |
| Amortization of debt discount and expense       | (5)   |  |
| Total nonoperating revenues                     | <u>251</u>  | <u>49</u>  |
| Loss before capital contributions and transfers | (89)  | (22,657)   |
| Capital contributions                           | 33  |  |
| Transfers:                                      |   |  |
| Transfers in                                    |   | 23,823   |
| Change in Net Assets                            | (56)  | 1,166  |
| Total Net Assets, Beginning of Year             | <u>24,321</u>   | <u>3,398</u>   |
| Total Net Assets, at End of Year                | <u>\$ 24,265</u>  | <u>\$ 4,564</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, 2010**

(In Thousands)

|  | <b>Business-Type<br/>Activities<br/>Water<br/>Enterprise Fund</b> | <b>Governmental<br/>Activities<br/>Internal<br/>Service Fund</b> |
|--|---|--|
|  | <u>                    </u>                                       | <u>                    </u>                                      |
| Cash Flow from Operating Activities:   |   |  |
| Cash received from charges for services and contributions  | \$ 5,632  | \$ 5,977   |
| Cash received from other operating revenue   |   | 189  |
| Cash paid to employees   | (2,435)   |  |
| Cash paid to suppliers   | (2,748)   |  |
| Cash payment for claims paid   |   | (27,739)   |
| Deposits received from (returned to) customers   | 35  |  |
| Net cash provided by (used in) operating activities  | <u>484</u>  | <u>(21,573)</u>  |
| Cash Flows from Noncapital Financing Activities:   |   |  |
| Transfers from other funds   |   | <u>23,933</u>  |
| Cash Flows from Capital Financing Activities:  |   |  |
| Purchase of capital assets/utility plant   | (309)   |  |
| Principal payments bonds/notes   | (550)   |  |
| Interest payments and issuance costs   | (186)   |  |
| Net cash used in capital and related financing activities  | <u>(1,045)</u>  | <u>-</u>   |
| Cash Flows from Investing Activities:  |   |  |
| Income on investments  |   | <u>49</u>  |
| Net cash provided by investing activities  | <u>-</u>  | <u>49</u>  |
| Net Increase (Decrease) in Cash and Cash Equivalents   | (561)   | 2,409  |
| Cash and Cash Equivalents at Beginning of Year   | <u>972</u>  | <u>10,930</u>  |
| Cash and Cash Equivalents at End of Year   | <u>\$ 411</u>   | <u>\$ 13,339</u>   |
| Reconciliation of Operating Loss to Net<br>Cash Provided by (Used in) Operating Activities:        |   |  |
| Operating loss   | \$ (340)  | \$ (22,706)  |
| Adjustments to reconcile operating loss to net cash provided by (used in)<br>operating activities: |   |  |
| Depreciation   | 775   |  |
| (Increase) decrease in accounts receivable   | (31)  | 75   |
| Increase (decrease) in provision for uncollectible accounts  | (5)   |  |
| (Increase) decrease in inventory   | 18  |  |
| (Increase) decrease in other assets  | 3   |  |
| Increase (decrease) in accounts payable  | 10  | 1,041  |
| Increase (decrease) in due to other funds  |   | 20   |
| Increase (decrease) in deferred revenues   |   | (1)  |
| Increase (decrease) in accrued liabilities   | 42  |  |
| Increase (decrease) in accrued compensated absences  | (23)  |  |
| Increase (decrease) in unpaid claims   |   | (2)  |
| Increase (decrease) in customer deposits   | 35  |  |
| Total adjustments  | <u>824</u>  | <u>1,133</u>   |
| Net Cash Provided by (Used in) Operating Activities  | <u>\$ 484</u>   | <u>\$ (21,573)</u>   |
| Noncash Investing and Capital Activities:  |   |  |
| Capital contributions  | <u>\$ 33</u>  | <u>\$ -</u>  |

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET ASSETS**

**JUNE 30, 2010**  
(In Thousands)

|                                    | <b>Pension<br/>Trust<br/>Funds</b> | <b>Agency<br/>Funds</b> |
|------------------------------------|------------------------------------|-------------------------|
|                                    | <u>          </u>                  | <u>          </u>       |
| Assets:                            |                                    |                         |
| Cash and cash equivalents          | \$ 772                             | \$ 415                  |
| Investments, at fair value:        |                                    |                         |
| Certificates of deposit            |                                    | 159                     |
| Corporate bonds                    | 75,268                             |                         |
| US treasury                        | 50,151                             |                         |
| US government agencies             | 11,649                             |                         |
| Securitized instruments            | 44,531                             |                         |
| Common stock                       | 246,672                            |                         |
| Mutual funds                       | 46,216                             |                         |
| Total investments                  | <u>474,487</u>                     | <u>159</u>              |
| Total assets                       | <u>475,259</u>                     | <u>\$ 574</u>           |
| Liabilities:                       |                                    |                         |
| Due to senior citizens             |                                    | \$ 20                   |
| Due to student groups              |                                    | 554                     |
| Total liabilities                  |                                    | <u>\$ 574</u>           |
| Net Assets:                        |                                    |                         |
| Held in trust for pension benefits | <u>\$ 475,259</u>                  |                         |

The accompanying notes are an integral part of the financial statements



## CITY OF BRISTOL

## FIDUCIARY FUNDS

STATEMENT OF CHANGES IN PLAN NET ASSETS  
PENSION TRUST FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

(In Thousands)

|  |               |                          |
|--|---------------|--------------------------|
| Additions:   |               |                          |
| Contributions:   |               |                          |
| Plan members   |               | \$ 2,456                 |
| Investment income:   |               |                          |
| Net appreciation in fair value of investments                    | \$ 37,229     |                          |
| Interest and dividends   | 13,325        |                          |
| Total  | <u>50,554</u> |                          |
| Less investment expense  | (458)         |                          |
| Total investment income  |               | <u>50,096</u>            |
| Total additions  |               | 52,552                   |
| Deductions:  |               |                          |
| Benefits   | 15,716        |                          |
| Administration   | <u>2,471</u>  |                          |
| Total deductions   |               | <u>18,187</u>            |
| Net Increase   |               | 34,365                   |
| Net Assets Held in Trust for Pension Benefits, Beginning of Year |               | <u>440,894</u>           |
| Net Assets Held in Trust for Pension Benefits, End of Year       |               | <u><u>\$ 475,259</u></u> |

The accompanying notes are an integral part of the financial statements

**CITY OF BRISTOL, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2010**

(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 and 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 non-stock corporation organized pursuant to the Non-Stock Corporation act, Connecticut General Statue Section 33-1000 as a separate entity. All Directors are nominated by the Mayor and approved by vote of the City Council. In the prior years the City transferred \$350,000 (amount not rounded) to finance its operations. During current year there were no additional transactions between the City and 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). The 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 of Bristol 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 \$139 were incurred in 2009-10 related to the City's participation in TROC.

The unreserved, undesignated fund balance for fiscal year ended June 30, 2010 as reflected in the TROC's financial statements is \$1.5 million. A complete set of financial statements for TROC can be obtained from the TROC's administrative office at 43 Enterprise Drive, Bristol, Connecticut.

### **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). The BRRFOC was created pursuant to an inter-community agreement to exercise certain rights on behalf of contracting municipalities in dealing with the trash to energy plant built by Ogden Martin Systems of Bristol, Inc. now known as Covanta Bristol, Inc. (Covanta) in Bristol, Connecticut. The governing board consists of City officials appointed by each of the participating municipalities, and assumes all the management decisions. The City of Bristol 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 the BRRFOC amounted to \$2,780 this year. The unreserved, undesignated fund balance for fiscal year ended June 30, 2010 as reflected in the BRRFOC's financial statements is \$9.9 million. A complete set of financial statements for BRRFOC can be obtained from the administrative office at 43 Enterprise Drive, Bristol, Connecticut.

In April 2005, the BRRFOC issued \$41,920 in Solid Waste Revenue Refunding Bonds with interest rates varying from 3.00% to 5.00% to current refund \$46,670 of outstanding special obligation bonds of the Connecticut Development Authority. The proceeds from the original bonds were loaned by the Authority to Covanta Bristol, Inc. Under the Service Agreement, the service fee is an obligation of the Contracting Municipalities to which each has pledged its full faith and credit. Should any Contracting Municipality default in its obligation to pay the service fee, the other Contracting Municipalities shall have an obligation to continue to pay the aggregate service fee. If the Company does not perform its obligations under the service agreement, and Covanta fails to perform such obligations pursuant to its guarantee, the Contracting Municipalities have certain rights to terminate the service agreement and, upon termination, would no longer be obligated to pay the service fee. The current balance of the bonds outstanding is \$25,690.

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

The government-wide financial statements (i.e., the statement of net assets 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 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 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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's 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.

#### **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, 2010 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. 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.

#### **I. 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 assets. Bond premiums and discounts, as well as issuance costs, 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. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

#### **J. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

## **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 fifteen 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 from fund balance, in the amount of \$2,608 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 reported as a reservation of fund balance in accordance with generally accepted accounting principles (GAAP) since they do not constitute expenditures or liabilities.

Also, in accordance with the provisions of Governmental Accounting Standards Board 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 which control the expenditure of such funds. Since such budgets are adopted on a program basis, it is not practicable to present the results of budgetary operations at the combined level. Special Revenue Funds are budgeted on the modified accrual basis.

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

### **B. Deficit Fund Equity**

As of June 30, 2010 Capital Projects Fund has a deficit fund balance of \$8,335. This deficit will be reduced or eliminated by transfers from the General Fund or when permanent financing is obtained.



### 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 Town’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*, \$23,948 of the City’s bank balance of \$56,307 was exposed to custodial credit risk as follows:

|   |    |                      |
|---|----|----------------------|
| Uninsured and uncollateralized  | \$ | 5,117                |
| Uninsured and collateral held by the pledging bank’s trust department, not in the City’s name |    | <u>18,831</u>        |
| Total Amount Subject to Custodial Credit Risk   | \$ | <u><u>23,948</u></u> |

At June 30, 2010, 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, 2010, the cash equivalent amounted to \$8,738,452. 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<br/>and 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, 2010 in all funds are as follows:

| <u>Investment Type</u>        | <u>Credit Rating</u> | <u>Fair Value</u> | <u>Investment Maturities (Years)</u> |               |                     |
|-------------------------------|----------------------|-------------------|--------------------------------------|---------------|---------------------|
|                               |                      |                   | <u>Less Than 1</u>                   | <u>1 – 10</u> | <u>More Than 10</u> |
| Interest-bearing investments: |                      |                   |                                      |               |                     |
| U.S. Treasury bonds           | AAA                  | \$ 50,151         | \$                                   | 50,151        | \$                  |
| U.S. Government agencies      | AAA                  | 11,649            |                                      | 11,649        |                     |
| Corporate bonds               | Caa3                 | 7,012             |                                      | 6,658         | 354                 |
| Corporate bonds               | A3                   | 31,199            |                                      | 31,199        |                     |
| Corporate bonds               | AA                   | 37,057            |                                      | 37,057        |                     |
| Securitized instruments       | AAA                  | 44,417            |                                      | 20,500        | 23,917              |
| Certificates of deposit       | *                    | 262               | 146                                  | 116           |                     |
| Total                         |                      | 181,747           | \$ 146                               | \$ 157,330    | \$ 24,271           |
| Other investments:            |                      |                   |                                      |               |                     |
| Common stock                  |                      | 246,672           |                                      |               |                     |
| Mutual funds                  |                      | 50,061            |                                      |               |                     |
| Total Investments             |                      | \$ 478,480        |                                      |               |                     |

\*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 Town 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, 2010, 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<br/>Projects</u> | <u>Water<br/>Enterprise<br/>Fund</u> | <u>Nonmajor<br/>and Other<br/>Funds</u> | <u>Total</u>     |
|-----------------------------------|-----------------|-----------------------------|--------------------------------------|---|------------------|
| Receivables:                      |                 |                             |                                      |   |                  |
| Taxes                             | \$ 2,903        | \$                          | \$                                   | \$                                      | \$ 2,903         |
| Interest                          | 1,660           |                             |                                      |   | 1,660            |
| Accounts                          | 421             |                             | 1,150                                | 498                                     | 2,069            |
| Special assessments               |                 |                             |                                      | 580                                     | 580              |
| Intergovernmental                 | 387             | 7,107                       |                                      | 926                                     | 8,420            |
| Gross receivables                 | <u>5,371</u>    | <u>7,107</u>                | <u>1,150</u>                         | <u>2,004</u>                            | <u>15,632</u>    |
| Less allowance for uncollectibles | <u>(310)</u>    |                             | <u>(82)</u>                          |   | <u>(392)</u>     |
| Net Total Receivables             | <u>\$ 5,061</u> | <u>\$ 7,107</u>             | <u>\$ 1,068</u>                      | <u>\$ 2,004</u>                         | <u>\$ 15,240</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>82</u>     |
| Total Uncollectibles of the Current Fiscal Year | <u>\$ 392</u> |

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

|   | <u>Unavailable</u> | <u>Unearned</u> |
|---|--------------------|-----------------|
| Delinquent property taxes receivable principal and interest | \$ 3,695           | \$              |
| Property taxes collected in advance                         |                    | 266             |
| Sewer assessments not yet due                               | 580                |                 |
| Other   |                    | <u>1,373</u>    |
| Total Deferred/Unearned Revenue for Governmental Funds      | <u>\$ 4,275</u>    | <u>\$ 1,639</u> |

