

Final Official Statement Dated August 26, 2014

New Money Issue: Book-Entry-Only

**RATINGS: Standard & Poor's Corporation "AA"
Fitch Ratings "AA-"**

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming the continuing compliance with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Lot A Bonds is not included in the gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Lot A Bonds may be includable in the calculation of certain taxes under the Code, including the federal alternative minimum tax imposed on certain corporations. In the opinion of Bond Counsel, based on existing statutes, interest on the Lot A Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See "Tax Matters" herein.

In the opinion of Bond Counsel, based on existing statutes and court decisions, interest on the Lot B Bonds is included in the gross income of the owners thereof for purposes of federal income tax pursuant to the Code, is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See "Tax Matters" herein.



City of Meriden, Connecticut

\$50,305,000

Tax Exempt General Obligation Bonds, Issue of 2014 - Lot A

Dated: Date of Delivery

**Due: Lot A: Serially, March 1, 2016-2034
As detailed inside the front cover**

and

\$3,494,000

Taxable General Obligation Bonds, Issue of 2014 - Lot B

Dated: Date of Delivery

**Lot B: Serially, March 1, 2016-2024
As detailed inside the front cover**

The City of Meriden, Connecticut (the "City") \$50,305,000 Tax Exempt General Obligation Bonds, Issue of 2014 - Lot A (the "Lot A Bonds") and \$3,494,000 Taxable General Obligation Bonds, Issue of 2014 - Lot B (the "Lot B Bonds" and together with the Lot A Bonds, the "Bonds") will be general obligations of the City, and the full faith and credit of the City will be irrevocably pledged to the prompt payment of the principal of and interest on the Bonds according to their terms. See "Security and Remedies" herein.

Interest on the Bonds will be payable September 1, 2015 and semiannually thereafter on March 1 and September 1, in each year until maturity. The Bonds will be issued in book-entry-only form whereby the beneficial owners of the Bonds will not receive physical delivery of bond certificates. Principal of, and interest payments on, the Bonds will be made by the Town to The Depository Trust Company, New York, New York ("DTC"), or its nominee, as registered owner of the Bonds. DTC will credit its participants in accordance with their respective holdings shown in the records of DTC. It is anticipated that the beneficial owners of the Bonds will receive payment or credit from DTC participants and other nominees of the beneficial owners. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. (See "Book-Entry-Only Transfer System" herein.)

The Lot A Bonds are subject to redemption prior to maturity as herein provided. The Lot B Bonds are NOT subject to redemption prior to maturity. See "Optional Redemption" herein.

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

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about September 8, 2014.

BAIRD

City of Meriden, Connecticut

\$50,305,000

General Obligation Bonds, Issue of 2014 - Lot A

Due: Serially, March 1, as follows:

Year	Principal	Coupon	Yield	CUSIP	Year	Principal	Coupon	Yield	CUSIP
2016	\$ 2,000,000	5.000%	0.360%	589535T86	2026*	\$ 2,850,000	3.000%	2.700%	589535V26
2017	2,200,000	5.000%	0.620%	589535T94	2027*	2,850,000	3.000%	2.850%	589535V34
2018	2,550,000	5.000%	0.880%	589535U27	2028	2,850,000	3.000%	3.000%	589535V42
2019	2,550,000	5.000%	1.200%	589535U35	2029	2,850,000	3.000%	3.100%	589535V59
2020	2,550,000	5.000%	1.500%	589535U43	2030	2,850,000	3.125%	3.200%	589535V67
2021	2,550,000	4.000%	1.780%	589535U50	2031	2,850,000	3.250%	3.300%	589535V75
2022	2,550,000	5.000%	2.000%	589535U68	2032	2,850,000	3.250%	3.350%	589535V83
2023*	2,550,000	4.000%	2.230%	589535U76	2033	2,850,000	3.250%	3.400%	589535V91
2024*	2,550,000	4.000%	2.350%	589535U84	2034	2,855,000	3.375%	3.450%	589535W25
2025*	2,600,000	3.000%	2.500%	589535U92					

* Priced assuming redemption on March 1, 2022, however any such redemption is at the option of the City.

\$3,494,000

General Obligation Bonds, Issue of 2014 - Lot B

Due: Serially, March 1, as follows:

Year	Principal	Coupon	Yield	CUSIP	Year	Principal	Coupon	Yield	CUSIP
2016	\$ 374,000	2.000%	0.550%	589535W33	2021	\$ 390,000	3.000%	2.300%	589535W82
2017	390,000	2.000%	1.100%	589535W41	2022	390,000	3.000%	2.500%	589535W90
2018	390,000	2.000%	1.450%	589535W58	2023	390,000	3.000%	2.700%	589535X24
2019	390,000	2.000%	1.800%	589535W66	2024	390,000	3.000%	2.850%	589535X32
2020	390,000	3.000%	2.050%	589535W74					

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

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

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

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

Other than as to matters expressly set forth in Appendix B and Appendix C, Bond Counsel are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

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

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

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

Table of Contents

	<u>Page</u>		<u>Page</u>
Lot A Tax-Exempt Bond Issue Summary	1	V. Financial Information.....	31
Lot B Taxable Bond Issue Summary	2	Fiscal Year	31
I. Bond Information.....	3	Basis of Accounting and Accounting Policies	31
Introduction	3	Government Fund Types	31
Financial Advisor.....	3	Budgetary Procedures	32
Description of the Bonds.....	3	Annual Audit.....	32
Optional Redemption	4	Pension Plans	32
Authorization and Purpose.....	4	Other Post Employment Benefits	33
Uses of Bond Proceeds	5	Investment Policies and Procedures	34
Tax Matters	6	General Fund - Comparative Balance Sheet	
Original Issue Discount.....	7	Liabilities and Fund Balance	34
Original Issue Premium	7	General Fund Revenues and Expenditures.....	35
State of Connecticut.....	8	Analysis of General Fund Equity	36
Book-Entry-Only Transfer System.....	8	Intergovernmental Revenues as a Percent	
Security and Remedies.....	9	of General Fund Revenues.....	36
Qualification for Financial Institutions.....	10	Enterprise Funds Comparative Balance Sheet	37
Availability of Continuing Information.....	10	Water Fund Comparative Balance Sheet.....	38
Ratings.....	10	Sewer Authority Comparative Balance Sheet	39
II. The Issuer.....	11	Golf Course Comparative Balance Sheet	40
Description of the Municipality.....	11	Enterprise Funds Comparative Statement of	
Form of Government.....	11	Revenues and Expenditures	41
Principal City Officials.....	12	Water Fund Comparative Statement of	
Summary of Municipal Services.....	12	Revenues and Expenditures	41
Economic Development.....	15	Sewer Authority Comparative Statement of	
Commercial/Industrial Development.....	16	Revenues and Expenditures	42
Downtown Activity and Planned Redevelopment.....	16	Golf Course Comparative Statement of	
Municipal and Public Facility Development.....	18	Revenues and Expenditures	42
Residential Development.....	19	VI. Debt Summary	43
Comprehensive Planning and Future Mixed Use Dev	19	Principal Amount of Bonded Indebtedness.....	43
Community Development Program.....	20	Short-Term Debt.....	44
Employee Relations and Collective Bargaining.....	21	Annual Bonded Debt Maturity Schedule	44
Municipal Employees.....	21	Overlapping/Underlying Debt	44
Employee Bargaining Organizations	21	Debt Statement.....	45
Educational Services.....	22	Current Debt Ratios	45
School Facilities	22	Bond Authorization Procedure	46
School Enrollment.....	22	Temporary Financing.....	46
III. Economic and Demographic Information	23	Clean Water Fund	46
Population and Density	23	Drinking Water State Revolving Fund Program	47
Age Distribution of the Population.....	23	Statement of Debt Limitation	48
Income Distribution	23	Debt Authorized but Unissued.....	49
Income Levels	24	Principal Amount of Outstanding Debt.....	49
Educational Attainment.....	24	Ratios of Net Long-Term Debt to Valuation,	
Major Employers.....	24	Population and Income	50
Employment by Industry.....	25	Ratio of Annual Debt Service to Total General Fund	
Employment Data.....	25	Expenditures and Other Financing Uses.....	50
Age Distribution of Housing.....	26	Capital Improvement Program	51
Housing Inventory.....	26	School Projects.....	51
Owner -Occupied Housing Values	26	VII. Legal and Other Information	52
Building Permits.....	27	Litigation.....	52
Land Use Summary.....	27	Transcript and Closing Documents	52
IV. Tax Base Data	28	Concluding Statement.....	53
Property Tax	28	Appendix A - Excerpts from the City's 2013 Comprehensive	
Assessments	28	Annual Financial Report	
Property Tax Collection Procedures.....	28	Appendix B - Form of Opinion of Bond Counsel - the Lot A Bonds	
Comparative Assessed Valuation	29	Appendix C - Form of Opinion of Bond Counsel - the Lot B Bonds	
Property Tax Levies and Collections.....	29	Appendix D - Form of Continuing Disclosure Agreement - the Lot A Bonds	
Ten Largest Taxpayers.....	30	Appendix E - Form of Continuing Disclosure Agreement - the Lot B Bonds	
		Appendix F - Notice of Sale - the Lot A Bonds	
		Appendix G - Notice of Sale - the Lot B Bonds	

Lot A Tax-Exempt Bond Issue Summary

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

Date of Sale:	Tuesday, August 26, 2014 between 11:15 A.M. and 11:30 A.M. (E.D.T.).
Location of Sale:	The offices of Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, CT 06460.
Issuer:	City of Meriden, Connecticut (the "City").
Issue:	\$50,305,000 Tax Exempt General Obligation Bonds – Lot A, Issue of 2014 (the "Lot A Bonds").
Dated Date:	September 8, 2014.
Interest Due:	September 1, 2015 and semiannually thereafter on March 1 and September 1, in each year until maturity.
Principal Due:	Serially, March 1, 2016 through 2034, as detailed in this Official Statement.
Purpose and Authority:	The Lot A Bonds are being issued to finance various general purpose, school, sewer, water and golf projects as set forth in certain capital budgets of the City authorized by the City Council.
Redemption:	The Lot A Bonds are subject to redemption prior to maturity (see "Optional Redemption" herein).
Security and Remedies:	The Lot A Bonds will be general obligations of the City and the City will pledge its full faith and credit to the payment of principal of and interest on the Lot A Bonds when due.
Credit Rating:	The Lot A Bonds are rated as follows: "AA" from Standard & Poor's Corporation and "AA-" from Fitch Ratings, respectively.
Bond Insurance:	The City does not expect to direct purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Tax Exemption:	See "Tax Matters" herein.
Bank Qualification:	The Lot A Bonds shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Lot A Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data, timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, and notices of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form attached as Appendix D to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
Financial Advisor:	Phoenix Advisors LLC, of Milford, Connecticut will act as Financial Advisor. Telephone (203) 878-4945.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Lot A Bonds in book-entry-only form will be made to The Depository Trust Company on or about September 8, 2014 against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Mr. Michael Lupkas, Director of Finance/City Treasurer, City of Meriden, 142 East Main Street, Meriden, Connecticut 06450. Telephone (203) 630-4138.

Lot B Taxable Bond Issue Summary

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

Date of Sale:	Tuesday, August 26, 2014 between 11:45 A.M. and 12:00 P.M. Noon (E.D.T.).
Location of Sale:	The offices of Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, CT 06460.
Issuer:	City of Meriden, Connecticut (the "City").
Issue:	\$3,494,000 Taxable General Obligation Bonds – Lot B, Issue of 2014 (the "Lot B Bonds").
Dated Date:	September 8, 2014.
Interest Due:	September 1, 2015 and semiannually thereafter on March 1 and September 1, in each year until maturity.
Principal Due:	Serially, March 1, 2016 through 2024, as detailed in this Official Statement.
Purpose and Authority:	The Lot B Bonds are being issued to finance various general purpose, school, sewer, and water projects as set forth in certain capital budgets of the City authorized by the City Council.
Redemption:	The Lot B Bonds are NOT subject to redemption prior to maturity (see "Optional Redemption" herein).
Security and Remedies:	The Lot B Bonds will be general obligations of the City and the City will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Lot B Bonds are rated as follows: "AA" from Standard & Poor's Corporation and "AA-" from Fitch Ratings, respectively.
Bond Insurance:	The City does not expect to direct purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Tax Exemption:	Interest on the Lot B Bonds is included in gross income of the holders thereof for federal income tax purposes. See "Tax Matters" herein.
Bank Qualification:	The Lot B Bonds shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Lot B Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data, timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, and notices of certain events with respect to the Lot B Bonds pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form attached as Appendix E to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.
Financial Advisor:	Phoenix Advisors LLC, of Milford, Connecticut will act as Financial Advisor. Telephone (203) 878-4945.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Lot B Bonds in book-entry-only form will be made to The Depository Trust Company on or about September 8, 2014 against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to Mr. Michael Lupkas, Director of Finance/City Treasurer, City of Meriden, 142 East Main Street, Meriden, Connecticut 06450. Telephone (203) 630-4138.

I. Bond Information

Introduction

This Official Statement, including the cover page, inside front cover and appendices, is provided for the purpose of presenting certain information relating to the City of Meriden, Connecticut (the "City"), in connection with the original issuance and sale of \$50,305,000 Tax Exempt General Obligation Bonds, Issue of 2014 - Lot A (the "Lot A Bonds") and \$3,494,000 Taxable General Obligation Bonds, Issue of 2014 - Lot B (the "Lot B Bonds" and together with the Lot A Bonds, the "Bonds") of the City.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. Any statement made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

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

Bond Counsel are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinions) and they make no representation that they have independently verified the same.

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

Financial Advisor

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

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

Description of the Bonds

The Bonds will be dated the date of delivery and will mature in the years and in such amounts and shall bear interest at such rate or rates as set forth on the inside cover page of this Official Statement, payable on September 1, 2015 and semiannually thereafter on March 1 and September 1 in each year until maturity. Interest will be calculated on the basis of twelve thirty-day months and a 360-day year. Interest is payable to the registered owner as of the close of business on the fifteenth day of February and August, or the preceding day if such day is not a business day, in each year by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, and the City shall agree.

Optional Redemption

The Lot A Bonds maturing on or before March 1, 2022 are not subject to redemption prior to maturity. The Lot A Bonds maturing on March 1, 2023 and thereafter are subject to redemption prior to maturity, at the election of the City, on and after March 1, 2022 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the respective prices (expressed as a percentage of the principal amount of Lot A Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Prices</u>
March 1, 2022 and thereafter	100%

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

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

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

The Lot B Bonds are NOT subject to redemption prior to maturity.

Authorization and Purpose

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

Use of Bond Proceeds

Proceeds of the Bonds will be used to finance the capital projects listed below:

Project	This Issue	
	Lot A Bonds	Lot B Bonds ¹
General Purpose Issue #37.....	\$ 500,000	\$ -
General Purpose Issue #40.....	-	86,990
General Purpose Issue #45.....	-	1,745
General Purpose Issue #56.....	-	22,757
General Purpose Issue #57.....	-	258,690
General Purpose Issue #58.....	538,635	506,227
General Purpose Issue #59.....	-	643,805
General Purpose Issue #60.....	-	13,560
General Purpose Issue #63.....	-	16,176
General Purpose Issue #64.....	-	656,087
General Purpose Issue #65.....	-	285,702
General Purpose Issue #66.....	-	999,890
General Purpose Issue #67.....	-	2,118
General Purpose Issue #68.....	28,876,370	-
General Purpose Issue #69.....	85,000	-
General Purpose Issue #70.....	-	253
General Purpose Issue #71.....	8,856,100	-
General Purpose Issue #72.....	11,448,895	-
Total	\$ 50,305,000	\$ 3,494,000

¹ Amounts represent the amount remaining to close out these projects.

- General Purpose Issue #37:* Gravel & Baldwin Street reconstruction
- General Purpose Issue #40:* Jordan Brook/Center Street Construction
- General Purpose Issue #45:* Park construction.
- General Purpose Issue #56:* Police Radio Tower Installation
- General Purpose Issue #57:* Various sewer projects.
- General Purpose Issue #58:* Meriden HUB Downtown Project - Demolition and construction. Flood control and landfill closure.
- General Purpose Issue #59:* Washington School roof renovations, Falcon Field renovations.
- General Purpose Issue #60:* Parking Improvements and Disaster Recovery Plan.
- General Purpose Issue #63:* Traffic Signal Upgrade.
- General Purpose Issue #64:* Various road construction, paving and sidewalk improvements. Storm drainage improvements.
- General Purpose Issue #65:* Hubbard Park Road & Culvert repair. Downtown improvement.
- General Purpose Issue #66:* Fire station renovations, police radio tower upgrades, downtown improvements, various roof repairs, sewer replacement and repair, water lagoon rehabilitation.
- General Purpose Issue #67:* Vehicle replacement.
- General Purpose Issue #68:* Planning, design, acquisition and construction of renovations and additions to Maloney and Orville Platt High Schools.
- General Purpose Issue #69:* Maloney Avenue Retaining Wall.
- General Purpose Issue #70:* W. Main/Lewis Avenue road reconstruction.
- General Purpose Issue #71:* Various projects including City wide sidewalks and road reconstruction, traffic signal modernization, drainage repairs, flood control measures, public works equipment and vehicles, school roof replacements, demolition, updates for parks, and boiler replacement at Israel Putnam School.
- General Purpose Issue #72:* Various projects including City wide sidewalks and road reconstruction, traffic signal modernization, drainage repairs, flood control measures, public works equipment and vehicles, school roof replacements, demolition, updates for parks, and boiler replacement at Roger Sherman School.

Tax Matters

Federal Income Tax

Lot A Bonds

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met at and subsequent to delivery of the Lot A Bonds in order that interest on the Lot A Bonds be and remains excluded from gross income for federal income tax purposes. Non-compliance with such requirements could cause interest on the Lot A Bonds to be included in gross income retroactive to the date of issuance of the Lot A Bonds. The Tax Regulatory Agreement, which will be executed and delivered by the City concurrently with the Lot A Bonds, contains representations, covenants and procedures relating to compliance with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the City also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Lot A Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the City with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Lot A Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Lot A Bonds is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations.

Ownership of the Lot A Bonds may also result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Lot A Bonds. Prospective purchasers of the Lot A Bonds, particularly those who may be subject to special rules, are advised to consult

their own tax advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Lot A Bonds.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Lot A Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Lot A Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Lot A Bonds or adversely affect the market price of the Lot A Bonds.

The opinions of Bond Counsel are rendered as of their date and are based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

Prospective purchasers of the Lot A Bonds are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Lot A Bonds.

Original Issue Discount

The initial public offering price of the Lot A Bonds may be less than the principal amount payable on such Lot A Bonds at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Lot A Bonds is sold constitutes original issue discount. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Lot A Bonds were ultimately sold to the public.

Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any Lot A Bond during each day it is owned by a taxpayer is added to the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Lot A Bonds by such owner. Accrued original issue discount on the Lot A Bonds is excluded from gross income for federal income tax purposes. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such Lot A Bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest paid during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Prospective purchasers of the Lot A Bonds should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of, and receipt of interest on, such Lot A Bonds.

Original Issue Premium

The initial public offering price of the Lot A Bonds may be greater than the principal amount payable on such Lot A Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Lot A Bonds is sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Lot A Bonds were ultimately sold to the public.

Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Lot A Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Lot A Bonds by such owner. Amortized original issue premium on the Lot A Bonds is not treated as a deduction from gross income for federal income tax purposes. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity using the taxpayer's cost basis and a constant semiannual compounding method. Prospective purchasers of the Lot A Bonds should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of, and receipt of interest on, the Lot A Bonds.

Lot B Bonds

In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the Lot B Bonds is included in gross income of the owners thereof for federal income tax purposes pursuant to the Code. Prospective purchasers of the Lot B Bonds, particularly nonresident alien individuals, foreign corporations or other non-U.S. persons, should consult their own tax advisors regarding the application of withholding tax to interest on the Lot B Bonds, the tax

consequences of purchasing the Lot B Bonds at a discount or premium at the issue date or thereafter, and the tax consequences of the ownership and disposition of, or receipt of interest on, the Lot B Bonds.

State of Connecticut

In the opinion of Bond Counsel, based on existing statutes, interest on the Lot A Bonds and the Lot B Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Prospective purchasers of the Lot A Bonds and the Lot B Bonds are advised to consult their own tax advisors regarding the State and local tax consequences of ownership and disposition of, or receipt of interest on, the Lot A Bonds and the Lot B Bonds.

The opinion of Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

Book-Entry-Only Transfer System

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

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Security and Remedies

The Bonds will be general obligations of the City and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from general property tax revenues. The City has the power under Connecticut statutes to levy ad valorem taxes on all taxable property in the City without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the City may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the City. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The City is subject to suit on its general obligation debt and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the City. Courts of competent jurisdiction also have the power in appropriate proceedings to order a payment of a judgment on such debt from funds lawfully available therefor or, in the absence thereof, to order the City to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the City and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon

enforcement insofar as the same may be constitutionally applied. Under the federal bankruptcy code, the City may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by state law or a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

Qualification for Financial Institutions

The Bonds shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for certain interest expense allocable to the Bonds.

Availability of Continuing Information

The City prepares, in accordance with State law, annual independent audited financial statements and files such annual report with the State Office of Policy and Management within six months of the end of its fiscal year.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data, timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, and timely notice of the occurrence of certain events with respect to the Bonds pursuant to Continuing Disclosure Agreements to be executed by the City substantially in the forms attached as Appendices D and E to this Official Statement. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving at or prior to the delivery of the Bonds executed copies of the Continuing Disclosure Agreements.

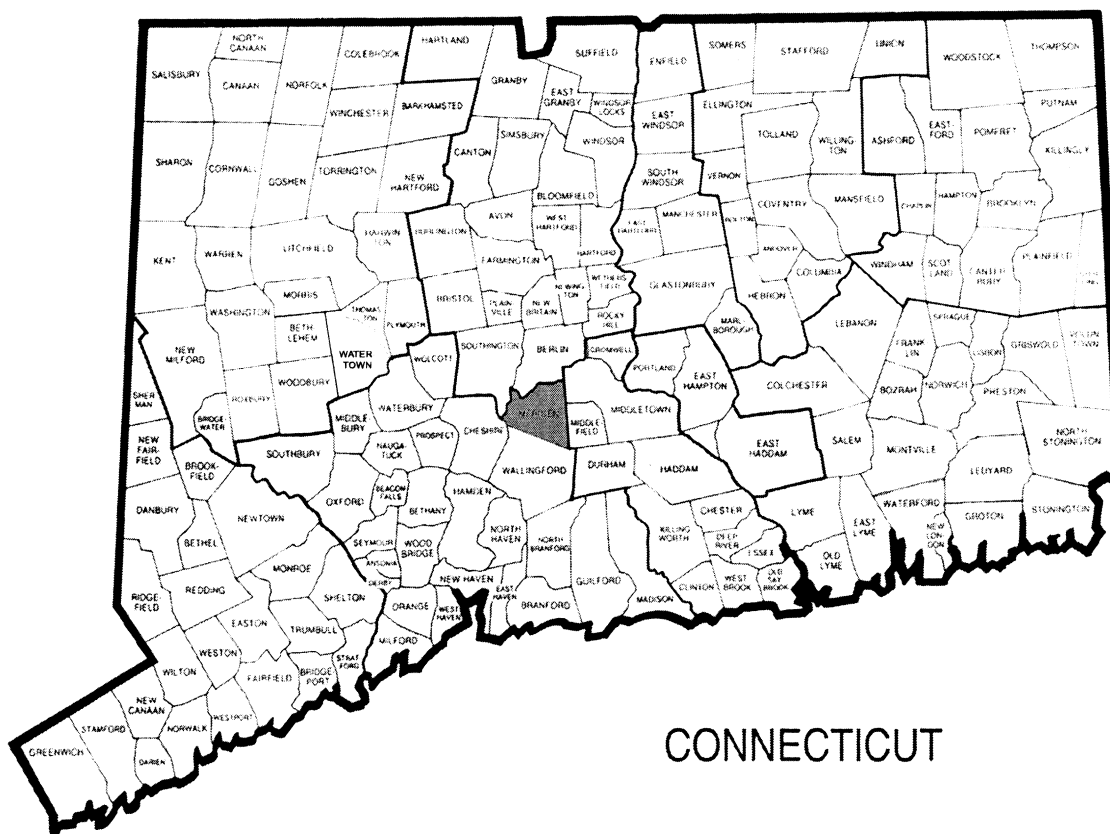
The City has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). In the past five years, the City has not materially failed to meet any of its undertakings under such agreements with the exception of its filing of the fiscal year ending June 30, 2008 CAFR, which the City filed three days late on March 3, 2009 with the nationally recognized municipal securities information repositories ("NRMSIRs") as a result of the City experiencing a change of personnel in the Finance department along with a change with the City's auditor. The City also failed to file notice of its failure to file such annual financial information on a timely basis with the NRMSIRs. The failure to file such notice has been remedied as of December 13, 2012. Lastly, the City did not file, in a timely manner, a material event notice for the March 31, 2011 bond rating upgrade by Fitch Ratings. That filing has since been updated and is reflected on the MSRB's EMMA system. The City has implemented procedures to ensure timely filing of future annual financial information with respect to its continuing disclosure undertakings.

Ratings

The Bonds are rated as follows: "AA" from Standard & Poor's Corporation and "AA-" from Fitch Ratings, respectively.

The City's current underlying ratings are "AA" from Standard & Poor's Corporation and "AA-" from Fitch Ratings. Certain General Obligation Bonds of the City are rated "A1" by Moody's Investors Service. The City furnished to the Rating Agencies information and materials that they requested. The ratings, if obtained, will reflect only the view of each rating agency and will be subject to revision or withdrawal, which could affect the market price of the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will continue for any given period of time or that the ratings will not be revised or withdrawn entirely by any agency, if, in the judgment of such rating agency, circumstances so warrant. The rating agencies should be contacted directly for their ratings on the Bonds and the explanation of such rating. However, the City may issue short-term or other debt for which a rating is not required. The Financial Advisor, recommends that all bonded debt be submitted for a credit rating.

II. The Issuer



Description of the Municipality

The City of Meriden, population 60,838, is centrally located in Connecticut at the intersections of Interstates I-91, I-691 and the Merritt Parkway (Route 15), midway between Hartford and New Haven and less than two hours from Boston and New York City. Meriden is home to 1,300 businesses employing over 25,000 people, 3,000 acres of park space, and a distinguished history. Meriden was settled in 1661, incorporated as a town in 1806, and as a city in 1867. The Town and City were consolidated in 1922. The City, which covers an area of 24.0 square miles, has had a 4.5% population increase since 2000.

The City includes a unique mix of historic buildings and neighborhoods, affordable housing to working families, more affluent suburban style developments, modern business facilities, a regional mall, the largest municipal park in Connecticut (Hubbard Park) and prominent natural scenic ridge-top areas. There is local transit bus service. Amtrak train service and interstate bus service provide passenger transportation connecting the City to major metropolitan centers. The City is a designated stop on the New Haven–Hartford–Springfield rail line, which is scheduled to begin service in 2016. Freight service is provided by Conrail and a number of trucking companies. Meriden-Markham Municipal Airport provides both freight and limited passenger service.

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

Form of Government

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

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

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

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

Principal City Officials

<u>City Officials</u>	<u>Name</u>	<u>Manner of Selection/Term</u>	<u>Years of Service</u>	<u>Prior Employment</u>
Mayor	Manuel A. Santos	Popularly elected	0.5	Engineering/ Manufacturing
City Manager	Lawrence J. Kendzior	Appointed - indefinite	9.5	Corporation Counsel
Director of Finance/Treasurer .	Michael Lupkas	Appointed - indefinite	5.5	Director of Finance Bridgeport, CT
Superintendent of Schools	Dr. Mark D. Benigni	Appointed - indefinite	4	School Principal

Manuel A. Santos, Mayor: Mr. Santos was elected Mayor on December 2, 2013. Before becoming Mayor, Mr. Santos was a senior member of a design team at Ultra Electronics in Wallingford, working on highly engineered products for use by our military. He has worked in the telecommunications, medical, automotive and aerospace industries. Before attaining a Bachelors of Science in Mechanical Engineering from the University of Connecticut, he served in the United States Marine Corps.

Lawrence J. Kendzior, City Manager: Mr. Kendzior was appointed as City Manager in June 2005, after serving as Acting City Manager for five months. He also served as the Corporation Counsel since 1985 and as City Attorney since 1993. He graduated from New York University, cum laude, and was elected to Phi Beta Kappa. He received his Juris Doctorate from Boston University.

Michael Lupkas, Director of Finance/City Treasurer: Michael Lupkas, CPFO, has served for approximately six years as Director of Finance/City Treasurer in the City, after serving six years as Director of Finance/City Treasurer and 13 years in other finance related positions with the City of Bridgeport. Mr. Lupkas received a Bachelor’s degree from the University of Connecticut. He is a member of the National Government Finance Officers Association (“GFOA”) and the Connecticut chapter of the GFOA (“GFOA-CT”). He currently serves as 1st Vice-President on the Board of Directors for the GFOA-CT. Mr. Lupkas received the designation of Certified Public Finance Official “CPFO” in June 2002.

Dr. Mark D. Benigni, Superintendent of Schools: Dr. Benigni has been Superintendent of the Meriden Public Schools since 2010. He has a Bachelor’s Degree in Business Administration, Masters in Education and Doctorate in Educational Leadership. He is a former special education teacher who spent eight years as Assistant Principal at Berlin High School, two years as Principal at Cromwell High School and over six years as Mayor of the City of Meriden. He has taught college classes in special education and curriculum development, as well as doctoral level classes, at Southern Connecticut State University. He has published numerous articles in national journals and Rowman and Littlefield, Education Division published his first book, “Mentoring Matters: A Toolkit for Organizing and Operating Student Advisory Programs”.

