

# **CITY OF MERIDEN CONNECTICUT**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2020**

**CITY OF MERIDEN, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**DEPARTMENT OF FINANCE  
KEVIN McNABOLA, MBA/MPA  
CHIEF FINANCIAL OFFICER**

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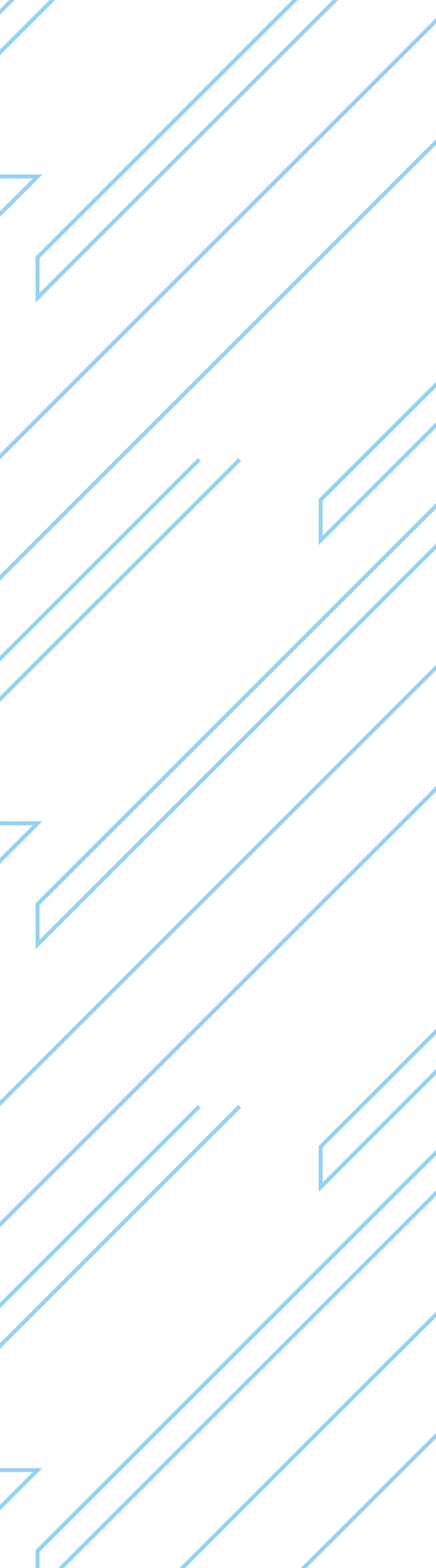
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## **Introductory Section**



FINANCE DEPARTMENT  
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MERIDEN, CONNECTICUT 06450-8022

December 10, 2020

To the Honorable Mayor, Members of the City Council,  
and Citizens of the City of Meriden:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Blum, Shapiro & Company, P.C., Certified Public Accountants, have issued an unmodified opinion of the City of Meriden's financial statements for the year ended June 30, 2020. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE GOVERNMENT**

### *Description of the Municipality*

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, had a population of 60,841 in 2019. Meriden is located midway between the cities of Hartford and New Haven within New Haven County at the crossroads of Interstate 91, Interstate 691, State Rt.15 (Wilbur Cross Parkway) and U.S. Rt. 5. Interstate 691 links Interstate 91 and Interstate 84.

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 major mall, the largest municipal park in Connecticut (Hubbard Park) and prominent natural scenic ridge top areas. There is local transit service, Amtrak, the Hartford Line, and interstate buses all provide passenger transportation connecting the City to major metropolitan centers. Freight service is provided by Conrail and a number of trucking companies. The 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, industrial equipment, lighting fixtures, metal alloys, auto parts and video/data transmission equipment.

*Form of Government*

The City of Meriden 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 Council may, by resolution, regulate the internal operation of boards, commissions and offices, which it fills by appointment. The citizens elect the City Council and Mayor. The City Council appoints the City Manager.