## 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows:

### Primary Government

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u> | <u>Decreases</u>  | <u>Ending<br/>Balance</u> |
|--|------------------------------|------------------|-------------------|---------------------------|
| Governmental activities:                     |                              |                  |                   |                           |
| Capital assets not being depreciated:        |                              |                  |                   |                           |
| Land   | \$ 15,610                    | \$ 2,127         | \$ (253)          | \$ 17,484                 |
| Construction in progress                     | 30,862                       | 8,154            | (4,593)           | 34,423                    |
| Total capital assets not being depreciated   | <u>46,472</u>                | <u>10,281</u>    | <u>(4,846)</u>    | <u>51,907</u>             |
| Capital assets being depreciated:            |                              |                  |                   |                           |
| Buildings                                    | 180,449                      | 1,791            |                   | 182,240                   |
| Improvements other than buildings            | 6,977                        |                  |                   | 6,977                     |
| Machinery and equipment                      | 59,421                       | 2,214            | (739)             | 60,896                    |
| Infrastructure                               | 221,760                      | 2,733            |                   | 224,493                   |
| Total capital assets being depreciated       | <u>468,607</u>               | <u>6,738</u>     | <u>(739)</u>      | <u>474,606</u>            |
| Less accumulated depreciation for:           |                              |                  |                   |                           |
| Buildings                                    | (79,149)                     | (3,968)          |                   | (83,117)                  |
| Improvements other than buildings            | (4,686)                      | (221)            |                   | (4,907)                   |
| Machinery and equipment                      | (43,687)                     | (2,920)          | 689               | (45,918)                  |
| Infrastructure                               | (119,797)                    | (4,869)          |                   | (124,666)                 |
| Total accumulated depreciation               | <u>(247,319)</u>             | <u>(11,978)</u>  | <u>689</u>        | <u>(258,608)</u>          |
| Total capital assets being depreciated, net  | <u>221,288</u>               | <u>(5,240)</u>   | <u>(50)</u>       | <u>215,998</u>            |
| Governmental Activities Capital Assets, Net  | <u>\$ 267,760</u>            | <u>\$ 5,041</u>  | <u>\$ (4,896)</u> | <u>\$ 267,905</u>         |
| Business-type activities:                    |                              |                  |                   |                           |
| Capital assets not being depreciated:        |                              |                  |                   |                           |
| Land   | \$ 2,700                     |                  |                   | \$ 2,700                  |
| Construction in progress                     | 47                           | 50               | (47)              | 50                        |
| Total capital assets not being depreciated   | <u>2,747</u>                 | <u>50</u>        | <u>(47)</u>       | <u>2,750</u>              |
| Capital assets being depreciated:            |                              |                  |                   |                           |
| Buildings and system                         | 36,588                       | 46               |                   | 36,634                    |
| Machinery and equipment                      | 4,337                        | 260              | (66)              | 4,531                     |
| Total capital assets being depreciated       | <u>40,925</u>                | <u>306</u>       | <u>(66)</u>       | <u>41,165</u>             |
| Less accumulated depreciation for:           |                              |                  |                   |                           |
| Buildings and system                         | (14,588)                     | (739)            |                   | (15,327)                  |
| Machinery and equipment                      | (2,943)                      | (36)             | 57                | (2,922)                   |
| Total accumulated depreciation               | <u>(17,531)</u>              | <u>(775)</u>     | <u>57</u>         | <u>(18,249)</u>           |
| Total capital assets being depreciated, net  | <u>23,394</u>                | <u>(469)</u>     | <u>(9)</u>        | <u>22,916</u>             |
| Business-Type Activities Capital Assets, Net | <u>\$ 26,141</u>             | <u>\$ (419)</u>  | <u>\$ (56)</u>    | <u>\$ 25,666</u>          |

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

|  |                      |
|--|----------------------|
| Governmental activities:                                 |                      |
| General government                                       | \$ 220               |
| Public safety  | 1,434                |
| Public works   | 6,480                |
| Health and welfare                                       | 7                    |
| Libraries  | 550                  |
| Parks and recreation                                     | 301                  |
| Education  | <u>2,986</u>         |
| <br>Total Depreciation Expense - Governmental Activities | <br>\$ <u>11,978</u> |
| <br>Business-type activities:                            |                      |
| Water  | <br>\$ <u>775</u>    |

### Construction Commitments

The City has several active construction projects as of June 30, 2010. The following is a summary of capital projects as of June 30, 2010:

|  | <u>Project<br/>Authorization</u> | <u>Cumulative<br/>Expenditures</u> |
|--|----------------------------------|------------------------------------|
| Schools                                    | \$ 178,222                       | \$ 85,510                          |
| Streets, bridges and building improvements | 63,751                           | 53,433                             |
| Capital and nonrecurring                   | <u>43,729</u>                    | <u>33,022</u>                      |
| <br>Total                                  | <br>\$ <u>285,702</u>            | <br>\$ <u>171,965</u>              |

The commitments are being financed with general obligation bonds and State and Federal grants.

### Discretely Presented Component Units

Activity for the Bristol-Burlington Health District for the year ended June 30, 2010, was as follows:

|                                    | <u>Beginning<br/>Balance</u> | <u>Increases</u>   | <u>Decreases</u>  | <u>Ending<br/>Balance</u> |
|------------------------------------|------------------------------|--------------------|-------------------|---------------------------|
| Capital assets being depreciated:  |                              |                    |                   |                           |
| Furniture and equipment            | \$ 214                       | \$ 11              | \$ (3)            | \$ 222                    |
| Less accumulated depreciation for: |                              |                    |                   |                           |
| Furniture and equipment            | <u>(92)</u>                  | <u>(23)</u>        | <u>          </u> | <u>(115)</u>              |
| <br>District Capital Assets, Net   | <br>\$ <u>122</u>            | <br>\$ <u>(12)</u> | <br>\$ <u>(3)</u> | <br>\$ <u>107</u>         |

## 6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2010 interfund receivables and payables comprised:

| <u>Receivable Fund</u>      | <u>Payable Fund</u>         | <u>Amount</u>    |
|-----------------------------|-----------------------------|------------------|
| General Fund                | Capital Projects Fund       | \$ 10,570        |
| General Fund                | Nonmajor Governmental Funds | 524              |
| Nonmajor Governmental Funds | Internal Service Fund       | 99               |
| Nonmajor Governmental Funds | General Fund                | 43               |
| Internal Service            | Nonmajor Governmental Funds | <u>48</u>        |
| Total                       |                             | <u>\$ 11,284</u> |

Interfund receivables and payables generally represent temporary balances arising from reimbursement type transactions. Interfund balance between Capital Projects Fund and the General Fund is result of negative equity in pooled cash. All balances are expected to be repaid within a year.

Interfund transfers:

|                             | <u>Transfers In</u> |                          |                         |                              |                               | <u>Total</u>     |
|-----------------------------|---------------------|--------------------------|-------------------------|------------------------------|-------------------------------|------------------|
|                             | <u>General Fund</u> | <u>Debt Service Fund</u> | <u>Capital Projects</u> | <u>Nonmajor Governmental</u> | <u>Internal Service Funds</u> |                  |
| Transfer out:               |                     |                          |                         |                              |                               |                  |
| General Fund                | \$                  | \$ 6,529                 | \$ 510                  | \$ 3,721                     | \$ 22,321                     | \$ 33,081        |
| Debt Service Fund           | 200                 |                          |                         |                              |                               | 200              |
| Capital Projects            |                     | 499                      |                         | 3                            |                               | 502              |
| Nonmajor Governmental Funds | <u>1,853</u>        |                          | <u>474</u>              | <u>8</u>                     | <u>1,502</u>                  | <u>3,837</u>     |
| Total Transfers Out         | <u>\$ 2,053</u>     | <u>\$ 7,028</u>          | <u>\$ 984</u>           | <u>\$ 3,732</u>              | <u>\$ 23,823</u>              | <u>\$ 37,620</u> |

Transfers are for regularly recurring operational transfers. Interfund transfers are used to 1) to move revenues from the general fund to the debt service to pay for principal and interest on debt, 2) to supplement revenues of other funds such as the Capital Projects Fund for the projects that have been closed out and 3) to support the self insurance for health and workers' compensation benefits.

## 7. LEASES

### Operating Leases

The City leases computers under noncancelable operating lease. Total costs for such lease were \$628 for the year ended June 30, 2010. The future minimum lease payments for these leases are as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u>   |
|-----------------------------|-----------------|
| 2011                        | \$ 645          |
| 2012                        | 526             |
| 2013                        | 383             |
| 2014                        | 144             |
| 2015                        | <u>1</u>        |
|                             | <u>\$ 1,699</u> |

## 8. LONG-TERM DEBT

### Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2010 was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|---|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| Governmental Activities:  |                              |                  |                   |                           |                                |
| Bonds payable:  |                              |                  |                   |                           |                                |
| General obligation bonds  |                              |                  |                   |                           |                                |
| Clean Water Fund Loans  | \$ 58,793                    | \$               | \$ 4,570          | \$ 54,223                 | \$ 4,575                       |
| Compensated absences  | 7,832                        | 1,760            | 1,707             | 7,885                     | 1,358                          |
| Landfill postclosure care                                       | 1,763                        | 17               | 63                | 1,717                     | 63                             |
| Net OPEB obligation   | 10,952                       | 9,157            | 4,450             | 15,659                    |                                |
| Unpaid claims   | 7,805                        | 28,810           | 27,769            | 8,846                     | 4,605                          |
| <b>Total Governmental Activities<br/>Long-Term Liabilities</b>  | <b>\$ 87,145</b>             | <b>\$ 39,744</b> | <b>\$ 38,559</b>  | <b>\$ 88,330</b>          | <b>\$ 10,601</b>               |
| Business-Type Activities:                                       |                              |                  |                   |                           |                                |
| Bonds payable:  |                              |                  |                   |                           |                                |
| General obligation bonds  |                              |                  |                   |                           |                                |
| Compensated absences  | \$ 5,549                     | \$               | \$ 550            | \$ 4,999                  | \$ 550                         |
|   | 437                          | 19               | 42                | 414                       | 42                             |
| <b>Total Business-Type Activities<br/>Long-Term Liabilities</b> | <b>\$ 5,986</b>              | <b>\$ 19</b>     | <b>\$ 592</b>     | <b>\$ 5,413</b>           | <b>\$ 592</b>                  |
| Component Unit  |                              |                  |                   |                           |                                |
| Compensated absences  | \$ 92                        | \$ 27            | \$ 34             | \$ 85                     | \$ 54                          |

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

### Bond Anticipation Notes

Bond anticipation notes payable activity for the year ended June 30, 2010 was as follows:

| <u>Description</u>      | <u>Issue<br/>Date</u> | <u>Maturity<br/>Date</u> | <u>Interest<br/>Rate %</u> | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending<br/>Balance</u> |
|-------------------------|-----------------------|--------------------------|----------------------------|------------------------------|------------------|-------------------|---------------------------|
| Bond anticipation notes | 02/17/09              | 02/16/10                 | 2.50%                      | \$ 7,410                     | \$               | \$ 7,410          | \$                        |
| Bond anticipation notes | 02/16/10              | 11/15/10                 | 1.25%                      |                              | 7,410            |                   | 7,410                     |
| <b>Total</b>            |                       |                          |                            | <b>\$ 7,410</b>              | <b>\$ 7,410</b>  | <b>\$ 7,410</b>   | <b>\$ 7,410</b>           |

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

Bonds and notes payable at June 30, 2010 comprise 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, 2010</u> |
|---|----------------------|-------------------------|--------------------------|---------------------------------|--|
| General City Bonds:   |                      |                         |                          |                                 |  |
| General improvement:  |                      |                         |                          |                                 |  |
| 2004  | 10/15/04             | 10/15/21                | 3.00-5.00                | \$ 22,365                       | \$ 15,780                                |
| 2006  | 12/01/06             | 07/15/22                | 3.00-4.00                | 10,006                          | 8,130                                    |
| 2009  | 02/15/09             | 02/15/17                | 2.00-4.18                | 8,900                           | <u>7,980</u>                             |
| Total general improvement bonds                               |                      |                         |                          |                                 | <u>31,890</u>                            |
| School:   |                      |                         |                          |                                 |  |
| 2005 Refunding  | 06/15/05             | 10/15/18                | 2.70-5.00                | 10,635                          | 8,646                                    |
| 2006  | 12/01/06             | 07/15/22                | 3.00-4.00                | 11,600                          | 9,425                                    |
| 2009  | 02/15/09             | 02/15/17                | 2.00-4.18                | 385                             | <u>360</u>                               |
| Total school bonds  |                      |                         |                          |                                 | <u>18,431</u>                            |
| Sewers:   |                      |                         |                          |                                 |  |
| 1993 Refunding  | 12/15/93             | 06/15/13                | 3.25-5.40                | 1,490                           | 285                                      |
| 2005 Refunding  | 06/15/05             | 10/15/05                | 2.70-5.00                | 105                             | <u>34</u>                                |
| Total sewer bonds   |                      |                         |                          |                                 | <u>319</u>                               |
| Capital Projects Fund:  |                      |                         |                          |                                 |  |
| Clean Water Fund Notes<br>498-D/C                             | 06/30/02             | 06/30/21                | 2.00                     | 1,483                           | 880                                      |
| Clean Water Fund Notes<br>415-D/C                             | 06/30/02             | 06/30/21                | 2.00                     | 1,410                           | 836                                      |
| Clean Water Fund Notes<br>504-C                               | 12/31/03             | 12/31/22                | 2.00                     | 1,488                           | 989                                      |
| Clean Water Fund Notes<br>562-C                               | 11/30/04             | 11/30/23                | 2.00                     | 694                             | 490                                      |
| Clean Water Fund Notes<br>464-C                               | 05/31/06             | 03/31/26                | 2.00                     | 470                             | <u>388</u>                               |
| Total capital projects level debt                             |                      |                         |                          |                                 | <u>3,583</u>                             |
| Total General City Serial<br>Bonds and Clean Water Fund Loans |                      |                         |                          |                                 | <u>54,223</u>                            |
| Water Department<br>Enterprise Fund Bonds:                    |                      |                         |                          |                                 |  |
| Water 1995  | 05/15/95             | 05/15/14                | 4.90-6.00                | 1,640                           | 400                                      |
| Water 2004  | 10/15/04             | 10/15/21                | 3.00-5.00                | 600                             | 420                                      |
| Water 2005 Refunding  | 06/15/05             | 10/15/18                | 2.70-5.00                | 2,315                           | 1,415                                    |
| Water 2006  | 12/01/06             | 07/15/22                | 3.00-4.00                | 3,394                           | <u>2,764</u>                             |
| Total Water Department<br>Enterprise Fund Bonds               |                      |                         |                          |                                 | <u>4,999</u>                             |
| Total Bonded Indebtedness                                     |                      |                         |                          | \$                              | <u><u>59,222</u></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, 2010 are as follows:

General Fund:

|           | <u>Principal</u> | <u>Interest</u>  | <u>Total</u>     |
|-----------|------------------|------------------|------------------|
| 2011      | \$ 4,181         | \$ 1,848         | \$ 6,029         |
| 2012      | 4,181            | 1,684            | 5,865            |
| 2013      | 4,191            | 1,533            | 5,724            |
| 2014      | 4,191            | 1,367            | 5,558            |
| 2015      | 4,201            | 1,200            | 5,401            |
| 2016-2020 | 19,921           | 3,730            | 23,651           |
| 2021-2025 | <u>9,455</u>     | <u>681</u>       | <u>10,136</u>    |
| Total     | <u>\$ 50,321</u> | <u>\$ 12,043</u> | <u>\$ 62,364</u> |

Sewer Operating and Assessment Fund:

|       | <u>Principal</u> | <u>Interest</u> | <u>Total</u>  |
|-------|------------------|-----------------|---------------|
| 2011  | \$ 129           | \$ 16           | \$ 145        |
| 2012  | 95               | 10              | 105           |
| 2013  | <u>95</u>        | <u>5</u>        | <u>100</u>    |
| Total | <u>\$ 319</u>    | <u>\$ 31</u>    | <u>\$ 350</u> |

Capital Projects Fund:

|           | <u>Principal</u> | <u>Interest</u> | <u>Total</u>    |
|-----------|------------------|-----------------|-----------------|
| 2011      | \$ 265           | \$ 69           | \$ 334          |
| 2012      | 270              | 64              | 334             |
| 2013      | 275              | 58              | 333             |
| 2014      | 281              | 53              | 334             |
| 2015      | 287              | 47              | 334             |
| 2016-2020 | 1,522            | 147             | 1,669           |
| 2021-2025 | 662              | 22              | 684             |
| 2026      | <u>21</u>        | <u></u>         | <u>21</u>       |
| Total     | <u>\$ 3,583</u>  | <u>\$ 460</u>   | <u>\$ 4,043</u> |

Water Enterprise Fund:

|           | <u>Principal</u> | <u>Interest</u> | <u>Total</u>    |
|-----------|------------------|-----------------|-----------------|
| 2011      | \$ 550           | \$ 205          | \$ 755          |
| 2012      | 549              | 179             | 728             |
| 2013      | 550              | 154             | 704             |
| 2014      | 550              | 127             | 677             |
| 2015      | 444              | 100             | 544             |
| 2016-2020 | 1,642            | 279             | 1,921           |
| 2021-2023 | <u>714</u>       | <u>41</u>       | <u>755</u>      |
| Total     | <u>\$ 4,999</u>  | <u>\$ 1,085</u> | <u>\$ 6,084</u> |

The City does not have any overlapping debt contingencies as of June 30, 2010.

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 | \$ 251,647        | \$ 43,044               | \$ 208,603     |
| Schools         | 503,294           | 45,804                  | 457,490        |
| Sewers          | 419,411           | 4,352                   | 415,059        |
| Urban renewal   | 363,490           |                         | 363,490        |
| Pension deficit | 335,529           |                         | 335,529        |

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation (\$782,901).

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 | \$ 6,445          |
| Schools         | 127,986           |
| Sewers          | <u>450</u>        |
|                 | <u>\$ 134,881</u> |

Additionally, net indebtedness is reduced by State of Connecticut grant commitments in the amount of \$103,314.

## 9. LANDFILL CLOSURE

The City entered into a landfill lease agreement with Ogden Martin Systems of Bristol, Inc. (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 the Bristol Resource Recovery Facility Operating Committee (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 \$1,717. 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 worker's compensation claims for fiscal years July 1, 1985 through June 30, 1998 and July 1, 2004 through June 30, 2008. The Health Benefits and Worker's Compensation Internal Service Fund, is utilized to report this self-insurance activity. Anthem Blue Cross/Blue Shield administers the 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 \$8,846 reported in the Internal Service Fund at June 30, 2010 is based on the Government Accounting Standards Board Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded. Changes in the claims liability were as follows:

|         | <u>Liability<br/>July 1,</u> | <u>Current Year Claims<br/>And Changes<br/>In Estimates</u> | <u>Claim<br/>Payment</u> | <u>Liability<br/>June 30,</u> |
|---------|------------------------------|---|--------------------------|-------------------------------|
| 2008-09 | \$ 6,889                     | \$ 28,574   | \$ 27,658                | \$ 7,805                      |
| 2009-10 | 7,805                        | 28,810  | 27,769                   | 8,846                         |

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

## 11. FUND BALANCE RESERVED

Fund balance reserved consists of the following:

|                                 |        |
|---------------------------------|--------|
| Reserved for encumbrances:      |        |
| General Fund                    | \$ 247 |
| Special Revenue - Nonmajor Fund | 1,056  |
| Capital Projects                | 11,935 |
| Reserved for landfill closures  |        |
| General Fund                    | 502    |
| Capital Projects                | 1,853  |
| Reserved for Debt Service:      |        |
| Debt Service Fund               | 714    |
| Reserved for inventory:         |        |
| Special Revenue - Nonmajor Fund | 53     |

## 12. FUND BALANCE DESIGNATED

A portion of unreserved fund balance is designated for specific purposes. Unreserved Designated Fund Balance consists of the following:

|  |    |       |
|--|----|-------|
| General Fund:  |    |       |
| Designated for subsequent year's budget                    | \$ | 875   |
| Designated for compensated absences                        |    | 2,500 |
| Designated for carryovers                                  |    | 1,866 |
| Designated for economic development                        |    | 286   |
| Designated for OPEB  |    | 1,100 |
| Designated for Heart & Hypertension                        |    | 800   |
| Nonmajor Governmental Funds:                               |    |       |
| Equipment and Building Sinking Fund                        |    |       |
| Designated for special projects                            |    | 586   |
| Sewer Operating and Assessment Fund:                       |    |       |
| Designated for compensated absences                        |    | 154   |
| Designated for carryovers                                  |    | 89    |
| Pardee Fund #1:  |    |       |
| Designated for trust purposes                              |    | 41    |
| Pardee Fund #2:  |    |       |
| Designated for trust purposes                              |    | 1     |
| Reserve Fund for Depreciation for Page Park Swimming Pool: |    |       |
| Designated for trust purposes                              |    | 194   |
| Permanent Funds:   |    |       |
| Designated for trust purposes                              |    | 419   |

## 13. 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 which 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, 2010, the City is of the opinion that such reimbursements in respect of disallowed expenditures, if any, will not be significant.

## 14. 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 City of Bristol and meet eligibility criteria may participate. Benefit provisions are established through negotiations between the City and the various unions representing the employees. The other post-employment benefits plan is a single-employer defined benefit healthcare plan administered by the City of Bristol. The City does not issue stand-alone financial statements for this program.

At July 1, 2009, plan membership consisted of the following:

|                     |                                    |
|---------------------|------------------------------------|
|                     | <b>Retiree<br/>Health<br/>Plan</b> |
|                     | <hr/>                              |
| Active plan members | 1,683                              |
| Retired members     | 292                                |
|                     | <hr/>                              |
| Total Participants  | <u>1,975</u>                       |

**B. Funding Policy**

The City’s funding and payment of postemployment benefits are accounted for in the Internal Service Fund on a pay-as-you go basis. As of June 30, 2010 the City has not established a trust fund to irrevocably segregate assets to fund the liability associated with the post employment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. It is the City’s intention to open such a trust during the fiscal year ending June 30, 2011. 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 of Bristol’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 thirty 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<br/>Healthcare Plan</b> |
|  | <hr/>                              |
| Annual required contribution (ARC)         | \$ 9,322                           |
| Interest on net OPEB obligation            | 547                                |
| Adjustment to annual required contribution | (712)                              |
|  | <hr/>                              |
| Annual OPEB cost                           | 9,157                              |
| Contributions made                         | 4,450                              |
|  | <hr/>                              |
| Increase in net OPEB obligation            | 4,707                              |
| Net OPEB obligation, beginning of year     | 10,952                             |
|  | <hr/>                              |
| Net OPEB Obligation, End of Year           | <u>\$ 15,659</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<br/>Year<br/>Ended</b> | <b>Annual<br/>OPEB<br/>Cost (AOC)</b> | <b>Actual<br/>Contribution</b> | <b>Percentage<br/>of AOC<br/>Contributed</b> | <b>Net<br/>OPEB<br/>Obligation</b> |
|----------------------------------|---------------------------------------|--------------------------------|--|------------------------------------|
| <hr/>                            | <hr/>                                 | <hr/>                          | <hr/>  | <hr/>                              |
| 6/30/2008                        | \$ 8,200                              | \$ 2,771                       | 33.8%  | \$ 5,429                           |
| 6/30/2009                        | 8,686                                 | 3,163                          | 36.4   | 10,952                             |
| 6/30/2010                        | 9,157                                 | 4,450                          | 48.5   | 15,659                             |

## Schedule of Funding Progress

| Actuarial Valuation Date* | Actuarial Value of Assets (a) | Actuarial Accrued Liability(AAL) (b) | Funded (Unfunded) AAL (UAAL) (a-b) | Percentage Funded (a/b) | Covered Payroll (c) | UAAL as a % of Covered Payroll ((a-b)/c) |
|---------------------------|-------------------------------|--------------------------------------|------------------------------------|-------------------------|---------------------|--|
| 7/1/07                    | \$ -                          | \$ 72,000                            | \$ (72,000)                        | 0.0%                    | \$ 70,000           | (102.9)                                  |
| 7/1/09                    | -                             | 81,451                               | (81,451)                           | 0.0                     | 70,000              | (116.3)                                  |

## Schedule of Employer Contributions

| Year Ended June 30, | Annual Required Contribution | Percentage Contributed |
|---------------------|------------------------------|------------------------|
| 2008                | \$ 8,200                     | 33.7%                  |
| 2009                | 8,767                        | 36.0                   |
| 2010                | 9,322                        | 47.7                   |

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, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The annual required contribution (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.

## 15. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

### A. Plan Description

The City of Bristol 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 of Bristol'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.

**Combining Schedule of Assets**

|                                  | <b>Employee Retirement Funds</b>           |   |                                    | <b>Total</b>      |
|----------------------------------|--|---|------------------------------------|-------------------|
|                                  | <b>City<br/>Retirement<br/>System Fund</b> | <b>Firefighters'<br/>Benefit<br/>Fund</b> | <b>Police<br/>Benefit<br/>Fund</b> |                   |
| Assets:                          |  |   |                                    |                   |
| Cash and cash equivalents        | \$ 271                                     | \$ 300                                    | \$ 201                             | \$ 772            |
| Investments                      | <u>180,029</u>                             | <u>140,260</u>                            | <u>154,198</u>                     | <u>474,487</u>    |
| Total Assets                     | <u>180,300</u>                             | <u>140,560</u>                            | <u>154,399</u>                     | <u>475,259</u>    |
| Net Assets:                      |  |   |                                    |                   |
| Reserved for Employee Retirement | <u>\$ 180,300</u>                          | <u>\$ 140,560</u>                         | <u>\$ 154,399</u>                  | <u>\$ 475,259</u> |

**Combining Schedule of Changes in Plan Net Assets**

|  | <b>Employee Retirement Funds</b>           |   |                                    | <b>Total</b>      |
|--|--|---|------------------------------------|-------------------|
|  | <b>City<br/>Retirement<br/>System Fund</b> | <b>Firefighters'<br/>Benefit<br/>Fund</b> | <b>Police<br/>Benefit<br/>Fund</b> |                   |
| Additions:   |  |   |                                    |                   |
| Contributions:   |  |   |                                    |                   |
| Plan members   | <u>\$ 1,804</u>                            | <u>\$ 245</u>                             | <u>\$ 407</u>                      | <u>\$ 2,456</u>   |
| Investment income:   |  |   |                                    |                   |
| Net appreciation in fair value of investments                | 14,252                                     | 10,943                                    | 12,034                             | 37,229            |
| Interest and dividends                                       | <u>5,081</u>                               | <u>3,926</u>                              | <u>4,318</u>                       | <u>13,325</u>     |
| Total investment earnings                                    | 19,333                                     | 14,869                                    | 16,352                             | 50,554            |
| Less investment expenses                                     | <u>(264)</u>                               | <u>(84)</u>                               | <u>(110)</u>                       | <u>(458)</u>      |
| Net investment income  | <u>19,069</u>                              | <u>14,785</u>                             | <u>16,242</u>                      | <u>50,096</u>     |
| Total additions  | <u>20,873</u>                              | <u>15,030</u>                             | <u>16,649</u>                      | <u>52,552</u>     |
| Deductions:  |  |   |                                    |                   |
| Benefits   | 9,251                                      | 3,017                                     | 3,448                              | 15,716            |
| Administration   | <u>935</u>                                 | <u>731</u>                                | <u>805</u>                         | <u>2,471</u>      |
| Total deductions   | <u>10,186</u>                              | <u>3,748</u>                              | <u>4,253</u>                       | <u>18,187</u>     |
| Change in net assets   | 10,687                                     | 11,282                                    | 12,396                             | 34,365            |
| Net assets held in trust for pension benefits, July 1, 2009  | <u>169,613</u>                             | <u>129,278</u>                            | <u>142,003</u>                     | <u>440,894</u>    |
| Net Assets Held in Trust for Pension Benefits, June 30, 2010 | <u>\$ 180,300</u>                          | <u>\$ 140,560</u>                         | <u>\$ 154,399</u>                  | <u>\$ 475,259</u> |

At July 1, 2009 PERS membership consisted of:

|   | <u>City of<br/>Bristol<br/>Retirement<br/>System</u> | <u>Firefighters'<br/>Benefit<br/>Fund</u> | <u>Police<br/>Benefit<br/>Fund</u> |
|---|--|---|------------------------------------|
| Retirees, disabled and beneficiaries<br>currently receiving benefits    | 433  | 92  | 94                                 |
| Terminated employees entitled to benefits<br>but not yet receiving them | 38   | 1   |                                    |
| Current employees:  |  |   |                                    |
| Vested  | 350  | 52  | 76                                 |
| Nonvested   | 425  | 39  | 52                                 |
| <b>Total</b>  | <u>1,246</u>   | <u>184</u>                                | <u>222</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 20 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 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, 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. Police employees who were hired after July 1, 1988 who retire at normal retirement (after age 50 and completion of 25 years of continuous service) receive a retirement benefit for life of 2% of compensation per year of service, maximum 70%.