Summary of Municipal Services

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

Fire Department: Fire and Emergency Services are provided by a career Fire Department and one volunteer Fire Department. The career department has 99 sworn fire personnel, two secretaries and one automotive mechanic. Operating out of six fire stations (including one volunteer station) and the Fire Marshal’s Office, the department provides fire suppression; hazardous materials leak and spill control and decontamination response; fire prevention and fire code enforcement; public fire education program; technical rescue services which includes confined space rescue, cold water and ice rescue, low angle and high angle rescue, automobile extrication rescue, industrial accident rescue; Emergency

Medical Service First responder services includes mass casualty response, semi-automatic heart defibrillators, and administration of medically controlled drugs for heart attacks and anaphylaxis.

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

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

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

Parks: The Meriden parks system is the largest municipal parks system in New England. It is comprised of 26 public parks and 17 playgrounds, covering a total area of over 3,120 acres. Recreational facilities include a football/soccer stadium with artificial turf, ten tennis courts, 41 ball fields, nine basketball courts, ten picnic grounds (two with fireplaces), one outdoor swimming pool, a bandshell, a skatepark, a waterpark and 18 playscapes. The City of Meriden also owns and operates a 6,604-yard, 18-hole, par-71 golf course with a full-service restaurant. The City parks provide a wealth of recreational opportunities including hiking, playgrounds, concert venues and multi-cultural festivals.

Airport: The Meriden-Markham Airport is a general aviation facility owned by the City of Meriden and supports both light commercial and general aviation markets. The 119 acre airport facility is located on the boundary line between the South Meriden section of the City and the Yalesville section of the neighboring Town of Wallingford. Physical features include a 3,100' x 75' paved and lighted runway and taxiway, four aircraft storage hangars, a maintenance service hangar, and operations building. Instrument approach procedures with runway visual aids provide all-weather operation capability and ASOS, automated surface weather observation/reporting service, are located on the airport. Approximately 80 aircraft are based at the airport in single, multi-engine airplane, and rotorcraft categories. The airport master plan, updated in June 2000, addresses the need for additional aircraft hangars, a new maintenance facility, new operations building, and additional improvements. Airport improvements continue to be implemented through grants from the Federal Aviation Administration and the State of Connecticut Department of Transportation combined with City of Meriden efforts.

The airport is municipally-owned. Services are currently furnished by the City. Services provided currently are self-service 24 hour gas sales, and aircraft repairs and mechanics. Negotiations are currently underway with a company to provide aircraft rentals and charters.

Water Pollution Control: Meriden presently has an advanced activated sludge wastewater treatment plant with ammonia removal, denitrification and bio-phosphorus removal. There are 220 miles of sanitary sewers and three pumping stations in the collection system. Approximately 95% of the City's residents are served by this facility. There are 18 employees assigned to the WPC Division. A \$46 million plant upgrade including denitrification and bio-phosphorus removal was completed in June 2010. Meriden has instituted a sanitary sewer rehabilitation program to reduce extraneous flows and increase the longevity of the collection system. The average daily flow is 10.4 million gallons a day.

Water: Water service is provided to 17,824 customers in the City of Meriden. Water service is metered throughout the City and furnishes approximately 5.78 million gallons a day. The water system is made up of four surface water treatment facilities, two major well complexes, two seasonal wells, eight pumping stations and 12.65 million gallons of storage. Meriden recently completed two water treatment plant lagoon rehabilitation projects. Meriden's largest water treatment facility, Broad Brook WTP, is currently being totally upgraded and is under construction. The construction is scheduled to be completed by September 2015. The distribution system consists of approximately 217 miles of water lines. Meriden has instituted a cleaning and cement lining program to rehabilitate its aging distribution system. Hundreds of feet of 6 and 8 inch water main were cleaned and cement lined in 2013 and 2014.

Municipal Solid Waste Services: The City and Covanta Projects of Wallingford, L.P. ("Covanta") entered into a Municipal Solid Waste Disposal Agreement, dated December 17, 2008, and amended by the First Amendment To Solid Waste Agreement ("Agreement"), pursuant to which it participates with four other central Connecticut

municipalities (Cheshire, Hamden, North Haven and Wallingford) in the operation by Covanta of a solid waste and resource recovery facility in Wallingford, Connecticut (the “Facility”).

Under the Agreement, the City is required to deliver or cause to be delivered to the System solid waste generated within its boundaries and pay disposal fees for its minimum commitment based on a rolling five year average of the number of tons of acceptable solid waste delivered to the Facility by the City compared to the number of tons delivered by all the participating municipalities, starting with a first contract year minimum of 14,850 tons. The City delivered approximately 28,900 tons during the 2014 fiscal year. The aggregate total of the five participating municipalities will be approximately 112,100 during the 2014 fiscal year.

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

The tip fee is subject to an annual adjustment in the Consumer Price Index as defined in the Agreement, provided that the tip fee shall increase by a minimum of 1.75% per year but no more than 3.5% per year and provided further that the tip fee shall be reset after every five years of the term of the Agreement based on a local market average, as defined in the Agreement, consisting of at least six representative municipal solid waste agreements similar in scope to the Agreement and also provided further that the tip fee shall not be higher than the tip fee that Covanta charge any other municipality for substantially similar services under any contract having an initial term of at least five years. The fees payable under the Agreement may be offset by an electrical revenue share as calculated pursuant to the terms of the Agreement. The tip fee for the initial year of the Agreement was \$65. The tip fee for fiscal year 2015 is \$70.30 versus \$69.09 the prior year.

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

The participating municipalities currently are negotiating a second amendment, which would provide for a reduction in the tip fee for the balance of the 2015 fiscal year to \$65 per ton and reductions in the annual commitment.

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

Recycling: The City has entered into an intra-community agreement with fifteen other Connecticut municipalities to establish the Tunxis Recycling Operating Committee (“TROC”) for the purposes of meeting the State’s recycling mandate. Under the agreement, the City is required to deliver or cause to be delivered to the regional recycling facility, all residential acceptable recyclable materials generated within its boundaries. The City is obligated to pay all tipping costs for the processing of acceptable recycling materials generated within its boundaries and delivered to the facility as well as its proportionate share of TROC’s costs on a monthly basis. The tipping fee applicable in any given contract year is calculated by estimating and netting out facility costs and 50% of facility revenue for such contract year. Facility costs include the cost of operation and management of the facility. The City has not pledged its full faith and credit to the payment of “tipping fees” or TROC costs.

Revisions have been made by the TROC Board of Directors to eliminate the tipping fee paid by each community for FY2013 and FY2014. These fees are being paid from retained earnings that have accumulated over the years. The existing contract expired in June 2014. TROC has been disbanded effective June 30, 2014. The City has entered into a contract with ReCommunities for the disposal of acceptable recycling products. The City will be paid \$8.50 per ton as of July 1, 2014.

Economic Development

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

Incentive Programs

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

- ***Meriden's Enterprise Zone ("EZ") State Incentives:*** Meriden has a State-designated Enterprise Zone, which provides tax incentives to manufacturers and warehousing and distribution companies that locate to or expand in Meriden's Enterprise Zone. Fifty percent of these tax abatements are reimbursed by the state. Ten Meriden-based companies have participated in the State EZ program.
- ***Meriden's Enterprise Zone - City of Meriden Incentives:*** Companies locating to or expanding in the Enterprise Zone that do not qualify for the State's EZ program may qualify for Enterprise Zone incentives under the Meriden Enterprise Zone incentive program. Thirteen Meriden-based companies have participated in the City's EZ program.
- ***Urban Jobs State Incentive Program:*** Manufacturing and warehousing/distribution companies located outside of the Enterprise Zone may qualify for the same benefits as those located within the Enterprise Zone. Fifty percent of these tax abatements are reimbursed by the State. Five Meriden-based companies have participated in the Urban Jobs program.
- ***Meriden's Information Technology Zone ("ITZ") Incentives:*** Meriden has an information technology zone tax incentive program offering real property tax assessment deferrals to property owners who improve their buildings to house IT companies. IT companies locating in the buildings also receive personal property tax abatements. Two Meriden-based companies have participated in the ITZ program.
- ***Meriden's Manufacturing Assistance Program ("MAP"):*** Meriden offers subordinate financing to manufacturers planning to expand their operations in the City or who wish to locate to Meriden. The loans are for real estate acquisition or improvements and are only offered in conjunction with private financing. Eight manufacturers have taken advantage of this program to date. Three loans are current. The program supports the expansion and retention of the City's manufacturing base.
- ***Commercial Property Assessed Clean Energy ("C-PACE"):*** A State of Connecticut Energy Program. A program allowing commercial and industrial building owners to finance qualifying energy efficiency and clean energy improvements through placing a voluntary assessment on their property tax bill. Meriden has entered into an agreement with the Connecticut Energy Finance and Investment Authority to participate in this program. To date one company is participating in the C-PACE program.

Brownfields Redevelopment

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

Marketing and Outreach

Meriden is in its 12th year of a marketing campaign focusing on business retention and business development. This past year a budget allowed the City to update and maintain online communications, including meridenbiz.com and meridentod.com websites, and to develop and implement a marketing plan for the use of the 2,000 hours/year of electronic billboard space. The "Meriden 2020: Bringing It/Together" campaign has been launched and will be expanded in 2015 to include electronic and print media campaigns.

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

Commercial/Industrial Development

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

- **Accel International**, located at 508 North Colony Street, is a manufacturer of high performance conductors. The company has expanded from six employees in 2011 to 80 employees as of June 30, 2014. Operating from a 100,000 sq. ft. manufacturing facility, the existing plant can accommodate future growth that is anticipated.
- **Edge Fitness**, located at 533 South Broad Street, recently opened its 36,000 sq. ft. gym in Meriden's Townline Plaza. This state of the art gym has over 5,000 members and 10 locations statewide. \$3.2 million in improvements were made to the facility that previously housed Linens n Things.
- **Q-S Technologies, Inc.**, located at 602 Pomeroy Avenue, expanded its operations to a 32,492 sq. ft. facility at 95 Research Parkway. The company makes specialty wire and cable. The company was approved for an Urban Jobs Tax Exemption for the lease of the facility and \$698,500 in equipment. The company will retain 24 jobs and will add 7 new jobs in Meriden.
- **Protein Sciences Corporation**, located at 1000 Research Parkway, was founded in 1983 and has 30 years of experience in developing vaccines and biopharmaceuticals for the prevention and treatment of a variety of diseases. Protein Sciences recently reached a major milestone in their business development in that the U.S. FDA approved Flublok influenza vaccine for people 18-49 years old to prevent influenza disease. Flublok is made in a 100% egg-free system using modern cell culture technology. The company employs over people 100 people in their Meriden facility.
- **TJ Maxx**, located at 470 Lewis Ave, opened a new retail store in Meriden in 2014. The project included a \$1.2 million renovation of a 23,000 square foot space that formerly housed Borders Books.

Downtown and Transit Oriented Development Opportunities

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

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

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

In 2013, the City adopted a Transit Oriented Development ("TOD") District Zoning Regulation to ensure that new development is of high quality and blends with the existing historic character. The zoning regulation is supported by the 2009 Plan of Conservation and Development. The TOD zoning regulation, which covers roughly the one-half mile area surrounding the Meriden Transit Center, provides flexibility in terms of use while establishing design criteria, flexible adaptive reuse guidelines and a streamlined permitting process. A new, mixed-use development at 24 Colony Street has been approved and will begin construction in 2014. The \$22 million project is the City's first transit oriented development project. Plans are also underway to transform the Mills Memorial Public Housing Complex using a US Dept. of Housing and Urban Development "Choice Neighborhoods" planning grant.

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

The City recently short-listed three major developers who have expressed interest in nine sites in the TOD District available for private redevelopment. Key development areas around the TOD District include 116 Cook Ave, 25-33 Colony Street, the former Factory H site, the HUB, the Record Journal building, the former Meriden Wallingford Hospital, and East and West Main Streets.

- **116 Cook Avenue:** Once a part of the International Silver manufacturing complex. The complex was converted into medical office space in the 1980s, but has been vacant since the 1990's. The City acquired 116 Cook Ave. in 2010 for redevelopment. The property includes a 74,000 sq. ft. vacant building on 5.64 acres.
- **Former Factory H:** 77 Cooper Street, 85 Cooper Street, and 104 Butler Street, formerly known as "Factory H" together comprise 7.54 acres. The site, which previously housed an International Silver Company manufacturing facility dating back to the 1890's, ceased operation in the 1970s and was abandoned for over 40 years. The City acquired Factory H in 2010, demolished the former industrial buildings in 2012, and completed extensive environmental assessment and cleanup, and disposal of hazardous materials. The former boiler house remains on the site as well as the slab that was underneath the former factory buildings. The City envisions redevelopment of this parcel into a mixed use area that includes housing units and links to the regional greenway trail. This site has the potential to be combined with 116 Cook Ave. to comprise a 10-acre development parcel. The site is zoned TOD Hanover.
- **Hub Site:** Located at 1-77 State Street and 30-50 East Main Street, the HUB is a 14.4-acre City-owned parcel that has undergone extensive environmental assessment and cleanup. The City is in the process of transforming the HUB site into a City park that serves the purposes of providing public green space, flood storage and 3.4 acres for economic development. Repurposing this centrally located parcel is key to the success of the new transit center and the transit oriented development district. The site historically served as a center of industrial and commercial activity in Meriden's downtown, and the City's goal is to make this a premier economic development and community gathering spot once again. Construction at the HUB site commenced in January 2014 with an 18-month construction timeline. The \$14 million project includes several key features, including a public park with gathering places and links to the regional greenway system, pedestrian links to the new transit center, an amphitheater and great lawn area for public events, and a day-lighted Harbor Brook. The site is zoned TOD Park. Development parcels, totaling 3.4 acres, are located in the northwest corner along State Street and on the east side along Pratt Street. These areas will lie outside of the 100-year floodplain. The TOD zoning regulations allow potential development of up to 1.5 million square feet on the site. Future development must take into consideration the Environmental Land Use Controls that were put in place as part of the construction of the Harbor Brook Flood Control Plan. Completed environmental assessments include Phase I/II/III environmental site assessments, hazardous building materials survey, NEPA Environmental Assessment, soil investigation and other work.
- **11 Crown Street, Record Journal Building:** Overlooking the HUB site is the 30,000 square foot Record Journal Newspaper Building at 11 Crown Street. The City recently acquired the 1.6-acre property for redevelopment purposes. The Record Journal, a locally-owned newspaper, has been headquartered here for over 100 years. The Record Journal will lease the facility through the end of 2015 while plans are completed to redevelop or rehab the existing site and relocate the Record Journal business operations. Future development of the site must incorporate affordable housing under the requirements of the HUD Sustainable Community Challenge grant that was used for site acquisition. The parcel is zoned TOD Park.
- **1 King Place-Former Meriden Wallingford Hospital:** Located within a half block of the Factory H site is the former Meriden-Wallingford Medical Center (TOD Site #6), located at 1 King Place,. The site includes a 245,000 square foot building occupying two city blocks totaling 5.64 acres. The parcel is zoned TOD Hanover. The City acquired the property through tax foreclosure in 2014.

Municipal and Public Facility Development

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

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

New high efficiency boilers were installed at City Hall in 2009 through American Recovery and Reinvestment Act ("ARRA") funding. Similar high efficiency systems were installed in the Meriden Public Library, funded by a combination of state and local sources. Energy costs in both facilities have been reduced by approximately \$75,000 per year. The City also completed an addition to the Library parking lot, repair of its elevator and will complete other interior and exterior Library projects shortly, all of which projects were partially funded through State Library grant funds. Replacement of oil fired boilers at four city elementary schools over the next three years is currently underway. A new backup power generator, funded by a State of Connecticut Department of Public Utility Control grant, was added to City Hall in 2009. Beginning in 2008, the City replaced its traffic signal lights with LED lighting, resulting in energy cost savings. The City completed installation of a compressed natural gas fueling station, with ARRA funds obtained as a sub-recipient to the Clean Cities coalition. The City has nine CNG powered passenger vehicles, one van and is awaiting the delivery of a Ford F550 traffic sign truck. Cost differential in the purchase price have been funded through grants from the State. The City is pursuing plans to install a second CNG fueling station for use by private businesses that have expressed an interest in such a facility. The City has been awarded \$2.3 million in FEMA Hazard Mitigation grant to replace all its public utility back-up generators.

In 2010, the City completed a \$46 million comprehensive upgrade to its municipal sewer treatment facility. The facility has expanded capacity, improved water pollution results, reduced nitrogen levels (allowing the City to be a seller of nitrogen credits rather than a purchaser of credits) and reduced electricity usage. The project was funded through grants and low interest loans repaid through user fees. For more information, refer to the section entitled "Clean Water Fund Program" herein. The City began work on the Broad Brook water treatment plant in 2013 and has an expected completion date of September 2015.

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

In addition to its regular road maintenance program, the City completed a major road reconstruction and streetscape project on Curtis Street, a section of historic older homes, in 2009 and in spring 2013 completed the West Main Street Streetscape Project, reconstructing the roadway and sidewalks with period lighting and other amenities on West Main Street, the main roadway from the City center to the western section of the City. This project was funded by a combination of federal and State funds. The City is awaiting CMAQ funding approval to undertake a traffic signal modernization and upgrade program. The City has applied for a TIGER Grant to fund the downtown roadway improvements that are located within the newly created TOD District.

The City has continued work on the Harbor Brook Flood Control Project. In 2012, the City was awarded permits from the State Department of Energy and Environmental Protection, the Army Corps of Engineers and FEMA for the entire Harbor Brook flood control plan. The State of Connecticut has competed work on the Cook Avenue Bridge and the installation of the Columbus Avenue Relief Culvert is under construction. The City also awarded a contract for the construction of detention projects at Westfield Road and the HUB site in 2013/2014. The HUB project will take an underutilized City brownfield property in the City Center and transform it into a flood control area that will detain 53 acre feet of water in high storm conditions but allow use of the property as a central park and green space in normal

conditions. The park will feature amenities such as a performance amphitheater, public plazas, a great lawn area, an iconic pedestrian bridge and 150,000 square feet of footprint for economic development purposes. The City has received numerous EPA assessments and clean up grants for the project and currently has \$13.5 million in approved State funding that will complete the budget for the Hub Site project. Engineering work has begun on the Amtrak railroad bridge bypass culvert, the Dog's Misery Swamp mitigation project and the Center Street bridge project. Completion of the Harbor Brook project will reduce the floodplain from 225 to 95 acres and the number of properties and structures in the floodplain from over 300 to 50.

Residential Development

During 2013, and in the first half of 2014, residential development activity continued to progress. Some of the major residential developments include:

Completed in the fall of 2013:

- Cobblestone Subdivision: 39 single-family homes

Under Construction:

- Marina Court: 13 single-family homes, nine completed;
- Leonard Street: 38 multi-family units, 12 completed;
- Preston Woods: 13 single-family Active Adult homes, 10 completed.

Comprehensive Planning and Future Mixed Use Developments

The City is actively implementing its long term Plan of Conservation & Development ("POCD"). Adopted in 2009 by the City Planning Commission and the City Council, the POCD includes specific Actions to promote its objectives, including targeted investments, regulatory changes and economic development. In 2013, a four year review of progress implementing the POCD found that 28 Plan Actions were completed, and another 36 Actions were in the process of being completed. Other Plan Actions were also in the preliminary stages.

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

The Transit Oriented Development ("TOD") Plan was the major special study completed in 2012, as part of the implementation of the POCD. The planned increase in rail service and several underdeveloped properties provide opportunities for a full transit center, future high density mixed use development and a central park that can support flood control. The park is fully funded and construction began on the site in the fall of 2013. See "Downtown and Transit Oriented Development Opportunities" herein.

To ensure that new high quality development is facilitated, in June of 2013, a complete revision to Downtown Zoning to promote Transit Oriented Development was approved by the City Council. In the fall of 2013, the Planning Director approved the first major mixed use TOD building project. The four story building will include first floor retail space, 63 units of mixed income housing and a 273 space multi-story parking garage to accommodate the transit center and rail service. The City, through a consultant, completed a Historic Resources Inventory of the downtown and a presentation of findings was made in the Spring of 2014.

Beyond the downtown area, planning to develop large sites for mid to long term economic development continued. A focus of such efforts in 2014 is an economic development feasibility study for a large City owned site on South Mountain Road. Also, the City Planning Division produced a Sidewalk Inventory and Plan for sustaining and further connecting the citywide sidewalk network in 2014.

Community Development Program

The City is an entitlement community funded under the Housing and Community Development Act of 1974, as amended in 1977 and 1982. The Community Development Block Grant ("CDBG") Program has awarded over \$35 million in entitlement funds to Meriden since its inception in 1976 through this CDBG's 40th Program Year.

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

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

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

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

Employee Relations and Collective Bargaining

Municipal Employees ¹

Fiscal Year Ended June 30	2014	2013	2012	2011	2010
General Government (full-time).....	490	498	509	500	504
Board of Education and State Projects ²	981	946	933	935	959
Grant / Other Funded (Incl. Cafeteria) ²	105	79	173	199	190
Total	1,576	1,523	1,615	1,634	1,653

¹ Includes management and other non-union employees

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

Employee Bargaining Organizations

Employees	Organization	Number of Employees	Current Contract Expiration Date
<i>General Government</i>			
Nurses (Public Health).....	AFSC, Unit 8, Connecticut Health Care Assoc. District 119, AFL-CIO	20	06/30/2016
Public Works.....	Local 740, AFL-CIO	82	06/30/2015
Fire Department.....	IAFF, Local 1148, AFL-CIO	97	06/30/2014 ¹
Municipal Employees.....	Meriden Municipal Employees Local 595 AFSCME, AFL-CIO	101	06/30/2016
Police Department.....	AFSCME, Local 1016, Council 15, AFL-CIO	118	06/30/2014 ¹
Middle Management.....	AFSCME Supervisors, Local 3430	46	06/30/2015
Crossing Guards.....	AFSCME Local 3886	34	06/30/2014 ¹
Public Safety Dispatch.....	AFSCME Dispatchers Local, #1303-405	17	06/30/2016
Total		515	
<i>Board of Education</i>			
Paraprofessionals.....	Meriden Federation of Paraprofessionals	186	08/31/2016
School Teachers.....	Meriden Federation of Teachers	652	08/31/2015
Clerical (Education).....	Meriden Federation of Educational Secretaries	79	06/30/2016
Custodian (Education).....	Meriden Federation of Municipal Employees	83	06/30/2016
Cafeteria (Education).....	Hotel and Restaurant Employees and Bartenders Union Local 217, AFL-CIO	65	06/30/2016
Education Administrators.....	Meriden Administrator's Association	32	06/30/2016
Education Administrators.....	Meriden Federation of Non-Certified Supervisors	3	06/30/2016
Community Educators/ Attendance Counselors.....	Meriden Federation of Community Educators and Attendance Counselors	4	06/30/2016
Total		1,104	

¹ In negotiation.

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

Educational Services

School Facilities ^{1,3}

<u>School</u>	<u>Grades</u>	<u>Date Occupied</u>	<u>Dates of Additions/ Renovations</u>	<u>Number of Classrooms</u>	<u>Enrollment 10/1/13 ¹</u>	<u>Rated Capacity</u>
John Barry.....	K-5	1929	1953 ² , 1965, 1996	26	507	620
Benjamin Franklin	K-5	1951	1965 ²	26	414	620
Nathan Hale.....	K-5	1956	1965 ² , 1990	28	612	670
Hanover.....	K-5	1934	1954 ² , 1965, 1994, 2013	39	605	785
Thomas Hooker.....	K-5	1963	2005 (roof)	21	444	500
Casimir Pulaski.....	K-5	1972	2005 (roof)	31	582	646
Israel Putnam.....	Pre K-5	1951	1955 ² , 1990	27	611	620
Roger Sherman.....	Pre K-5	1929	1949, 1990	27	466	620
Lincoln.....	6-8	2005	--	43	770	750
Washington.....	6-8	1984	2007 (roof)	45	760	1,020
Maloney High School..	9-12	1959	1969 ^{2,4}	47	1,171	1,400
Platt High School.....	9-12	1958	1969 ^{2,4}	48	1,152	1,270
Totals				408	8,094	9,521

¹ There are also 4 parochial schools located in the City with an enrollment of approximately 484 Meriden students as of October 1, 2013

² Original building renovated at the time additions were constructed.

³ The City owns the Thomas Edison Middle School, a state-of-the-art magnet school focusing on science and technology. As of October 1, 2013, students from the City account for 558 students whose tuition of \$5,110 is paid to ACES ("Area Cooperative Education Service"). The Magnet School also includes students from the following towns: Meriden, Middletown, Waterbury, Wallingford, Durham, Rockfall, Naugatuck, North Haven, Terryville, Hamden and New Britain. In addition, as of October 1, 2013, the Meriden Public Schools send 91 students to the Wintergreen Magnet School in Hamden whose tuition of \$3,854 for 47 of the 91 students is paid to ACES. This school is run by ACES.

⁴ Maloney and Orville Platt High Schools are currently undergoing full renovations, which are partially being funded as part of this bond issue.

Source: Superintendent of Schools, City of Meriden.

School Enrollment

<u>As of 10/01</u>	<u>Grades Pre K - 5</u>	<u>Grades 6 - 8</u>	<u>Grades 9-12</u>	<u>Total</u>
<u>Historical</u>				
2004	4,778	1,670	2,498	8,946
2005	4,686	1,608	2,589	8,883
2006	4,645	1,644	2,576	8,865
2007	4,634	1,645	2,538	8,817
2008	4,370	2,223	2,399	8,992
2009	4,300	2,189	2,261	8,750
2010	4,416	2,171	2,364	8,951
2011	4,407	2,120	2,382	8,909
2012	4,307	2,115	2,394	8,816
2013	4,241	1,530	2,323	8,094
<u>Projected</u>				
2014	4,240	1,509	2,324	8,073
2015	4,194	1,506	2,279	7,979
2016	4,154	1,507	2,254	7,915
2017	4,117	1,513	2,226	7,856
2018	4,050	1,564	2,212	7,826
2019	3,965	1,628	2,201	7,794

Source: Superintendent's Office

III. Economic and Demographic Information

Population and Density

Year	City of Meriden			New Haven County		State of Connecticut	
	Actual Population ¹	% Increase/ (Decrease)	Density ²	Population	% Increase/ (Decrease)	Population	% Increase/ (Decrease)
1960	51,850	17.6%	2,160	660,315	21.0%	2,535,234	26.3%
1970	55,959	7.9	2,332	744,948	12.8	3,032,217	19.6
1980	57,118	2.1	2,380	761,337	2.2	3,107,576	2.5
1990	59,479	4.1	2,478	804,219	5.6	3,287,116	5.8
2000	58,244	(2.1)	2,427	824,008	2.5	3,405,565	3.6
2010	60,868	4.5	2,536	862,053	4.6	3,576,245	5.0

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

² Per square mile: 24 square miles.

Age Distribution of the Population

	City of Meriden		New Haven County		State of Connecticut	
	2010	Percent	2010	Percent	2010	Percent
Under 5.....	3,829	6.3%	48,227	5.6%	200,070	5.6%
5 – 9.....	3,586	7.5	49,088	5.7	221,506	6.2
10 – 14.....	4,255	7.2	58,561	6.8	239,369	6.7
15 – 19.....	4,498	6.1	62,006	7.2	253,660	7.1
20 – 24.....	4,376	6.0	59,422	6.9	225,078	6.3
25 – 34.....	7,841	14.1	107,649	12.5	421,575	11.8
35 – 44.....	8,449	16.1	113,677	13.2	485,883	13.6
45 – 54.....	8,874	13.5	132,624	15.4	571,628	16.0
55 – 59.....	4,133	4.8	55,977	6.5	239,369	6.7
60 – 64.....	2,614	3.5	49,949	5.8	207,215	5.8
65 – 74.....	4,133	6.6	61,145	7.1	257,232	7.2
75 – 84.....	2,674	5.6	40,476	4.7	167,916	4.7
85 years and over.....	1,520	1.9	23,252	2.7	85,744	2.4
Total.....	60,782	100%	862,053	100%	3,576,245	100%
Median Age (years).....	36.2		37.0		37.4	

Source: U.S. Department of Commerce, Bureau of Census, 2010

Income Distribution

	City of Meriden		New Haven County		State of Connecticut	
	Households	Percent	Households	Percent	Households	Percent
Less than \$10,000.....	1,638	7.1%	22,565	6.8%	77,277	5.7%
\$10,000 to 14,999.....	1,230	5.3	16,068	4.9	56,969	4.2
\$15,000 to 24,999.....	2,610	11.3	31,653	9.6	114,773	8.4
\$25,000 to 34,999.....	3,132	13.6	29,749	9.0	108,338	8.0
\$35,000 to 49,999.....	3,062	13.3	38,661	11.7	156,771	11.5
\$50,000 to 74,999.....	4,533	19.6	56,922	17.3	228,341	16.8
\$75,000 to 99,999.....	2,525	10.9	42,267	12.8	180,573	13.3
\$100,000 to 149,999.....	2,913	12.6	51,130	15.5	222,896	16.4
\$150,000 to 199,999.....	1,047	4.5	21,810	6.6	99,977	7.4
\$200,000 or more.....	380	1.6	18,866	5.7	113,489	8.3
Total.....	23,070	100%	329,691	100%	1,359,404	100%

Source: U.S. Department of Commerce, Bureau of Census, 2010

Income Levels

	<u>City of Meriden</u>	<u>State of Connecticut</u>
Per Capita Income, 2010.....	\$24,814	\$36,613
Per Capita Income, 1999.....	20,597	28,766
Per Capita Income, 1989.....	15,618	20,189
Median Family Income, 2010.....	\$56,092	\$84,558
Median Family Income, 1999.....	52,788	65,521
Median Family Income, 1989.....	41,910	49,199
Percent Below Poverty Level 2010.....	14.6%	7.2%

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

Educational Attainment Population 25 years and over

	<u>City of Meriden</u>		<u>New Haven County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade.....	2,774	6.91%	27,443	4.70%	111,846	4.60%
9th to 12th grade, no diploma	4,904	12.21	43,208	7.40	162,906	6.69
High school graduate.....	13,586	33.83	179,839	30.80	680,801	27.97
Some college, no degree.....	8,160	20.32	104,517	17.90	430,363	17.68
Associate's degree.....	2,854	7.11	40,289	6.90	177,495	7.29
Bachelor's degree.....	4,703	11.71	102,765	17.60	491,149	20.18
Graduate or professional degree.....	3,175	7.91	85,832	14.70	379,303	15.58
Total.....	40,156	100.00%	583,893	100.00%	2,433,863	100.00%
Percent high school graduate or higher.....		80.80%		87.90%		88.70%
Percent bachelor's degree or higher.....		19.60%		32.40%		35.80%

Source: U.S. Department of Commerce, Bureau of Census, 2010

Major Employers As of July 2014

<u>Name</u>	<u>Business</u>	<u>Approximate Number of Employees</u>
MidState Medical Center	Hospital	1,200
AT&T Corp.....	Telephone Company	653
Hunter's Ambulance and Transportation	Ambulance/Limousine Services	440
Bob's Store.....	Retail Sales	320
Canberra Industries, Inc.....	Radiation Detection	317
Carabetta Management.....	Property Management	315
CUNO, Inc.	Pumping Equipment and Industrial Filters	280
Target Corporation.....	Retail Sales	230
RFS Cable.....	Cable Manufacturer	219
Verizon Wireless.....	Cellular Telephone Company	85
Total.....		4,059

Source: Economic Development Office, City of Meriden

Employment by Industry

Sector	City of Meriden		New Haven County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	69	0.2%	1,444	0.3%	6,539	0.4%
Construction.....	1,585	5.7	21,467	5.1	101,094	5.8
Manufacturing.....	4,234	15.1	50,242	12.0	193,152	11.1
Wholesale Trade.....	905	3.2	10,325	2.5	43,227	2.5
Retail Trade.....	3,482	12.4	45,049	10.7	189,948	10.9
Transportation and warehousing, and utilities.....	1,007	3.6	17,300	4.1	66,665	3.8
Information.....	812	2.9	10,179	2.4	42,113	2.4
Finance, insurance, real estate, and rental and leasing.....	2,042	7.3	27,632	6.6	162,400	9.3
Professional, scientific, management, administrative, and waste management services.....	2,616	9.3	38,244	9.1	189,609	10.9
Educational, health and social services.....	7,151	25.5	131,986	31.5	459,714	26.3
Arts, entertainment, recreation, accommodation and food services.....	2,193	7.8	31,423	7.5	144,326	8.3
Other services (except public administration).....	1,025	3.7	17,299	4.1	80,265	4.6
Public Administration.....	915	3.3	16,667	4.0	67,741	3.9
Total Labor Force, Employed.....	28,036	100.0%	419,257	100.0%	1,746,793	100.0%

Source: U.S. Department, Bureau of the Census, 2010

Employment Data By Place of Residence¹

Period	City of Meriden		Percentage Unemployed		
	Employed	Unemployed	City of Meriden	New Haven Labor Market	State of Connecticut
May 2014.....	29,849	2,789	8.5%	7.2%	6.9%
Annual Average					
2013.....	32,041	3,054	9.5	8.1	7.8
2012.....	32,491	3,254	10.0	8.7	8.4
2011.....	28,760	3,469	10.8	9.3	8.8
2010.....	29,057	3,584	11.0	9.2	9.0
2009.....	29,053	3,477	10.7	8.3	8.5
2008.....	29,719	2,243	7.0	5.9	5.7
2007.....	29,987	1,757	5.5	4.8	4.6
2006.....	29,827	1,706	5.4	4.5	4.3
2005.....	29,295	1,832	5.9	5.0	4.9
2004.....	29,186	1,812	5.8	4.7	4.7

¹ Not seasonally adjusted.