The City Manager is directly responsible to the 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 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 is the fiscal officer of the City and is responsible for the operation and supervision of the Department of Finance.

**ECONOMIC CONDITIONS AND DEVELOPMENT**

Meriden’s development points to a stable, slowly growing economy. The average annual growth rate for approved commercial/industrial site plan development is 95,529 square feet. This is the growth rate of land use approvals of applications in the three most recent fiscal years (2018, 2019 and 2020).

**SITE PLAN DEVELOPMENT PROJECTS APPROVED BY PLANNING COMMISSION / DIRECTOR IN FISCAL YEARS 2017-2020**

<b>TYPE OF USE/BUSINESS</b>	<b>FY2017 BUILDING SQ. FT.</b>	<b>FY2018 BUILDING SQ. FT.</b>	<b>FY2019 BUILDING SQ. FT.</b>	<b>FY2020 BUILDING SQ. FT.</b>	<b>TOTAL 2017-2020 SQ. FT.</b>
Commercial Office/Service	3,600	10,000	55,177	56,435	125,212
Commercial Retail	12,790	11,829	10,003	350	34,972
Industrial/Light Industrial	45,000	22,000	116,188	5,400	188,588



<b>TOTAL COMMERCIAL/INDUSTRIAL</b>	<b>61,390</b>	<b>43,829</b>	<b>181,368</b>	<b>62,185</b>	<b>348,772</b>
Institutional	13,050	3,290	18,162	21,832	<b>56,334</b>
<b>TOTAL NON-RESIDENTIAL</b>	<b>74,440</b>	<b>47,119</b>	<b>199,530</b>	<b>84,017</b>	<b>405,106</b>
	<b>2017 UNITS</b>	<b>2018 UNITS</b>	<b>2019 UNITS</b>	<b>2020 UNITS</b>	
Multi-Family Residential	42	111	4	112	<b>269</b>

Approved residential development has increased recently and a large mixed-use project is nearing completion. Constructed residential units are indicated below.

**RESIDENTIAL NEW CONSTRUCTION PERMITS ISSUED AND CONSTRUCTION BEGUN IN FY 2017-2020**

<b>TYPE</b>	<b>FY2017 UNITS</b>	<b>FY2018 UNITS</b>	<b>FY2019 UNITS</b>	<b>FY2020 UNITS</b>	<b>FY2017-2020 UNITS</b>
Multi-Family Residential (Building Dept. does not track Multi-Family permits separately)	0	0	0	0	
Single Family Residential	6	10	7	5	
<b>TOTAL RESIDENTIAL</b>	<b>6</b>	<b>10</b>	<b>7</b>	<b>5</b>	<b>28</b>

**COMPREHENSIVE PLANNING**

The City is actively implementing its long term Plan of Conservation & Development (“POCD”). The Plan addressed the following aspects of City function:

1. Land Use
2. Economic Development
3. Open Space
4. Housing
5. Infrastructure
6. Quality of Life, etc.

The Plan includes the following vision statement as the guiding objective of the Plan:

*“There will be a diversity of cultures in Meriden’s slowly growing population; a learning, working citizenry that shop and convene together in places like an expanded and rejuvenated downtown, where residents and employees can enjoy a pleasing stroll between the historic downtown and the new City Center, and visitors to the mall can continue to the downtown and Hubbard Park for seasonal activities and festivals. There will be a balanced range of housing with a prideful majority of homeownership including a larger segment of higher value single detached homes. Condominiums and apartments will be located near convenient services; their overall quality will be improved as declining structures are renovated or removed. The City will be fiscally stable as neighborhoods and developed areas like Research Parkway retain their value and new development adequately contributes to quality services and infrastructure.”*

The Planning Department is currently updating the long term Plan of Conservation & Development (“POCD”) and it is expected to be completed in 2020. The City is actively implementing its previous 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.

### **TRANSIT ORIENTED DEVELOPMENT (“TOD”)**

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.