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:** PERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefit payments and refunds are payable when due and payable in accordance with the terms of the PERS. Administrative costs are paid from pension fund resources.

**Method Used to Value Investments:** All assets are valued at fair value for reporting purposes. Realized and unrealized gains or losses are spread over four years for actuarial valuation purposes. There are no investments in any organization that represent 5% or more of available net assets.

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

Employees covered under the City of Bristol retirement system are required to contribute 5.7% 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, 2010 the City was not required to make a contribution. 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 twenty-five 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, 2010 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% (6.5% for employees hired after July 1, 1988) of their base pay to the PERS. After twenty-five 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, 2010 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. Annual Pension Cost and Net Pension Obligations

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

|  | <u>City of<br/>Bristol<br/>Retirement<br/>System</u> | <u>Firefighters'<br/>Benefit<br/>Fund</u> | <u>Police<br/>Benefit<br/>Fund</u> |
|--|--|---|------------------------------------|
| Annual required contribution               | \$ -   | \$ -                                      | \$ -                               |
| Interest on net pension obligation         | (144)  | (146)                                     | (245)                              |
| Adjustment to annual required contribution | <u>186</u>   | <u>189</u>                                | <u>317</u>                         |
| Annual pension cost                        | 42   | 43  | 72                                 |
| Contributions made                         | <u>-</u>   | <u>-</u>                                  | <u>-</u>                           |
| Increase in net pension obligation         | 42   | 43  | 72                                 |
| Net pension asset, beginning of year       | <u>(1,856)</u>                                       | <u>(1,888)</u>                            | <u>(3,163)</u>                     |
| Net Pension Assets, End of Year            | <u>\$ (1,814)</u>                                    | <u>\$ (1,845)</u>                         | <u>\$ (3,091)</u>                  |

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

|                               | <u>City of<br/>Bristol<br/>Retirement<br/>System</u> | <u>Firefighters'<br/>Benefit<br/>Fund</u> | <u>Police<br/>Benefit<br/>Fund</u> |
|-------------------------------|--|---|------------------------------------|
| Actuarial valuation date      | July 1, 2009   | July 1, 2009                              | July 1, 2009                       |
| Actuarial cost method         | Projected Unit<br>Credit                             | Projected Unit<br>Credit                  | Projected Unit<br>Credit           |
| Amortization method           | Level dollar<br>amount-open                          | Level dollar<br>amount-open               | Level dollar<br>amount-open        |
| Remaining amortization period | 20 years, open                                       | 20 years, open                            | 20 years, open                     |
| Asset valuation method        | 4 - year<br>smoothed<br>market                       | 4 - year<br>smoothed<br>market            | 4 - year<br>Smoothed<br>Market     |
| Actuarial assumptions:        |  |   |                                    |
| Investment rate of return*    | 7.75%  | 7.75%                                     | 7.75%                              |
| Projected salary increases    | 5.0%   | 6.25%                                     | 6.25%                              |
| *Includes inflation at        | 3.0%   | 3.0%                                      | 3.0%                               |

**E. 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> |
| 6/30/08                                  | \$ 44                            | 0.0                                  | (1,899)                               |
| 6/30/09                                  | 43                               | 0.0                                  | (1,856)                               |
| 6/30/10                                  | 42                               | 0.0                                  | (1,814)                               |

| <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> |
| 6/30/08                           | \$ 45                            | 0.0                                  | (1,931)                               |
| 6/30/09                           | 43                               | 0.0                                  | (1,888)                               |
| 6/30/10                           | 43                               | 0.0                                  | (1,845)                               |

| <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> |
| 6/30/08                    | \$ 75                            | 0.0                                  | (3,235)                               |
| 6/30/09                    | 72                               | 0.0                                  | (3,163)                               |
| 6/30/10                    | 72                               | 0.0                                  | (3,091)                               |

**F. Schedule of Funding Progress**

| <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>UALL as a % of Covered Payroll ((a-b)/c)</b> |  |
| 7/1/04                                   | \$ 147,678                           | \$ 113,840  | \$ 33,838                        | 129.7                     | \$ 25,219                  | 134.2%  |  |
| 7/1/05                                   | 152,259                              | 118,404   | 33,855                           | 128.6                     | 26,022                     | 130.1   |  |
| 7/1/06                                   | 170,138                              | 124,411   | 45,727                           | 136.8                     | 26,901                     | 170.0   |  |
| 7/1/07                                   | 192,080                              | 131,438   | 60,642                           | 146.1                     | 29,345                     | 206.6   |  |
| 7/1/08                                   | 207,698                              | 143,268   | 64,430                           | 145.0                     | 30,309                     | 212.6   |  |
| 7/1/09                                   | 203,537                              | 150,284   | 53,253                           | 135.4                     | 31,268                     | 170.3   |  |

**Firefighters' Benefit Fund**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued                        |                           | Funded Ratio (a/b) | Covered Payroll (c) | UALL as a % of Covered Payroll ((a-b)/c) |
|--------------------------|-------------------------------|--|---------------------------|--------------------|---------------------|--|
|                          |                               | Liability(AAL) Projected Unit Credit (b) | Unfunded AAL (UAAL) (a-b) |                    |                     |  |
| 7/1/04                   | \$ 106,636                    | \$ 55,865                                | \$ 50,771                 | 190.9              | \$ 4,750            | 1,068.9%                                 |
| 7/1/05                   | 111,168                       | 58,373                                   | 52,795                    | 190.4              | 4,668               | 1,130.9                                  |
| 7/1/06                   | 125,251                       | 59,274                                   | 65,977                    | 211.3              | 4,696               | 1,405.0                                  |
| 7/1/07                   | 142,188                       | 60,481                                   | 81,707                    | 235.1              | 5,184               | 1,576.1                                  |
| 7/1/08                   | 155,198                       | 61,374                                   | 93,824                    | 252.9              | 5,219               | 1,797.6                                  |
| 7/1/09                   | 155,135                       | 61,873                                   | 93,262                    | 250.7              | 5,298               | 1,760.4                                  |

**Police Benefit Fund**

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued                        |                           | Funded Ratio (a/b) | Covered Payroll (c) | UALL as a % of Covered Payroll ((a-b)/c) |
|--------------------------|-------------------------------|--|---------------------------|--------------------|---------------------|--|
|                          |                               | Liability(AAL) Projected Unit Credit (b) | Unfunded AAL (UAAL) (a-b) |                    |                     |  |
| 7/1/04                   | \$ 117,755                    | \$ 73,101                                | \$ 44,654                 | 161.1              | \$ 6,339            | 704.4                                    |
| 7/1/05                   | 122,121                       | 74,674                                   | 47,447                    | 163.5              | 6,718               | 706.7                                    |
| 7/1/06                   | 137,399                       | 73,840                                   | 63,559                    | 186.1              | 6,768               | 939.1                                    |
| 7/1/07                   | 156,222                       | 76,105                                   | 80,117                    | 205.3              | 7,502               | 1,067.9                                  |
| 7/1/08                   | 170,638                       | 77,990                                   | 92,648                    | 218.8              | 7,421               | 1,248.5                                  |
| 7/1/09                   | 170,404                       | 83,227                                   | 87,177                    | 204.7              | 8,245               | 1,057.3                                  |

**G. Schedule of Employer Contributions**

**City of Bristol Retirement System**

| Fiscal Year Ended | Annual Required Contribution | Percentage Contributed |
|-------------------|------------------------------|------------------------|
| 6/30/05           | \$ 49                        | 100%                   |
| 6/30/06           | 80                           | 61                     |
| 6/30/07           | 115                          | 100                    |
| 6/30/08           | -                            | N/A                    |
| 6/30/09           | -                            | N/A                    |
| 6/30/10           | -                            | N/A                    |

**Firefighters' Benefit Fund**

| Fiscal Year Ended | Annual Required Contribution | Percentage Contributed |
|-------------------|------------------------------|------------------------|
| 6/30/05           | \$ -                         | N/A                    |
| 6/30/06           | -                            | N/A                    |
| 6/30/07           | -                            | N/A                    |
| 6/30/08           | -                            | N/A                    |
| 6/30/09           | -                            | N/A                    |
| 6/30/10           | -                            | N/A                    |

**Police Benefit Fund**

| <b>Fiscal Year Ended</b> |    | <b>Annual Required Contribution</b> | <b>Percentage Contributed</b> |
|--------------------------|----|-------------------------------------|-------------------------------|
| 6/30/05                  | \$ | -                                   | N/A                           |
| 6/30/06                  |    | -                                   | N/A                           |
| 6/30/07                  |    | -                                   | N/A                           |
| 6/30/08                  |    | -                                   | N/A                           |
| 6/30/09                  |    | -                                   | N/A                           |
| 6/30/10                  |    | -                                   | N/A                           |

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is presented in Section D above.

**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 \$53,433 for the year ended June 30, 2010.

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, 2010 the City has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$8,266 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.

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**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, 2010 WITH  
COMPARATIVE ACTUAL AMOUNTS FOR 2009  
(In Thousands)**

|   | 2010               |             |                   |            | Variance<br>Over<br>(Under) | 2009<br>Actual |
|---|--------------------|-------------|-------------------|------------|-----------------------------|----------------|
|   | Original<br>Budget | Adjustments | Amended<br>Budget | Actual     |                             |                |
| Property taxes:                               |                    |             |                   |            |                             |                |
| Current levy                                  | \$ 108,514         | \$          | \$ 108,514        | \$ 108,892 | \$ 378                      | \$ 108,180     |
| Prior levies                                  | 1,500              |             | 1,500             | 1,878      | 378                         | 1,868          |
| Interest and penalties                        | 600                |             | 600               | 1,063      | 463                         | 1,087          |
| Total property taxes                          | 110,614            | -           | 110,614           | 111,833    | 1,219                       | 111,135        |
| Licenses, permits and fees:                   |                    |             |                   |            |                             |                |
| Assessors' late filing fees                   | 1                  |             | 1                 | 1          |                             | 1              |
| Circuit court fines                           | 1                  |             | 1                 | 1          |                             | 2              |
| Dog penalties                                 | 1                  |             | 1                 | 1          |                             | -              |
| Merchandising licenses                        | 4                  |             | 4                 | 5          | 1                           | 7              |
| Animal licenses                               | 8                  |             | 8                 | 9          | 1                           | 9              |
| Hunting and fishing licenses                  | 2                  |             | 2                 | 1          | (1)                         | 2              |
| Marriage licenses                             | 3                  |             | 3                 | 3          |                             | 4              |
| Fees  | 8                  |             | 8                 | 10         | 2                           | 9              |
| Notary services                               | 4                  |             | 4                 | 5          | 1                           | 5              |
| Burial permits                                | 2                  |             | 2                 | 2          |                             | 2              |
| Trade names                                   | 1                  |             | 1                 | 1          |                             | 1              |
| Vital statistics                              | 70                 |             | 70                | 126        | 56                          | 80             |
| Parking violations                            | 50                 |             | 50                | 87         | 37                          | 70             |
| Alarm fees                                    | 35                 |             | 35                | 21         | (14)                        | 37             |
| Police report fees                            | 8                  |             | 8                 | 13         | 5                           | 15             |
| Building permits                              | 500                |             | 500               | 464        | (36)                        | 525            |
| Building Violations                           |                    |             |                   | 1          | 1                           | 2              |
| PW excavating permits                         | 12                 |             | 12                | 7          | (5)                         | 7              |
| Land use fees and permits                     | 12                 |             | 12                | 18         | 6                           | 16             |
| Library fines                                 | 23                 |             | 23                | 28         | 5                           | 30             |
| Total licenses, fees and permits              | 745                | -           | 745               | 804        | 59                          | 824            |
| State and Federal Grants:                     |                    |             |                   |            |                             |                |
| State grants-in-aid:                          |                    |             |                   |            |                             |                |
| State Owned Property (PILOT)                  | 58                 |             | 58                | 58         |                             | 78             |
| PILOT: Manufacturing and Equipment            | 2,180              |             | 2,180             | 2,300      | 120                         | 2,565          |
| State Grant: Elderly Freeze                   | 13                 |             | 13                | 10         | (3)                         | 11             |
| Boat registration                             | 12                 |             | 12                | 6          | (6)                         | 12             |
| Tax Relief Elderly/Disabled Homeowner         | 375                |             | 375               | 346        | (29)                        | 367            |
| Private Hospitals (PILOT)                     | 684                |             | 684               | 675        | (9)                         | 897            |
| Tax Relief Totally Disabled                   | 6                  |             | 6                 | 7          | 1                           | 6              |
| Additional Tax Relief: Veterans               | 22                 |             | 22                | 23         | 1                           | 23             |
| Enterprise zone reimbursement                 | 138                |             | 138               | 167        | 29                          | 110            |
| Town Aid Road Transportation                  | 307                | 33          | 340               | 340        |                             | 341            |
| Mashantucket Pequot Grant                     | 589                |             | 589               | 582        | (7)                         | 913            |
| PILOT   |                    |             |                   | 74         | 74                          | 79             |
| Off-track betting                             | 110                |             | 110               | 71         | (39)                        | 99             |
| Utilities tax                                 | 250                |             | 250               | 186        | (64)                        | 250            |
| Youth Services Bureau                         | 49                 |             | 49                | 49         |                             | 49             |
| Youth Service Bureau - Enhancement            |                    | 8           | 8                 | 8          |                             | 8              |
| School Readiness Grant/Quality<br>Enhancement |                    | 2,151       | 2,151             | 2,131      | (20)                        | 1,954          |
| Education Cost Sharing                        | 41,657             | (5,943)     | 35,714            | 35,395     | (319)                       | 41,675         |
| Trans. Child - Public                         | 749                |             | 749               | 460        | (289)                       | 760            |