Source: Department of Labor, State of Connecticut

Age Distribution of Housing

Year Built	City of Meriden		New Haven County		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
2005 or Later.....	681	2.7%	8,946	2.5%	43,798	2.9%
2000 to 2004.....	403	1.6	11,773	3.2	61,616	4.1
1990 to 1999.....	1187	4.7	25,176	6.9	108,904	7.3
1980 to 1989.....	3,570	14.2	47,055	13.0	195,577	13.1
1970 to 1979.....	3,500	13.9	47,982	13.2	201,264	13.5
1960 to 1969.....	2,925	11.6	45,375	12.5	201,661	13.5
1950 to 1959.....	3,984	15.8	53,999	14.9	229,476	15.4
1940 to 1949.....	1,489	5.9	24,399	6.7	104,220	7.0
1939 or earlier.....	7,437	29.5	97,594	26.9	342,759	23.0
Total housing units, 2010.....	25,176	100.0%	362,299	100.0%	1,489,275	100.0%
Percent Owner Occupied, 2010.....		59.9%		63.1%		66.8%

Source: U.S. Department of Commerce, Bureau of Census, 2010

Housing Inventory

Type	City of Meriden		New Haven County		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1 unit detached.....	12,432	52.1%	185,240	56.0%	827,764	60.9%
1 unit attached.....	1,288	5.4	19,516	5.9	72,039	5.3
2 units.....	2,720	11.4	29,440	8.9	104,660	7.7
3 or 4 units.....	2,839	11.9	33,079	10.0	114,174	8.4
5 to 9 units.....	1,217	5.1	17,201	5.2	69,320	5.1
10 or more units.....	3,174	13.3	44,325	13.4	159,029	11.7
Mobile home or other type..	191	0.8	1,985	0.6	12,233	0.9
Total Inventory.....	23,861	100.0%	330,785	100.0%	1,359,218	100.0%

Source: U.S. Department of Commerce, Bureau of Census, 2010

Owner-Occupied Housing Values

Specified Owner-Occupied Units	City of Meriden		New Haven County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	381	2.7%	3,494	1.7%	17,014	1.8%
\$ 50,000 to \$ 99,999.....	343	2.5	6,002	2.9	21,317	2.3
\$100,000 to \$149,999.....	1,913	13.8	17,965	8.6	58,439	6.3
\$150,000 to \$199,999.....	4,406	31.8	32,500	15.5	129,744	14.0
\$200,000 to \$299,999.....	5,134	37.0	68,231	32.5	274,604	29.6
\$300,000 to \$499,999.....	1,524	11.0	59,665	28.4	262,712	28.3
\$500,000 to \$999,999.....	137	1.0	19,071	9.1	120,493	13.0
\$1,000,000 or more.....	32	0.2	3119	1.5	43,470	4.7
Totals	13,870	100.0%	210,047	100.0%	927,793	100.0%
Median Sales Price.....		\$198,800		\$265,100		\$285,800

Source: U.S. Department of Commerce, Bureau of Census, 2010

Building Permits

	2013-14 Value	2012-13 Value	2011-12 Value	2010-11 Value	2009-10 Value	2008-09 Value
Single.....	\$ 529,950	\$ 526,219	\$ 1,073,410	\$ 1,127,516	\$ 1,671,355	\$ 1,327,570
Apartment.....	-	660,120	-	-	-	-
Commercial/Industrial.....	8,453,820	5,365,411	1,579,800	2,404,157	2,569,894	10,735,838
Municipal.....	87,015,964	91,941,333	3,337,402	160,000	122,988	100,993
Other.....	8,408,675	7,790,547	12,009,068	15,219,864	21,223,787	19,707,655
All Categories (including above)....	\$ 104,408,409	\$ 106,283,630	\$ 27,961,715	\$ 32,386,470	\$ 32,907,701	\$ 54,207,798

Source: Building Department, City of Meriden

Land Use Summary

Land Use/Category/Zoning	Total Area		Developed		Undeveloped	
	Acres	Percent	Acres	Percent	Acres	Percent
Residential.....	7,051	45.9%	6,969	98.8%	82	1.2%
Commercial/Industrial.....	2,122	13.8	1,766	83.2	356	16.8
Streets and Utilities.....	2,120	13.8	2,120	100.0	-	0.0
Open Space Public ¹	1,940	12.6	-	0.0	1,940	100.0
Open Space Private.....	55	0.4	-	0.0	55	100.0
Tax Exempt ²	1,658	10.8	1,658	100.0	-	0.0
Other.....	410	2.7	410	100.0	-	0.0
Totals.....	15,356	100.0%	12,923	84.2%	2,433	15.8%

Source: City of Meriden GIS, CAMA database

¹ CT DEEP

² Includes schools, churches, government facilities.

(The remainder of this page intentionally left blank)

IV. Tax Base Data

Property Tax

Assessments

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

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

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

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

Property Tax Collection Procedure

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

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

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

Comparative Assessed Valuation

Grand List as of 10/1	Residential	Commercial	All Land (%)	Personal Property (%)	Motor Vehicle (%)	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	Percent Growth
	Real Property (%)	/Industrial Real Property (%)							
2013	64.5%	18.3%	0.3%	7.9%	9.0%	\$ 3,289,364	\$ 64,462 ²	\$ 3,224,903	0.2%
2012	61.1	20.9	0.3	9.3	8.4	3,448,985	230,515	3,218,470	-0.9
2011 ¹	57.8	24.2	0.3	9.2	8.5	3,479,006	230,427	3,248,578	-10.7
2010	62.2	21.8	0.4	8.5	7.1	3,877,407	237,947	3,639,460	0.3
2009	62.2	21.8	0.4	8.6	7.0	3,865,978	236,110	3,629,868	-0.1
2008	62.2	21.8	0.4	8.6	7.0	3,864,377	230,017	3,634,360	-0.7
2007	61.8	21.9	0.4	8.7	7.2	3,879,478	220,274	3,659,204	1.4
2006 ¹	62.2	22.2	0.3	8.1	7.2	3,830,329	221,915	3,608,414	49.1
2005	54.5	23.2	0.4	11.5	10.4	2,561,231	140,582	2,420,649	2.0
2004	54.7	23.4	0.4	11.6	9.9	2,521,867	148,428	2,373,439	--

¹ Revaluation.

² The reduction is due to the termination of the NRG exemption contract.

Source: City of Meriden, City Assessor's Office

Property Tax Levies and Collections

Grand List as of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	District	Mill Rate	Total Tax Levy	Uncollected		
						Percent of Annual Levy Collected at End of Fiscal Year ¹	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Collected as of 6/30/13
2013	2015 ²	\$ 3,224,902,777	First	35.73	\$ 115,888,454	IN COLLECTION		
			Second	2.09				
2012	2014 ²	3,218,470,206	First	34.99	113,390,726	n/a	n/a	n/a
			Second	2.10				
2011	2013	3,248,578,415	First	34.70	113,122,263 ³	97.46%	2.54%	97.46%
			Second	2.10				
2010	2012	3,639,460,109	First	29.83	109,965,111	97.37%	2.63%	98.87%
			Second	1.82				
2009	2011	3,630,226,863	First	29.53	108,579,493	97.49%	2.51%	99.30%
			Second	1.90				
2008	2010	3,632,830,081	First	28.85	105,217,635	97.49%	2.51%	99.53%
			Second	1.74				
2007	2009	3,659,204,456	First	27.96	102,298,379	97.24%	2.76%	99.59%
			Second	1.93				
2006	2008	3,608,414,217	First	27.96	101,123,487	97.30%	2.70%	99.72%
			Second	2.31				
2005	2007	2,420,649,275	First	42.20	101,900,365	97.30%	2.70%	99.58%
			Second	2.31				
2004	2006	2,373,437,388	First	40.34	95,254,308	96.30%	3.70%	99.44%
			Second	2.31				

¹ Taxes for the fiscal year are paid on the Grand List of October 1 prior to the beginning of the fiscal year, and are due and payable in four quarterly installments (July 1, October 1, January 1, and April 1) for real estate. Personal property taxes are payable semi-annually (July 1 and January 1) and motor vehicle taxes are due in a single payment on July 1. Failure to pay an installment within one month of the installment due date makes the installment delinquent and subject to interest charges of 1 1/2 per month (18% per annum). Real estate is lienied for delinquent taxes within one year after the due date. The amount collected at the end of each fiscal year represents collection of twelve months.

² Subject to audit.

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

Source: City of Meriden, Tax Collector's Office

Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List¹
Conn Light & Power.....	Public Utility	\$ 62,129,118	1.93%
Meriden Square Partnership.....	Shopping Center	61,596,460	1.91
Yankee Gas.....	Public Utility	27,413,640	0.85
Computer Sciences Corp.....	Telecommunications Data Center	22,867,640	0.71
Urstadt Biddle Properties Inc.....	Shopping Center	22,050,000	0.68
Meriden Square #3 LLC et al.....	Shopping Center	19,991,770	0.62
Radio Freq Systems Inc.....	RF Communications Manufacturer	18,073,420	0.56
Newberry Properties DE LLC.....	Residential Real Estate	15,960,000	0.49
Carabetta Enterprises Inc.....	Real Estate Developer	13,003,260	0.40
Merritt Station LLC.....	Apartment Building Shopping Ctr	11,207,820	0.35
Total		\$ 274,293,128	8.51%

¹ Based on a net taxable grand list October 1, 2013 of \$3,224,903,277.

Source: Assessor's Office, City of Meriden

(The remainder of this page intentionally left blank)

V. Financial Information

Fiscal Year

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

Basis of Accounting and Accounting Policies

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

Governmental Fund Types

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

Governmental Funds

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

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

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

Proprietary Funds

Enterprise funds – are used to account for operations:

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

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

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

Fiduciary Funds

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

Budgetary Procedures

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

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

Annual Audit

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the City is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management, and a copy of said audit report must be filed with the Office of Policy and Management. The City of Meriden is in full compliance with said provisions. For the fiscal year ended June 30, 2013, the financial statements of the City were audited by the firm of Blum Shapiro & Company, P.C. attached hereto as Appendix A.

Pension Plans

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

For the fiscal year ended June 30, 2014, the City’s unaudited contributions are \$2,307,615 (100.2% of the ARC) for the Employees’ Plan, \$4,201,533 (100% of the ARC) for the Police Plan and \$2,808,242 (100% of the ARC) for the Firefighters’ Plan. Net Pension Obligations (Assets) as of June 30, 2013 were as follows: (\$306,124) for the Employees’ Plan, \$12,766,617 for the Police Plan, and \$12,517,152 for the Firefighters’ Plan.

Schedule of Funding Progress

Employees' Retirement Plan

Actual Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Actuarial Accrued Liability (UAAL)(c)	Funded Ratio (a/b)	Covered Payroll (d)	UAAL as % of Covered Payroll (c/d)
7/1/2012	\$ 147,647,445	\$ 150,068,846	\$ 2,421,401	98.39%	\$ 38,734,928	6.25%
7/1/2010	140,652,162	133,912,594	(6,739,568)	105.0%	34,128,961	-19.7%
7/1/2008	140,853,728	123,480,133	(17,373,595)	114.1%	31,405,160	-55.3%

Police Pension Plan

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

Firefighters' Pension Plan

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

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

Other Post-Employment Benefits

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

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

As of July 1, 2012 the City has an actuarial accrued liability of \$81.0 million with respect to the PHP and \$10.4 million in PHP assets for an unfunded actuarial liability of \$70.6 million. The actuarial assumption includes an 8.0% rate of return and annual health care cost trend at 10.0% initially and reduced by decrements to an ultimate rate of 5.0% after five years. It is estimated that the June 30, 2014 asset accumulation will be approximately \$19.1 million.

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

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
6/30/2013	\$7,694,428	74.4%
6/30/2012	11,081,681	50.7
6/30/2011	11,043,833	29.6
6/30/2010	10,871,305	32.9

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

Investment Policies and Procedures

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

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

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

General Fund - Comparative Balance Sheet

	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009	Actual 2008
Assets:						
Cash and Cash Equivalents.....	\$ 14,305,808	\$ 12,058,010	\$ 19,321,153	\$ 16,738,624	\$ 21,632,601	\$ 16,106,796
Investments.....	12,914,124	12,572,390	10,260,759	7,180,930	5,421,001	1,535,297
Receivables (net):	-	-	-	-	-	-
Property Taxes.....	5,483,526	4,960,733	3,530,684	3,260,793	3,333,698	3,240,018
Accounts Receivable.....	434,225	699,123	616,899	367,671	391,517	1,274,036
Federal and State Governments..	1,612,484	2,256,783	81,152	5,697	559,372	1,311,447
Inventory.....	125,508	133,633	133,373	129,670	132,810	136,300
Other Assets.....	1,160	4,869	3,331	-	-	-
Due from Other Funds.....	4,078,835	3,873,866	3,316,023	1,470,549	1,363,937 ¹	473,558
Advance to Golf Fund.....	-	-	-	-	- ¹	938,600
Total Assets.....	\$ 38,955,670	\$ 36,559,407	\$ 37,263,374	\$ 29,153,934	\$ 32,834,936	\$ 25,016,052

¹ Reclassified for proper illustration.

	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009	Actual 2008
Liabilities:						
Accounts Payable and						
Other Accrued Liabilities.....	\$ 14,560,161	\$ 12,871,307	\$ 12,797,573	\$ 11,406,163	\$ 13,876,888	\$ 11,709,834
Due to Other Funds.....	176,997	462,440	190,968	307,740	1,483,003	765,856
Deferred Revenue.....	6,721,056	5,968,420	6,008,572	3,137,206	3,223,337	3,064,990
Total Liabilities.....	\$ 21,458,214	\$ 19,302,167	\$ 18,997,113	\$ 14,851,109	\$ 18,583,228	\$ 15,540,680

Municipal Equity:

Fund Balances: ²						
Reserved for:						
Encumbrances.....	\$ -	\$ -	\$ -	\$ 27,098	\$ 26,872	\$ 219,648
Inventory.....	-	-	-	129,670	132,810	136,300
Long Term Advances.....	-	-	-	-	- ¹	938,600
Debt Payments.....	-	-	-	-	-	275,000
Enabling Legislation.....	-	-	-	825,001	825,001	3,944,990
Unreserved:						
Unreserved, Undesignated.....	-	-	-	13,321,056	13,267,025 ¹	3,960,834
Nonspendable.....	125,508	133,633	133,373	-	-	-
Restricted.....	1,009,817	520,001	825,001	-	-	-
Committed.....	636,972	-	-	-	-	-
Unassigned.....	15,725,159	16,603,606	17,307,887	-	-	-
Total Municipal Equity.....	\$ 17,497,456	\$ 17,257,240	\$ 18,266,261	\$ 14,302,825	\$ 14,251,708	\$ 9,475,372
Total Liabilities and Fund Balance ..	\$ 38,955,670	\$ 36,559,407	\$ 37,263,374	\$ 29,153,934	\$ 32,834,936	\$ 25,016,052

¹ Reclassified for proper illustration.

² Reclassification following implementation of GASB Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions starting with the Fiscal Year Ending June 30, 2011.

General Fund Revenues and Expenditures
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis)
And Current Budget (Budgetary Basis)

	Budget 2015	Projected 2014⁶	Actual 2013	Actual 2012	Actual 2011	Actual 2010
Revenues:						
Property Taxes	\$ 117,310,498	\$ 115,088,158	\$ 113,886,618	\$ 109,910,284	\$ 108,758,729	\$ 106,582,511
Intergovernmental	61,378,779	60,383,499	73,706,875 ⁴	74,930,580 ⁴	62,681,718	61,269,332
Charges for services	2,516,500	2,166,327	3,923,416	3,891,852	4,365,660	3,969,834
Investment Income	396,450	396,467	286,737	431,509	319,826	447,077
Other Revenues	2,847,380	3,861,158	5,056,364	2,682,877	6,847,101	2,819,096
Transfers In	558,112	84,147	281,134	434,448	598,460	811,979
Fund Balance Allocation	-	-	-	-	-	-
Total Revenues and Transfers In	\$ 185,007,719	\$ 181,979,757	\$ 197,141,144	\$ 192,281,550	\$ 183,571,494	\$ 175,899,829
Expenditures:						
<i>Current:</i>						
General government	40,065,340	36,659,623	37,658,470	34,351,681	29,921,136	28,071,602
Public safety	22,126,413	21,800,248	21,909,060	21,208,646	21,323,532	20,323,396
Public works	6,600,343	6,873,933	6,999,166	7,017,255	6,835,445	6,798,264
Health & Welfare	2,723,278	2,654,956	2,808,266	2,806,114	2,742,645	2,840,372
Cultural & Recreation	2,305,721	2,185,720	4,104,698	4,020,009	3,934,675	3,845,039
Education ²	99,609,840	99,609,840	111,411,471 ⁵	111,433,666 ⁵	101,978,309	99,309,776
Debt Service	11,144,421	11,162,664	11,494,596	12,196,166	12,596,778	14,398,546
Capital Outlay	417,363	591,901	515,768	242,034	783,987	417,852
Transfers Out	15,000	15,000	90,928	15,000	10,000	62,875
Total Expenditures and Transfers Out	\$ 185,007,719	\$ 181,553,886	\$ 196,992,423	\$ 193,290,571	\$ 180,126,507	\$ 176,067,722
Revenues Over Expenditures	-	425,871	148,721	(1,009,021)	3,444,987	(167,893)
Other Financing Sources (Uses)						
Refunding Bonds Issued	-	-	6,400,000	-	-	32,769,000
Premium on Refunding Bonds	-	-	144,968	-	-	3,490,123
Payment to Refunded Bonds	-	-	-	-	-	-
Escrow Agent	-	-	(6,453,473)	-	-	(36,040,113)
Total Other Financing	-	-	91,495	-	-	219,010
Operating Results	-	425,871	240,216	(1,009,021)	3,444,987	51,117
Fund Balance, July 1	17,923,327	17,497,456	17,257,240	18,266,261	14,821,274³	14,251,708
Fund Balance, June 30	\$ 17,923,327	\$ 17,923,327	\$ 17,497,456	\$ 17,257,240	\$ 18,266,261	\$ 14,302,825

¹ Adopted Budget.

² Includes Education Health Insurance.

³ As restated.

⁴ Increase due to classification of previous Special Revenue Fund (ARRA) funds (\$7.7 million) and additional contribution from the state into the teacher retirement fund (\$2.5 million). Also included is Federal Emergency Management Agency (FEMA) revenue (\$1.4 million).

⁵ Increase due to classification of previous Special Revenue Fund (ARRA) funds (\$7.7 million) and additional contribution from the state into the teacher retirement fund (\$2.5 million).

⁶ Subject to audit.

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

Fund Balances: ²	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009
Reserved for:					
Encumbrances.....	\$ -	\$ -	\$ -	\$ 27,098	\$ 26,872
Inventory.....	-	-	-	129,670	132,810
Enabling Legislation.....	-	-	-	825,001	825,001 ¹
Unreserved Undesignated.....	-	-	-	13,321,056	13,267,025 ¹
Nonspendable.....	125,508	133,633	133,737	-	-
Restricted.....	1,009,817	520,001	825,001	-	-
Committed.....	636,972	-	-	-	-
Unassigned.....	15,725,159	16,603,606	17,307,887	-	-
Total Fund Balance.....	\$ 17,497,456	\$ 17,257,240	\$ 18,266,625	\$ 14,302,825	\$ 14,251,708
Unassigned Fund Balance					
as % of Total Expenditures.....	8.0%	8.6%	9.6%	7.6%	7.2%

¹ Reclassified for proper illustration.

² Reclassification following implementation of GASB Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions starting with the Fiscal Year Ending June 30, 2011.

Source: Comprehensive Annual Financial Reports: City of Meriden.

Intergovernmental Revenues as a Percent of General Fund Revenues

Fiscal Year Ended June 30	Intergovernmental Revenues	General Fund Revenues and Transfers	Percent
2015 ¹	\$61,378,779	\$185,007,719	33.18%
2014 ¹	60,383,499	181,979,757	33.18%
2013	73,706,875	197,141,144	37.39%
2012	74,930,580	192,281,550	38.97%
2011	62,681,718	183,571,494	34.15%
2010	61,269,332	175,899,829	34.83%

¹ Adopted Budget.

Source: Comprehensive Annual Financial Reports; 2010-2013; City of Meriden Budget: 2014 & 2015.

(The remainder of this page intentionally left blank)

**Enterprise Funds
Comparative Balance Sheet
As of June 30, 2013**

Assets:	Water	Sewer	George Hunter Memorial Golf
Current assets:			
Cash and cash equivalents.....	\$ 3,674,227	\$ 3,373,396	\$ 187,260
Investments.....	545,475	542,174	-
Accounts Receivable, net.....	3,340,821	4,026,501	28,317
Due from other funds.....	3,646,499	2,264,524	21,685
Other Assets.....	44,484	-	-
Total Current Assets.....	11,251,506	10,206,595	237,262
Noncurrent assets:			
Capital assets (nondepreciable).....	4,152,758	219,256	-
Capital assets (net of accumulated depreciation).....	39,189,468	85,281,620	2,002,421
Total Noncurrent Assets.....	43,342,226	85,500,876	2,002,421
Total Assets.....	54,593,732	95,707,471	2,239,683
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities.....	712,016	385,994	48,380
Accrued Interest.....	181,885	43,922	1,448
Due to other funds.....	-	-	2,922,807
Deferred Revenue.....	-	-	6,270
Interim funding obligation loans.....	1,100,026	-	-
Current portion of Bonds and Notes payable.....	1,230,000	2,071,727	15,000
Current portion of compensated absences.....	40,775	15,260	3,009
Total Current Liabilities.....	3,264,702	2,516,903	2,996,914
Noncurrent liabilities:			
Compensated Absences.....	999,916	331,138	181,961
Bonds and notes payable, less current portion.....	10,815,726	35,872,298	82,000
Premium on refunding bonds.....	501,436	-	-
Deferred amount in refunding.....	(747,777)	(40,072)	-
OPEB Obligation.....	1,372,045	541,853	73,075
Advance from general fund.....	-	-	-
Total Noncurrent Liabilities.....	12,941,346	36,705,217	337,036
Total Liabilities.....	16,206,048	39,222,120	3,333,950
Net Assets:			
Invested in capital assets (net of related debt).....	31,542,841	47,596,923	1,905,421
Unrestricted.....	6,844,843	8,888,428	(2,999,688)
Total Net Assets.....	\$38,387,684	\$56,485,351	\$ (1,094,267)

Water Fund
Historical Comparative Balance Sheet

Assets:	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009
Current Assets:					
Cash and Cash Equivalents.....	\$ 3,674,227	\$ 3,611,269	\$ 3,752,779	\$ 3,348,515	\$ 4,810,963
Investments.....	545,475	540,670	508,952	519,904	497,174
Receivables (net).....	3,340,821	3,503,929	3,757,901	3,466,632	3,301,726
Due from other funds.....	3,646,499	4,313,975	6,057,154	6,073,919	7,245,307
Other Assets.....	44,484	-	-	-	-
Total Current Assets.....	11,251,506	11,969,843	14,076,786	13,408,970	15,855,170
Noncurrent assets:					
Capital assets (nondepreciable).....	4,152,758	2,295,321	1,643,229	1,205,631	-
Capital assets (net of accumulated depreciation)	39,189,468	40,692,512	40,863,228	42,511,434	44,484,982
Total Noncurrent Assets.....	\$ 43,342,226	\$ 42,987,833	\$ 42,506,457	\$ 43,717,065	\$ 44,484,982
Total Assets.....	54,593,732	54,957,676	56,583,243	57,126,035	60,340,152
Liabilities and Municipal Equity:					
Liabilities:					
Accounts Payable & Other Accrued Liabilities..	\$ 712,016	\$ 574,676	\$ 364,589	\$ 403,649	\$ 341,583
Accrued Interest.....	181,885	212,425	211,363	-	-
Due to Other Funds.....	-	-	-	-	-
Interim Funding Obligation Loans.....	1,100,026	-	-	-	-
Bonds Payable – Current.....	1,230,000	1,255,000	1,205,489	1,264,020	1,592,020
Current Portion of Compensated Absences.....	40,775	103,319	90,561	92,478	75,279
Compensated Absences.....	999,916	1,033,191	981,879	955,604	802,977
Bonds Payable, less current portion.....	10,815,726	11,214,000	12,469,000	12,533,489	13,930,060
Premium on refunding bonds.....	501,436	470,734	510,514	550,294	-
Deferred amount in refunding.....	(747,777)	(329,157)	(356,973)	(384,789)	-
OPEB obligation.....	1,372,045	881,561	-	-	-
Temporary Note Payable.....	-	-	-	-	-
Total Liabilities.....	\$ 16,206,048	\$ 15,415,749	\$ 15,476,422	\$ 15,414,745	\$ 16,741,919
Net Assets:					
Invested in Capital Assets.....	\$ 31,542,841	\$ 30,377,256	\$ 34,735,581	\$ 35,827,970	\$ 36,208,209
Unrestricted.....	6,844,843	9,164,671	6,371,300	5,883,320	7,390,024
Total Net Assets.....	38,387,684	39,541,927	41,106,881	41,711,290	43,598,233
Total Liabilities and Net Assets Equity....	\$ 54,593,732	\$ 54,957,676	\$ 56,583,303	\$ 57,126,035	\$ 60,340,152

(The remainder of this page intentionally left blank)

Sewer Authority
Historic Comparative Balance Sheet

Assets:	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009
Current Assets:					
Cash and Cash Equivalents.....	\$ 3,373,396	\$ 3,666,665	\$ 4,963,085	\$ 4,474,781	\$ 4,955,827
Investments.....	542,174	537,414	508,424	516,779	494,189
Receivable (net).....	4,026,501	4,112,770	4,030,147	3,085,460	3,072,822
Due from other funds.....	2,264,524	2,378,167	3,174,837	1,057,029	1,104,136
Other Accounts Receivables.....	-	-	-	-	4,304
Total Current Assets.....	10,206,595	10,695,016	12,676,493	9,134,049	9,631,278
Noncurrent assets:					
Capital assets (nondepreciable).....	219,256	219,256	2,080,829	43,840,661	-
Capital assets (net of accumulated depreciator	85,281,620	88,447,157	89,202,892	46,421,576	82,946,062
Total Noncurrent Assets.....	85,500,876	88,666,413	91,283,721	90,262,237	82,946,062
Total Assets.....	\$ 95,707,471	\$ 99,361,429	\$ 103,960,214	\$ 99,396,286	\$ 92,577,340
Liabilities:					
Accounts Payable & Other Current Liabilities..	\$ 385,994	\$ 380,694	\$ 753,842	\$ 492,611	\$ 2,309,334
Accrued interest.....	43,922	41,884	50,538	-	-
Due to Other Funds.....	-	-	-	-	-
Bonds Payable – Current.....	2,071,727	2,170,662	3,263,069	659,987	671,988
Current Portion of Compensated Absences.....	15,260	52,063	42,833	38,583	30,329
Compensated Absences.....	331,138	312,379	349,098	270,080	197,138
Bonds and notes payable, less current portion	35,872,298	37,305,953	38,795,858	36,659,172	3,505,567
Premium on refunding bonds.....	-	-	-	-	-
Deferred amount in refunding.....	(40,072)	-	-	-	-
OPEB obligation.....	541,853	293,738	-	-	-
Temporary Note Payable.....	-	-	-	-	-
Total Liabilities.....	\$ 39,222,120	\$ 40,557,373	\$ 43,255,238	\$ 38,120,433	\$ 6,714,356
Net Assets:					
Invested in Capital Assets.....	\$ 47,596,923	\$ 49,189,798	\$ 52,399,631	\$ 54,000,107	\$ 79,872,643
Unrestricted.....	8,888,428	9,614,258	8,305,345	7,275,746	5,990,341
Total Net Assets.....	\$ 56,485,351	\$ 58,804,056	\$ 60,704,976	\$ 61,275,853	\$ 85,862,984
Total Liabilities and Net Assets.....	\$ 95,707,471	\$ 99,361,429	\$ 103,960,214	\$ 99,396,286	\$ 92,577,340

(The remainder of this page intentionally left blank)

**Golf Course
Historic Comparative Balance Sheet**

Assets:	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009
Current Assets:					
Cash and Cash Equivalents.....	\$ 187,260	\$ 164,393	\$ 176,784	\$ 17,952	\$ 154,153
Investments.....	-	-	-	-	-
Charges Receivable, Net.....	28,317	141	-	-	-
Due from Other Funds.....	21,685	21,685	21,685	-	1,684
Other.....	-	-	-	-	-
Total Current Assets.....	237,262	186,219	198,469	17,952	155,837
Noncurrent assets:					
Capital assets (nondepreciable).....	-	-	-	174,950	-
Capital assets (net of accumulated depreciation)...	2,002,421	2,104,876	2,227,202	2,045,621	886,755
Total Noncurrent Assets.....	2,002,421	2,104,876	2,227,202	2,220,571	886,755
Total Assets.....	\$ 2,239,683	\$ 2,291,095	\$ 2,425,671	\$ 2,238,523	\$ 1,042,592
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable and Other Accrued Liabilities..	\$ 48,380	\$ 64,765	\$ 68,743	\$ 33,519	\$ 58,930
Accrued interest.....	1,448	1,654	1,677	-	-
Due to Other Funds.....	2,922,807	2,812,336	2,746,246	2,308,601	913,600
Deferred Revenue.....	6,270	-	-	-	-
Bonds Payable – Current.....	15,000	12,000	15,667	15,667	14,667
Current Portion of Compensated Absences.....	3,009	57,034	33,709	32,815	26,873
Compensated Absences.....	181,961	114,068	147,728	131,261	107,490
Bonds and notes payable, less current portion....	82,000	97,000	109,000	105,667	127,331
Premium on refunding bonds.....	-	-	-	-	-
Deferred amount in refunding.....	-	-	-	-	-
OPEB obligation.....	73,075	45,035	-	-	-
Temporary Note Payable.....	-	-	-	-	-
Advance from General Fund.....	-	-	-	-	1-
Total Liabilities.....	\$3,333,950	\$3,203,892	\$3,122,770	\$2,627,530	\$1,248,891
Net Assets:					
Invested in Capital.....	\$ 1,905,421	\$ 1,995,876	\$ 2,124,220	\$ 2,098,937	\$ 746,441
Unrestricted.....	(2,999,688)	(2,908,673)	(2,821,319)	(2,488,244)	(952,740)
Total Net Assets.....	\$ (1,094,267)	\$ (912,797)	\$ (697,099)	\$ (389,307)	\$ (206,299)
Total Liabilities and Net Assets.....	\$ 2,239,683	\$ 2,291,095	\$ 2,425,671	\$ 2,238,223	\$ 1,042,592

¹ Reclassified for proper illustration.