*1 Meriden Transit Center*



*2 Meriden Commons 161 State Street*

The Transit-Oriented Development (“TOD”) Plan is being implemented on several fronts. First, the Meriden Green park and flood control plan was completed in 2016 and is open for public use. Three acres of the Meriden Green site is set aside for future economic development.

The Meriden Transit Center, a \$20 million multi-modal facility owned and operated by the Connecticut Department of Transportation, was substantially completed in 2017 and formally opened for service in April 2018. The new station includes a commuter parking garage, surface parking lot, and a new rail station with a pedestrian up and over, and extended platforms. The improvements support public transit bus service, Amtrak service, and new commuter rail service, known as the “Hartford Line”, to New Haven and Hartford that commenced in June 2018. Two new mixed-use private developments, including a 63-unit mixed-use development at 24 Colony Street and a 75-unit mixed-use development at 161 State Street are completed. Two additional mixed-use developments totaling 157 housing units are fully funded, permitted, and are in the construction stage. Additional information can be found on the website <http://www.meriden2020.com/Downtown-Redevelopment/mixed-use-development-projects/>.

Just outside of downtown, the City advanced redevelopment plans for the former Meriden Wallingford hospital site that includes a 245,000 square foot building occupying two city blocks, a former parking garage, and land totaling 5.64 acres. Just to the east of the former hospital site is 116 Cook Avenue, a 73,000 square foot former medical office building on 10 acres that includes the former Insilco Factory H site. The City selected a master developer for both sites through a competitive bid process in 2017. Site Cleanup funds have been awarded by the State of Connecticut. This project had commenced in 2018. The project’s cleanup will be substantially completed by the end of 2019.

#### **NEIGHBORHOOD PLANNING:**

The City continued its efforts to ensure the preservation and the improvement of the quality of life in our distinct and historical neighborhoods. The preservation effort is primarily addressed through the Neighborhood Code Enforcement Walk. This continuing program includes six inner core neighborhoods covering 525 acres and 20 miles of street. Code violations reviewed include building, zoning, housing and health codes. More specifically, the major issues addressed are painting, drainage, overgrown grass, garbage and debris, abandoned vehicles, illegal apartments, etc.

#### **ENVIRONMENTAL PLANNING**

The City has continued to make progress with environmental cleanup of two important, centrally located sites:

1. Factory “H” - which is located on Cook Avenue at the southerly entrance to the Transit-Oriented Development zoning district.

Demolition of the obsolete Factory “H” structures was completed in the summer of 2012.

2. Meriden Green - The site is across from the transit center. Meriden is a designated stop on the planned New Haven-Hartford-Springfield rail service. The park project was completed in July of 2016.

3. 177 State Street - cleanup of the site was completed in the spring of 2017 in advance of construction of the Meriden Commons development. The City transferred the site to the Meriden Housing Authority in 2017 to develop a two-phase mixed-use development and the demolition of the Mills public housing project. Transfer of the adjacent parcel, 62 Cedar Street, was completed in 2018 to facilitate a second phase of the Meriden Commons development project. Meriden Commons II was completed in 2020.

4. 11 Crown Street - demolition of the site and soil cleanup was substantially completed in 2018. The City has collaborated with a private developer to construct an 81-unit mixed-use development on the site in 2018-2019. Construction of this development was completed by the Spring of 2020.

## C. 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. This requires going out into the community, meeting with businesses, recruiting businesses, and fostering relationships in the community and throughout the state.

### Incentive Programs

The office of Economic Development manages the City's business incentive programs that are designed to assist businesses that locate or expand in Meriden. A more detailed description of the available incentive programs can be found on found at <http://www.meridenbiz.com/incentives/>

The incentives include:

- **Meriden's Enterprise Zone ("EZ") State Incentives / State Urban Jobs M-55 Program:** 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.
  - During FY 2019-2020, the City approved three applicants for personal property and four applicants for real estate.
- **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.
  - During FY 2019-20, the City approved three applications for personal property and one application for real estate.
- **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.
- **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 may also receive personal property tax abatements.
  - During FY 2019-2020, the City approved one IT Zone application for personal property.
- **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. One loan is current and one additional loan has been approved. Seven loans have been paid back in full. The program supports the expansion and retention of the City's manufacturing base. This program also offers a relocation incentive up to \$15,000 per business for companies relocating to Meriden.