(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, 2010 WITH  
COMPARATIVE ACTUAL AMOUNTS FOR 2009  
(In Thousands)**

|                                       | 2010               |              |                   |               |                             | 2009<br>Actual |
|---------------------------------------|--------------------|--------------|-------------------|---------------|-----------------------------|----------------|
|                                       | Original<br>Budget | Adjustments  | Amended<br>Budget | Actual        | Variance<br>Over<br>(Under) |                |
| Medicaid Coordination                 | \$ 140             |              | \$ 140            | \$ 404        | \$ 264                      | \$ 250         |
| Education for the Blind               | 30                 |              | 30                |               | (30)                        | 10             |
| Excess Student Cost Base              | 2,400              |              | 2,400             | 2,113         | (287)                       | 2,653          |
| Health Serv. PA 481/Private School    |                    |              |                   |               |                             |                |
| Health Reimbursement                  | 300                |              | 300               | 256           | (44)                        | 253            |
| Transportation School Child-Nonpublic | 182                |              | 182               | 182           |                             | 181            |
| Miscellaneous State grants            | 19                 | 64           | 83                | 126           | 43                          | 194            |
| Federal Grants:                       |                    |              |                   |               |                             |                |
| Housing Authority (FED-PILOT)         | 81                 |              | 81                | 104           | 23                          | 88             |
| ARRA ECS GRANT-(0015000-542060)       |                    | 5,943        | 5,943             | 5,943         |                             | -              |
| Public safety federal grants          | 3                  |              | 3                 | 2             | (1)                         | 4              |
| Total intergovernmental               | <u>50,354</u>      | <u>2,256</u> | <u>52,610</u>     | <u>52,018</u> | <u>(592)</u>                | <u>53,830</u>  |
| Charges for Services:                 |                    |              |                   |               |                             |                |
| Copier charges                        | 46                 |              | 46                | 56            | 10                          | 51             |
| Code enforcement reimbursements       | 20                 |              | 20                | 63            | 43                          | 279            |
| Water reimbursement fees              | 5                  |              | 5                 | 2             | (3)                         | 2              |
| Foreclosure reimbursement fees        | 25                 |              | 25                | 16            | (9)                         | 11             |
| Recording fees                        | 280                |              | 280               | 279           | (1)                         | 258            |
| Real estate transfer tax              | 850                |              | 850               | 905           | 55                          | 708            |
| Department of Aging Services          | 69                 |              | 69                | 74            | 5                           | 67             |
| Public safety charges for services    | 483                | 717          | 1,200             | 1,484         | 284                         | 1,232          |
| Animal control charges                | 14                 |              | 14                | 14            |                             | 14             |
| Miscellaneous charges for services    | 17                 | 1            | 18                | 12            | (6)                         | 19             |
| Public works service and maps         | 221                | 12           | 233               | 268           | 35                          | 257            |
| Recycling permits                     | 111                |              | 111               | 117           | 6                           | 101            |
| City building rentals                 | 156                |              | 156               | 218           | 62                          | 222            |
| School Tuition                        | 300                |              | 300               | 434           | 134                         | 348            |
| Pool revenue                          | 138                |              | 138               | 150           | 12                          | 135            |
| Park program                          | 77                 |              | 77                | 65            | (12)                        | 74             |
| Total charges for services            | <u>2,812</u>       | <u>730</u>   | <u>3,542</u>      | <u>4,157</u>  | <u>615</u>                  | <u>3,778</u>   |
| Investment earnings:                  |                    |              |                   |               |                             |                |
| Interest-General Fund                 | 924                |              | 924               | 262           | (662)                       | 958            |
| Interest-Miscellaneous A/R            | 2                  |              | 2                 | 9             | 7                           | 2              |
| Total investment earnings             | <u>926</u>         |              | <u>926</u>        | <u>271</u>    | <u>(655)</u>                | <u>960</u>     |
| Sale of property and equipment        | 50                 | 179          | 229               | 229           | -                           | 56             |

(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, 2010 WITH  
COMPARATIVE ACTUAL AMOUNTS FOR 2009  
(In Thousands)**

|  | 2010               |             |                   |         | Variance<br>Over<br>(Under) | 2009<br>Actual |
|--|--------------------|-------------|-------------------|---------|-----------------------------|----------------|
|  | Original<br>Budget | Adjustments | Amended<br>Budget | Actual  |                             |                |
| Other local revenue:                       |                    |             |                   |         |                             |                |
| Miscellaneous                              | \$ 3               | \$ 125      | \$ 128            | \$ 135  | \$ 7                        | \$ 201         |
| Contributions to Youth Services            |                    | 1           | 1                 | 1       |                             | 1              |
| Contributions Interdistrict Cooperative    |                    | 120         | 120               | 120     |                             | 120            |
| Library Trust Funds                        | 16                 | 4           | 20                | 16      | (4)                         | 18             |
| Park Trust Funds and Gifts                 | 324                |             | 324               | 328     | 4                           | 397            |
| Total other local revenue                  | 343                | 250         | 593               | 600     | 7                           | 737            |
| Transfers in                               | 2,055              | -           | 2,055             | 2,053   | (2)                         | 1,868          |
| Total Revenues and Other Financing Sources | \$ 167,899         | \$ 3,415    | \$ 171,314        | 171,965 | \$ 651                      | \$ 173,188     |

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

8,266

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

\$ 180,231

## CITY OF BRISTOL, CONNECTICUT

## GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING  
USES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2010  
(In Thousands)**

|                              | 2010               |             |                   |            | Variance<br>(Over)<br>Under | 2009<br>Actual |
|------------------------------|--------------------|-------------|-------------------|------------|-----------------------------|----------------|
|                              | Original<br>Budget | Adjustments | Amended<br>Budget | Actual     |                             |                |
| <b>General Government</b>    |                    |             |                   |            |                             |                |
| City Council:                |                    |             |                   |            |                             |                |
| Personnel Services           | \$ 58              | \$ 1        | \$ 59             | \$ 59      |                             | \$ 60          |
| Mayor's Office:              |                    |             |                   |            |                             |                |
| Personnel Services           | 150                |             | 150               | 150        |                             | 152            |
| Contractual Services         | 57                 |             | 57                | 54         | 3                           | 58             |
| Supplies                     | 1                  |             | 1                 | 1          |                             |                |
| Total mayor's office         | <u>208</u>         | <u>-</u>    | <u>208</u>        | <u>205</u> | <u>3</u>                    | <u>210</u>     |
| Probate Court:               |                    |             |                   |            |                             |                |
| Contractual Services         | 23                 | (1)         | 22                | 19         | 3                           | 20             |
| Supplies                     | 3                  |             | 3                 | 2          | 1                           | 2              |
| Capital Outlay               | 1                  |             | 1                 | 1          |                             | 5              |
| Total probate court          | <u>27</u>          | <u>(1)</u>  | <u>26</u>         | <u>22</u>  | <u>4</u>                    | <u>27</u>      |
| Registrar of Voters:         |                    |             |                   |            |                             |                |
| Personnel Services           | 137                | (1)         | 136               | 133        | 3                           | 138            |
| Contractual Services         | 89                 |             | 89                | 51         | 38                          | 76             |
| Supplies                     | 8                  |             | 8                 | 2          | 6                           | 1              |
| Total registrar of voters    | <u>234</u>         | <u>(1)</u>  | <u>233</u>        | <u>186</u> | <u>47</u>                   | <u>215</u>     |
| Assessor:                    |                    |             |                   |            |                             |                |
| Personnel Services           | 344                |             | 344               | 342        | 2                           | 329            |
| Contractual Services         | 112                | (94)        | 18                | 18         |                             | 15             |
| Supplies                     | 2                  |             | 2                 | 1          | 1                           | 1              |
| Total assessor               | <u>458</u>         | <u>(94)</u> | <u>364</u>        | <u>361</u> | <u>3</u>                    | <u>345</u>     |
| Board of Assessment Appeals: |                    |             |                   |            |                             |                |
| Personnel Services           | 5                  |             | 5                 | 5          |                             | 4              |
| Contractual Services         |                    |             |                   |            |                             | 1              |
| Total board of tax appeals   | <u>5</u>           | <u>-</u>    | <u>5</u>          | <u>5</u>   | <u>-</u>                    | <u>5</u>       |
| Tax Collector:               |                    |             |                   |            |                             |                |
| Personnel Services           | 296                | (2)         | 294               | 293        | 1                           | 278            |
| Contractual Services         | 64                 |             | 64                | 56         | 8                           | 62             |
| Supplies                     | 1                  |             | 1                 | 1          |                             | 1              |
| Capital Outlay               |                    | 2           | 2                 | 2          |                             |                |
| Total tax collector          | <u>361</u>         | <u>-</u>    | <u>361</u>        | <u>352</u> | <u>9</u>                    | <u>341</u>     |
| Purchasing:                  |                    |             |                   |            |                             |                |
| Personnel Services           | 163                |             | 163               | 163        |                             | 163            |
| Contractual Services         | 13                 |             | 13                | 8          | 5                           | 9              |
| Capital Outlay               |                    |             |                   |            |                             | 2              |
| Total purchasing             | <u>176</u>         | <u>-</u>    | <u>176</u>        | <u>171</u> | <u>5</u>                    | <u>174</u>     |

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## CITY OF BRISTOL, CONNECTICUT

## GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING  
USES - BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2009  
(In Thousands)**

|                              | 2010               |             |                   |            | Variance<br>(Over)<br>Under | 2009<br>Actual |
|------------------------------|--------------------|-------------|-------------------|------------|-----------------------------|----------------|
|                              | Original<br>Budget | Adjustments | Amended<br>Budget | Actual     |                             |                |
| Comptroller's Office:        |                    |             |                   |            |                             |                |
| Personnel Services           | \$ 638             | \$          | \$ 638            | \$ 616     | \$ 22                       | \$ 607         |
| Contractual Services         | 11                 |             | 11                | 9          | 2                           | 20             |
| Supplies                     | 2                  |             | 2                 | 1          | 1                           | 1              |
| Total comptroller's office   | <u>651</u>         | <u>-</u>    | <u>651</u>        | <u>626</u> | <u>25</u>                   | <u>628</u>     |
| Treasurer:                   |                    |             |                   |            |                             |                |
| Personnel Services           | 145                | (10)        | 135               | 127        | 8                           | 145            |
| Contractual Services         | 8                  |             | 8                 | 8          |                             | 8              |
| Supplies                     | 1                  |             | 1                 | 1          |                             | 1              |
| Capital Outlay               |                    | 10          | 10                | 10         |                             |                |
| Total treasurer              | <u>154</u>         | <u>-</u>    | <u>154</u>        | <u>146</u> | <u>8</u>                    | <u>154</u>     |
| Information Systems:         |                    |             |                   |            |                             |                |
| Personnel Services           | 448                | 2           | 450               | 450        |                             | 448            |
| Contractual Services         | 238                | (1)         | 237               | 226        | 11                          | 218            |
| Supplies                     | 35                 | (1)         | 34                | 27         | 7                           | 33             |
| Capital Outlay               | 22                 | 1           | 23                | 17         | 6                           | 13             |
| Total information systems    | <u>743</u>         | <u>1</u>    | <u>744</u>        | <u>720</u> | <u>24</u>                   | <u>712</u>     |
| Personnel Department:        |                    |             |                   |            |                             |                |
| Personnel Services           | 477                |             | 477               | 439        | 38                          | 461            |
| Contractual Services         | 178                | 14          | 192               | 162        | 30                          | 165            |
| Purch. Professional Services | 6                  | 8           | 14                | 10         | 4                           | 4              |
| Supplies                     | 6                  |             | 6                 | 6          |                             | 6              |
| Total personnel department   | <u>667</u>         | <u>22</u>   | <u>689</u>        | <u>617</u> | <u>72</u>                   | <u>636</u>     |
| Corporation Counsel:         |                    |             |                   |            |                             |                |
| Personnel Services           | 355                | (2)         | 353               | 299        | 54                          | 313            |
| Contractual Services         | 244                |             | 244               | 153        | 91                          | 704            |
| Supplies                     | 13                 |             | 13                | 8          | 5                           | 15             |
| Capital Outlay               | 250                |             | 250               | 250        |                             | 6              |
| Total corporation counsel    | <u>862</u>         | <u>(2)</u>  | <u>860</u>        | <u>710</u> | <u>150</u>                  | <u>1,038</u>   |
| City Clerk:                  |                    |             |                   |            |                             |                |
| Personnel Services           | 302                |             | 302               | 283        | 19                          | 288            |
| Contractual Services         | 82                 |             | 82                | 78         | 4                           | 82             |
| Supplies                     | 3                  |             | 3                 | 3          |                             | 3              |
| Total city clerk             | <u>387</u>         | <u>-</u>    | <u>387</u>        | <u>364</u> | <u>23</u>                   | <u>373</u>     |