(The remainder of this page intentionally left blank)

Enterprise Funds
Comparative Statement of Revenues and Expenditures
As of June 30, 2013

	Water	Sewer	George Hunter Memorial Fund
Operating Revenues			
Charges for services.....	\$ 9,065,010	\$ 8,228,046	\$ 957,513
Miscellaneous.....	805,560	850,908	45,062
Total operating revenues.....	9,870,570	9,078,954	1,002,575
Operating Expenses			
Salaries, benefits and claims.....	4,356,827	1,792,927	481,684
Materials and supplies.....	926,135	1,349,948	359,333
Utilities.....	940,585	963,310	-
Administration and operation.....	2,319,794	740,514	-
Depreciation.....	1,719,530	3,986,301	122,455
Other.....	633,061	1,750,436	175,868
Total operating expenses.....	10,895,932	10,583,436	1,139,340
Operating income (loss).....	(1,025,362)	(1,504,482)	(136,765)
Nonoperating Revenues (Expenses)			
Capital Grants.....	283,655	-	-
Interest income.....	25,341	43,157	261
Interest expense.....	(437,877)	(857,380)	(44,966)
Total nonoperating revenues (expenses)....	(128,881)	(814,223)	(44,705)
Change in net assets.....	(1,154,243)	(2,318,705)	(181,470)
Net Assets (Deficit), beginning.....	39,541,927	58,804,056	(912,797)
Net Assets (Deficit), ending.....	\$ 38,387,684	\$ 56,485,351	\$ (1,094,267)

Water Fund
Historical Comparative Statement of Revenues and Expenditures

	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009
Operating Revenues:					
Charges for Services.....	\$ 9,065,010	\$ 8,255,373	\$ 8,935,137	\$ 8,719,026	\$ 7,662,583
Miscellaneous.....	805,560	787,670	734,747	744,933	644,856
Fiscal Division.....	-	-	-	-	-
Total Operating Revenue.....	9,870,570	9,043,043	9,669,884	9,463,959	8,307,439
Total Operating Expenses Before Depreciation..	(9,176,402)	(7,621,343)	(7,902,949)	(8,243,493)	(7,621,343)
Operating Income Before Depreciation.....	694,168	1,421,700	1,766,935	1,220,466	686,096
Less Depreciation.....	(1,719,530)	(1,694,904)	(1,688,981)	(1,640,947)	(1,694,904)
Operating Income (Loss).....	(1,025,362)	(273,204)	77,954	(420,481)	(1,008,808)
Add: Capital Grants.....	283,655	-	-	-	-
Add: Interest Income.....	25,341	34,863	31,169	31,359	66,777
Less: Interest Expense.....	(437,877)	(565,865)	(663,936)	(661,609)	(681,530)
Transfer Out.....	-	-	-	(836,212)	-
Net Income (Loss).....	(1,154,243)	(804,206)	(554,813)	(1,886,943)	(1,623,561)
Fund Equities, Beginning.....	39,541,927	41,106,881	41,711,290	44,228,948	45,852,509
Adjustments to Beginning Balances.....	-	(760,748)	(49,596)	(630,715)	-
Fund Equities, Beginning - Restated.....	39,541,927	40,346,133	41,661,694	43,598,233	45,852,509
Fund Equities, Ending.....	\$ 38,387,684	\$ 39,541,927	\$ 41,106,881	\$ 41,711,290	\$ 44,228,948

Sewer Authority
Historic Comparative Statement of Revenues and Expenditures

	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009
Operating Revenues:					
Charges for Services.....	\$ 8,228,046	\$ 8,615,265	\$ 8,507,029	\$ 6,458,719	\$ 5,967,492
Miscellaneous.....	850,908	497,248	250,908	292,392	229,002
Total Operating Revenue.....	9,078,954	9,112,513	8,757,937	6,751,111	6,196,494
Operating Expenses Before Depreciation....	(6,597,135)	(6,031,469)	(6,492,790)	(5,826,389)	(6,350,160)
Operating Income Before Depreciation.....	2,481,819	3,081,044	2,265,147	924,722	(153,666)
Less Depreciation.....	(3,986,301)	(3,897,250)	(2,913,646)	(1,973,584)	(2,034,268)
Operating Income (Loss).....	(1,504,482)	(816,206)	(648,499)	(1,048,862)	(2,187,934)
Add: Federal and State Grants.....	-	-	-	-	33,244,705
Add: Interest Income.....	43,157	56,524	53,299	39,102	58,029
Less: Interest Expense.....	(857,380)	(887,756)	(252,475)	(151,178)	(167,813)
Capital Contributions.....	-	-	160,555	2,675,980	-
Net Income (Loss).....	(2,318,705)	(1,647,438)	(687,120)	1,515,042	30,946,987
Fund Equities, Beginning.....	58,804,056	60,704,976	61,275,853	85,862,984	55,137,836
Adjustments to Beginning Balances	-	(253,482)	116,243	(26,102,173)	(221,839)
Fund Equities, Beginning - Restated....	58,804,056	60,451,494	61,392,096	59,760,811	54,915,997
Fund Equities, Ending.....	\$ 56,485,351	\$ 58,804,056	\$ 60,704,976	\$ 61,275,853	\$ 85,862,984

Golf Course
Historic Comparative Statement of Revenues and Expenditures

	Actual 2013	Actual 2012	Actual 2011	Actual 2010	Actual 2009
Operating Revenues:					
Operating Revenues.....	\$ 1,002,575	\$ 1,126,131	\$ 817,905	\$ 792,796	\$ 845,589
Less: Operating Expenses Before Depreciation...	(1,016,885)	(1,140,240)	(965,483)	(882,162)	(891,960)
Net Operating Income.....	(14,310)	(14,109)	(147,578)	(89,366)	(46,371)
Less: Depreciation.....	(122,455)	(122,326)	(121,385)	(88,170)	(66,639)
Net Operating Income (Loss).....	(136,765)	(136,435)	(268,963)	(177,536)	(113,010)
Add: Interest Income.....	261	281	140	5	(3,507)
Less: Interest Expense.....	(44,966)	(40,681)	(38,969)	(5,477)	(7,257)
Transfers out.....	-	-	-	-	-
Net Income (Loss).....	(181,470)	(176,835)	(307,792)	(183,008)	(123,774)
Fund Equities, Beginning.....	(912,797)	(697,099)	(389,307)	(206,299)	(82,525)
Adjustments to Beginning Balances.....	-	(38,863)	-	-	-
Fund Equities, Beginning - Restated.....	(912,797)	(735,962)	(389,307)	(206,299)	(82,525)
Fund Equities, Ending.....	\$ (1,094,267)	\$ (912,797)	\$ (697,099)	\$ (389,307)	\$ (206,299)

VI. Debt Summary
Principal Amount of Bonded Indebtedness
As of September 8, 2014
(Pro Forma)

Date	Purpose	Rate %	Amount of Original Issue	Amount Outstanding	Date of Fiscal Year Maturity
01/26/98	Clean Water Fund Loan 388-C.....	2.00%	\$ 414,230	\$ 95,225	2018
08/01/06	General Purpose	4.125-5.00	14,211,700	3,020,000	2017
08/01/06	School	4.125-5.00	1,923,000	420,000	2017
08/01/06	Sewer	4.125-5.00	2,220,900	400,000	2017
08/01/06	Water	4.125-5.00	1,865,800	336,000	2017
08/01/06	Golf	4.125-5.00	23,600	4,000	2017
08/01/08	General Purpose	3.00-5.00	18,206,000	1,820,000	2017
08/01/08	School	3.00-5.00	3,163,000	320,000	2017
08/01/08	Sewer	3.00-5.00	938,000	94,000	2017
08/01/08	Water	3.00-5.00	10,713,000	1,072,000	2017
08/01/08	Golf	3.00-5.00	30,000	4,000	2017
05/04/10	General Purpose Refunding (A&B).....	3.00-5.00	23,418,000	12,394,000	2023
05/04/10	Schools Refunding (A&B).....	3.00-5.00	9,351,000	6,241,000	2023
05/04/10	Sewer Refunding (A&B).....	3.00-5.00	425,000	359,000	2023
05/04/10	Water Refunding (A&B).....	3.00-5.00	5,229,000	3,747,000	2023
05/04/10	Golf Refunding (A&B).....	3.00-5.00	67,000	39,000	2023
07/01/10	General Purpose	1.00-5.75	16,555,086	13,434,000	2023
07/01/10	School	1.00-5.75	2,209,000	1,793,000	2023
07/01/10	Sewer	1.00-5.75	2,360,914	1,916,000	2023
07/01/10	Water	1.00-5.75	1,185,000	961,000	2023
07/01/10	Golf	1.00-5.75	20,000	16,000	2023
06/30/11	Clean Water Fund Loan - 382-C.....	2.00	35,860,708	30,030,032	2031
12/27/12	General Purpose Refunding.....	1.80-3.00	5,459,000	5,365,000	2029
12/27/12	Schools Refunding.....	1.80-3.00	941,000	925,000	2029
12/27/12	Sewer Refunding.....	1.80-3.00	283,000	278,000	2029
12/27/12	Water Refunding.....	1.80-3.00	3,212,000	3,157,000	2029
12/27/12	Golf Refunding.....	1.80-3.00	5,000	5,000	2029
12/31/12	Clean Water Fund Loan - 209-CSL.....	2.00	1,785,546	1,571,878	2031
02/15/13	General Purpose.....	2.00-4.00	14,209,576	14,209,576	2033
02/15/13	Schools.....	2.00-4.00	10,213,627	10,213,627	2033
02/15/13	Sewer.....	2.00-4.00	604,071	604,071	2033
02/15/13	Water.....	2.00-4.00	452,726	452,726	2033
12/31/13	Drinking Water Fund Loan - 2012-7008..	2.00	1,597,153	1,473,233	2033
Total Outstanding Long-Term Debt.....			\$ 189,152,637	\$ 116,770,367	

This Issue

LOT A - Tax-Exempt

09/08/14	General Purpose.....	3.00-5.00%	\$ 15,869,400	\$ 15,869,400	2035
09/08/14	Schools.....	3.00-5.00	31,646,300	31,646,300	2035
09/08/14	Sewer.....	3.00-5.00	1,178,700	1,178,700	2035
09/08/14	Water.....	3.00-5.00	1,593,100	1,593,100	2035
09/08/14	Golf.....	3.00-5.00	17,500	17,500	2035
Sub-Total This Issue.....			\$ 50,305,000	\$ 50,305,000	

LOT B - Taxable

09/08/14	General Purpose.....	2.00-3.00%	\$ 2,191,500	\$ 2,191,500	2025
09/08/14	Schools.....	2.00-3.00	672,500	672,500	2025
09/08/14	Sewer.....	2.00-3.00	475,300	475,300	2025
09/08/14	Water.....	2.00-3.00	154,700	154,700	2025
Sub-Total This Issue.....			\$ 3,494,000	\$ 3,494,000	
Total All Bonds.....			\$ 242,951,637	\$ 170,569,367	

**Short Term Debt
As of September 8, 2014
(Pro Forma)**

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

**Annual Bonded Debt Maturity Schedule
As of September 8, 2014
(Pro Forma)**

Fiscal Year	Principal	Interest²	Total	Pro-forma: This Issue			Cumulative Principal Retired
				Lot A Bonds	Lot B Bonds	Total	
2015 ¹	\$ 3,490,012	\$ 2,593,723	\$ 6,083,735	\$ -	\$ -	\$ -	2.05%
2016	10,936,662	3,678,864	14,615,526	2,000,000	374,000	2,374,000	9.85%
2017	10,981,846	3,271,430	14,253,275	2,200,000	390,000	2,590,000	17.81%
2018	7,828,455	2,908,464	10,736,919	2,550,000	390,000	2,940,000	24.12%
2019	7,525,789	2,615,225	10,141,014	2,550,000	390,000	2,940,000	30.26%
2020	7,568,146	2,337,202	9,905,348	2,550,000	390,000	2,940,000	36.42%
2021	6,561,257	2,077,824	8,639,081	2,550,000	390,000	2,940,000	41.99%
2022	6,590,137	1,842,703	8,432,841	2,550,000	390,000	2,940,000	47.57%
2023	6,639,802	1,625,784	8,265,586	2,550,000	390,000	2,940,000	53.19%
2024	6,330,268	1,410,036	7,740,304	2,550,000	390,000	2,940,000	58.63%
2025	6,361,551	1,216,431	7,577,982	2,600,000	-	2,600,000	63.88%
2026	6,373,666	1,033,879	7,407,546	2,850,000	-	2,850,000	69.29%
2027	6,391,632	848,989	7,240,621	2,850,000	-	2,850,000	74.70%
2028	6,405,465	657,910	7,063,375	2,850,000	-	2,850,000	80.13%
2029	6,420,183	458,422	6,878,604	2,850,000	-	2,850,000	85.57%
2030	4,805,803	283,391	5,089,194	2,850,000	-	2,850,000	90.05%
2031	2,634,485	135,160	2,769,645	2,850,000	-	2,850,000	93.27%
2032	1,512,458	84,189	1,596,647	2,850,000	-	2,850,000	95.83%
2033	1,412,749	41,229	1,453,977	2,850,000	-	2,850,000	98.33%
2034	-	-	-	2,855,000	-	2,855,000	100.00%
Total.....	\$ 116,770,367	\$ 29,120,853	\$ 145,891,220	\$ 50,305,000	\$ 3,494,000	\$ 53,799,000	

¹ Excludes \$8,867,163 in principal payments and \$1,532,260 in interest payments from July 1, 2014 through September 8, 2014.

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

**Overlapping/Underlying Debt
As of September 8, 2014**

The City of Meriden has neither overlapping nor underlying debt.

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

Debt Statement
As of September 8, 2014
(Pro Forma)

Long-Term Debt Outstanding:

General Purpose (Includes this issue)	\$ 68,303,476
Revitalization	-
Schools (Includes this issue)	52,231,427
Sewers (Includes this issue)	37,002,205 ¹
Water (Includes this issue)	12,946,759 ¹
Golf Course	85,500 ¹
Total Long-Term Debt	170,569,367
Short-Term Debt	-
Total Direct Debt	170,569,367
Less: Amount to be provided by the State for school construction (As of 6/30/13).....	-
Self Supporting Long-Term	(50,034,464)
Total Net Direct Debt	120,534,903
Plus: Overlapping/Underlying Debt	-
Total Overall Net Debt	\$ 120,534,903

¹ Self-Supporting Debt.

Current Debt Ratios
As of September 8, 2014
(Pro Forma)

Population (2010) ¹	60,868
Net Taxable Grand List (10/1/13)	\$ 3,224,903,277
Estimated Full Value (70%).....	\$ 4,607,004,681
Equalized Grand List (10/1/11) ²	\$ 4,644,224,171
Per Capita Income (2010) ¹	\$ 24,814

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	\$170,569,367	\$120,534,903	\$120,534,903
Per Capita	\$2,802.28	\$1,980.27	\$1,980.27
Ratio to Net Taxable Grand List	5.29%	3.74%	3.74%
Ratio to Estimated Full Value	3.70%	2.62%	2.62%
Ratio to Equalized Grand List	3.67%	2.60%	2.60%
Debt per Capita to Money Income per Capita	11.29%	7.98%	7.98%

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

² Office of Policy and Management, State of Connecticut.

Bond Authorization Procedure

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

Temporary Financing

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

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

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

Clean Water Fund Program

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

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

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

The City has the following Clean Water Fund loans outstanding:

<i>Project</i>	<i>Original 2% Loan Amount</i>	<i>Amount Outstanding as of September 8, 2014</i>
Clean Water Fund Loan 388-C.....	\$ 571,352	\$ 95,225
Clean Water Fund Loan - 382-C.....	35,860,708	30,030,032
Clean Water Fund Loan - 209-CSL.....	1,785,546	1,571,878
TOTAL.....	\$ 38,217,606	\$ 31,697,134

Drinking Water State Revolving Fund Program

The City is a participant in the State of Connecticut’s Drinking Water State Revolving Fund Program (General Statutes Sections 22a-475 et seq., as amended), which provides financial assistance to the City through loans bearing interest at a rate not exceeding one-half the rate of the average net interest cost as determined by the last previous similar bond issue by the State of Connecticut as determined by the State Bond Commission. In April, 2012, the City entered into a funding agreement under the Drinking Water State Revolving Fund (“DWSRF”) Program and the American Recovery and Reinvestment Act (ARRA) or stimulus funds. As a result, the City has one Permanent Loan Obligation (“PLO”) outstanding in the amount of \$1,597,153 which matures December 31, 2032.

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

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

The City has received bonding authorization for the Broad Brook Water Treatment Plant upgrade. The State of Connecticut DWSRF program offers subsidies of 5% of the total project, along with a low interest loan funding rate of 2% per annum. Estimated cost of this facility upgrade is projected to be \$19,336,522. The project loan and subsidy agreement for the Broadbrook Water Treatment Plant upgrade is currently with the State of Connecticut for execution. The amount of the project loan for the Broadbrook Water Treatment Plant is estimated to be \$17,924,956 and project subsidy is \$1,411,566. The City expects to issue its Interim Funding Obligation to the State by the beginning of October, 2014.

The City has one DWSRF loan outstanding as follows:

Project	Original 2% Loan Amount	Amount Outstanding as of September 8, 2014
Drinking Water Fund Loan - 2012-7008.....	\$1,597,153	\$1,473,233

(The remainder of this page intentionally left blank)

Statement of Debt Limitation
As of September 8, 2014
(Pro Forma)

Total Tax Collections (including interest and lien fees):

For the year ended June 30, 2013..... \$ 113,760,000

Reimbursement For Revenue Loss On:

Tax Relief for Elderly 357,000

BASE \$ 114,117,000

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base.....	\$ 256,763,250	\$ -	\$ -	\$ -	\$ -
4 1/2 times base.....	-	513,526,500	-	-	-
3 3/4 times base.....	-	-	427,938,750	-	-
3 1/4 times base.....	-	-	-	370,880,250	-
3 times base.....	-	-	-	-	342,351,000
Total Debt Limitation.....	256,763,250	513,526,500	427,938,750	370,880,250	342,351,000
Indebtedness:					
Outstanding Debt ^{1,2} :					
Outstanding Bonds Payable.....	50,242,576	19,912,627	35,348,205	-	-
Bonds of This Issue.....	18,060,900	32,318,800	1,654,000	-	-
Bonds Authorized But Unissued..	2,002,200	11,134,398	-	-	-
Total Indebtedness.....	70,305,676	63,365,825	37,002,205	-	-
Less School Construction Grants.....	-	-	-	-	-
Total Net Indebtedness For Debt Limitation Calculation.....	70,305,676	63,365,825	37,002,205	-	-
DEBT LIMITATION IN EXCESS OF INDEBTEDNESS.....	\$ 186,457,574	\$ 450,160,675	\$ 390,936,545	\$ 370,880,250	\$ 342,351,000

¹ Water debt is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes. Excluded from above is \$11,198,959 of outstanding water bonds and \$1,747,800 of water bonds in this issue.

² Excludes outstanding self-supporting Golf Course bonds in the amount of \$68,000 and \$17,500 of golf bonds in this issue.

Note: Total debt limit is equal to seven times of base \$798,819,000.

(The remainder of this page intentionally left blank)

Debt Authorized but Unissued¹
As of September 8, 2014
(Pro Forma)

Project	Debt			THIS ISSUE:		Debt Authorized but Unissued			
	Authorized	Estimated Grants/Subsidy	Previously Issued	The Lot A Bonds	The Lot B Bonds ¹	General Purpose	Schools	Sewers	Water
General Purpose Issue #37.....	\$ 3,200,000	\$ -	\$ 797,800	\$ 500,000	\$ -	\$ 1,902,200	\$ -	\$ -	\$ -
General Purpose Issue #40.....	757,000	276,504	393,505	-	86,990	-	-	-	-
General Purpose Issue #45.....	100,000	-	98,255	-	1,745	-	-	-	-
General Purpose Issue #53.....	25,925,000	18,864,234	5,517,155	-	-	-	-	-	-
General Purpose Issue #56.....	175,000	-	152,243	-	22,757	-	-	-	-
General Purpose Issue #57.....	4,436,000	1,979,467	2,041,360	-	258,690	-	-	-	-
General Purpose Issue #58.....	8,315,100	1,428,950	5,841,288	538,635	506,227	-	-	-	-
General Purpose Issue #59.....	4,523,663	2,469,623	1,410,235	-	643,805	-	-	-	-
General Purpose Issue #60.....	101,500	59,874	28,066	-	13,560	-	-	-	-
General Purpose Issue #61.....	50,000	-	49,999	-	-	-	-	-	-
General Purpose Issue #63.....	156,000	-	139,824	-	16,176	-	-	-	-
General Purpose Issue #64.....	4,445,817	-	3,789,730	-	656,087	-	-	-	-
General Purpose Issue #65.....	4,519,926	-	4,232,348	-	285,702	-	-	-	-
General Purpose Issue #66.....	6,161,200	45,513	5,115,572	-	999,890	-	-	-	-
General Purpose Issue #67.....	202,000	-	199,882	-	2,118	-	-	-	-
General Purpose Issue #68.....	215,974,648	166,300,478	9,782,859	28,876,370	-	-	11,134,398	-	-
General Purpose Issue #69.....	85,000	-	-	85,000	-	-	-	-	-
General Purpose Issue #70.....	90,283	-	90,030	-	253	-	-	-	-
General Purpose Issue #71.....	11,655,295	1,607,382	1,091,813	8,856,100	-	100,000	-	-	-
General Purpose Issue #72.....	16,051,205	4,602,310	-	11,448,895	-	-	-	-	-
Total.....	\$ 306,924,637	\$ 197,634,335	\$ 40,771,963	\$ 50,305,000	\$ 3,494,000	\$ 2,002,200	\$ 11,134,398	\$ -	\$ -

¹ Amounts represent the amount remaining to close out these projects.

Principal Amount of Outstanding Debt
(Last Five Fiscal Years)

Fiscal Year	Bonds	Total	Water, Sewer and Golf ¹
2013	\$ 85,617,203	\$ 85,617,203	\$ 16,417,797
2012	68,929,000	68,929,000	16,611,000
2011	77,888,161	77,888,161	18,416,839
2010	68,666,078	68,666,078	16,778,922
2009	80,903,298	80,903,298	19,076,702

¹Self-supporting.

(The remainder of this page intentionally left blank)

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

Fiscal Year Ended 6/30	Net		Net Long-Term Debt¹	Ratio of Net Long-Term Debt to	Ratio of Net Long-Term Debt to	Population²	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income³
	Assessed Value	Estimated Full Value		Assessed Value	Estimated Full Value		Capita	Income³
2013	\$3,248,578	\$4,640,826	\$137,129	4.22%	2.95%	60,868	\$ 2,252.89	9.08%
2012	3,639,460	5,199,229	122,484	3.37%	2.36%	60,868	2,012.29	8.11%
2011	3,629,868	5,185,526	133,746	3.68%	2.58%	60,868	2,197.31	8.86%
2010	3,634,360	5,191,943	119,904	3.30%	2.31%	60,868	1,969.90	7.94%
2009	3,659,204	5,227,434	100,745	2.75%	1.93%	59,186	1,702.18	6.86%
2008	3,608,414	5,154,877	79,795	2.21%	1.55%	59,186	1,348.21	5.43%

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

² U.S. Department of Commerce, Bureau of Census, 2010 for 2010-2013. State of Connecticut Department of Public Health, 2008-2009.

³ Income per Capita: \$24,814 U.S. Department of Commerce, Bureau of Census, 2010

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

Fiscal Year Ended 6/30	Principal	Interest	Total	Total General Fund Expenditures	Ratio of General Fund Debt Service To Total General Fund Expenditures
2014 ¹	\$8,234	\$3,013	\$11,247	\$181,554	6.19%
2013	8,597	2,898	11,495	196,992	5.84%
2012	8,959	2,971	11,930	193,291	6.17%
2011	9,542	2,855	12,397	180,127	6.88%
2010	10,986	3,413	14,399	176,068	8.18%
2009	10,410	3,791	14,201	183,777	7.73%

¹ Subject to audit.

Source: Comprehensive Annual Financial Reports; 2009-2013. Finance Department, 2014 Adopted Budget.

(The remainder of this page intentionally left blank)

Capital Improvement Program
Fiscal Year 2015 through Fiscal Year 2020

Proposed Projects	Outstanding							
	Prior							
	Authorizations	2014-15¹	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Education	\$ 144,505,803 ²	\$ 3,044,339	\$ 2,753,484	\$ -	\$ -	\$ -	\$ -	\$ 150,303,626
Engineering	3,185,000	3,042,399	3,822,399	4,572,399	4,422,399	6,597,399	7,097,399	32,739,394
Fire	513,800	115,866	1,539,500	1,467,000	3,700,000	1,280,000	735,000	9,351,166
Highway / Garage	3,818,568	549,000	930,500	810,000	305,000	610,000	750,000	7,773,068
Parks & Recreation	978,635	445,000	1,331,000	1,176,000	623,000	320,000	210,000	5,083,635
Library	100,000	-	455,000	3,000,000	-	700,000	-	4,255,000
General	260,000	-	-	-	-	-	-	260,000
Traffic	-	340,000	490,000	90,000	455,000	420,000	425,000	2,220,000
Landfill/Recycling/ Solid Waste	-	-	500,000	-	-	-	-	500,000
Health	-	-	-	60,000	-	-	-	60,000
Public Buildings	580,000	623,000	892,000	235,000	113,000	1,050,000	1,285,000	4,778,000
Police	70,000	50,000	25,000	25,000	25,000	25,000	25,000	245,000
Aviation	15,000	56,000	-	-	-	-	-	71,000
Golf Course	17,500	-	-	55,000	42,000	38,000	44,000	196,500
Water	641,285	948,000	2,665,000	4,570,000	3,414,500	1,408,000	1,685,000	15,331,785
Sewer	440,909	735,000	662,000	2,105,000	575,000	530,000	500,000	5,547,909
TOTAL	\$ 155,126,500	\$ 9,948,604	\$ 16,065,883	\$ 18,165,399	\$ 13,674,899	\$ 12,978,399	\$ 12,756,399	\$ 238,716,083

Proposed Funding

Sources	Outstanding							
	Prior							
	Authorization	2014-15¹	2015-16	2016-17	2017-18	2018-19	2019-20	Total
User Fees	\$ 1,099,694	\$ 1,683,000	\$ 3,327,000	\$ 6,730,000	\$ 4,031,500	\$ 1,976,000	\$ 2,229,000	\$ 21,076,194
Federal/State Grants	107,932,652	2,649,709	2,630,364	2,212,399	507,399	1,050,732	507,399	117,490,654
City Funded	46,094,154	5,615,895	10,108,519	9,223,000	9,136,000	9,951,667	10,020,000	100,149,235
TOTAL	\$ 155,126,500	\$ 9,948,604	\$ 16,065,883	\$ 18,165,399	\$ 13,674,899	\$ 12,978,399	\$ 12,756,399	\$ 238,716,083

¹ Fiscal Year 2014-2015 is the adopted budget, authorized on July 7, 2014.