- **Commercial Property Assessed Clean Energy (“C-PACE”)**: A State of Connecticut Energy 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 two property owners are participating in the C-PACE program.

### **East Main Street Incentive**

In 2015, the City adopted the East Main Street Incentive to encourage private investment in underutilized and vacant properties, increase traffic to existing businesses, and improve the economic vitality of Meriden’s east side. The incentive provides tax abatements related to the improvement of underutilized and vacant properties zoned commercial and located along East Main Street from Bee Street to the Middlefield town line. Several new commercial/retail developments have taken advantage of this incentive including Family Dollar (1324 East Main Street), JD Byrider (1187 East Main Street), Taino’s Smokehouse (1388 East Main Street) and Huxley’s restaurant (1376 East Main Street 1336 East Main Streets, Sunrise Commons).

FY.2020, the city renewed and expanded the East Main Street to include Research Parkway, to the Wallingford town line, including Pomeroy Avenue. Portions of Ives Avenue, Corporate Court, Pondview Drive, Deerfield Lane.

### **West Main Street Incentive**

In 2020, the city adopted the West main Street Incentive to encourage private investment in underutilized and vacant properties, increase traffic to existing businesses along West Main Street, Colony Street, and North & South Colony Street, and all properties within the Adaptive Reuse Overlay Zone, to improve the economic vitality of Meriden’s sites. The property or equipment must be or will be located on West Main Street, from Colony intersection to Smithfield Avenue. North Colony from the Berlin Town Line, through Colony Street, to South Colony, to the Wallingford Town line. All properties must be commercially zoned in C1, C2,C3,and C4, or M1, M2,and M3.

### **Brownfields Redevelopment**

Meriden is engaged in a long-term commitment to assess and clean up brownfield sites in the community and return them to active reuse. Since 1992, the City has evaluated 23 brownfield sites totaling over 36 acres of land. The cleanup of 11 sites has been completed or is ongoing. Since 2002, the City has leveraged over \$30 million for assessment, cleanup, and remediation activities of those sites. These grants have supported the creation of more available land for housing and commercial development.

### **Marketing and Outreach**

Meriden is in its 16th year of a marketing campaign focusing on business retention and business development. The “Meriden 2020: Bringing It/Together” campaign was launched in 2015 to include electronic and print media campaigns allowing the City to update and maintain online communications, including meridenbiz.com and meriden2020.com websites and to develop and implement a marketing plan for the use of the 2,000 hours/year of electronic billboard space.

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 and 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, 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:

- 300 Research Parkway - Plimpton Hills. Repurpose of vacant 35,000 square feet commercial/office building into plumbing supply retail/office. Completed in 2018.
- Taino Smokehouse Prime, 1388 East Main Street- This 8500 square feet. Repurposed a long-vacant restaurant property that was scheduled for demolition. The owner invested heavily with state of the art cooking and smoking equipment and advertising as a unique "Open fire pit". The venue has been a huge success and is attracting customers from throughout New England. The project was completed in 2019-2020.
- 1376 East Main Street, Huxley's Bookmark Café New 4,500 square feet restaurant was completed in 2019.
- 161/177 State Street - Meriden Commons Phase 1. New construction square ruction of 75-unit mixed-use development with 5,500 square feet commercial space has been completed in 2018. Total development cost \$24 million.
- 161/177 State Street - Meriden Commons Phase 2. New construction of 76-unit mixed-use development with 1,500 square feet commercial space to be completed in 2020. Total development cost \$30 million.
- 11 Crown Street / 2 South Colony. New construction of 81-unit mixed-use development. Total development cost \$30 million. Completed yr. 2020.
- 30 Pomeroy Ave.-FW Webb.
- Renovation of former car dealership into retail plumbing supply and showroom completed in 2018.
- 1336 East Main Street, Sunrise Commons 7,500 square feet, office space, commercial rental. Completed yr. 2020.
- 518 Broad Street. New construction 7000 square feet, auto parts retail store. Completed in 2018.