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## CITY OF BRISTOL, CONNECTICUT

## GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING  
USES - BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2009  
(In Thousands)**

|                             | 2010               |             |                   |        |                             | 2009<br>Actual |
|-----------------------------|--------------------|-------------|-------------------|--------|-----------------------------|----------------|
|                             | Original<br>Budget | Adjustments | Amended<br>Budget | Actual | Variance<br>(Over)<br>Under |                |
| Board of Finance:           |                    |             |                   |        |                             |                |
| Personnel Services          | \$ 1               | \$          | \$ 1              | \$ 1   | \$                          | \$ 1           |
| Contractual Services        | 70                 |             | 70                | 70     |                             | 72             |
| Total board of finance      | 71                 | -           | 71                | 71     | -                           | 73             |
| Aging Department:           |                    |             |                   |        |                             |                |
| Personnel Services          | 383                | (1)         | 382               | 379    | 3                           | 380            |
| Contractual Services        | 137                | 60          | 197               | 193    | 4                           | 197            |
| Supplies                    | 53                 |             | 53                | 45     | 8                           | 54             |
| Capital Outlay              |                    |             |                   |        |                             | 3              |
| Total aging department      | 573                | 59          | 632               | 617    | 15                          | 634            |
| Veteran's Office:           |                    |             |                   |        |                             |                |
| Personnel Services          | 22                 |             | 22                | 5      | 17                          | 29             |
| Contractual Services        | 1                  |             | 1                 |        | 1                           |                |
| Total veteran's office      | 23                 | -           | 23                | 5      | 18                          | 29             |
| CCRPA:                      |                    |             |                   |        |                             |                |
| Contractual Services        | 30                 |             | 30                | 29     | 1                           | 30             |
| Youth Services:             |                    |             |                   |        |                             |                |
| Personnel Services          | 207                | 2           | 209               | 209    |                             | 202            |
| Contractual Services        | 166                | (8)         | 158               | 151    | 7                           | 152            |
| Supplies                    | 14                 |             | 14                | 7      | 7                           | 17             |
| Total youth services        | 387                | (6)         | 381               | 367    | 14                          | 371            |
| Interdistrict COOP:         |                    |             |                   |        |                             |                |
| Personnel Services          |                    | 57          | 57                | 57     |                             | 57             |
| Contractual Services        |                    | 60          | 60                | 60     |                             | 61             |
| Supplies                    |                    | 3           | 3                 | 3      |                             | 2              |
| Total interdistrict COOP    | -                  | 120         | 120               | 120    | -                           | 120            |
| Community Promotions:       |                    |             |                   |        |                             |                |
| Contractual Services        | 5                  |             | 5                 | 3      | 2                           | 3              |
| Other                       | 50                 |             | 50                | 19     | 31                          | 38             |
| Total community promotions  | 55                 | -           | 55                | 22     | 33                          | 41             |
| Charter Revision Committee: |                    |             |                   |        |                             |                |
| Personal Services           |                    | 2           | 2                 | 2      |                             | -              |
| Mayors Energy Task Force    |                    |             |                   |        |                             |                |
| Personal Services           | 1                  |             | 1                 | 1      |                             | -              |
| Total general governmental  | 6,131              | 101         | 6,232             | 5,778  | 454                         | 6,216          |

(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, 2010 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2009  
(In Thousands)**

|                            | 2010               |             |                   |               | Variance<br>(Over)<br>Under | 2009<br>Actual |
|----------------------------|--------------------|-------------|-------------------|---------------|-----------------------------|----------------|
|                            | Original<br>Budget | Adjustments | Amended<br>Budget | Actual        |                             |                |
| <b>Public Safety</b>       |                    |             |                   |               |                             |                |
| Police Department:         |                    |             |                   |               |                             |                |
| Personnel Services         | \$ 11,784          | \$ 305      | \$ 12,089         | \$ 11,995     | \$ 94                       | \$ 11,759      |
| Contractual Services       | 675                | (104)       | 571               | 382           | 189                         | 562            |
| Supplies                   | 369                | (4)         | 365               | 283           | 82                          | 318            |
| Capital Outlay             | 71                 | 3           | 74                | 28            | 46                          | 271            |
| Total police department    | <u>12,899</u>      | <u>200</u>  | <u>13,099</u>     | <u>12,688</u> | <u>411</u>                  | <u>12,910</u>  |
| Fire Department:           |                    |             |                   |               |                             |                |
| Personnel Services         | 6,901              | 816         | 7,717             | 7,717         |                             | 6,710          |
| Contractual Services       | 246                | (65)        | 181               | 173           | 8                           | 207            |
| Supplies                   | 156                | (19)        | 137               | 132           | 5                           | 201            |
| Capital Outlay             | 50                 |             | 50                | 48            | 2                           | 64             |
| Total fire department      | <u>7,353</u>       | <u>732</u>  | <u>8,085</u>      | <u>8,070</u>  | <u>15</u>                   | <u>7,182</u>   |
| Animal Control:            |                    |             |                   |               |                             |                |
| Personnel Services         | 111                | 3           | 114               | 114           |                             | 108            |
| Contractual Services       | 16                 |             | 16                | 11            | 5                           | 14             |
| Supplies                   | 1                  |             | 1                 |               | 1                           |                |
| Total animal control       | <u>128</u>         | <u>3</u>    | <u>131</u>        | <u>125</u>    | <u>6</u>                    | <u>122</u>     |
| Emergency Management:      |                    |             |                   |               |                             |                |
| Personnel Services         | 6                  |             | 6                 | 6             |                             | 6              |
| Contractual Services       | 5                  |             | 5                 | 5             |                             | 4              |
| Supplies                   | 2                  |             | 2                 | 1             | 1                           | 3              |
| Total emergency management | <u>13</u>          | <u>-</u>    | <u>13</u>         | <u>12</u>     | <u>1</u>                    | <u>13</u>      |
| Building Inspection:       |                    |             |                   |               |                             |                |
| Personnel Services         | 536                |             | 536               | 536           |                             | 530            |
| Contractual Services       | 11                 |             | 11                | 10            | 1                           | 5              |
| Supplies                   | 10                 |             | 10                | 7             | 3                           | 8              |
| Total building inspection  | <u>557</u>         | <u>-</u>    | <u>557</u>        | <u>553</u>    | <u>4</u>                    | <u>543</u>     |
| L.E.P.C.:                  |                    |             |                   |               |                             |                |
| Personnel Services         | 6                  |             | 6                 | 3             | 3                           | 6              |
| Supplies                   | 1                  |             | 1                 |               | 1                           |                |
| Total L.E.P.C.             | <u>7</u>           | <u>-</u>    | <u>7</u>          | <u>3</u>      | <u>4</u>                    | <u>6</u>       |
| Total public safety        | <u>20,957</u>      | <u>935</u>  | <u>21,892</u>     | <u>21,451</u> | <u>441</u>                  | <u>20,776</u>  |

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## CITY OF BRISTOL, CONNECTICUT

## GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING  
USES - BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2009  
(In Thousands)**

|                            | 2010               |              |                   |              |                             | 2009<br>Actual |
|----------------------------|--------------------|--------------|-------------------|--------------|-----------------------------|----------------|
|                            | Original<br>Budget | Adjustments  | Amended<br>Budget | Actual       | Variance<br>(Over)<br>Under |                |
| <b>Public Works</b>        |                    |              |                   |              |                             |                |
| Administration:            |                    |              |                   |              |                             |                |
| Personnel Services         | \$ 406             | \$           | \$ 406            | \$ 403       | \$ 3                        | \$ 401         |
| Contractual Services       | 11                 |              | 11                | 6            | 5                           | 7              |
| Supplies                   | 3                  |              | 3                 | 1            | 2                           | 2              |
| Capital Outlay             |                    |              |                   |              |                             | (8)            |
| Total administration       | <u>420</u>         | <u>-</u>     | <u>420</u>        | <u>410</u>   | <u>10</u>                   | <u>402</u>     |
| Engineering:               |                    |              |                   |              |                             |                |
| Personnel Services         | 919                |              | 919               | 892          | 27                          | 951            |
| Contractual Services       | 18                 |              | 18                | 12           | 6                           | 19             |
| Supplies                   | 4                  |              | 4                 | 2            | 2                           | 4              |
| Capital Outlay             |                    |              |                   |              |                             | 15             |
| Total engineering          | <u>941</u>         | <u>-</u>     | <u>941</u>        | <u>906</u>   | <u>35</u>                   | <u>989</u>     |
| Land Use:                  |                    |              |                   |              |                             |                |
| Personnel Services         | 194                |              | 194               | 192          | 2                           | 179            |
| Contractual Services       | 17                 |              | 17                | 17           |                             | 14             |
| Supplies                   | 1                  |              | 1                 | 1            |                             | 1              |
| Total land use             | <u>212</u>         | <u>-</u>     | <u>212</u>        | <u>210</u>   | <u>2</u>                    | <u>194</u>     |
| Maintenance:               |                    |              |                   |              |                             |                |
| Personnel Services         | 416                | (10)         | 406               | 388          | 18                          | 414            |
| Contractual Services       | 536                | (40)         | 496               | 469          | 27                          | 580            |
| Supplies                   | 180                | (74)         | 106               | 103          | 3                           | 273            |
| Capital Outlay             |                    |              |                   |              |                             | 57             |
| Total maintenance          | <u>1,132</u>       | <u>(124)</u> | <u>1,008</u>      | <u>960</u>   | <u>48</u>                   | <u>1,324</u>   |
| Streets Division:          |                    |              |                   |              |                             |                |
| Personnel Services         | 1,620              | 16           | 1,636             | 1,631        | 5                           | 1,701          |
| Contractual Services       | 11                 | 2            | 13                | 10           | 3                           | 7              |
| Supplies                   | 160                | 45           | 205               | 191          | 14                          | 220            |
| Total streets division     | <u>1,791</u>       | <u>63</u>    | <u>1,854</u>      | <u>1,832</u> | <u>22</u>                   | <u>1,928</u>   |
| Solid Waste Division:      |                    |              |                   |              |                             |                |
| Personnel Services         | 1,420              | (72)         | 1,348             | 1,322        | 26                          | 1,394          |
| Contract Services          | 1,524              | 1            | 1,525             | 1,468        | 57                          | 1,416          |
| Supplies                   | 20                 |              | 20                | 20           |                             | 19             |
| Capital Outlay             |                    | 19           | 19                | 8            | 11                          | 28             |
| Transfer out               | (1,245)            |              | (1,245)           | (1,245)      |                             | (1,160)        |
| Total solid waste division | <u>1,719</u>       | <u>(52)</u>  | <u>1,667</u>      | <u>1,573</u> | <u>94</u>                   | <u>1,697</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, 2010 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2009  
(In Thousands)**

|                                  | 2010               |             |                   |              | Variance<br>(Over)<br>Under | 2009<br>Actual |
|----------------------------------|--------------------|-------------|-------------------|--------------|-----------------------------|----------------|
|                                  | Original<br>Budget | Adjustments | Amended<br>Budget | Actual       |                             |                |
| Fleet Maintenance:               |                    |             |                   |              |                             |                |
| Personnel Services               | \$ 556             | \$ (80)     | \$ 476            | \$ 476       | \$                          | \$ 492         |
| Contractual Services             | 157                | 65          | 222               | 216          | 6                           | 117            |
| Supplies                         | 829                | (9)         | 820               | 769          | 51                          | 992            |
| Capital Outlay                   |                    | 3           | 3                 | 3            |                             | 2              |
| Total fleet maintenance          | <u>1,542</u>       | <u>(21)</u> | <u>1,521</u>      | <u>1,464</u> | <u>57</u>                   | <u>1,603</u>   |
| Snow Removal:                    |                    |             |                   |              |                             |                |
| Personnel Services               | 231                | (26)        | 205               | 205          |                             | 279            |
| Contractual Services             | 289                | (95)        | 194               | 194          |                             | 328            |
| Supplies                         | 259                | 314         | 573               | 573          |                             | 585            |
| Capital Outlay                   |                    |             |                   |              |                             | 11             |
| Total snow removal               | <u>779</u>         | <u>193</u>  | <u>972</u>        | <u>972</u>   | <u>-</u>                    | <u>1,203</u>   |
| Major Road Improvements:         |                    |             |                   |              |                             |                |
| Personnel Services               | 10                 | (3)         | 7                 | 7            |                             | 16             |
| Contractual Services             | 925                | 35          | 960               | 960          |                             | 2,222          |
| Total road improvements          | <u>935</u>         | <u>32</u>   | <u>967</u>        | <u>967</u>   | <u>-</u>                    | <u>2,238</u>   |
| Railroad Maintenance:            |                    |             |                   |              |                             |                |
| Contractual Services             | 54                 | (20)        | 34                | 34           |                             | 54             |
| Other City Buildings:            |                    |             |                   |              |                             |                |
| Contractual Services             | 43                 | 20          | 63                | 59           | 4                           | 45             |
| Supplies                         | 2                  |             | 2                 | 1            | 1                           | 3              |
| Capital Outlay                   | 6                  | 8           | 14                | 14           |                             | 8              |
| Total other city buildings       | <u>51</u>          | <u>28</u>   | <u>79</u>         | <u>74</u>    | <u>5</u>                    | <u>56</u>      |
| Composting:                      |                    |             |                   |              |                             |                |
| Personnel Services               | 2                  |             | 2                 |              | 2                           |                |
| Contractual Services             | 76                 | 16          | 92                | 71           | 21                          | 63             |
| Supplies                         |                    |             |                   |              |                             |                |
| Total composting                 | <u>78</u>          | <u>16</u>   | <u>94</u>         | <u>71</u>    | <u>23</u>                   | <u>63</u>      |
| Perm Patch Utility Trenches:     |                    |             |                   |              |                             |                |
| Contractual Services             |                    | 12          | 12                | 12           |                             | 49             |
| Public Works Fleet:              |                    |             |                   |              |                             |                |
| Capital Outlay                   | 15                 | 15          | 30                | 25           | 5                           | 697            |
| Public Works Line Painting       |                    |             |                   |              |                             |                |
| Personnel Services               | 1                  |             | 1                 |              | 1                           | 103            |
| Contractual Services             | 108                | 19          | 127               | 123          | 4                           |                |
| Total public works line painting | <u>109</u>         | <u>19</u>   | <u>128</u>        | <u>123</u>   | <u>5</u>                    | <u>103</u>     |