² Of the remaining \$143,910,203 authorized for high school renovations, approximately 77% will be paid through the State of Connecticut school building grant program. The City plans to bond for its net cost over two bond issues in 2014 and 2016. If anticipated State of Connecticut funding is eliminated or reduced, the projects will be reconsidered.

School Projects

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

(The remainder of this page left blank intentionally)

VII. Legal and Other Information

Litigation

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

Following the 2011 Grand List property revaluation, numerous property tax assessment appeals have been filed. While many appeals have been settled, several assessment appeals are still pending, including a number involving properties of significant value. Generally, in past years, assessment appeals have been settled without significant reductions in the amounts of the assessment which would in turn impact revenues.

Transcript and Closing Documents

The winning bidders will be furnished the following documents when the Lot A and Lot B Bonds are delivered:

1. Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Lot A and Lot B Bonds or the levy or collection of taxes to pay them.

2. Certificates on behalf of the City, signed by the City Manager and the Director of Finance/City Treasurer which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time bids on the Lot A and Lot B Bonds were accepted and as of the closing date, the description and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement.

3. Receipts for the purchase price of the Lot A and Lot B Bonds.

4. The approving opinions of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut, in substantially the forms attached as Appendix B and C, respectively, to this Official Statement.

5. Executed Continuing Disclosure Agreements for the Lot A and Lot B Bonds in substantially the forms attached as Appendix D and E, respectively, to this Official Statement.

6. The City of Meriden has prepared an Official Statement for the Bonds which is dated August 26, 2014. 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 purchasers of the Lot A and Lot B Bonds fifty (50) copies of the Official Statement at the City's expense. The copies of the Official Statement will be made available to the winning purchasers within seven business days of the bid opening at the office of the City's Financial Advisor. If the City's Financial Advisor is provided with the necessary information from the winning purchasers by noon of the day following the day bids on the Lot A and Lot B Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriters, the name of the insurer, if any, and any changes on the Lot A and Lot B Bonds. The purchasers shall arrange with the Financial Advisor the method of delivery of the copies of the Official Statement to the purchasers. Additional copies of the Official Statement may be obtained by the purchasers at its own expense by arrangement with the printer.

A transcript of the proceedings taken by the City will be kept on file at the offices of U.S. Bank National Association in Hartford, Connecticut and will be available for examination upon reasonable notice.

Concluding Statement

This Official Statement is not to be construed as a contract or agreement between the City and the purchaser or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

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

CITY OF MERIDEN, CONNECTICUT

By: */s/ Lawrence Kendzior*
LAWRENCE J. KENDZIOR, *City Manager*

/s/ Michael Lupkas
MICHAEL LUPKAS, *Director of Finance/City Treasurer*

Dated as of August 26, 2014

(This page intentionally left blank)

Appendix A

2013 General Purpose Financial Statements (Excerpted from the City's Comprehensive Annual Financial Report)

The following includes the General Purpose Financial Statements of the City of Meriden, Connecticut for the fiscal year ended June 30, 2013. The supplemental data and letter of transmittal, which were a part of that report, have not been reproduced herein. A copy of the complete report is available upon request from Matthew Spoerndle, Managing Director, Phoenix Advisors LLC, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 878-4945.

(This page intentionally left blank)



Accounting | Tax | Business Consulting

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Meriden, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of June 30, 2013 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013 on our consideration of the City of Meriden, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Meriden, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 13, 2013

City of Meriden, Connecticut
Management's Discussion and Analysis
June 30, 2013

As management of the City of Meriden, Connecticut, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Meriden for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

Financial Highlights

- ◆ On a government-wide basis, the assets of the City of Meriden exceeded its liabilities resulting in total net position at the close of the fiscal year of \$156.5 million. Total net position for Governmental Activities at fiscal year-end was \$62.7 million and total net position for Business-Type Activities was \$93.8 million.
- ◆ On a government-wide basis, during the year, the City's net position decreased by \$1.8 million or 1.13%, from \$158.3 million to \$156.5 million. Net position increased by \$1.9 million for Governmental Activities and decreased by \$3.7 million for Business-Type Activities. Governmental Activities expenses were \$225.1 million, while revenues were \$227.0 million.
- ◆ At the close of the year, the City of Meriden's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$42.1 million, an increase of \$23.6 million from the prior fiscal year (Exhibit IV).
- ◆ At the end of the current fiscal year, the total fund balance for the General Fund was \$17.5 million, an increase of \$.2 million from the prior fiscal year. Of the total General Fund, fund balance as of June 30, 2013, \$15.7 million represents unassigned General Fund fund balance. Unassigned General Fund, fund balance at year-end represents 7.97% of total General Fund expenditures and transfers out (\$197.0 million), a decrease of .62% from the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

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

The City of Meriden maintains 36 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Bonded Projects Fund, which are considered to be major funds. Data from the other 34 governmental funds are combined into a single, aggregated column and is presented as nonmajor governmental funds.

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

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

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

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

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-66 of this report.

The notes to this report also contain certain supplementary information concerning the City of Meriden's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 59-60 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. City of Meriden total net position exceeded liabilities by \$156.5 million on June 30, 2013. Governmental activities assets exceeded liabilities by \$62.7 million. Business-type activities assets exceeded liabilities by \$93.8 million.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 80,111	\$ 61,975	\$ 18,772	\$ 20,039	\$ 98,883	\$ 82,014
Capital assets, net of accumulated depreciation	<u>193,627</u>	<u>189,185</u>	<u>130,846</u>	<u>133,759</u>	<u>324,473</u>	<u>322,944</u>
Total assets	<u>273,738</u>	<u>251,160</u>	<u>149,618</u>	<u>153,798</u>	<u>423,356</u>	<u>404,958</u>
Current liabilities	36,245	34,013	5,855	4,926	42,100	38,939
Long-term liabilities outstanding	<u>174,773</u>	<u>156,290</u>	<u>49,984</u>	<u>51,439</u>	<u>224,757</u>	<u>207,729</u>
Total liabilities	<u>211,018</u>	<u>190,303</u>	<u>55,839</u>	<u>56,365</u>	<u>266,857</u>	<u>246,668</u>
Net Position:						
Net investment in capital assets	130,773	122,787	81,045	81,564	211,818	204,351
Restricted	1,356	952			1,356	952
Unrestricted	<u>(69,409)</u>	<u>(62,882)</u>	<u>12,734</u>	<u>15,869</u>	<u>(56,675)</u>	<u>(47,013)</u>
Total Net Position	<u>\$ 62,720</u>	<u>\$ 60,857</u>	<u>\$ 93,779</u>	<u>\$ 97,433</u>	<u>\$ 156,499</u>	<u>\$ 158,290</u>

A portion of net position was restricted in June 30, 2013 as a result of the Wallingford Regional Solid Waste Reserve (\$.4 million), Flood Control (\$.5 million) and the corpus of various trusts (\$.4 million). Governmental Accounting Standards Board (GASB) Statement 46, *Net Assets Restricted by Enabling Legislation - An Amendment to GASB Statement 34* pertains to the Wallingford Regional Solid Waste Reserve.

By far the largest portion of the City of Meriden's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Meriden's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

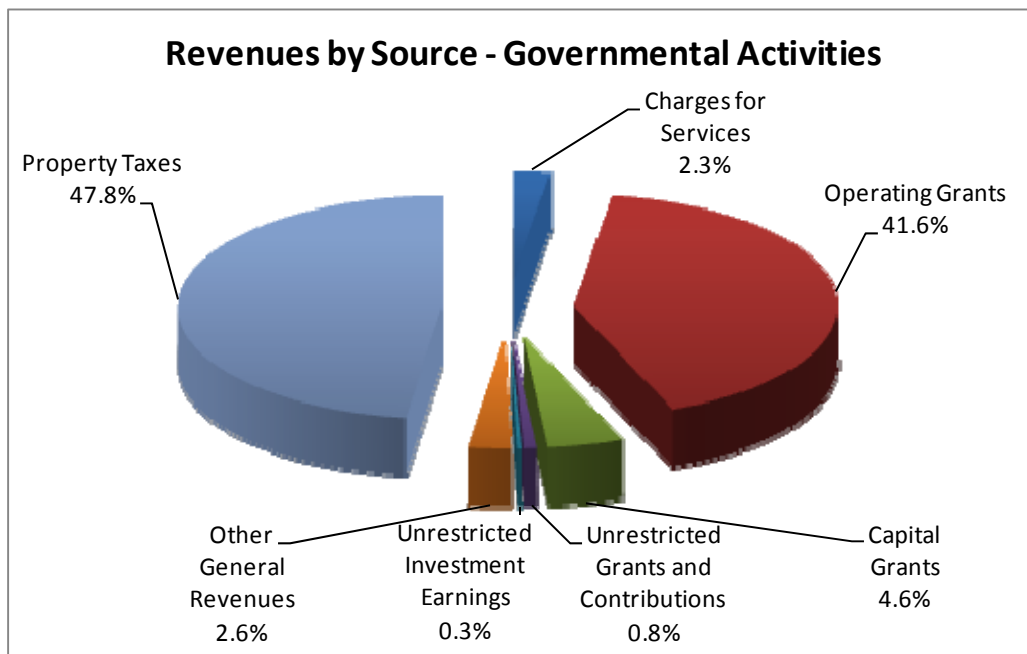
City of Meriden, Connecticut
Changes in Net Position (\$000s)
Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 5,290	\$ 5,163	\$ 18,251	\$ 17,945	\$ 23,541	\$ 23,108
Operating grants and contributions	94,358	94,000			94,358	94,000
Capital grants and contributions	10,379	4,094	284		10,663	4,094
General revenues:						
Property taxes	108,622	110,885			108,622	110,885
Grants not restricted to specific programs	1,801	1,873			1,801	1,873
Unrestricted investment earnings	680	914	69	92	749	1,006
Miscellaneous income	5,880	3,654	1,702	1,337	7,582	4,991
Total revenues	<u>227,010</u>	<u>220,583</u>	<u>20,306</u>	<u>19,374</u>	<u>247,316</u>	<u>239,957</u>
Expenses:						
General government	37,954	35,201			37,954	35,201
Education	132,521	136,298			132,521	136,298
Public safety	24,389	24,364			24,389	24,364
Public works	13,408	10,705			13,408	10,705
Human services	8,638	8,053			8,638	8,053
Cultural and recreation	5,280	5,408			5,280	5,408
Interest on long-term debt	2,957	3,052			2,957	3,052
Sewer Authority			11,441	10,816	11,441	10,816
Water Authority			11,334	9,883	11,334	9,883
George Hunter Golf Course			1,185	1,304	1,185	1,304
Total expenses	<u>225,147</u>	<u>223,081</u>	<u>23,960</u>	<u>22,003</u>	<u>249,107</u>	<u>245,084</u>
Change in Net Position	1,863	(2,498)	(3,654)	(2,629)	(1,791)	(5,127)
Net Position at Beginning of Year	<u>60,857</u>	<u>63,355</u>	<u>97,433</u>	<u>100,062</u>	<u>158,290</u>	<u>163,417</u>
Net Position at End of Year	<u>\$ 62,720</u>	<u>\$ 60,857</u>	<u>\$ 93,779</u>	<u>\$ 97,433</u>	<u>\$ 156,499</u>	<u>\$ 158,290</u>

The City's net position decreased by \$1.8 million during the fiscal year, with net position of governmental activities increasing by \$1.9 million and business-type activities decreasing by \$3.7 million.

Governmental Activities

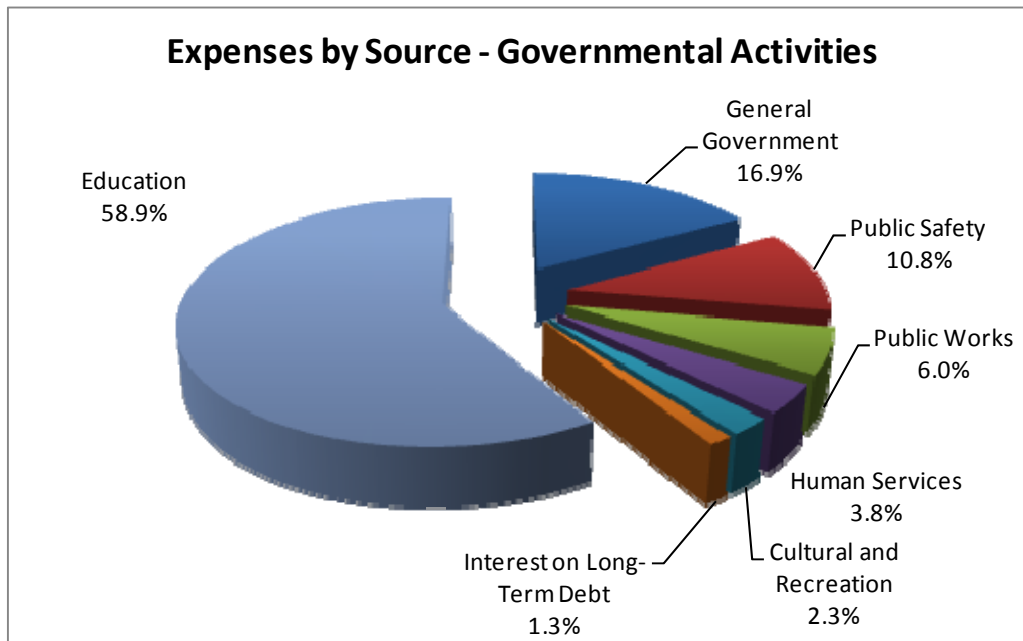
47.8% of the revenues were derived from property taxes, followed by 46.2% from State and Federal Government program revenues, then 2.3% from charges for services.



Major revenue factors included:

- ◆ Maloney High School and Platt High School are both undergoing “renovation-like-new” for a total estimated cost of \$96.1 million for Maloney and \$100 million for Platt. The primary expenditures have been architectural and other professional fees on these projects. \$3.1 million was reimbursed by the State for Maloney renovation expenditures and \$3.1 million was reimbursed by the State for Platt renovation expenditures. Actual construction started in June 2013 for Maloney and September 2013 for Platt. (Capital Grants)
- ◆ An agreement in lieu of taxes with NRG Electrical Generating Plant provided \$4.3 million in revenue for fiscal year 2013. This agreement was terminated in fiscal year 2013. (Miscellaneous Income)

For Governmental Activities, 58.9% of the City's expenses relate to education, 16.9% to general government, 10.8% relate to public safety, 6.0% to public works, 3.8% to health and human services, 2.3% to culture and recreation and 1.3% on interest on long-term debt.



Major expense factors include:

- ◆ Increases in employee wages, resulting from general wage increases, ranged from 0% to 2.5% depending on the employee group. Some employees also received negotiated step increases.
- ◆ Employee benefit costs remained flat, due to favorable historical health insurance costs and pension funding requirements which do not reflect the effect of the current economy.
- ◆ The cost of education services decreased due to the smaller increase in the post employment benefit obligation, \$1.1 million increase in fiscal year 2013 versus \$5.2 million in the fiscal year 2012.
- ◆ General government expenses for fiscal year 2013 increased by 7.8% due to increased expenses incurred for increased pension costs and workers compensation cost. Other expenses within general government remained flat between the two compared years.
- ◆ Interest on long-term debt decreased by \$.1 million or 3.1% due to a bond refunding in the amount of \$9.9 million, of which, \$6.4 million related to governmental activities. It would have decreased even more, however, bonds were issued for \$25.5 million, of which, \$24.4 million related to governmental activities.

Business-Type Funds

Business-type activities decreased the City's net position by \$3.7 million due primarily to depreciation expense, which is not budgeted.

Financial Analysis of the City's Funds

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

Governmental Funds

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

The General Fund is the chief operating fund of the City of Meriden. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$15.7 million while total fund balance was \$17.5 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 7.98% of total General Fund expenditures and transfers out (\$197.0 million), while total fund balance represents 8.89% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund increased by \$.2 million during the current fiscal year. This fund balance increase was attributed to the prudent review and containment of expenditure accounts.

The Bonded Projects Fund has a total fund balance of \$18.6 million, an increase of \$22.7 million from the prior year. This increase can be explained by the timing of expenditures, the issuance of long-term bonds and State and Federal grants.

The Nonmajor Governmental Funds have a total fund balance of \$6.0 million, up from \$5.3 million in the prior year. The \$.7 million increase related primarily to education grant revenue received during the current year.

Proprietary Funds

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

Net position of the Water Fund at the end of the year was \$38.4 million, with unrestricted net position of \$6.8 million. The Water Fund experienced an operating loss of \$1.2 million, due primarily to depreciation expense, which is not budgeted.

Net position of the Sewer Fund was \$56.5 million. Unrestricted net position was \$8.9 million. The Sewer Fund experienced an operating loss of \$2.3 million, due primarily to depreciation expense, which is not budgeted.

General Fund Budgetary Highlights

The difference between the original expenditure budget and the final amended expenditure budget was \$1.4 million. The original budget included a contingency of \$.5 million that was budgeted in the General Fund expenses to cover certain items, including unsettled labor contracts and other unanticipated expenses. The additional appropriation approved during the year is summarized below:

- ◆ The additional appropriation of \$40 thousand was for the acquisition of property associated with Flood Control. This amount was held as Restricted Fund Balance in prior fiscal years.
- ◆ The additional appropriation of \$1.3 million was for additional money needed to pay health insurance (\$2 million) and attorney fees (\$.3 million), which was offset by a decrease in the post-retirement healthcare contribution of \$1 million. Miscellaneous revenue was increased by \$2.5 million and the use of fund balance was decreased by \$1.2 million.

During the year, actual revenues on a budgetary basis were \$184.9 million, which was under budgetary estimates by \$.07 million. Total property tax revenues were less than budget by \$.3 million. Actual investment income totaled \$.3 million, which was \$.05 million below the budgeted amount; this is attributable to the continuation of the national economic downturn.

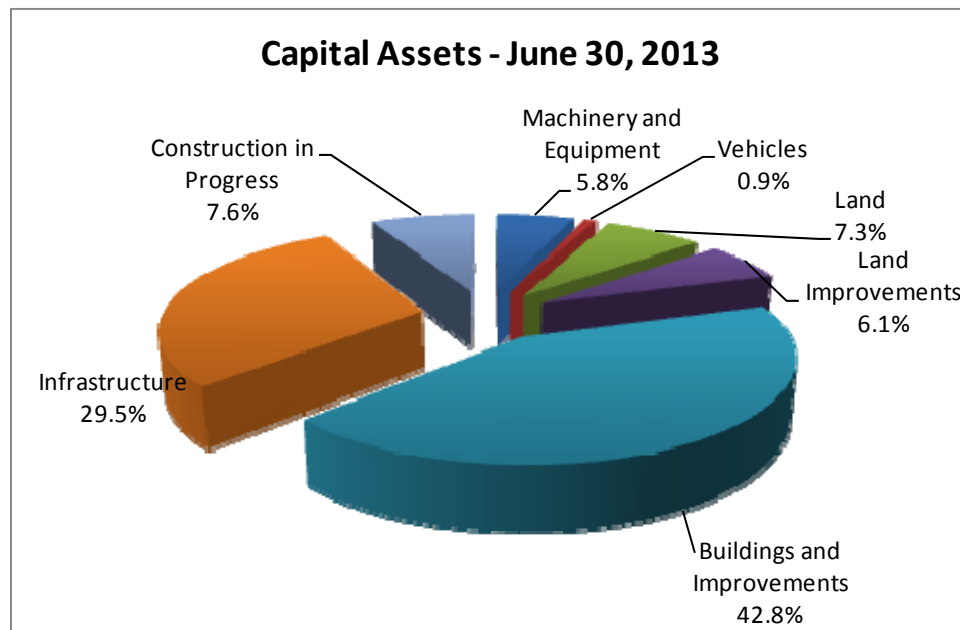
Actual revenues and other financing sources on a budgetary basis totaled \$185.2 million, exceeding actual expenditures and other financing uses on a budgetary basis by \$.1 million.

Capital Asset and Debt Administration

Capital Assets. The City of Meriden's investment in capital assets for its governmental and business-type activities as of June 30, 2013 amount to \$324.5 million (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges. This is the eleventh year the City of Meriden has reported its investment in capital assets.

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

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 22,480	\$ 22,196	\$ 1,088	\$ 1,088	\$ 23,567	\$ 23,284
Land improvements	8,057	8,645	11,836	12,047	19,893	20,692
Buildings and improvements	100,943	104,104	38,056	39,781	138,999	143,885
Infrastructure	33,618	34,001	62,105	63,838	95,723	97,839
Machinery and equipment	4,759	4,678	14,040	15,270	18,799	19,948
Vehicles	2,394	2,638	438	309	2,832	2,947
Construction in progress	21,376	12,923	3,283	1,426	24,659	14,349
Total	\$ 193,627	\$ 189,185	\$ 130,846	\$ 133,759	\$ 324,472	\$ 322,944



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

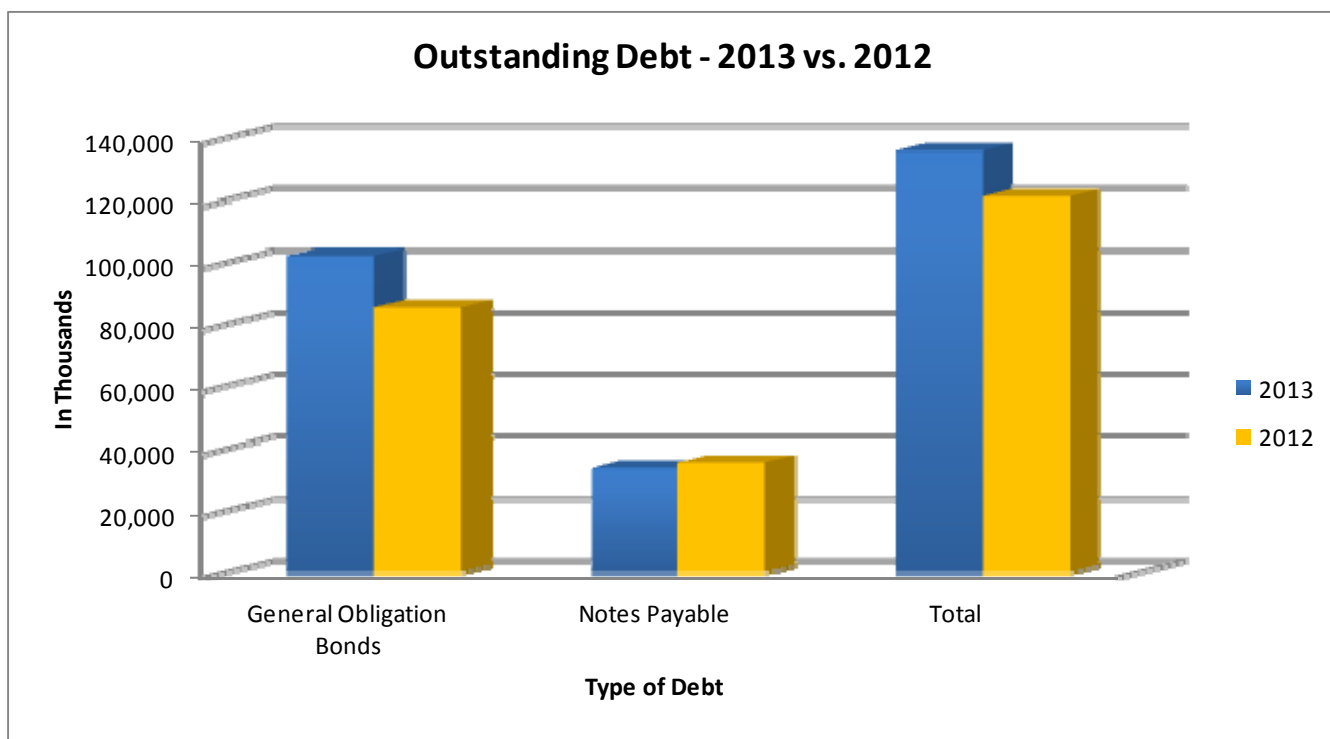
- ◆ \$0.6 million for the Snow Removal Equipment Building at the Airport
- ◆ \$4.6 million for the Maloney High School Renovation
- ◆ \$5.2 million for the Hanover School Kindergarten Addition
- ◆ \$4.0 million for the Platt High School Renovation
- ◆ \$4.6 million for Public Works Projects (Road Construction, Paving, Sodom Brook Trail, Flood Control)
- ◆ \$1.9 million for Water Department Projects
- ◆ \$0.5 million for Sewer Department Projects

Additional information on the City of Meriden’s capital assets can be found in Note 5 on pages 44-45 of this report.

Long-Term Debt. At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of \$102.0 million. All of this debt is backed by the full faith and credit of the City.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
General obligation bonds	\$ 85,617	\$ 68,929	\$ 16,418	\$ 16,611	\$ 102,035	\$ 85,540
Notes payable			33,669	35,444	33,669	35,444
Total	<u>\$ 85,617</u>	<u>\$ 68,929</u>	<u>\$ 50,087</u>	<u>\$ 52,055</u>	<u>\$ 135,704</u>	<u>\$ 120,984</u>



The City of Meriden’s bonded debt increased by \$16.5 million or 19.28% during fiscal year 2013.

On December 27, 2012, the City issued \$9.9 million of general obligation refunding bonds; these bonds along with a premium of \$.2 million and issuance costs of \$.1 million were placed into an irrevocable escrow account to advance refund the outstanding principal amounts of \$8.6 million of General Obligation Bonds, Issue of 2008, dated August 1, 2008. These amounts are now considered defeased. This transaction resulted in a reduction of total debt service payments over

the next 16 years and present value savings of approximately \$.6 million. The majority of the savings is spread between fiscal year 2014 and 2015.

On February 15, 2013, the City issued \$25.5 million of general obligation bonds with a premium of \$.6 million. Principal payments range from \$.9 million to \$1.4 million. The bonds mature in February of 2033.

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

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

The overall statutory debt limit for the City of Meriden is equal to seven times annual receipts from taxation or \$799 million. As of June 30, 2013, the City recorded long-term debt of \$130.1 million related to Governmental Activities and none related to Business-Type Activities that are paid through taxes, well below its statutory debt limits.

Additional information on the City of Meriden's long-term debt can be found in Note 7 on pages 46-53 of this report.

Economic Factors (Updated through September 2013)

The national economic downturn eased somewhat during 2013. As of September 2013, the unemployment rate for the Meriden Labor Market Area was 9.5%, a decrease from 10% in the prior year. Although Meriden's unemployment rate is above the September 2013 New Haven Labor Market rate of 8.0%, Meriden's unemployment rate in September 2013 remained lower than larger Connecticut cities including the City of New Haven at 11.3% and the City of Hartford at 14.5%. In September 2013, Connecticut's overall unemployment rate stood at 7.6% compared with 8.2% for the same time a year ago. The United States' September 2013 unemployment rate is 7.0% compared to 7.6% percent in September 2012.

The City of Meriden's reliance on property taxes has helped it weather the national economic downturn. With an overwhelming reliance on property taxes, Meriden's income stream is rather stable, even during a recession. Moreover, the City's high-quality tax base lends even more stability to the City's revenue. The City has established an Enterprise Zone, an Information Technology Zone and financing incentives for businesses relocating to or expanding in Meriden.

Requests for Information

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

Basic Financial Statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 46,119,574	\$ 7,234,883	\$ 53,354,457
Investments	17,469,261	1,087,649	18,556,910
Receivables, net	18,626,103	7,395,639	26,021,742
Internal balances	(3,009,901)	3,009,901	-
Inventory	213,818		213,818
Other assets	385,974	44,484	430,458
Pension assets	306,124		306,124
Capital assets, nondepreciable	43,855,294	4,372,014	48,227,308
Capital assets, net of accumulated depreciation	149,771,314	126,473,509	276,244,823
Total assets	<u>273,737,561</u>	<u>149,618,079</u>	<u>423,355,640</u>
Liabilities:			
Accounts payable and accrued liabilities	19,535,942	1,146,390	20,682,332
Accrued interest	1,138,625	227,255	1,365,880
Unearned revenue	1,530,100	6,270	1,536,370
Interim funding obligation loans		1,100,026	1,100,026
Noncurrent liabilities:			
Due within one year	14,038,959	3,375,771	17,414,730
Due in more than one year	174,773,451	49,983,599	224,757,050
Total liabilities	<u>211,017,077</u>	<u>55,839,311</u>	<u>266,856,388</u>
Net Position:			
Net investment in capital assets	130,773,289	81,045,185	211,818,474
Restricted:			
Expendable - Wallingford Regional Solid Waste Reserve	444,312		444,312
Expendable - Flood Control	480,001		480,001
Nonexpendable - purposes of trust	431,547		431,547
Unrestricted	<u>(69,408,665)</u>	<u>12,733,583</u>	<u>(56,675,082)</u>
Total Net Position	<u>\$ 62,720,484</u>	<u>\$ 93,778,768</u>	<u>\$ 156,499,252</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 37,953,221	\$ 1,958,849	\$ 2,166,544	\$ 9,443,079	\$ (24,384,749)	\$	\$ (24,384,749)
Education	132,520,822	1,047,513	87,596,519		(43,876,790)		(43,876,790)
Public safety	24,389,389	75,488	610,429	79,920	(23,623,552)		(23,623,552)
Public works	13,407,591	1,864,791		855,868	(10,686,932)		(10,686,932)
Human services	8,638,140	314,303	2,868,659		(5,455,178)		(5,455,178)
Culture and recreation	5,279,672	28,769	1,115,580		(4,135,323)		(4,135,323)
Interest on long-term debt	2,957,201				(2,957,201)		(2,957,201)
Total governmental activities	<u>225,146,036</u>	<u>5,289,713</u>	<u>94,357,731</u>	<u>10,378,867</u>	<u>(115,119,725)</u>	<u>-</u>	<u>(115,119,725)</u>
Business-type activities:							
Sewer Authority	11,440,816	8,228,046				(3,212,770)	(3,212,770)
Water Authority	11,333,809	9,065,010		283,655		(1,985,144)	(1,985,144)
George Hunter Golf Course	1,184,306	957,513				(226,793)	(226,793)
Total business-type activities	<u>23,958,931</u>	<u>18,250,569</u>	<u>-</u>	<u>283,655</u>	<u>-</u>	<u>(5,424,707)</u>	<u>(5,424,707)</u>
Total Primary Government	<u>\$ 249,104,967</u>	<u>\$ 23,540,282</u>	<u>\$ 94,357,731</u>	<u>\$ 10,662,522</u>	<u>(115,119,725)</u>	<u>(5,424,707)</u>	<u>(120,544,432)</u>
General revenues:							
Property taxes					108,621,805		108,621,805
Grants and contributions not restricted to specific programs					1,801,237		1,801,237
Unrestricted investment earnings					680,273	68,759	749,032
Miscellaneous income					5,880,168	1,701,530	7,581,698
Total general revenues					<u>116,983,483</u>	<u>1,770,289</u>	<u>118,753,772</u>
Change in net position					1,863,758	(3,654,418)	(1,790,660)
Net Position at Beginning of Year					<u>60,856,726</u>	<u>97,433,186</u>	<u>158,289,912</u>
Net Position at End of Year					<u>\$ 62,720,484</u>	<u>\$ 93,778,768</u>	<u>\$ 156,499,252</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2013

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 14,305,808	\$ 23,752,545	\$ 5,029,358	\$ 43,087,711
Investments	12,914,124		1,604,877	14,519,001
Receivables, net of allowance for collections	7,530,235	2,897,453	4,783,163	15,210,851
Inventory	125,508		88,310	213,818
Other assets	1,160		126,707	127,867
Due from other funds	4,078,835		26,092	4,104,927
Total Assets	<u>\$ 38,955,670</u>	<u>\$ 26,649,998</u>	<u>\$ 11,658,507</u>	<u>\$ 77,264,175</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 14,560,161	\$ 832,615	\$ 2,028,295	\$ 17,421,071
Due to other funds	176,997	5,998,041	390,595	6,565,633
Deferred revenue	6,721,056	1,190,541	3,274,495	11,186,092
Total liabilities	<u>21,458,214</u>	<u>8,021,197</u>	<u>5,693,385</u>	<u>35,172,796</u>
Fund Balances:				
Nonspendable	125,508		519,857	645,365
Restricted	1,009,817		4,465,396	5,475,213
Committed	636,972	18,628,801	979,869	20,245,642
Unassigned	15,725,159			15,725,159
Total fund balances	<u>17,497,456</u>	<u>18,628,801</u>	<u>5,965,122</u>	<u>42,091,379</u>
Total Liabilities and Fund Balances	<u>\$ 38,955,670</u>	<u>\$ 26,649,998</u>	<u>\$ 11,658,507</u>	<u>\$ 77,264,175</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2013

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

Fund balances - total governmental funds (Exhibit III)	\$ 42,091,379
--------------------------------------------------------	---------------

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

Governmental capital assets	\$ 363,377,174	
Less accumulated depreciation	<u>(169,750,566)</u>	
Net capital assets		193,626,608

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

Net pension assets	306,124
Property tax receivables greater than 60 days	4,739,005
Build America Bonds long term interest receivable	20,587
Loan receivables greater than 60 days	4,916,986
Interest and lien receivable on property taxes	1,524,348
Issuance costs on refunding	258,107

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.	(1,661,787)
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(85,617,203)
Notes payable	(1,425,000)
Bond premium	(3,438,474)
Deferred amount in refunding	2,449,813
Interest payable on bonds	(1,138,624)
Compensated absences	(17,973,809)
Landfill post-closure monitoring	(665,770)
Net pension obligation	(25,283,769)
OPEB obligation	(39,236,726)
Pollution remediation	(9,236,411)
Claims and judgments	<u>(1,534,900)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 62,720,484</u>
-----------------------------------------------------	----------------------

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes, interest and lien fees	\$ 113,886,618	\$	\$	\$ 113,886,618
Federal and state government	73,706,875	9,602,626	23,190,163	106,499,664
Charges for services	3,923,416		1,366,297	5,289,713
Investment income	286,737	83,187	211,051	580,975
Other local revenues	5,056,364	364,364	487,674	5,908,402
Total revenues	<u>196,860,010</u>	<u>10,050,177</u>	<u>25,255,185</u>	<u>232,165,372</u>
Expenditures:				
Current:				
General government	37,658,470		247,792	37,906,262
Public safety	21,909,060		705,186	22,614,246
Public works	6,999,166		26,122	7,025,288
Health and welfare	2,808,266		5,592,545	8,400,811
Culture and recreation	4,104,698		200,994	4,305,692
Education	111,411,471		16,193,396	127,604,867
Debt service:				
Principal retirement	8,597,000		75,000	8,672,000
Interest and other charges	2,897,596		40,594	2,938,190
Capital outlay	515,768	12,309,766	1,398,807	14,224,341
Total expenditures	<u>196,901,495</u>	<u>12,309,766</u>	<u>24,480,436</u>	<u>233,691,697</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(41,485)</u>	<u>(2,259,589)</u>	<u>774,749</u>	<u>(1,526,325)</u>
Other Financing Sources (Uses):				
Bond issuance		24,423,203		24,423,203
Bond premium		608,761		608,761
Refunding bonds issued	6,400,000			6,400,000
Premium on refunding bonds	144,968			144,968
Payment to refunded bond escrow agent	(6,453,473)			(6,453,473)
Transfers in	281,134		90,928	372,062
Transfers out	(90,928)	(81,134)	(200,000)	(372,062)
Total other financing sources (uses)	<u>281,701</u>	<u>24,950,830</u>	<u>(109,072)</u>	<u>25,123,459</u>
Net Change in Fund Balances	240,216	22,691,241	665,677	23,597,134
Fund Balances at Beginning of Year	<u>17,257,240</u>	<u>(4,062,440)</u>	<u>5,299,445</u>	<u>18,494,245</u>
Fund Balances at End of Year	<u>\$ 17,497,456</u>	<u>\$ 18,628,801</u>	<u>\$ 5,965,122</u>	<u>\$ 42,091,379</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 23,597,134
---------------------------------------------------------------------	---------------

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

Capital outlay	13,617,236
Depreciation expense	(9,077,976)
Loss on disposal of capital assets	(97,957)

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

Property taxes collected after 60 days	396,356
Loans collected after 60 days	(94,609)
Build America Bonds interest receivable	9,937
Decrease in interest and liens receivable	(5,661,169)
Change in pension assets	1,075

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

Bond proceeds	(24,423,203)
Refunding bond proceeds	(6,400,000)
Payment to refunding bond escrow agent	6,453,473
Principal payments	8,672,000
Premium on bonds issued	(608,761)
Premium on refunding bond issued	(144,968)
Refunding bond issuance costs	91,495

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

Amortization of issuance costs on refunding	(18,503)
Accrued interest	(184,362)
Amortization of premium and deferred amount in refunding	92,358
Change in long-term compensated absences	195,037
Change in landfill post-closure monitoring	128,486
Change in pollution remediation obligation	(2,536,411)
Change in net pension obligation	56,683
Change in OPEB obligation	(1,113,766)
Change in claims and judgments	(334,900)

The net expense of the internal service funds is reported with governmental activities.	<u>(750,927)</u>
-----------------------------------------------------------------------------------------	------------------

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 1,863,758</u>
----------------------------------------------------------------	---------------------

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues:				
Property taxes, interest and lien fees	\$ 114,157,111	\$ 114,157,111	\$ 113,886,618	\$ (270,493)
Intergovernmental revenues	61,237,993	61,237,993	61,900,628	662,635
Charges for services	4,146,143	4,146,143	3,884,560	(261,583)
Investment income	332,812	332,812	285,614	(47,198)
Other revenues	2,428,925	4,941,425	4,931,436	(9,989)
Total revenues	<u>182,302,984</u>	<u>184,815,484</u>	<u>184,888,856</u>	<u>73,372</u>
Expenditures:				
Current:				
General government	35,470,769	36,442,762	36,255,722	187,040
Finance	1,742,640	1,821,572	1,821,556	16
Public safety	21,906,797	21,909,105	21,909,060	45
Public works	6,647,741	6,999,289	6,999,166	123
Health and welfare	2,855,697	2,807,457	2,807,442	15
Culture and recreation	4,108,764	4,104,723	4,104,707	16
Education	99,605,224	99,605,224	99,605,224	-
Debt service:				
Principal retirement	8,487,000	8,597,000	8,597,000	-
Interest and other charges	2,917,447	2,807,447	2,806,101	1,346
Total expenditures	<u>183,742,079</u>	<u>185,094,579</u>	<u>184,905,978</u>	<u>188,601</u>
Deficiency of Revenues over Expenditures	<u>(1,439,095)</u>	<u>(279,095)</u>	<u>(17,122)</u>	<u>261,973</u>
Other Financing Sources (Uses):				
Contribution from fund balance	1,200,000	40,000		(40,000)
Transfers in	405,014	405,014	281,134	(123,880)
Transfers out	(165,919)	(165,919)	(165,919)	-
Total other financing sources (uses)	<u>1,439,095</u>	<u>279,095</u>	<u>115,215</u>	<u>(163,880)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u>-</u>	\$ <u>-</u>	98,093	\$ <u>98,093</u>
Fund Balance at Beginning of Year			<u>16,676,887</u>	
Fund Balance at End of Year			\$ <u>16,774,980</u>	

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

JUNE 30, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor	Total	Internal
	Water	Sewer	George		
			Hunter		
		Memorial		Service	
		Golf Course		Funds	
Assets:					
Current assets:					
Cash and cash equivalents	\$ 3,674,227	\$ 3,373,396	\$ 187,260	\$ 7,234,883	\$ 3,117,367
Investments	545,475	542,174		1,087,649	2,864,756
Accounts receivable, net	3,340,821	4,026,501	28,317	7,395,639	1,870,317
Due from other funds	3,646,499	2,264,524	21,685	5,932,708	150,905
Other assets	44,484			44,484	-
Total current assets	<u>11,251,506</u>	<u>10,206,595</u>	<u>237,262</u>	<u>21,695,363</u>	<u>8,003,345</u>
Noncurrent assets:					
Capital assets, nondepreciable	4,152,758	219,256		4,372,014	
Capital assets, net of accumulated depreciation	39,189,468	85,281,620	2,002,421	126,473,509	
Total noncurrent assets	<u>43,342,226</u>	<u>85,500,876</u>	<u>2,002,421</u>	<u>130,845,523</u>	<u>-</u>
Total assets	<u>54,593,732</u>	<u>95,707,471</u>	<u>2,239,683</u>	<u>152,540,886</u>	<u>8,003,345</u>
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	712,016	385,994	48,380	1,146,390	2,666
Accrued interest	181,885	43,922	1,448	227,255	
Claims payable				-	2,283,387
Due to other funds			2,922,807	2,922,807	700,100
Deferred revenue			6,270	6,270	
Interim funding obligation loans	1,100,026			1,100,026	
Current portion of bonds and notes payable	1,230,000	2,071,727	15,000	3,316,727	
Current portion of compensated absences	40,775	15,260	3,009	59,044	
Total current liabilities	<u>3,264,702</u>	<u>2,516,903</u>	<u>2,996,914</u>	<u>8,778,519</u>	<u>2,986,153</u>
Noncurrent liabilities:					
Compensated absences	999,916	331,138	181,961	1,513,015	
Bonds and notes payable, less current portion	10,815,726	35,872,298	82,000	46,770,024	
Premium on refunding bonds	501,436			501,436	
Deferred amount in refunding	(747,777)	(40,072)		(787,849)	
OPEB obligation	1,372,045	541,853	73,075	1,986,973	
Claims incurred but not reported				-	6,678,979
Total noncurrent liabilities	<u>12,941,346</u>	<u>36,705,217</u>	<u>337,036</u>	<u>49,983,599</u>	<u>6,678,979</u>
Total liabilities	<u>16,206,048</u>	<u>39,222,120</u>	<u>3,333,950</u>	<u>58,762,118</u>	<u>9,665,132</u>
Net Position:					
Net investment in capital assets	31,542,841	47,596,923	1,905,421	81,045,185	
Unrestricted	6,844,843	8,888,428	(2,999,688)	12,733,583	(1,661,787)
Total Net Position	<u>\$ 38,387,684</u>	<u>\$ 56,485,351</u>	<u>\$ (1,094,267)</u>	<u>\$ 93,778,768</u>	<u>\$ (1,661,787)</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Major Funds</u>		<u>Nonmajor</u>		<u>Activities</u>
			<u>Fund</u>		
	<u>Water</u>	<u>Sewer</u>	<u>George Hunter Memorial Golf Course</u>	<u>Total</u>	<u>Internal Service Funds</u>
Operating Revenues:					
Charges for services	\$ 9,065,010	\$ 8,228,046	\$ 957,513	\$ 18,250,569	\$ 29,389,132
Miscellaneous	805,560	850,908	45,062	1,701,530	1,391,040
Total operating revenues	<u>9,870,570</u>	<u>9,078,954</u>	<u>1,002,575</u>	<u>19,952,099</u>	<u>30,780,172</u>
Operating Expenses:					
Salaries and benefits	4,356,827	1,792,927	481,684	6,631,438	
Medical claims				-	27,824,044
Materials and supplies	926,135	1,349,948	359,333	2,635,416	
Utilities	940,585	963,310		1,903,895	
Administration and operation	2,319,794	740,514		3,060,308	1,541,580
Depreciation	1,719,530	3,986,301	122,455	5,828,286	
Other	633,061	1,750,436	175,868	2,559,365	2,353,693
Total operating expenses	<u>10,895,932</u>	<u>10,583,436</u>	<u>1,139,340</u>	<u>22,618,708</u>	<u>31,719,317</u>
Operating Loss	<u>(1,025,362)</u>	<u>(1,504,482)</u>	<u>(136,765)</u>	<u>(2,666,609)</u>	<u>(939,145)</u>
Nonoperating Revenues (Expenses):					
Capital grants	283,655			283,655	
Interest income	25,341	43,157	261	68,759	188,218
Interest expense	(437,877)	(857,380)	(44,966)	(1,340,223)	
Total nonoperating revenues (expenses)	<u>(128,881)</u>	<u>(814,223)</u>	<u>(44,705)</u>	<u>(987,809)</u>	<u>188,218</u>
Change in Net Position	(1,154,243)	(2,318,705)	(181,470)	(3,654,418)	(750,927)
Net Position at Beginning of Year	<u>39,541,927</u>	<u>58,804,056</u>	<u>(912,797)</u>	<u>97,433,186</u>	<u>(910,860)</u>
Net Position at End of Year	<u>\$ 38,387,684</u>	<u>\$ 56,485,351</u>	<u>\$ (1,094,267)</u>	<u>\$ 93,778,768</u>	<u>\$ (1,661,787)</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Water	Sewer	George Hunter Memorial Golf Course		
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 10,033,678	\$ 9,165,223	\$ 980,669	\$ 20,179,570	\$ 29,286,972
Payments to suppliers	(4,712,774)	(4,796,869)	(551,792)	(10,061,435)	(31,542,210)
Payments to employees	(3,962,163)	(1,562,856)	(439,776)	(5,964,795)	
Net receipts from interfund transactions	667,476	113,643	110,471	891,590	744,550
Net cash provided by (used in) operating activities	<u>2,026,217</u>	<u>2,919,141</u>	<u>99,572</u>	<u>5,044,930</u>	<u>(1,510,688)</u>
Cash Flows from Capital and Related Financing Activities:					
Receipts of capital grants	283,655			283,655	
Additions to capital assets	(2,073,923)	(820,767)	(20,000)	(2,914,690)	
Issuance of interim funding obligation loans	1,100,026			1,100,026	
Issuance of bonds	452,726	604,071		1,056,797	
Premium on bonds	11,322	15,106		26,428	
Issuance of refunding bonds	3,212,000	283,000	5,000	3,500,000	
Premium on refunding bonds	72,756	6,410	113	79,279	
Payments to escrow agents	(3,238,837)	(285,365)	(5,042)	(3,529,244)	
Debt issuance costs	(45,919)	(4,046)	(71)	(50,036)	
Principal payments of bonds	(1,310,000)	(401,000)	(12,000)	(1,723,000)	
Principal payments of clean water fund loans		(1,774,661)		(1,774,661)	
Interest paid on capital debt	(447,601)	(873,555)	(44,966)	(1,366,122)	
Net cash used in capital and related financing activities	<u>(1,983,795)</u>	<u>(3,250,807)</u>	<u>(76,966)</u>	<u>(5,311,568)</u>	<u>-</u>
Cash Flows from Investing Activities:					
Purchases of investments	(4,805)	(4,760)		(9,565)	1,881,461
Interest on investments	25,341	43,157	261	68,759	188,218
Net cash provided by investing activities	<u>20,536</u>	<u>38,397</u>	<u>261</u>	<u>59,194</u>	<u>2,069,679</u>
Net (Increase) Decrease in Cash and Cash Equivalents	62,958	(293,269)	22,867	(207,444)	558,991
Cash and Cash Equivalents at Beginning of Year	<u>3,611,269</u>	<u>3,666,665</u>	<u>164,393</u>	<u>7,442,327</u>	<u>2,558,376</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,674,227</u>	<u>\$ 3,373,396</u>	<u>\$ 187,260</u>	<u>\$ 7,234,883</u>	<u>\$ 3,117,367</u>
Reconciliation of Operating Loss to Net Cash Provided By (Used in) Operating Activities:					
Operating loss	\$ (1,025,362)	\$ (1,504,482)	\$ (136,765)	\$ (2,666,609)	\$ (939,145)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:					
Depreciation	1,719,530	3,986,301	122,455	5,828,286	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	163,108	86,269	(28,176)	221,201	(1,508,243)
(Increase) decrease in due from other funds	667,476	113,643		781,119	744,550
(Increase) decrease in other assets					15,043
Increase (decrease) in accounts payable and accrued items	106,801	7,339	(16,591)	97,549	177,107
Increase (decrease) in deferred revenue			6,270	6,270	
Increase (decrease) in compensated absences	(95,819)	(18,045)	13,868	(99,996)	
Increase (decrease) in OPEB obligation	490,483	248,116	28,040	766,639	
Increase (decrease) in due to other funds			110,471	110,471	
Total adjustments	<u>3,051,579</u>	<u>4,423,623</u>	<u>236,337</u>	<u>7,711,539</u>	<u>(571,543)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,026,217</u>	<u>\$ 2,919,141</u>	<u>\$ 99,572</u>	<u>\$ 5,044,930</u>	<u>\$ (1,510,688)</u>
Noncash Investing, Capital and Financing Activities:					
Construction in progress completed	<u>\$ (39,704)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,704)</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

JUNE 30, 2013

	<u>Pension Trust Funds</u>	<u>OPEB Trust Funds</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
Assets:				
Cash and cash equivalents	\$ 14,330,756	\$ 266,400	\$ 328,731	\$ 2,959,601
Investments, at fair value:				
US treasury bonds	9,325,577			
Corporate bonds	20,283,397		75,415	
Equities	128,070,111	12,563,948		
Mutual funds	31,104,705			
Other	30,057,990	300,072		153,052
Total investments	<u>218,841,780</u>	<u>12,864,020</u>	<u>75,415</u>	<u>153,052</u>
Accounts receivable	<u>424,941</u>	<u>56,037</u>		
Total assets	<u>233,597,477</u>	<u>13,186,457</u>	<u>404,146</u>	<u>\$ 3,112,653</u>
Liabilities:				
Other liabilities	<u>22,447</u>	<u>20,499</u>	<u>-</u>	<u>\$ 3,112,653</u>
Net Position:				
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 233,575,030</u>	<u>\$ 13,165,958</u>	<u>\$ 404,146</u>	

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Pension Trust Funds</u>	<u>OPEB Trust Funds</u>	<u>Private Purpose Trust Fund</u>
Additions:			
Contributions:			
Employer	\$ 8,766,851	\$ 5,726,019	\$
Plan members	3,820,493	3,047,211	
Donations and other			414
Total contributions	<u>12,587,344</u>	<u>8,773,230</u>	<u>414</u>
Investment earnings:			
Net increase in fair value of investments	5,393,215	598,601	
Interest and dividends	5,562,979	234,332	5,410
Total investment earnings	<u>10,956,194</u>	<u>832,933</u>	<u>5,410</u>
Less investment expenses:			
Investment management fees	1,287,112		
Net investment earnings	<u>9,669,082</u>	<u>832,933</u>	<u>5,410</u>
Total additions	<u>22,256,426</u>	<u>9,606,163</u>	<u>5,824</u>
Deductions:			
Benefits	20,370,419	5,042,306	15,094
Administrative expense	91,337	230,924	
Other	312,277	22,299	
Total deductions	<u>20,774,033</u>	<u>5,295,529</u>	<u>15,094</u>
Change in Net Position	1,482,393	4,310,634	(9,270)
Net Position at Beginning of Year	<u>232,092,637</u>	<u>8,855,324</u>	<u>413,416</u>
Net Position at End of Year	<u>\$ 233,575,030</u>	<u>\$ 13,165,958</u>	<u>\$ 404,146</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Basis of Presentation

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

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods,

services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

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

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

The *Agency Funds* account for monies held on behalf of outside groups such as student activity funds, senior trip funds and performance bonds.

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

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

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

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

C. Cash Equivalents

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

D. Investments

Investments are stated at fair value.

E. Inventories

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

F. Receivables and Payables

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

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

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

G. Capital Assets

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

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

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

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

H. Compensated Absences

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

I. Net Pension Asset/Obligation and Other Post Employment (OPEB) Obligations

Governmental Funds:

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

J. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, 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 the applicable bond premium or discount. 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.

K. Equity

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

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

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

Unrestricted Net Position - This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

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

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

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

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund and Capital Projects Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Director of Purchasing for the City, who has been delegated authority to assign amounts by the City Charter.

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

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

L. Property Taxes

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

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

M. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

The budget process is as follows:

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

There were additional appropriations of \$1,352,500 for the General Fund and \$104,922 for the Water Fund during the year ended June 30, 2013, which was funded through net position.

- j. The Board of Education may transfer unexpended balances from one account to another within its line appropriation. A number of such transfers occurred during the year.

- k. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or commitment is issued, and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.

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

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

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Fund Balance
	<u> </u>	<u> </u>	<u> </u>
Balance, budgetary basis	\$ 185,169,990	\$ 185,071,897	\$ 16,774,980
Excess cost (net for budgetary)	1,132,483	1,132,483	
Issuance costs on refunding bonds		91,495	
State Teachers' Retirement on-behalf payment	10,673,764	10,673,764	
Funds consolidated for GASB 54 purposes	<u>164,907</u>	<u>22,784</u>	<u>722,476</u>
Balance, GAAP Basis	<u>\$ 197,141,144</u>	<u>\$ 196,992,423</u>	<u>\$ 17,497,456</u>

B. Deficit Fund Equity

For the year ended June 30, 2013, the following funds had deficit balances:

Nonmajor Enterprise Fund:	
George Hunter Memorial Golf Course	\$ 1,094,267
Internal Service Fund:	
Workers' Compensation Fund	4,801,807

These amounts will be funded through bonds, contributions and future revenues.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$56,287,746 of the City's bank balance of \$59,037,746 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 50,383,970
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>5,903,776</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 56,287,746</u>

Cash Equivalents

At June 30, 2013, the City's cash equivalents amounted to \$15,056,891. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard & Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
Cutwater Asset Management - Connecticut CLASS Plus	AAAm
Multi-Bank Securities, Inc.	*
Wells Fargo	*
Stifel Nicolaus & Company, Incorporated	*

*Not rated

Investments

As of June 30, 2013, the City had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)			
			N/A	Less Than 1	1-10	More Than 10
U.S. Government Agencies	Aaa	\$ 473	\$	\$	\$	\$ 473
U.S. Treasury Bonds	Aaa	55,544				55,544
Corporate and Foreign Bonds	Aaa	9,325,574		1,758,890	7,566,684	
Corporate and Foreign Bonds	Aa1	8,258,628		3,540,811	4,717,817	
Corporate and Foreign Bonds	Aa2	345,937			345,937	
Corporate and Foreign Bonds	A1	3,065,054		390,781	2,674,273	
Corporate and Foreign Bonds	A2	2,420,715		617,310	1,803,405	
Fixed Income Securities	A2	2,068,897			2,068,897	
Corporate and Foreign Bonds	A3	3,337,894		1,009,335	2,328,559	
Corporate and Foreign Bonds	Baa1	1,284,873			1,284,873	
Corporate and Foreign Bonds	Baa2	1,762,215			1,762,215	
Corporate and Foreign Bonds	Baa3	24,958		24,958		
Corporate and Foreign Bonds	B1	24,877			24,877	
Mutual Funds	N/A	376,944	376,944			
Certificates of Deposit	N/A	14,174,335			14,174,335	
Common Equity Securities	N/A	768,309	768,309			
Preferred Equity Securities	N/A	70,474	70,474			
Fixed Income Securities	N/A	13,998,607	13,998,607			
Taxable Fixed Income Funds	N/A	111,004	111,004			
Closed End Fixed Income	N/A	35,817	35,817			
Stocks and Options	N/A	158,787,840	158,787,840			
Other	N/A	30,106,704	30,106,704			
Total Investments		\$ 250,405,673	\$ 204,255,699	\$ 7,342,085	\$ 38,751,872	\$ 56,017

N/A - Not applicable

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

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

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

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2013, the City did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

Pension

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

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

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

There shall be no investments in:

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

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

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

4. RECEIVABLES AND DEFERRED REVENUE

The receivables as of June 30, 2013 for the City's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

	Governmental and Fiduciary Type Funds			
	General Fund	Bonded Projects Fund	Nonmajor, Internal Service, and Fiduciary Funds	Total
Property taxes	\$ 9,237,689	\$	\$	\$ 9,237,689
Accounts	434,225	55,607	1,940,505	2,430,337
Intergovernmental	1,612,484	1,897,230	2,196,501	5,706,215
Loans		944,616	2,717,576	3,662,192
Other			480,978	480,978
Gross receivables	<u>11,284,398</u>	<u>2,897,453</u>	<u>7,335,560</u>	<u>21,517,411</u>
Less: Allowance for collection losses	<u>3,754,163</u>		<u>201,102</u>	<u>3,955,265</u>
Net Total Receivables	<u>\$ 7,530,235</u>	<u>\$ 2,897,453</u>	<u>\$ 7,134,458</u>	<u>\$ 17,562,146</u>

	Business-Type Funds			
	Water Authority	Sewer Authority	Nonmajor Fund	Total
Use charges	\$ 1,592,320	\$ 1,776,252	\$	\$ 3,368,572
Assessments		198,963		198,963
Unbilled	1,993,847	2,046,982		4,040,829
Other	4,158	296,918	28,317	329,393
Gross receivables	<u>3,590,325</u>	<u>4,319,115</u>	<u>28,317</u>	<u>7,937,757</u>
Less: Allowance for collection losses	<u>249,504</u>	<u>292,614</u>		<u>542,118</u>
Net Total Receivables	<u>\$ 3,340,821</u>	<u>\$ 4,026,501</u>	<u>\$ 28,317</u>	<u>\$ 7,395,639</u>

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

Governmental funds report deferred revenue in connection with receivables 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>
General Fund:		
Delinquent property taxes receivable	\$ 4,739,005	\$
Property taxes collected in advance		522,999
Loan receivable	1,455,897	
Advances on grants		3,069
Other receivable		86
Bonded Projects:		
Loans receivable	944,616	
Advances on grants		49,925
Bond premium		196,000
Nonmajor governmental funds:		
Advances on grants		758,021
Loans receivable	<u>2,516,473</u>	<u> </u>
Total Deferred Revenue for Governmental Funds	<u>\$ 9,655,991</u>	<u>\$ 1,530,100</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 22,195,482	\$ 283,514	\$	\$ 22,478,996
Construction in progress	12,923,384	8,942,006	489,092	21,376,298
Total capital assets not being depreciated	<u>35,118,866</u>	<u>9,225,520</u>	<u>489,092</u>	<u>43,855,294</u>
Capital assets being depreciated:				
Land improvements	18,946,464	164,223	221,154	18,889,533
Buildings and improvements	182,008,071	1,025,784	804,504	182,229,351
Machinery and equipment	12,529,054	823,480	1,675,444	11,677,090
Vehicles	12,619,059	478,601	216,581	12,881,079
Infrastructure	91,456,107	2,388,720		93,844,827
Total capital assets being depreciated	<u>317,558,755</u>	<u>4,880,808</u>	<u>2,917,683</u>	<u>319,521,880</u>
Less accumulated depreciation for:				
Land improvements	10,301,187	703,540	172,490	10,832,237
Buildings and improvements	77,904,269	4,170,313	788,180	81,286,402
Machinery and equipment	7,850,571	709,961	1,642,475	6,918,057
Vehicles	9,980,934	723,174	216,581	10,487,527
Infrastructure	57,455,355	2,770,988		60,226,343
Total accumulated depreciation	<u>163,492,316</u>	<u>9,077,976</u>	<u>2,819,726</u>	<u>169,750,566</u>
Total capital assets being depreciated, net	<u>154,066,439</u>	<u>(4,197,168)</u>	<u>97,957</u>	<u>149,771,314</u>
Governmental Activities Capital Assets, Net	<u>\$ 189,185,305</u>	<u>\$ 5,028,352</u>	<u>\$ 587,049</u>	<u>\$ 193,626,608</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,088,531	\$	\$	\$ 1,088,531
Construction in progress	1,426,046	1,897,141	39,704	3,283,483
Total capital assets not being depreciated	<u>2,514,577</u>	<u>1,897,141</u>	<u>39,704</u>	<u>4,372,014</u>
Capital assets being depreciated:				
Land improvements	14,313,671	490,552	250,000	14,554,223
Buildings and improvements	68,900,217	20,000		68,920,217
Machinery and equipment	26,953,880	215,102		27,168,982
Vehicles	2,131,050	206,098		2,337,148
Infrastructure	120,567,094	125,498		120,692,592
Total capital assets being depreciated	<u>232,865,912</u>	<u>1,057,250</u>	<u>250,000</u>	<u>233,673,162</u>
Less accumulated depreciation for:				
Land improvements	2,266,860	702,553	250,000	2,719,413
Buildings and improvements	29,119,697	1,744,657		30,864,354
Machinery and equipment	11,683,883	1,445,015		13,128,898
Vehicles	1,821,589	77,606		1,899,195
Infrastructure	56,729,338	1,858,455		58,587,793
Total accumulated depreciation	<u>101,621,367</u>	<u>5,828,286</u>	<u>250,000</u>	<u>107,199,653</u>
Total capital assets being depreciated, net	<u>131,244,545</u>	<u>(4,771,036)</u>	<u>-</u>	<u>126,473,509</u>
Business-Type Activities Capital Assets, Net	<u>\$ 133,759,122</u>	<u>\$ (2,873,895)</u>	<u>\$ 39,704</u>	<u>\$ 130,845,523</u>