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## CITY OF BRISTOL, CONNECTICUT

## GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING  
USES - BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2009  
(In Thousands)**

|                                   | 2010               |             |                   |               | Variance<br>(Over)<br>Under | 2009<br>Actual |
|-----------------------------------|--------------------|-------------|-------------------|---------------|-----------------------------|----------------|
|                                   | Original<br>Budget | Adjustments | Amended<br>Budget | Actual        |                             |                |
| Storm Maintenance:                |                    |             |                   |               |                             |                |
| Personnel Services                | \$                 | \$          | \$                | \$            | \$                          | \$ 2           |
| Contractual Services              |                    |             |                   |               |                             | 1              |
| Total storm maintenance           | <u>-</u>           | <u>-</u>    | <u>-</u>          | <u>-</u>      | <u>-</u>                    | <u>3</u>       |
| Street Lighting:                  |                    |             |                   |               |                             |                |
| Contractual Services              | <u>765</u>         |             | <u>765</u>        | <u>755</u>    | <u>10</u>                   | <u>772</u>     |
| Total public works                | <u>10,543</u>      | <u>161</u>  | <u>10,704</u>     | <u>10,388</u> | <u>316</u>                  | <u>13,375</u>  |
| <b>Health and Welfare</b>         |                    |             |                   |               |                             |                |
| Social Services:                  |                    |             |                   |               |                             |                |
| Personnel Services                | 195                | (2)         | 193               | 164           | 29                          | 194            |
| Contractual Services              | 26                 |             | 26                | 25            | 1                           | 27             |
| Supplies                          | 1                  |             | 1                 | 1             |                             | 1              |
| Other/Miscellaneous               | 15                 | 2           | 17                | 17            |                             | 23             |
| Total social services             | <u>237</u>         | <u>-</u>    | <u>237</u>        | <u>207</u>    | <u>30</u>                   | <u>245</u>     |
| Bristol-Burlington Health:        |                    |             |                   |               |                             |                |
| Contractual Services              | <u>2,497</u>       |             | <u>2,497</u>      | <u>2,497</u>  |                             | <u>2,449</u>   |
| Code Enforcement:                 |                    |             |                   |               |                             |                |
| Contractual Services              | 2                  | 3           | 5                 | 4             | 1                           | 1              |
| Supplies                          | 1                  |             | 1                 |               | 1                           | 1              |
| Other/Miscellaneous               | 80                 | (3)         | 77                | 46            | 31                          | 419            |
| Total personnel services          | <u>83</u>          | <u>-</u>    | <u>83</u>         | <u>50</u>     | <u>33</u>                   | <u>421</u>     |
| Bristol Preschool:                |                    |             |                   |               |                             |                |
| Contractual Services              | <u>12</u>          |             | <u>12</u>         | <u>12</u>     |                             | <u>12</u>      |
| North Central Reg. Mental Health: |                    |             |                   |               |                             |                |
| Contractual Services              | <u>64</u>          | <u>1</u>    | <u>65</u>         | <u>63</u>     | <u>2</u>                    | <u>4</u>       |
| Saint Vincent DePaul:             |                    |             |                   |               |                             |                |
| Contractual Services              |                    |             |                   |               |                             | <u>17</u>      |
| CMED:                             |                    |             |                   |               |                             |                |
| Contractual Services              |                    |             |                   |               |                             | <u>36</u>      |
| Substance Abuse Action:           |                    |             |                   |               |                             |                |
| Contractual Services              |                    |             |                   |               |                             | <u>4</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, 2010 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2009  
(In Thousands)**

|                                      | 2010               |             |                   |          | Variance<br>(Over)<br>Under | 2009<br>Actual |
|--------------------------------------|--------------------|-------------|-------------------|----------|-----------------------------|----------------|
|                                      | Original<br>Budget | Adjustments | Amended<br>Budget | Actual   |                             |                |
| Mayor's HIV/AIDS Task Force:         |                    |             |                   |          |                             |                |
| Contractual Services                 | \$ _____           | \$ _____    | \$ _____          | \$ _____ | \$ _____                    | \$ _____ 2     |
| Community Health Center:             |                    |             |                   |          |                             |                |
| Contractual Services                 | _____              | _____       | _____             | _____    | _____                       | _____ 1        |
| Cemetery Upkeep:                     |                    |             |                   |          |                             |                |
| Contractual Services                 |                    |             |                   |          |                             | 8              |
| Purch. Prof. Services                | 77                 |             | 77                | 77       |                             | 71             |
| Total cemetery upkeep                | 77                 | -           | 77                | 77       | -                           | 79             |
| School Readiness Program:            |                    |             |                   |          |                             |                |
| Personnel Services                   | 12                 | 55          | 67                | 67       |                             | 67             |
| Contractual Service                  | 4                  | 2,096       | 2,100             | 2,054    | 46                          | 1,783          |
| Total school readiness program       | 16                 | 2,151       | 2,167             | 2,121    | 46                          | 1,850          |
| Total health and welfare             | 2,986              | 2,152       | 5,138             | 5,027    | 111                         | 5,120          |
| <b>Libraries</b>                     |                    |             |                   |          |                             |                |
| Library:                             |                    |             |                   |          |                             |                |
| Personnel Services                   | 1,405              |             | 1,405             | 1,343    | 62                          | 1,320          |
| Contractual Services                 | 270                |             | 270               | 242      | 28                          | 272            |
| Supplies                             | 373                |             | 373               | 361      | 12                          | 380            |
| Capital Outlay                       |                    |             |                   |          |                             | 10             |
| Total libraries                      | 2,048              | -           | 2,048             | 1,946    | 102                         | 1,982          |
| <b>Parks and Recreation</b>          |                    |             |                   |          |                             |                |
| Parks and Recreation:                |                    |             |                   |          |                             |                |
| Personnel Services                   | 1,724              | (3)         | 1,721             | 1,660    | 61                          | 1,645          |
| Contractual Services                 | 355                | (1)         | 354               | 307      | 47                          | 331            |
| Employee Benefits                    | 55                 |             | 55                | 55       |                             | 55             |
| Supplies                             | 220                | 1           | 221               | 210      | 11                          | 246            |
| Capital Outlay                       | 11                 | 1           | 12                | 10       | 2                           | 26             |
| Other/Miscellaneous                  | 3                  |             | 3                 | 3        |                             |                |
| General Insurance                    | 34                 |             | 34                | 20       | 14                          | 30             |
| OP - Transfer Out                    |                    | (55)        | (55)              | (55)     |                             | (55)           |
| Total parks and recreation           | 2,402              | (57)        | 2,345             | 2,210    | 135                         | 2,278          |
| <b>Employee Benefits and Pension</b> |                    |             |                   |          |                             |                |
| Employee benefits and pension:       |                    |             |                   |          |                             |                |
| Retirement Benefits                  | 108                |             | 108               | 61       | 47                          | 83             |
| Heart and Hypertension Police        | 715                | (82)        | 633               | 586      | 47                          | 737            |
| Employee Benefits                    | 9,129              | 509         | 9,638             | 9,590    | 48                          | 8,629          |
| Transfer to Internal Service         | (7,600)            |             | (7,600)           | (7,600)  |                             | (6,746)        |
| Other Post Employment Benefits       | 313                | (313)       |                   |          |                             |                |
| Total benefits and pension           | 2,665              | 114         | 2,779             | 2,637    | 142                         | 2,703          |

(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, 2010 WITH COMPARATIVE  
ACTUAL AMOUNTS FOR 2009  
(In Thousands)**

|  | 2010               |                 |                   |               | Variance<br>(Over)<br>Under | 2009<br>Actual    |
|--|--------------------|-----------------|-------------------|---------------|-----------------------------|-------------------|
|  | Original<br>Budget | Adjustments     | Amended<br>Budget | Actual        |                             |                   |
| <b>General Insurance</b>               |                    |                 |                   |               |                             |                   |
| General Insurance:                     |                    |                 |                   |               |                             |                   |
| General City Insurance                 | \$ 749             | \$ 35           | \$ 784            | \$ 589        | \$ 195                      | \$ 681            |
| <b>Miscellaneous</b>                   |                    |                 |                   |               |                             |                   |
| Miscellaneous:                         |                    |                 |                   |               |                             |                   |
| All Other Costs and Fees               | 2,137              | 1,111           | 3,248             | 736           | 2,512                       | 540               |
| Public buildings                       | 200                | (154)           | 46                | 44            | 2                           | 211               |
| Total miscellaneous                    | <u>2,337</u>       | <u>957</u>      | <u>3,294</u>      | <u>780</u>    | <u>2,514</u>                | <u>751</u>        |
| <b>Education</b>                       |                    |                 |                   |               |                             |                   |
| Board of Education:                    |                    |                 |                   |               |                             |                   |
| Personnel Services                     | 64,269             | (1,119)         | 63,150            | 62,713        | 437                         | 63,133            |
| Employee Benefits                      | 15,387             | (139)           | 15,248            | 15,248        |                             | 14,407            |
| Contractual Services                   | 5,647              | 791             | 6,438             | 6,438         |                             | 5,636             |
| Supplies and Materials                 | 14,733             | 436             | 15,169            | 14,473        | 696                         | 15,377            |
| Capital Outlay                         | 281                | 626             | 907               | 907           |                             | 737               |
| All Other                              | 1,331              | (1,287)         | 44                | 44            |                             | 449               |
| General Insurance                      | 606                | (208)           | 398               | 398           |                             | 517               |
| Transfer to Internal Service and Other |                    | (12,873)        | (12,873)          | (12,873)      |                             | (12,137)          |
| Operating Transfers Out                | 9                  | 41              | 50                | 50            |                             |                   |
| Total Board of Education               | <u>102,263</u>     | <u>(13,732)</u> | <u>88,531</u>     | <u>87,398</u> | <u>1,133</u>                | <u>88,119</u>     |
| Transfers to other funds:              |                    |                 |                   |               |                             |                   |
| Special Revenue                        | 1,716              | 1,994           | 3,710             | 3,671         | 39                          | 3,702             |
| Debt Service                           | 6,529              |                 | 6,529             | 6,529         |                             | 6,610             |
| Capital Projects                       | 75                 | 435             | 510               | 510           |                             | 993               |
| Internal Service                       | 9,393              | 12,928          | 22,321            | 22,321        |                             | 20,490            |
| Total other financing uses             | <u>17,713</u>      | <u>15,357</u>   | <u>33,070</u>     | <u>33,031</u> | <u>39</u>                   | <u>31,795</u>     |
| Total                                  | <u>\$ 170,794</u>  | <u>\$ 6,023</u> | <u>\$ 176,817</u> | 171,235       | <u>\$ 5,582</u>             | <u>\$ 173,796</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

8,266

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

249

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

\$ 179,750

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## ***Appendix B***

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

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

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

### BOND COUNSEL OPINION

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

The opinion of Day Pitney LLP with respect to the Notes 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 \$7,410,000 Taxable Bond Anticipation Notes, dated as of August 1, 2011.

We have examined a record of proceedings authorizing the Notes, and based on our examination, we are of the opinion that the City of Bristol is authorized to issue the Notes; the City is duly and legally organized; all proper proceedings for the issuance and delivery of the Notes have been taken; no limitation of indebtedness under the laws of the State of Connecticut has been exceeded in the issuance of the Notes; the Notes 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 Notes 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 Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion.

It is our opinion that, under existing statutes and regulations, interest on the Notes is included in gross income of the owners thereof for Federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended. Based on the record of proceedings authorizing the Notes, it is our opinion that, under existing statutes: (1) interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) interest on the Notes 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.**

In the opinion of Bond Counsel, under existing statutes and regulations interest on the Notes is included in the gross income of the owners thereof for Federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended (the "Code").

## **ADDITIONAL FEDERAL INCOME TAX MATTERS.**

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

### ***United States Holders***

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

### ***Non-United States Holders***

The following discussion applies to Non-United States Holders. A "Non-United States Holder" is a beneficial owner of the Notes that is not a "United States Holder." Special rules may apply to Non-United States Holders that are subject to special treatment under the Code, including "controlled foreign corporations" and "passive foreign investment companies." Such Non-United States Holders should consult their tax advisors to determine the United States federal, state, local, and other tax consequences that may be relevant to them.

*Interest.* Subject to the discussion below concerning effectively connected income and backup withholding, payments of interest on the Notes will not be subject to United States federal withholding tax, provided that the Non-United States Holder satisfies one of two tests. The first test (the "portfolio interest" test) is satisfied if, in general: (i) the Non-United States Holder does not own, actually or constructively, a 10% or greater interest (by voting power) in the City, (ii) the Non-United States Holder is not a "controlled foreign corporation" (within the meaning of the Code) that is related, directly or indirectly, to the City, (iii) the Non-United States Holder is not a bank receiving interest on the Notes on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business, and (iv) the Non-United States Holder certifies to the paying agent on IRS Form W-8BEN (or appropriate substitute or successor form) under penalties of perjury, that it is not a United States



person. If the Notes are held through a financial institution or other agent acting on behalf of a Non-United States holder, the Non-United States Holder will be required to provide appropriate documentation to the agent and the agent will then be required to provide certification to the paying agent, either directly or through other intermediaries. The second test is satisfied if the Non-United States Holder is otherwise entitled to the benefits of an income tax treaty under which such interest is exempt from United States federal withholding tax, and the Non-United States holder or its agent provides a properly executed IRS Form W-8BEN (or an appropriate substitute form evidencing eligibility for the exemption).