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

Governmental activities:	
General government	\$ 308,424
Education	3,364,035
Public safety	970,277
Public works	3,490,080
Recreation	841,120
Human services	<u>104,040</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 9,077,976</u></u>
Business-type activities:	
Water Authority	\$ 1,719,530
Sewer Authority	3,986,301
Golf Course	<u>122,455</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 5,828,286</u></u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund loans were generally as a result of the timing between the date payments occur between funds for various activities including capital outlay. The composition of interfund balances as of June 30, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Bonded Projects Fund	\$ 65,333
	Internal Service Funds	700,100
	Nonmajor Governmental Funds	390,595
	Nonmajor Proprietary Fund	<u>2,922,807</u>
		4,078,835
Nonmajor Governmental Funds	General Fund	26,092
Water Fund	Bonded Projects Fund	3,646,499
Sewer Fund	Bonded Projects Fund	2,264,524
Nonmajor Proprietary Fund	Bonded Projects Fund	21,685
Internal Service Funds	General Fund	<u>150,905</u>
		<u><u>\$ 10,188,540</u></u>

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

Interfund balances are a result of temporary loans to various funds. The transfers that occurred during the year are as follows:

	Transfers In		Total Transfers Out
	General Fund	Nonmajor Governmental Funds	
Transfers out:			
General Fund	\$	\$ 90,928	\$ 90,928
Bonded Projects Fund	81,134		81,134
Nonmajor Governmental Funds	<u>200,000</u>		<u>200,000</u>
Total Transfers In	<u>\$ 281,134</u>	<u>\$ 90,928</u>	<u>\$ 372,062</u>

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 68,929,000	\$ 30,823,203	\$ 14,135,000	\$ 85,617,203	\$ 8,234,000
Premium on bonds	2,949,984	753,729	265,239	3,438,474	
Deferred amount in refunding	(1,707,221)	(915,473)	(172,881)	(2,449,813)	
Notes payable	1,500,000		75,000	1,425,000	75,000
Compensated absences	18,168,846	1,072,008	1,267,045	17,973,809	1,024,472
Workman's compensation	2,260,065	2,228,587	2,373,563	2,115,089	705,030
Heart and hypertension	4,555,318	1,503,960	1,324,206	4,735,072	1,578,357
Landfill post-closure monitoring	794,256		128,486	665,770	82,100
Net pension obligation	25,340,452	8,314,224	8,370,907	25,283,769	
OPEB obligation	38,122,960	6,563,792	5,450,026	39,236,726	
Pollution remediation	6,700,000	2,536,411		9,236,411	2,240,000
Claims and judgments	<u>1,200,000</u>	<u>984,900</u>	<u>650,000</u>	<u>1,534,900</u>	<u>100,000</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 168,813,660</u>	<u>\$ 53,865,341</u>	<u>\$ 33,866,591</u>	<u>\$ 188,812,410</u>	<u>\$ 14,038,959</u>
Business-Type Activities:					
General obligation bonds	\$ 16,611,000	\$ 4,556,797	\$ 4,750,000	\$ 16,417,797	\$ 1,621,000
Premium on bonds	470,734	72,756	42,054	501,436	
Deferred amount in refunding	(329,157)	(502,202)	(43,510)	(787,849)	
Compensated absences	1,672,054	68,692	168,687	1,572,059	59,044
OPEB obligation	1,220,334	1,042,632	275,993	1,986,973	
Clean water fund notes	<u>35,443,615</u>		<u>1,774,661</u>	<u>33,668,954</u>	<u>1,695,727</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 55,088,580</u>	<u>\$ 5,238,675</u>	<u>\$ 6,967,885</u>	<u>\$ 53,359,370</u>	<u>\$ 3,375,771</u>

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

General Obligation Bonds

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

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

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2013</u>
Governmental:						
General purpose:						
General obligation	8/1/06	8/1/16	4.125-5%	\$ 16,134,700	various	\$ 6,880,000
General obligation	8/1/08	8/1/28	3-4.9%	21,369,000	various	4,077,000
General obligation, Series A	5/4/10	8/1/22	3-5%	11,627,000	various	9,574,000
General obligation, Series B	5/4/10	8/1/23	3-5%	21,142,000	various	18,196,000
General obligation BABs	7/13/10	5/15/30	1-5.75%	18,764,086	various	16,177,000
General obligation	12/18/12	8/1/28	1-2.65%	6,400,000	various	6,290,000
General obligation	1/31/13	2/15/33	1-3%	24,423,203	various	24,423,203
Total governmental activities					various	<u>85,617,203</u>
Business-Type:						
General purpose:						
General obligation	8/1/06	8/1/16	4.5-5%	4,110,300	various	1,480,000
General obligation	8/1/08	8/1/28	3-4.9%	11,681,000	various	2,228,000
General obligation, Series A	5/4/10	8/1/22	3-5%	163,000	various	101,000
General obligation, Series B	5/4/10	8/1/23	3-5%	5,558,000	various	5,039,000
General obligation BABs	7/13/10	5/15/30	1-5.75%	3,565,914	various	3,073,000
General obligation	12/18/12	8/1/28	1-2.65%	3,500,000	various	3,440,000
General obligation	1/31/13	2/15/33	1-3%	1,056,797	various	1,056,797
Total business-type activities						<u>16,417,797</u>
Total Outstanding						<u>\$ 102,035,000</u>

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

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 8,234,000	\$ 2,994,568	\$ 1,621,000	\$ 588,155
2015	9,048,203	2,654,330	1,571,797	525,767
2016	7,912,000	2,310,417	1,253,000	169,476
2017	7,921,000	2,000,167	1,254,000	421,107
2018	5,124,000	1,731,895	876,000	377,453
2019	4,811,000	1,527,761	864,000	340,374
2020	4,815,000	1,340,598	865,000	303,647
2021	3,767,000	1,171,126	868,000	269,189
2022	3,756,000	1,027,326	869,000	234,546
2023	3,764,000	904,422	871,000	197,993
2024	3,414,000	784,321	871,000	161,076
2025	3,407,000	681,202	868,000	130,752
2026	3,389,000	585,752	856,000	10,424
2027	3,373,000	489,411	847,000	81,895
2028	3,355,000	389,312	835,000	56,587
2029	3,337,000	282,841	823,000	30,543
2030	2,263,000	192,736	237,000	13,485
2031	1,309,000	117,810	56,000	5,040
2032	1,309,000	78,540	56,000	3,360
2033	1,309,000	39,270	56,000	1,680
Total	\$ <u>85,617,203</u>	\$ <u>21,303,805</u>	\$ <u>16,417,797</u>	\$ <u>3,922,549</u>

Interest requirements to maturity are disclosed net of interest payments to be received from the federal government on Build America Bonds of \$2,543,736 for governmental activities and \$483,448 for business-type activities.

General Obligation Bonds - New Issue

On February 15, 2013, the City issued \$25,480,000 of general obligation bonds with interest rates ranging from 2% to 4% payable in annual installments ranging from \$910,000 to \$1,365,000. The bonds mature on February 15, 2033.

General Obligation Bonds - Advance Refunding

On December 27, 2012, the City issued \$9,900,000 advance general obligation refunding bonds with interest rates ranging from 2% to 3% to refund the outstanding principal amounts of \$8,565,000 General Obligation Bonds, Issue 2008, dated August 1, 2008.

The net proceeds of \$10,124,248 (including a premium of \$224,248 and issuance costs of \$139,500, including underwriter's fees) will reduce total debt service payments over the next 16 years by approximately \$613,913 and represents an economic gain (difference between present values of the debt service payments on the old and new debt) of \$580,346. As a result, the refunded bonds are considered defeased, and all future interest and principal on the defeased bonds will be paid from the proceeds of the refunding issue, which were placed into an irrevocable escrow account until all the defeased bonds have been called. The balance in escrow was \$9,789,099 at June 30, 2013. The outstanding balance of the defeased bonds as of June 30, 2013 is \$8,565,000.

Prior Year Defeasance of Debt

In prior years, the City had defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The balance in escrow was \$13,142,532 at June 30, 2013. The outstanding balance of the defeased bonds as of June 30, 2013 is \$11,560,000.

Build America Bonds

The Federal American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009), enacted February 17, 2009 (the Recovery Act), authorizes state and local governments to issue two general types of taxable Build America Bonds (Taxable BABs) with the federal government providing subsidies for a portion of their borrowing cost. One type of Taxable BAB provides a federal tax credit to the bondholder; the other provides a credit in the form of an interest subsidy payment directly to the issuer (Taxable BABs - Direct Payment). General Obligation Bonds, Issue of 2010 were issued as Taxable BABs - Direct Payment on July 1, 2010 for \$22,330,000. Pursuant to the Recovery Act, the City will receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the General Obligation Bonds, Issue of 2010 on or about each interest payment date. Such subsidy payment will be revenue to the City under the General Bond Resolution. No holders of the General Obligation Bonds, Issue of 2010 will be entitled to a tax credit. The receipt of the subsidy by the City is not a condition of payment of any portion of the principal and interest on the General Obligation Bonds, Issue of 2010. However, if the subsidy payments are reduced or eliminated, the General Obligation Bonds, Issue of 2010 are subject to extraordinary optional redemption. In fiscal year 2013, the last subsidy payment received was reduced by 8.7% or \$13,460.

Clean Water Fund Loans Payable

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

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

<u>Year Ending June 30</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 1,695,727	\$ 658,682
2015	1,670,184	624,471
2016	1,703,330	590,764
2017	1,737,134	556,389
2018	1,757,332	521,331
2019	1,778,235	485,863
2020	1,814,127	449,970
2021	1,850,744	413,353
2022	1,888,100	375,997
2023	1,926,210	337,887
2024	1,965,090	299,088
2025	2,004,754	25,944
2026	2,045,218	218,879
2027	2,086,500	177,598
2028	2,128,615	135,483
2029	2,171,579	92,518
2030	2,215,411	48,687
2031	1,177,268	8,473
2032	53,396	313
	<u>\$ 33,668,954</u>	<u>\$ 6,021,690</u>

Drinking Water Loans Payable

The Drinking Water Fund Program issued an interim funding obligation loan, which is recorded in the Water Fund, for the year ended June 30, 2013. The loan proceeds are being used to finance the upgrade to the Broad Brook Treatment Plan. The project is in the engineering stages as of June 30, 2013. The obligation will be paid from future user fees.

HUD Loan

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

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

	HUD Note	
	Principal	Interest
2014	\$ 75,000	\$ 33,349
2015	75,000	32,936
2016	75,000	32,336
2017	75,000	31,530
2018	75,000	30,495
2019	75,000	29,254
2020	75,000	27,821
2021	75,000	26,134
2022	75,000	24,255
2023	75,000	22,283
2024	75,000	20,179
2025	75,000	17,978
2026	75,000	15,739
2027	75,000	13,451
2028	75,000	11,130
2029	75,000	8,764
2030	75,000	6,337
2031	75,000	3,855
2032	75,000	1,298
	<u>\$ 1,425,000</u>	<u>\$ 389,124</u>

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2013 is \$43,026,311, which is net of all expected grant revenue. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Landfill Post-Closure Monitoring

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The liability for the landfill post-closure care, aggregating \$665,770, is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfills as of June 30, 2013. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through future property taxes and/or state and federal grants. The landfill was considered to be at capacity and was closed during 1991.

Pollution Remediation

Factory H includes two City parcels (77 Cooper Street and 104 Butler Street), which have contaminated soils. The liability is made up of \$10,432,164 less estimated recoveries from the state and federal government of \$2,680,000. Management has estimated this liability taking into account data based on estimates from the Engineering Department. Major assumptions were made since the remediation of the Factory H site will be fully integrated into the Harbor Brook Flood Control project and redevelopment plans for the site, which are yet to be finalized. Costs are likely to change based on the final flood control design, site re-use and redevelopment plans, as well as other factors. It is assumed that no active groundwater remediation will be required, environmental land use restrictions will be placed on the site, and operations and maintenance of the engineered control will be minimal, similar to that approved for the Meriden HUB project. The obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2013, the City has received \$800,000 from the United States Environmental Protection Agency, a loan of \$1,500,000 from the United States Department of Housing and Urban Development and \$410,000 from the State of Connecticut Department of Economic and Community Development.

The HUB also includes two City parcels (1-77 State Street and 50 East Main Street), which also have contaminated soils. The liability is made up of \$2,694,811 less estimated recoveries from the federal and state government of \$2,240,000. Management has estimated this liability taking into account data based on estimates from their consulting firm. The current estimate of environmental liabilities for the Meriden HUB is based on environmental reports prepared for the City by AECOM, including “Remedial Action Plan, Meriden HUB Site, prepared by AECOM, June 2012”, and “Engineer’s Opinion of Probable Costs for Flood Control, Site Remediation, and Site Improvements to Harbor Brook/HUB Meriden, Meriden, Connecticut, MMI No. 1261-30 September 13, 2013.” Projected environmental liabilities assumes the removal of contaminated soils that exceed specific Connecticut Remediation Standard Regulations (RSR) criteria, including extractable petroleum hydrocarbons (ETPH), semi-volatile organic compounds (SVOCs), volatile organic compounds (including trichloroethylene (TCE)) and a number of metals (antimony, arsenic, lead and mercury); soil management during construction of a flood storage basin; and Construction of an Engineered Control (EC) cap to gain compliance with the Connecticut Remediation Standard Regulations (RSR) Direct Exposure Criteria (DEC) for soil/fill that will remain on-site following construction of the flood control storage area. Following the construction of the flood basin and implementation of the Remedial Action Plan, an Environmental Land Use Restriction will remain on the site in perpetuity to ensure that there will be no disturbance of the EC cap and materials beneath the cap. The

obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2013, the City has not received any money from the United States Environmental Protection Agency or the State of Connecticut Department of Economic and Community Development.

116 Cook Avenue has contaminated soil and an underground storage tank contributing to the contamination. The liability is made up of \$1,269,600 less estimated recoveries from the Federal government of \$240,000. Management has estimated this liability taking into account data based on estimates from their consulting firm. The current estimate of environmental liabilities for 116 Cook Avenue is based on environmental reports prepared for the City by Tighe and Bond, including “Phase III Environmental Site Assessment report, dated July 2012,” and an “Opinion of Probable Demolition Costs, dated July 2012.” Projected environmental liabilities assume the removal of hazardous substances, including PCB’s, asbestos, mercury and lead, from the building, which is comprised of three sections and 85,944 total square feet. Additional costs include removal of one underground storage tank. Further remediation costs associated with soils below the existing building slab are unknown and may require further remediation depending on the future land use. The City assumes removal of all known environmental hazards in five to seven years. The obligation is an estimate and is subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. As of June 30, 2013, the City has received no money from the United States Environmental Protection Agency.

8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2013 are as follows:

	<u>General Fund</u>	<u>Bonded Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$ 125,508		\$ 88,310	\$ 213,818
Permanent fund principal			431,547	431,547
Restricted for:				
Flood control	480,001			480,001
Wallingford Regional Solid Waste Reserve	444,312			444,312
Unspent Federal and State grants			2,791,298	2,791,298
Public safety	85,504			85,504
Park trusts			1,589,218	1,589,218
Library trusts			76,957	76,957
Education trusts			7,651	7,651
Health trusts			272	272
Committed to:				
Special assessment project		18,628,801	230,280	18,859,081
Education			628,074	628,074
Anti-blight			80,758	80,758
Meals on wheels			32,042	32,042
Dog fund			8,715	8,715
Foreclosures	15,000			15,000
Insurance refunds	178,480			178,480
Tree preservation	64,251			64,251
Downtown property management	292,678			292,678
Vehicle replacement	86,563			86,563
Unassigned	<u>15,725,159</u>			<u>15,725,159</u>
Total Fund Balances	<u>\$ 17,497,456</u>	<u>\$ 18,628,801</u>	<u>\$ 5,965,122</u>	<u>\$ 42,091,379</u>

Significant encumbrances of \$96,754,953 are included in the bonded projects fund and \$173,779 are included in the nonmajor funds as of June 30, 2013.

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; employee health; and natural disasters. The City generally obtains commercial insurance for these risks, but has chosen to retain the risks of workers' compensation and employee health and medical claims. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2013.

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

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

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

	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
Workers' Compensation and Heart and Hypertension				
2012-13	\$ 6,815,382	\$ 3,697,769	\$ 3,662,990	\$ 6,850,161
2011-12	6,702,858	3,614,017	3,501,493	6,815,382
Health Insurance				
2012-13	\$ 1,929,208	\$ 24,126,275	\$ 23,943,278	\$ 2,112,205
2011-12	1,624,845	24,149,065	23,844,702	1,929,208

10. EMPLOYEE RETIREMENT PLANS

A. Pension Trust Fund

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

Plan Description

Substantially all full-time employees of the City are eligible to participate. Participants in the State Teachers' Retirement System are excluded. The Plans' provisions are as follows for personnel hired prior to July 1, 2011:

Provisions	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Benefit	<p>2% of average annual pay for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 60% of salary.</p> <p>Effective July 1, 2011, 2% of average annual pay for the first 20 years, 2½% thereafter, with a maximum of 70% of salary.</p>	<p>2.5% of average annual pay for the first 30 years of service, 1.6% after for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 70% of salary.</p>	<p>2.2% of average annual pay for the first 20 years of service, for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 66% of salary.</p>
Eligibility requirements	Vested after 10 years of service.	Vested after 10 years of continuous service.	Vested after 10 years of continuous service.
Cost of living adjustment	<p>2% per year beginning the later of 2 years from retirement age or age 62 (50% max).</p> <p>Effective July 1, 2011, 2% each year beginning on the second anniversary after the retirement.</p>	2% after 20 years, 3% after 25 years (50% max).	3% after 25 years (50% max).
Early retirement provisions	City employees - age 65, 10 years of service or Rule of 80 - full benefits. Age 55, 10 years of service - reduced benefits. Police and Fire - none.	25 th anniversary with 10 years of service, anytime with 20 years of service.	None.
Contributions	<p>City Employee - 9% of earnings (includes 3% of earnings as contributed for post-employment healthcare benefits). BOE Employee - 7.5% of earnings (includes 3.5% of earnings as contributed for post-employment healthcare benefits). Police - 6% of earnings (includes 2% of earnings contributed for post-employment healthcare benefits). Fire - 6% of earnings (includes 2% of earnings contributed for post-employment healthcare benefits).</p> <p>Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.</p>	<p>Employee - 8% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits).</p> <p>Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.</p>	<p>Employee - 8% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits).</p> <p>Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.</p>

At July 1, 2012, Plan membership consisted of the following:

	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Retirees and beneficiaries currently receiving benefits	442	137	113
Vested terminated employees	98	1	-
Active participants	641	59	61
Total Participants	1,181	197	174

Summary of Significant Accounting Policies

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

Method Used to Value Investments - Investments are reported at market value. Investment income is recognized as earned.

Administrative Costs - Administrative costs of the Plan are financed through investment earnings.

The individual plan net position at June 30, 2013 and changes in net position for the year then ended are as follows:

	Pension Trust Funds						
	Employees' Retirement Plan	Police Pension Fund	Firefighters' Pension Plan	Employees' Healthcare Plan	Police Healthcare Plan	Firefighters' Healthcare Plan	Total Pension Trust Funds
Assets:							
Cash and cash equivalents	\$ 8,293,282	\$ 3,251,663	\$ 2,696,509	\$ 89,302	\$ -	\$ -	\$ 14,330,756
Interest receivable	249,846	94,920	77,123	3,052			424,941
Investments, at fair value:							
U.S. treasury bonds	5,237,026	2,220,449	1,804,126	63,976			9,325,577
Corporate bonds	12,167,352	4,395,800	3,571,608	148,637			20,283,397
Equities	69,134,058	32,050,406	26,041,104	844,543			128,070,111
Mutual funds	17,766,475	7,239,261	5,881,933	217,036			31,104,705
Other	16,159,366	7,559,276	6,141,948	197,400			30,057,990
Total investments	120,464,277	53,465,192	43,440,719	1,471,592	-	-	218,841,780
Total assets	129,007,405	56,811,775	46,214,351	1,563,946	-	-	233,597,477
Liabilities:							
Other liabilities	7,395	8,606	6,446				22,447
Net Position:							
Held in Trust for Pension							
Benefits and Other Purposes	\$ 129,000,010	\$ 56,803,169	\$ 46,207,905	\$ 1,563,946	\$ -	\$ -	\$ 233,575,030

	Pension Trust Funds						
	Employees' Retirement Plan	Police Pension Fund	Firefighters' Pension Plan	Employees' Healthcare Plan	Police Healthcare Plan	Firefighters' Healthcare Plan	Total Pension Trust Funds
Additions:							
Contributions:							
Employer	\$ 2,056,897	\$ 3,811,711	\$ 2,502,299	\$	\$ 254,829	\$ 141,115	\$ 8,766,851
Plan members	1,984,446	270,778	286,335	1,093,230	90,259	95,445	3,820,493
Total contributions	<u>4,041,343</u>	<u>4,082,489</u>	<u>2,788,634</u>	<u>1,093,230</u>	<u>345,088</u>	<u>236,560</u>	<u>12,587,344</u>
Investment earnings:							
Net increase in fair value of investments	2,529,231	1,560,325	1,273,688	29,971			5,393,215
Dividends and interest	3,231,600	1,262,630	1,030,455	38,294			5,562,979
Total investment earnings	5,760,831	2,822,955	2,304,143	68,265	-	-	10,956,194
Less investment expenses:							
Investment management fees	717,371	313,714	256,027				1,287,112
Net investment earnings	<u>5,043,460</u>	<u>2,509,241</u>	<u>2,048,116</u>	<u>68,265</u>	<u>-</u>	<u>-</u>	<u>9,669,082</u>
Total additions	<u>9,084,803</u>	<u>6,591,730</u>	<u>4,836,750</u>	<u>1,161,495</u>	<u>345,088</u>	<u>236,560</u>	<u>22,256,426</u>
Deductions:							
Benefits	7,481,905	6,327,649	4,829,295	1,139,053	340,814	251,703	20,370,419
Administration	27,612	27,612	27,612	8,501			91,337
Other	294,284	10,034	7,959				312,277
Total deductions	<u>7,803,801</u>	<u>6,365,295</u>	<u>4,864,866</u>	<u>1,147,554</u>	<u>340,814</u>	<u>251,703</u>	<u>20,774,033</u>
Change in net assets	1,281,002	226,435	(28,116)	13,941	4,274	(15,143)	1,482,393
Net Position at Beginning of Year	<u>127,719,008</u>	<u>56,576,734</u>	<u>46,236,021</u>	<u>1,550,005</u>	<u>(4,274)</u>	<u>15,143</u>	<u>232,092,637</u>
Net Position at End of Year	<u>\$ 129,000,010</u>	<u>\$ 56,803,169</u>	<u>\$ 46,207,905</u>	<u>\$ 1,563,946</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,575,030</u>

Annual Pension Cost and Net Pension Obligations

The City's annual pension cost and net pension obligation (asset) for the year ended June 30, 2013 were as follows:

	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Annual required contribution (ARC)	\$ 2,038,150	\$ 4,066,540	\$ 2,643,414
Interest on net pension obligation (asset)	(24,404)	1,023,619	1,003,617
Adjustment to annual required contribution	<u>42,076</u>	<u>(1,052,240)</u>	<u>(1,031,679)</u>
Annual pension cost	2,055,822	4,037,919	2,615,352
Contributions made	<u>2,056,897</u>	<u>4,066,540</u>	<u>2,643,414</u>
Decrease in net pension obligation	(1,075)	(28,621)	(28,062)
Net pension obligation (asset), beginning of year	<u>(305,049)</u>	<u>12,795,238</u>	<u>12,545,214</u>
Net Pension Obligation (Asset), End of Year	<u>\$ (306,124)</u>	<u>\$ 12,766,617</u>	<u>\$ 12,517,152</u>

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

	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Actuarial valuation date	7/1/12	7/1/12	7/1/12
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed
Remaining amortization period	25 years	30 years	30 years
Asset valuation method	5 year smoothed market	5 year smoothed market	5 year smoothed market
Actuarial assumptions:			
Investment rate of return	8.00%	8.00%	8.00%
Projected salary increases*	3.00% per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 50 and beyond	3.00% per annum (compounded)	3.00% per annum (compounded)
*Includes inflation at	3.50%	3.00%	3.00%

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Employees' Retirement Plan			
6/30/13	\$ 2,055,822	100.10 %	\$ (306,124)
6/30/12	1,916,270	99.50	(305,049)
6/30/11	498,783	98.13	(315,217)
Police Pension Plan			
6/30/13	\$ 4,037,919	100.71 %	\$ 12,766,617
6/30/12	4,000,253	100.72	12,795,238
6/30/11	3,654,364	100.79	12,823,923
Firefighters' Pension Plan			
6/30/13	\$ 2,615,352	101.07 %	\$ 12,517,152
6/30/12	2,592,780	101.08	12,545,214
6/30/11	2,413,427	101.17	12,573,339

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded (Overfunded) AAL (UAAL) (a-b)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>Under (Over) Funded AAL as a % of Covered Payroll ((a-b)/c)</u>
Employees' Retirement Plan						
7/01/12	\$ 147,647,445	\$ 150,068,846	\$ 2,421,401	98.39 %	\$ 38,734,928	6.25 %
7/01/10	140,652,162	133,912,594	(6,739,568)	105.03	34,128,961	(19.75)
7/01/08	140,853,728	123,480,133	(17,373,595)	114.07	31,405,160	(55.32)
Police Pension Plan						
7/01/12	\$ 64,914,508	\$ 103,632,267	\$ 38,717,759	62.64 %	\$ 4,462,636	867.60 %
7/01/10	61,620,597	98,013,777	36,393,180	62.87	5,027,254	723.92
7/01/08	60,974,656	89,709,424	28,734,768	67.97	5,030,979	571.16
Firefighters' Pension Plan						
7/01/12	\$ 53,337,981	\$ 79,799,856	\$ 26,461,875	66.84 %	\$ 4,349,943	608.33 %
7/01/10	51,296,883	74,993,738	23,696,855	68.40	4,800,571	493.63
7/01/08	51,281,856	70,302,239	19,020,383	72.94	4,696,251	405.01

Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Employees' Retirement Plan</u>		<u>Police Pension Plan</u>		<u>Firefighters' Pension Plan</u>	
	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/13	\$ 2,038,150	100.9 %	\$ 4,066,540	100.0 %	\$ 2,643,414	100.0 %
6/30/12	1,898,009	100.4	4,028,938	100.0	2,620,905	100.0
6/30/11	479,981	102.0	3,683,113	100.0	2,441,615	100.0
6/30/10	354,382	102.3	3,646,850	100.0	2,419,234	100.0
6/30/09	764,137	100.0	3,556,861	100.0	2,464,361	100.0
6/30/08	649,414	101.6	3,509,801	100.0	2,435,594	100.0

B. Pension Plan - Money Purchase Pension Plan

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

Summary Plan Description

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

Employee Obligations

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

Employer Obligations

The City shall make a contribution in an amount equal to five percent (5%) of the Member's Compensation. With respect to employees other than employees of the Board of Education, effective the first pay period following the date the member has been credited with 10 years of Service, the amount of such City Contributions shall increase to six percent (6%) of the Member's Compensation. City Contributions shall be allocated as of the last day of each

week to a Member's City Contribution Account, provided that the member is employed on such date. Notwithstanding the foregoing, the City shall make a contribution on behalf of police officers hired on or after July 1, 2012 of three percent (3%) of the member's non-base pay, but excluding private duty pay. The amount of City Contributions at any time shall be reduced by the amount of forfeitures available at that time to be allocated to Member City Contribution Account. The City contributions shall be made at such times as it shall determine in its sole discretion.

Contribution Requirements/Contributions Made

The total City contribution during the year ended June 30, 2013 was \$98,038 and represented 5% of covered payroll. The employees' required contributions were \$120,295 and represented 6% of covered payroll.

C. Teachers' Retirement

All City teachers participate in the State of Connecticut Teacher's Retirement System, a cost sharing plan with a special funding situation, under Section 10.183 of the General Statutes of the State of Connecticut. This is a multiple employer PERS. A teacher is eligible to receive a normal retirement benefit if he or she has:

- Attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or;
- 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. Teacher payroll subject to retirement amounted to \$50,878,925.

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, 2013, the City has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of \$10,673,764 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.

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

Summary of Significant Accounting Policies

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

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

Plan Description

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

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

At July 1, 2012, plan membership consisted of the following:

	City			Board of Education		Total
	Police	Fire	Other	Teachers	Other	
Active employees	117	95	283	675	266	1,436
Retired employees*	66	72	176	137	96	547
Total Participants	183	167	459	812	362	1,983

* Counts do not include spouses of retirees

Funding Policy

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

City	3.00% of salary
Non-Teacher BOE	3.50% of salary
Police	2.00% of salary
Fire	2.00% of salary
Teachers	2.00% of salary

For the year ended June 30, 2013, plan members contributed \$3,047,211. The City is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the City in order to prefund benefits.

Employer contributions to the plan of \$5,726,019 were made in accordance with actuarially determined requirements.

Annual OPEB Cost and Net OPEB Obligations

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

	Retiree Health Plan
Annual required contribution (ARC)	\$ 7,694,428
Interest on net OPEB obligation	3,147,464
Adjustment to annual required contribution	<u>(3,235,468)</u>
Annual OPEB cost (expense)	7,606,424
Contributions made	<u>5,726,019</u>
Increase in net OPEB obligation	1,880,405
Net OPEB obligation, beginning of year	<u>39,343,294</u>
Net OPEB Obligation, End of Year	<u><u>\$ 41,223,699</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2013 is presented below.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/2013	\$ 7,606,424	\$ 5,726,019	75.28 %	\$ 41,223,699
6/30/2012	11,005,737	5,613,907	51.01	39,343,294
6/30/2011	10,984,963	3,351,825	30.51	33,951,464

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

compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL) Projected Unit Credit</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
Postemployment Healthcare Plan						
7/1/2012	\$ 10,416,198	\$ 80,957,206	\$ 70,541,008	12.9 %	\$ 95,772,885	73.7 %
7/1/2010	5,142,767	104,364,393	99,221,626	4.9	94,310,588	105.2
7/1/2008	3,622,326	102,478,635	98,856,309	3.5	105,582,188	93.6

Schedule of Employer Contributions

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2013	\$ 7,694,428	74.42 %
6/30/2012	11,081,681	50.66
6/30/2011	11,043,833	29.60

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

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include an 8.0% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual medical/dental cost trend rate is 10% initially, graded to 5% over 5 years. The annual dental cost trend rate is 5%. The general inflation assumption is 3%. Projected salary increases were not a factor in the calculation. The actuarial value of assets was determined using the market value method. The UAAL is being amortized as a level payments method on a closed basis. The remaining amortization period at July 1, 2012 was 30 years.

12. CONTINGENCIES AND COMMITMENTS

Contingent Liabilities

There are various suits and claims pending against the City, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the City's financial position. Management has estimated a liability of \$1,534,900 at June 30, 2013, which is recorded in the government-wide financial statements.

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

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

Construction Commitments

The government has active construction projects as of June 30, 2013. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Commitment</u>
Water Roof Evaluation/Repair/Replacement	\$ 28,240
Flood Control	132,300
City Parks Upgrades	343,851
Citywide Drainage	20,499
Hanover Elementary School Kindergarten Addition	560,547
Public Works Equipment	22,505
City Building Repair/Upgrade	17,888
City-Wide Road/Sidewalk Reconstruction	756,190
Maloney School Addition and Replacement	91,965,999
Platt School Addition and Replacement	1,317,599
WPCF - Collection Improvements	278,821
Upgrade/Replace Pump Stations	557,100
Lagoon Rehabilitation	77,551
Airport Hangers Evaluation	4,600
Public Safety Improvements/Equipment	1,268,158
Israel Putnam Roof Replacement	6,000
Landfill	112,717
Railroad Bridge	197,860
	<u>\$ 97,668,425</u>

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

(This page intentionally left blank)

Appendix B

Form of Opinion of Bond Counsel – The Lot A Bonds

(This page intentionally left blank)

ROBINSON & COLE LLP

280 Trumbull Street
Hartford, CT 06103-3597
Main (860) 275-8200
Fax (860) 275-8299

FORM OF OPINION OF BOND COUNSEL

September __, 2014

City of Meriden,
Meriden, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of Meriden, Connecticut (the "City"), a Tax Regulatory Agreement of the City, dated September __, 2014 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of \$50,305,000 City of Meriden, Connecticut Tax Exempt General Obligation Bonds, Issue of 2014, Lot A, dated September __, 2014 (the "Lot A Bonds"), maturing on March 1 in each of the years, in the principal amounts and bearing interest payable on September 1, 2015 and semiannually thereafter on March 1 and September 1 in each year until maturity or earlier redemption, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate Per Annum</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate Per Annum</u>
2016	\$2,000,000	%	2026	\$2,850,000	%
2017	2,200,000		2027	2,850,000	
2018	2,550,000		2028	2,850,000	
2019	2,550,000		2029	2,850,000	
2020	2,550,000		2030	2,850,000	
2021	2,550,000		2031	2,850,000	
2022	2,550,000		2032	2,850,000	
2023	2,550,000		2033	2,850,000	
2024	2,550,000		2034	2,855,000	
2025	2,600,000				

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

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

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

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Lot A Bonds under authority of the Constitution and General Statutes of Connecticut and that the Lot A Bonds are a valid general obligation of the City the principal of and interest on which is payable from ad valorem taxes

which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the City.

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

In our opinion, under existing statutes and court decisions, interest on the Lot A Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Lot A Bonds is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Lot A Bonds.

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

We are further of the opinion that, under existing statutes, interest on the Lot A Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Lot A Bonds.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Lot A Bonds, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Lot A Bonds will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Lot A Bonds or adversely affect the market price of the Lot A Bonds.

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

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

Very truly yours,

ROBINSON & COLE LLP

Appendix C

Form of Opinion of Bond Counsel – The Lot B Bonds

(This page intentionally left blank)

ROBINSON & COLE LLP

280 Trumbull Street
Hartford, CT 06103-3597
Main (860) 275-8200
Fax (860) 275-8299

FORM OF OPINION OF BOND COUNSEL

September __, 2014

City of Meriden,
Meriden, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of Meriden, Connecticut (the “City”) and other proofs submitted to us relative to the issuance and sale of \$3,494,000 City of Meriden, Connecticut Taxable General Obligation Bonds, Issue of 2014, Lot B, dated September __, 2014 (the “Lot B Bonds”), maturing on March 1 in each of the years, in the principal amounts and bearing interest payable on September 1, 2015 and semiannually thereafter on March 1 and September 1 in each year until maturity, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate Per Annum</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate Per Annum</u>
2015	\$374,000	%	2020	\$390,000	%
2016	390,000		2021	390,000	
2017	390,000		2022	390,000	
2018	390,000		2023	390,000	
2019	390,000		2024	390,000	

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

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

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

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

In our opinion, under existing law, interest on the Lot B Bonds is included in gross income for federal income tax purposes. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Lot B Bonds.

We are further of the opinion that, under existing statutes, interest on the Lot B Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding any other State or local tax consequences caused by the ownership or disposition of the Lot B Bonds.

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

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

Very truly yours,

ROBINSON & COLE LLP

Appendix D

Form of Continuing Disclosure Agreement – The Lot A Bonds

(This page intentionally left blank)

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

City of Meriden, Connecticut
\$50,305,000 Tax Exempt General Obligation Bonds, Issue of 2014, Lot A
dated September __, 2014

September __, 2014

WHEREAS, the City of Meriden, Connecticut (the "City") has heretofore authorized the issuance of \$50,305,000 in aggregate principal amount of its Tax Exempt General Obligation Bonds, Issue of 2014, Lot A, dated September __, 2014 (the "Bonds"), and to mature on the dates and in the amounts and set forth in the City's Official Statement dated August __, 2014 describing the Lot A Bonds (the "Official Statement"); and

WHEREAS, the Lot A Bonds have been sold by a competitive bid pursuant to a Notice of Sale, dated August 18, 2014 (the "Notice of Sale"); and

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

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

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

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

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

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

"Fiscal Year End" shall mean the last day of the City's fiscal year, currently June 30.

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

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

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

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

Section 2. Annual Reports.

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

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

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

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

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

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

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

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

(F) the total direct debt, total net direct debt and total overall net debt of the City per capita;

(G) the ratios of total direct debt and total overall net debt of the City to the City's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the City's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the City's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the City which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the City reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the City agrees that any such modification will be done in a manner consistent with the Rule. The City also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The City shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Lot A Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Lot A Bonds is not contained in the Official Statement for the Lot A Bonds or has not otherwise been previously provided, the City shall provide such financial information and operating data no later than eight months after the close of such preceding Fiscal Year End. The City agrees that if audited financial

statements are not available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. The City agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Lot A Bonds, or other material events affecting the tax status of the Lot A Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Lot A Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material.

Section 5. Notice of Failure. The City agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the City to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The City's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Lot A Bonds.

Section 7. Agent. The City may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the City may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the City, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Lot A Bonds and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the City chooses to include any other information in any Annual Report or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include or provide such information or notice of the occurrence of such event in the future.

Section 10. Indemnification. The City agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the City under this Section shall survive termination of this Agreement.

Section 11. Enforceability. The City agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Lot A Bonds. In the event the City shall fail to perform its duties hereunder, the City shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Lot A Bonds of such failure. In the event the City does not cure such failure, the right of any beneficial owner of the Lot A Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the City's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the City with respect to the Lot A Bonds.

IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

CITY OF MERIDEN, CONNECTICUT

By: _____
Lawrence J. Kendzior
City Manager

By: _____
Michael Lupkas
Director of Finance/City Treasurer

Appendix E

Form of Continuing Disclosure Agreement – The Lot B Bonds

(This page intentionally left blank)

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

City of Meriden, Connecticut
\$3,494,000 Taxable General Obligation Bonds,
Issue of 2014, Lot B
dated September __, 2014

September __, 2014

WHEREAS, the City of Meriden, Connecticut (the "City") has heretofore authorized the issuance of \$3,494,000 in aggregate principal amount of its Taxable General Obligation Bonds, Issue of 2014, Lot B, dated September __, 2014 (the "Bonds"), and to mature on the dates and in the amounts and set forth in the City's Official Statement dated August __, 2014 describing the Lot B Bonds (the "Official Statement"); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale, dated August 18, 2014 (the "Notice of Sale"); and

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

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

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

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

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

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

"Fiscal Year End" shall mean the last day of the City's fiscal year, currently June 30.

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

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

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

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

Section 2. Annual Reports.

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

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

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

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

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

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

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

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

(F) the total direct debt, total net direct debt and total overall net debt of the City per capita;

(G) the ratios of total direct debt and total overall net debt of the City to the City's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the City's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the City's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the City which will be available from the MSRB.

(c) Subject to the requirements of Section 8 hereof, the City reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the City agrees that any such modification will be done in a manner consistent with the Rule. The City also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The City shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been

previously provided, the City shall provide such financial information and operating data no later than eight months after the close of such preceding Fiscal Year End. The City agrees that if audited financial statements are not available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. The City agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material.

Section 5. Notice of Failure. The City agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the City to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

Section 6. Termination of Reporting Obligation. The City's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The City may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the City may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the City, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) this Agreement, as so amended, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the Repository in electronic format. The Annual Report provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information or operating data provided.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the City chooses to include any other information in any Annual Report or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include or provide such information or notice of the occurrence of such event in the future.

Section 10. Indemnification. The City agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the City under this Section shall survive termination of this Agreement.

Section 11. Enforceability. The City agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the City shall fail to perform its duties hereunder, the City shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the City does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the City's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the City with respect to the Bonds.

IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

CITY OF MERIDEN, CONNECTICUT

By: _____
Lawrence J. Kendzior
City Manager

By: _____
Michael Lupkas
Director of Finance/City Treasurer

Appendix F

Notice of Sale – The Lot A Bonds

(This page intentionally left blank)

NOTICE OF SALE
\$50,305,000
CITY OF MERIDEN, CONNECTICUT
TAX EXEMPT GENERAL OBLIGATION BONDS,
ISSUE OF 2014, LOT A

Notice is given that all-or-none bids will be received by the City of Meriden, Connecticut (the “City”), for the purchase of \$50,305,000 City of Meriden, Connecticut Tax Exempt General Obligation Bonds, Issue of 2014, Lot A (the “Lot A Bonds”). All bids must be submitted on Grant Street Group’s MuniAuction website (“MuniAuction”) located at website address “www.grantstreet.com” between 11:15 A.M. and 11:30 A.M. (E.D.T.), except for extension as described under “Electronic Bid Procedure” in this official Notice of Sale on Tuesday,

AUGUST 26, 2014

To bid, bidders must have: (1) completed the registration form on either the MuniAuction website or any municipal debt auction website powered by MuniAuction, and (2) requested and received admission to the City’s auction (as described under “Electronic Bid Procedure - Registration and Admission to Bid” below). The use of MuniAuction shall be at the bidders’ risk and expense, and the City shall have no liability with respect to its use by the bidders. **No other method of submitting bids will be accepted.**

The City reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through MuniAuction. Prospective bidders are advised to check for such MuniAuction postings prior to the above stated sale time.

The Lot A Bonds

The Lot A Bonds will be dated September 8, 2014, mature in the principal amounts of \$2,000,000 on March 1, 2016, \$2,200,000 on March 1, 2017, \$2,550,000 in each of the years 2018-2024, both inclusive, \$2,600,000 on March 1, 2025, \$2,850,000 on March 1 in each of the years 2026-2033, both inclusive, and \$2,855,000 on March 1, 2034 bear interest payable on September 1, 2015 and semiannually thereafter on March 1 and September 1 in each year until maturity, or earlier redemption, as further described in the Preliminary Official Statement for the Lot A Bonds dated August 18, 2014 (the “Preliminary Official Statement”).

The Lot A bonds maturing on or before March 1, 2022 are not subject to redemption prior to maturity. The Lot A Bonds maturing on March 1, 2023 and thereafter are subject to redemption prior to maturity, at the election of the City, on and after March 1, 2022, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the respective price (expressed as percentages of the principal amounts of Lot A Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
March 1, 2022 and thereafter	100%

The Lot A Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Lot A Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York

("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Lot A Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Lot A Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Lot A Bonds will be payable by the City or its agent in same-day funds to DTC or its nominee as registered owner of the Lot A Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Nature of Obligation

The Lot A Bonds will be general obligations of the City payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

The Lot A Bonds shall NOT be designated by the City as qualified tax exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes of the deduction by financial institutions for interest expense allocable to the Lot A Bonds.

Electronic Bid Procedure

Registration and Admission to Bid

To bid, bidders must first visit the MuniAuction website at "www.grantstreet.com" where, if they have never registered with either MuniAuction or any municipal debt auction website powered by MuniAuction, they can register and then request admission to bid in the all-or-none auction for the Lot A Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only NASD registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who had previously registered with MuniAuction may call MuniAuction at (412) 391-5555 for their ID number or password. The City will determine whether any request for admission is granted.

Bidding Procedures

All bids must be submitted electronically on the MuniAuction website at "www.grantstreet.com". No telephone, telefax, telegraph or personal delivery bids will be accepted. Bidders may change and submit bids as many times as they wish during the auction; provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost on the Lot A Bonds ("TIC") when compared to the immediately preceding bid of such bidder. The last bid submitted by a bidder before the end of the auction (as the same may be extended, as described below) will be compared to all other final bids submitted by others to determine the winning bidder. During the bidding, no bidder will see any other bidder's bid but each bidder will be able to see its ranking (i.e., "Leader", "Cover", "3rd", etc.).

If any bid becomes a leading bid within two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such new leading bid was received by MuniAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two (2) minutes.

Bidders should verify the accuracy of their final bids and compare them to the winning bid reported on the MuniAuction Observation Page immediately after the auction.

Rules of MuniAuction

The “Rules of MuniAuction” can be viewed on the MuniAuction website at “www.grantstreet.com” and are incorporated by reference in this official Notice of Sale. Bidders must comply with the Rules of MuniAuction in addition to the requirements of this official Notice of Sale. In the event the Rules of MuniAuction conflict with this official Notice of Sale, this official Notice of Sale shall prevail.

A bidder submitting a winning bid is irrevocably obligated to purchase the Lot A Bonds at the rates and prices of the winning bid, if acceptable to the City, as set forth in this Notice of Sale. Winning bids are not officially awarded to the Bidder until formally accepted by the City.

Neither the City, its Bond Counsel nor MuniAuction is responsible for technical difficulties that result in the loss of a bidder’s internet connection with MuniAuction, slowness in transmission of bids, or other technical problems. If for any reason a bidder is disconnected from MuniAuction’s auction page during the auction after having submitted a winning bid, such Bid is valid and binding upon the bidder, unless the City exercises its right to reject bids, as set forth in this Notice of Sale. Bids that generate error messages are not accepted until the error is corrected and the bid is received prior to the deadline.

Bidders accept and agree to abide by all terms and conditions specified in this Notice of Sale (including amendments, if any) related to each auction. Neither the City, its Bond Counsel nor MuniAuction is responsible to any bidder for any defect or inaccuracy in this Notice of Sale, amendments, or the Preliminary Official Statement for the Lot A Bonds as they appear on MuniAuction.

Only bidders who request and receive admission to an auction may submit Bids. The City, its Bond Counsel and MuniAuction reserve the right to deny access to MuniAuction to any bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion. Neither the City, its Bond Counsel nor MuniAuction is responsible for protecting the confidentiality of a bidder’s MuniAuction password.

If two (2) bids are submitted in the auction by the same or two or more different bidders and result in the same TIC, the first confirmed bid received by MuniAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in TIC. Bidders must compare their final bids to those shown on the observation pages immediately after the bidding time period ends, and if they disagree with the final results shown on the observation pages they must report them to MuniAuction within fifteen (15) minutes after the bidding time period ends. Regardless of the final results reported by MuniAuction, the Lot A Bonds are definitively awarded to winning bidders only upon official award by the City. If, for any reason, the City fails to: (i) award the Lot A Bonds to the winning bidder reported by MuniAuction, or (ii) deliver the Lot A Bonds to the winning bidders at settlement, neither the City’s Bond Counsel nor MuniAuction will be liable for damages.

Bid Specifications

Each bid must be for the entire \$50,305,000 of Lot A Bonds and must specify the amount bid for the Lot A Bonds and rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum, provided such bid shall not state (a) more than one interest rate for any Lot A Bonds having like maturity, or (b) any interest rate for any Lot A Bonds which exceeds the interest rate stated in the proposal for any other Lot A Bonds by more than three percent (3%). Interest shall be computed on the basis of twelve 30 day months and a 360 day year. No bid for less than all of the Lot A Bonds or for less than par and accrued interest will be considered. The right is reserved to reject any and all proposals and to waive any irregularity or informality with respect to any proposal. Unless all bids are rejected, the Lot A Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

Basis of Award

For the purpose of determining the successful bidder, the true interest cost to the City will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Lot A Bonds to September 8, 2014, the date of the Lot A Bonds, results in an amount equal to the purchase price for the Lot A Bonds. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost computed and rounded to four decimal places. Such statement shall not be considered as a part of the proposal. The Lot A Bonds will be awarded or all bids will be rejected promptly after the bid opening and not later than 4:00 P.M. (E.D.T.) on August 26, 2014. The purchase price must be paid in Federal funds.

The City reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. 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.

Closing Documents and Legal Opinion

The Lot A Bonds will be certified by U.S. Bank National Association, in Hartford, Connecticut. An opinion regarding the legality of the Lot A Bonds will be rendered by Robinson & Cole LLP, Bond Counsel, and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the Official Statement prepared for this sale, a certificate signed by the appropriate officials of the City relating to the accuracy and completeness of information contained in the Official Statement, and an executed continuing disclosure agreement.

The legal opinion will further state that, under existing statutes and court decisions (i) interest on the Lot A Bonds is excluded from gross income for Federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the Federal alternative minimum tax; but is, however, includable in the alternative minimum tax imposed on certain corporations, (iii) under existing statutes, interest on the Lot A Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay Federal alternative minimum tax. In rendering the legal opinion, Robinson & Cole LLP will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the City for the benefit of the owners of the Lot A Bonds, and further, will assume compliance by the City with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Lot A Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank National Association, in Hartford, Connecticut, and will be available for examination upon request.

Settlement of the Lot A Bonds

It shall be the responsibility of the winning bidder to certify to the City before delivery of the Lot A Bonds the prices at which a substantial amount of the Lot A Bonds of each maturity were initially offered and sold to the public.

The Lot A Bonds will be delivered to DTC in New York City on or about September 8, 2014. The deposit of the Lot A Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Lot A Bonds prior to delivery, and the City will not be responsible for any delay occasioned by the inability to deposit the Lot A Bonds with DTC due to the failure of the winning bidder to obtain such numbers and to supply them to the City in a timely manner. The City assumes no responsibility for any CUSIP Service

Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

For more information regarding this issue and the City, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement dated August 18, 2014 may be accessed on the Grant Street Group's MuniAuction website at www.grantstreet.com. The Preliminary Official Statement is in a form "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 150 copies of the final Official Statement at the City's expense. Additional copies may be obtained by a winning bidder at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the City's financial advisor. If the City's financial advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Lot A Bonds.

Continuing Disclosure

The City will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("SEC"), to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) notice of the occurrence of certain events within 10 days of the occurrence of such events; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Lot A Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Lot A Bonds, an executed copy of the Continuing Disclosure Agreement for the Lot A Bonds.

Additional Information

For more information regarding the Lot A Bonds and the City, reference is made to the Preliminary Official Statement. Bid forms and copies of the Preliminary Official Statement may be obtained from the undersigned, or from Matthew Spoerndle, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460, telephone: (203) 878-4945.

LAWRENCE J. KENDZIOR
City Manager

MICHAEL LUPKAS
City Treasurer

August 18, 2014

(This page intentionally left blank)

Appendix G

Notice of Sale – The Lot B Bonds

(This page intentionally left blank)

NOTICE OF SALE
\$3,494,000
CITY OF MERIDEN, CONNECTICUT
TAXABLE GENERAL OBLIGATION BONDS
ISSUE OF 2014, LOT B

Notice is given that all-or-none bids will be received by the City of Meriden, Connecticut (the "City"), for the purchase of \$3,494,000 City of Meriden, Connecticut Taxable General Obligation Bonds, Issue of 2014, Lot B (the "Lot B Bonds"). All bids must be submitted on Grant Street Group's MuniAuction website ("MuniAuction") located at website address "www.grantstreet.com" between 11:45 A.M. and 12:00 Noon (E.D.T), as described under "Electronic Bid Procedure" in this official Notice of Sale on Tuesday,

AUGUST 26, 2014

To bid, bidders must have: (1) completed the registration form on either the MuniAuction website or any municipal debt auction website powered by MuniAuction, and (2) requested and received admission to the City's auction (as described under "Electronic Bid Procedure - Registration and Admission to Bid" below). The use of MuniAuction shall be at the bidders' risk and expense, and the City shall have no liability with respect to its use by the bidders. **No other method of submitting bids will be accepted.**

The City reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through MuniAuction. Prospective bidders are advised to check for such MuniAuction postings prior to the above stated sale time.

The Lot B Bonds

The Lot B Bonds will be dated September 8, 2014, mature \$374,000 on March 1, 2016 and \$390,000 on March 1 in each of the years 2017-2024, both inclusive, bear interest payable on September 1, 2015 and semiannually thereafter on March 1 and September 1 in each year until maturity. The Lot B Bonds are not subject to redemption prior to maturity.

The Lot B Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Lot B Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Lot B Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Lot B Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Lot B Bonds will be payable by the City or its agent in same-day funds to DTC or its nominee as registered owner of the Lot B Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Nature of Obligation

The Lot B Bonds will be general obligations of the City payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

The Lot B Bonds shall NOT be designated by the City as qualified tax exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes of the deduction by financial institutions for interest expense allocable to the Lot B Bonds.

Electronic Bid Procedure

Registration and Admission to Bid

To bid, bidders must first visit the MuniAuction website at "www.grantstreet.com" where, if they have never registered with either MuniAuction or any municipal debt auction website powered by MuniAuction, they can register and then request admission to bid in the all-or-none auction for the Lot B Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only NASD registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who had previously registered with MuniAuction may call MuniAuction at (412) 391-5555 for their ID number or password. The City will determine whether any request for admission is granted.

Bidding Procedures

All bids must be submitted electronically on the MuniAuction website at "www.grantstreet.com". No telephone, telefax, telegraph or personal delivery bids will be accepted. Bidders may change and submit bids as many times as they wish during the auction; provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost on the Lot B Bonds ("TIC") when compared to the immediately preceding bid of such bidder. The last bid submitted by a bidder before the end of the auction will be compared to all other final bids submitted by others to determine the winning bidder. The auction will not be extended for any reason.

Bidders should verify the accuracy of their final bids and compare them to the winning bid reported on the MuniAuction Observation Page immediately after the auction.

Rules of MuniAuction

The "Rules of MuniAuction" can be viewed on the MuniAuction website at "www.grantstreet.com" and are incorporated by reference in this official Notice of Sale. Bidders must comply with the Rules of MuniAuction in addition to the requirements of this official Notice of Sale. In the event the Rules of MuniAuction conflict with this official Notice of Sale, this official Notice of Sale shall prevail.

A bidder submitting a winning bid is irrevocably obligated to purchase the Lot B Bonds at the rates and prices of the winning bid, if acceptable to the City, as set forth in this Notice of Sale. Winning bids are not officially awarded to the Bidder until formally accepted by the City.

Neither the City, its Bond Counsel nor MuniAuction is responsible for technical difficulties that result in the loss of a bidder's internet connection with MuniAuction, slowness in transmission of bids, or other technical problems. If for any reason a bidder is disconnected from MuniAuction's auction page during the auction after having submitted a winning bid, such Bid is valid and binding upon the bidder,

unless the City exercises its right to reject bids, as set forth in this Notice of Sale. Bids that generate error messages are not accepted until the error is corrected and the bid is received prior to the deadline.

Bidders accept and agree to abide by all terms and conditions specified in this Notice of Sale (including amendments, if any) related to each auction. Neither the City, its Bond Counsel nor MuniAuction is responsible to any bidder for any defect or inaccuracy in this Notice of Sale, amendments, or the Preliminary Official Statement for the Lot B Bonds as they appear on MuniAuction.

Only bidders who request and receive admission to an auction may submit Bids. The City, its Bond Counsel and MuniAuction reserve the right to deny access to MuniAuction to any bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion. Neither the City, its Bond Counsel nor MuniAuction is responsible for protecting the confidentiality of a bidder's MuniAuction password.

If two (2) bids are submitted in the auction by the same or two or more different bidders and result in the same TIC, the first confirmed bid received by MuniAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in TIC. Bidders must compare their final bids to those shown on the observation pages immediately after the bidding time period ends, and if they disagree with the final results shown on the observation pages they must report them to MuniAuction within fifteen (15) minutes after the bidding time period ends. Regardless of the final results reported by MuniAuction, the Lot B Bonds are definitively awarded to winning bidders only upon official award by the City. If, for any reason, the City fails to: (i) award the Lot B Bonds to the winning bidder reported by MuniAuction, or (ii) deliver the Lot B Bonds to the winning bidders at settlement, neither the City's Bond Counsel nor MuniAuction will be liable for damages.

Bid Specifications

Each bid must be for the entire \$3,494,000 of Lot B Bonds and must specify the amount bid for the Lot B Bonds and rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum, provided such bid shall not state (a) more than one interest rate for any Lot B Bonds having like maturity, or (b) any interest rate for any Lot B Bonds which exceeds the interest rate stated in the proposal for any other Lot B Bonds by more than three percent (3%). Interest shall be computed on the basis of twelve 30 day months and a 360 day year. No bid for less than all of the Lot B Bonds or for less than par and accrued interest will be considered. The right is reserved to reject any and all proposals and to waive any irregularity or informality with respect to any proposal. Unless all bids are rejected, the Lot B Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

Basis of Award

For the purpose of determining the successful bidder, the true interest cost to the City will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Lot B Bonds to September 8, 2014, the date of the Lot B Bonds, results in an amount equal to the purchase price for the Lot B Bonds. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost computed and rounded to four decimal places. Such statement shall not be considered as a part of the proposal. The Lot B Bonds will be awarded or all bids will be rejected promptly after the bid opening and not later than 4:00 P.M. (E.D.T.) on August 26, 2014. The purchase price must be paid in Federal funds.

The City reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. 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.

Closing Documents and Legal Opinion

The Lot B Bonds will be certified by U.S. Bank National Association, in Hartford, Connecticut. An opinion regarding the legality of the Lot B Bonds will be rendered by Robinson & Cole LLP, Bond Counsel, and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the Official Statement prepared for this sale, a certificate signed by the appropriate officials of the City relating to the accuracy and completeness of information contained in the Official Statement, and an executed continuing disclosure agreement.

The legal opinion will further state that, under existing statutes and court decisions (i) interest on the Lot B Bonds is included in gross income for Federal income tax purposes, (ii) interest on the Lot B Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iii) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay Federal alternative minimum tax.

Settlement of the Lot B Bonds

It shall be the responsibility of the winning bidder to certify to the City before delivery of the Lot B Bonds the prices at which a substantial amount of the Lot B Bonds of each maturity were initially offered and sold to the public.

The Lot B Bonds will be delivered to DTC in New York City on or about September 8, 2014. The deposit of the Lot B Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Lot B Bonds prior to delivery, and the City will not be responsible for any delay occasioned by the inability to deposit the Lot B Bonds with DTC due to the failure of the winning bidder to obtain such numbers and to supply them to the City in a timely manner. The City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

For more information regarding this issue and the City, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement dated August 18, 2014 may be accessed on the Grant Street Group's MuniAuction website at www.grantstreet.com. The Preliminary Official Statement is in a form "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 150 copies of the final Official Statement at the City's expense. Additional copies may be obtained by a winning bidder at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the City's financial advisor. If the City's financial advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Lot B Bonds.

Continuing Disclosure

The City will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission ("SEC"), to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) notice of the occurrence of certain events within 10 days of the occurrence of such events; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Lot B Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Lot B Bonds, an executed copy of the Continuing Disclosure Agreement for the Lot B Bonds.

Additional Information

For more information regarding the Lot B Bonds and the City, reference is made to the Preliminary Official Statement. Bid forms and copies of the Preliminary Official Statement may be obtained from the undersigned, or from Matthew Spoerndle, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460, telephone: (203) 878-4945.

LAWRENCE J. KENDZIOR
City Manager

MICHAEL LUPKAS
City Treasurer

August 18, 2014

(This page intentionally left blank)