Payments of interest on the Notes to Non-United States Holders that do not meet the above-described requirements will be subject to a United States federal income tax of 30% (or such lower rate as provided by an applicable income tax treaty) collected by means of withholding.

*Sale or Other Taxable Disposition of the Notes.* Subject to the discussion below concerning effectively connected income and backup withholding, a Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized on any sale, exchange, or retirement of the Notes unless the Non-U.S. Holder is an individual, present in the United States for at least 183 days during the taxable year in which the Notes are disposed of, and other conditions are satisfied. If this exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate under an applicable income tax treaty) on the amount by which capital gains derived from sources within the United States (including gains from the sale, exchange, retirement, or other disposition of the Notes) exceed capital losses allocable to sources within the United States.

*Effectively Connected Income.* The preceding discussion assumes that the interest received and any gain realized is not effectively connected with the conduct of a trade or business in the United States. If a Non-United States Holder is engaged in a trade or business in the United States and its investment in the Notes is effectively connected with such trade or business, the Non-United States Holder will be exempt from the 30% withholding tax on the interest (provided that a certification requirement, generally on IRS Form W-8ECI, is met) and instead generally will be subject to United States federal income tax on interest and any gain with respect to the Notes in the same manner as is a United States Holder. Foreign corporations also may be subject to an additional branch profits tax of 30% or such lower rate provided by an applicable income tax treaty.

For Non-United States Holders eligible for the benefits of an income tax treaty, any effectively connected income or gain generally will be subject to United States federal income tax in the same manner as for a United States Holder only if such effectively connected income is also attributable to a permanent establishment maintained in the United States.

*Backup Withholding.* In general, backup withholding will not apply to a payment of interest on the Notes, or to proceeds from the disposition of the Notes, in each case, if the Non-United States Holder certifies under penalties of perjury that it is a Non-United States Holder and the paying agent does not have actual knowledge to the contrary. Any amounts withheld under the backup withholding rules will be allowed as a credit against United States federal income tax liability provided that the required information is timely furnished to the IRS. In certain circumstances, if the Notes are not held through a qualified intermediary, the amount of payments made on the Notes, the name and address of the beneficial owner, and the amount, if any, of tax withheld may be reported to the IRS. Prospective Non-United States Holders should consult their tax advisors concerning the application of backup withholding rules.

### ***Information Reporting***

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

withholding tax (currently at a rate of 28%) generally will be imposed on the amount of any interest, principal, and the sales proceeds received by the United States Holder on or with respect to the Notes.

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

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

#### **STATE OF CONNECTICUT TAX ON INTEREST.**

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

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

#### **GENERAL.**

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Notes may affect the tax status of interest on the Notes. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. No assurance can be given that future Federal legislation enacted or proposed after the date of issuance of the Notes will not have an adverse effect on the status or market price of the Notes or will not change the effect of other Federal tax law consequences discussed above of owning and disposing of the Notes. No assurance can be given that future legislation, or amendments to the State income tax law, if enacted into law, will not contain provisions that could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Notes 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.

The information above does not purport to address all aspects of Federal or State of Connecticut taxation that may be relevant to a particular owner of the Notes. Prospective owners of the Notes, 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 Notes, including any tax consequences arising under the laws of any other state or other taxing jurisdiction.

## ***Appendix C***

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

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## APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR NOTES

*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 Notes to be executed by the City substantially in the following form, to provide, or cause to be provided, notice of the occurrence of certain events with respect to the Notes:*

### **Continuing Disclosure Agreement For Notes**

This Continuing Disclosure Agreement for Notes ("Agreement") is made as of August 1, 2011 by the City of Bristol, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$7,410,000 Taxable Bond Anticipation Notes, dated as of August 1, 2011 of the Issuer (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

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

"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. 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 Notes:

- (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 notes, or other material events affecting the tax status of the Notes;
- (g) modifications to rights of holders of the Notes, if material;
- (h) Note calls, if material, and tender offers;
- (i) Note defeasances;

- (j) release, substitution, or sale of property securing repayment of the Notes, 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.

**Section 3. Use of Agents.**

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 4. 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 Notes, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Notes within the meaning of the Rule.

**Section 5. Enforcement.**

The Issuer acknowledges that the undertakings set forth in Section 2 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Notes. 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 five business days with respect to the undertakings set forth in Section 2 of this Agreement) from the time the Issuer's Comptroller, or a successor, receives written notice from any beneficial owner of the Notes 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 Notes 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 Notes.

**Section 6. Miscellaneous.**

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Section 2 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 information, data or additional notices from time to time as it deems appropriate in connection with the Notes. If the Issuer elects to provide any such information, data or additional notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further information, data or additional 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 Notes, 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.

(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: \_\_\_\_\_  
Arthur J. Ward  
Mayor

By: \_\_\_\_\_  
Richard J. Miecznikowski  
Agent of the Board of Finance.

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

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***Appendix D***

***Notice of Sale***

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**NOTICE OF SALE**  
**\$7,410,000**  
**City of Bristol, Connecticut**  
**Taxable Bond Anticipation Notes**  
**(BOOK-ENTRY)**

SEALED PROPOSALS and ELECTRONIC BIDS via PARITY® will be received by the City of Bristol, Connecticut at the City Hall, Comptroller's Office, 111 North Main Street, Bristol, Connecticut until **11:30 A.M. (Eastern Daylight Time) on THURSDAY,**

**JULY 21, 2011**

for the purchase of \$7,410,000 Taxable Bond Anticipation Notes of the City of Bristol, dated August 1, 2011, maturing on July 30, 2012 (the "Notes").

The Notes will be payable with interest at maturity. Interest shall be computed on the basis of a 30-day month and a 360-day year. The Notes are not subject to redemption prior to maturity.

The Notes will be general obligations of the City payable from ad valorem taxes levied on all taxable property in the City without limitation as to rate or amount except classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

**DTC Book-Entry.** The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$25,000 or any integral multiple thereof, except for any odd amount, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the City or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The City will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Notes and the City fails to identify another qualified securities depository to replace DTC, or (b) the City determines to discontinue the book-entry system of evidence and transfer of ownership of the Notes, the City will authenticate and deliver replacement Notes in the form of fully registered certificates. Any such replacement Notes, will provide that principal of and interest on the Notes will be payable to the registered owner upon presentation and surrender of the Notes at the principal office of the Paying Agent, or of its successors as paying agent for the Notes.

**Proposals.** Proposals may be made for all or any part of the Notes. No proposal for less than the minimum denomination or for less than par and accrued interest will be entertained. Each proposal must state one rate of interest in a multiple of one-hundredth (1/100) of one-percent (1%) per annum for each part of the Notes bid for in the proposal. For the purpose of the bidding process, the time as maintained on PARITY® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest rate to the City, as described under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

**Sealed Proposals Bidding Procedure.** All sealed proposals for the purchase of the Notes shall be submitted on forms furnished by the City and submitted at the time and place indicated above. All proposals must be enclosed in sealed envelopes marked on the outside, in substance, "Proposal for Bristol Notes." All proposals should be addressed to Mr. Glenn S. Klocko, Comptroller, City of Bristol, City Hall, Comptroller's Office, 111 North Main Street, Bristol, Connecticut 06010.

**Electronic Proposals Bidding Procedure.** Electronic bids for the purchase of the Notes must be submitted through the facilities of PARITY®. Any prospective bidder must be a subscriber of I-Deal's Bidcomp competitive bidding system. Further information about PARITY®, including any fee charged, may be obtained from PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021, email notice: parity@i-deal.com). The City neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of PARITY® is communicated to the City, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. By submitting a bid for the Notes via PARITY®, the bidder represents and warrants to the City that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the City will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice. **The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY®, the use of such facilities being the sole risk of the prospective bidder.**

**Disclaimer** - Each PARITY® prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the City nor PARITY® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the City nor PARITY® shall be responsible for a bidder's failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The City is using PARITY® as a communication mechanism, and not as the City's agent, to conduct the electronic bidding for the Notes. The City is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via PARITY® are the sole responsibility of the bidders; and the City is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Notes, the prospective bidder should telephone PARITY® at (212) 849-5021. If any provision of this Notice of Sale shall conflict with information provided by PARITY®, this Notice of Sale shall control.

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and the form of Proposal for Notes.

**Basis of Award.** As between proposals which comply with this Notice, the Notes will be sold to the responsible bidder or bidders offering to purchase the Notes at the lowest net interest rate, which will be determined for each interest rate stated in the proposal based on the total interest to be payable at such rate and deducting therefrom any premium. If there is more than one responsible bidder making said offer at the same lowest net interest rate, the Notes will be sold to the responsible bidder with a proposal for the highest principal amount of Notes specified or, if the same principal amount of Notes is specified in such proposals, to the responsible bidder whose proposal is selected by the City by lot from among all such proposals. If a bidder is awarded only a part of the Notes, any premium offered in such proposal will be proportionately reduced so that the resulting net interest rate with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid at such rate, carried to four places.

The City reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The City further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including internet difficulties. The City will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. If the sale is postponed, an alternative bid date will be published on Bloomberg at least 48 hours prior to such alternative bid date. Upon the establishment of an alternative bid date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

**Certifying and Paying Agent.** The Notes will be authenticated by U.S. Bank National Association, Hartford, Connecticut. U.S. Bank National Association will act as Registrar and Paying Agent.

**Delivery.** At or prior to the delivery of the Notes the successful bidder shall be furnished, without cost, with (a) the approving opinion of Day Pitney LLP of Hartford, Connecticut, Bond Counsel, substantially in the form set out in Appendix B to the Official Statement; (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Notes and receipt of payment therefor, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Notes or the power of the City to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this Note issue; (d) a certificate of City Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Notes. U.S. Bank National Association will keep the original opinion and certificates and copies of the supporting documents, which may be examined at its principal office in Hartford, Connecticut, upon reasonable notice.

**Bond Counsel Opinion.** It is anticipated that interest on the Notes will be included in gross income for Federal income tax purposes. The opinion of Bond Counsel will cover the following matters: (1) that the Notes will be valid general obligations of the City when duly certified; (2) that interest on the Notes is included in gross income for Federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended; and (3) that, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Notes 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.

**Official Statement.** The City of Bristol has prepared a preliminary Official Statement for the Note issue which is dated July 15, 2011. The City deems such preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1) but it is subject to revision or amendment. The City will make available to each winning purchaser 10 copies of the Official Statement as prepared by the City at the City's expense. The copies of the Official Statement will be made available to the winning purchaser(s) at the office of the City's financial advisor, Phoenix Advisors, LLC, Milford, Connecticut, by the delivery of the Notes or by the seventh business day after the day bids on the Notes are received if earlier. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

**Continuing Disclosure Agreement.** The City will enter into a Continuing Disclosure Agreement with respect to the Notes, substantially in the form attached as Appendix C to the Official Statement (the "Continuing Disclosure Agreement for Notes"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, timely notice of the occurrence of certain material events with respect to the Notes. The winning bidder's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for Notes.

**CUSIP Numbers.** The deposit of the Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the purchaser to apply for CUSIP numbers for the Notes prior to delivery. Neither the failure to print such CUSIP number on any note, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the City; provided, however, that the City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

**Delivery Date and Payment.** The Notes will be delivered against payment in immediately available Federal funds through the facilities of The Depository Trust Company, New York, New York on August 1, 2011.

**More Information.** For more information regarding this issue and the City reference is made to Official Statement. Proposal forms and copies of the Official Statement may be obtained from Mr. Matthew A. Spoerndle, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460 (telephone: (203) 878-4945) or from Mr. Glenn S. Klocko, Comptroller, City of Bristol, City Hall, 111 North Main Street, Bristol, Connecticut 06010 (telephone: (860) 584-6127).

ARTHUR J. WARD,  
*Mayor*

RICHARD J. MIECZNIKOWSKI,  
*Agent of the Board of Finance*

GLENN S. KLOCKO,  
*Comptroller*

July 15, 2011

**PROPOSAL FOR NOTES**

July 21, 2011

Mr. Glenn S. Klocko  
 Comptroller  
 City of Bristol  
 City Hall  
 Comptroller's Office  
 111 North Main Street  
 Bristol, Connecticut 06010

Subject to the provisions and in accordance with the terms of the annexed Notice of Sale dated July 15, 2011 which is hereby made a part of this proposal, we hereby offer to purchase the principal amount of the Notes specified below at the interest rate per annum plus the premium, if any, specified below, and to pay therefor said principal amount, premium, if any, and interest accrued on said Notes to the date of their delivery, if any. The following is our computation of the net interest rate, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

Of the \$7,410,000 Taxable Bond Anticipation Notes of the City of Bristol, dated August 1, 2011, maturing July 30, 2012, we bid the following:

|                       |                                |                       |                                |
|-----------------------|--------------------------------|-----------------------|--------------------------------|
| Principal Amount      | \$ _____                       | Principal Amount      | \$ _____                       |
| Interest Rate         | _____ %                        | Interest Rate         | _____ %                        |
| Premium               | \$ _____                       | Premium               | \$ _____                       |
| Net Interest Rate     | _____ %<br>(four decimals)     | Net Interest Rate     | _____ %<br>(four decimals)     |
| <br>Principal Amount  | <br>\$ _____                   | <br>Principal Amount  | <br>\$ _____                   |
| <br>Interest Rate     | <br>_____ %                    | <br>Interest Rate     | <br>_____ %                    |
| <br>Premium           | <br>\$ _____                   | <br>Premium           | <br>\$ _____                   |
| <br>Net Interest Rate | <br>_____ %<br>(four decimals) | <br>Net Interest Rate | <br>_____ %<br>(four decimals) |

Name of Bidder: \_\_\_\_\_

Address of Bidder: \_\_\_\_\_

Signature of Officer or  
 Authorized Agent of Bidder: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

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