## **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, was approved in the City's 2015 Capital Improvement Plan. Funding will be sought through the Regional Council of Governments TIP program. 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 statewide 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 Meriden Green project described below, the City has completed improvements to City Park that is located near the City center, funded through a combination of City, State, and private foundation grants. The Meriden Green park and flood control project was completed in September 2016 and is now open to the public providing 14 acres of open space and floodwater detention downtown.

New high-efficiency boilers were installed in City Hall in 2009 through the American Recovery and Reinvestment Act (“ARRA”) funding. Similar high-efficiency systems were installed in the Meriden Public Library (“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. Additionally, replacement of oil-fired boilers in four City elementary schools, over the next three years, is currently underway. A 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 the 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 a traffic sign truck. Cost differential in the purchase price has been funded through grants from the State. The City is considering the installation of a second CNG fueling station for use by private businesses that have expressed an interest in such a facility. The City has installed four electric vehicle charging stations, which are open to the public, and purchased one dedicated electric vehicle. The CT Department of Energy and Environmental Protection provided funds for this project. The City has been awarded a \$2.3 million grant in FEMA Hazard Mitigation to replace all its public utility back-up generators.

The City purchased the street light network from Eversource and installed new LED lamps. Phase I (cobra style overhead lighting) and Phase II (decorative lighting) have been completed. Phase III (parking lot and sports lighting) is under design. The cost of the project was funded through the Capital Improvement Program and rebates from Eversource are assisting in reducing the overall cost of the project.

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 to be repaid through user fees. For more information, refer to the section entitled “Clean Water Fund Program” herein. The City completed work on the \$19 million Broad Brook water treatment plant upgrade in 2016. This upgrade was funded through grants and low-interest loans to be repaid through user fees.

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. In 2009, major road reconstruction of Baldwin Avenue and Gravel Street which serves as the primary access road to Maloney High School. In 2015, the competition of West Main Street, Streetscape Project, reconstructing the roadway and sidewalks and other amenities on West Main Street, the main roadway from the City center to the western section of the City, and completed sidewalk reconstruction on West Main Street from Cook Ave, to Grove Street. This project was funded by a combination of federal and state funds. The City has been awarded nearly \$3 million in CMAQ funding approval to undertake a traffic signal modernization and upgrade program and approximately \$3 million in LOTCIP funds to upgrade Pratt Street in downtown Meriden.

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, and the Army Corps of Engineers for the entire Harbor Brook flood control plan. The State of Connecticut has completed work on the Cook Avenue Bridge and the installation of the Columbus Avenue Relief Culvert has been completed. The City completed construction of detention projects at Westfield Road (Falcon Field) and at the Meriden Green. The Meriden Green project transformed an underutilized City brownfield property in the City Center into a flood control area that will detain 53-acre feet of water in high storm

conditions and allow the use of the property as a central park and green space in normal conditions. The park features amenities such as a performance amphitheater, public plazas, a great lawn area, an iconic pedestrian bridge and nearly a three-acre footprint for economic development purposes. The final cost of the Meriden Green project is in excess of \$14 million. The City of Meriden received \$615,000 in US Environmental Protection Agency funds, \$4 million in Urban Act, Brownfields Pilot and other funds administered by the State of Connecticut Department of Economic and Community Development (DECD), and \$8.8 million in funds provided through the Connecticut Department of Energy and Environmental Protection (DEEP). The City of Meriden provided local funds for construction administration and flood control engineering services. Engineering work has begun on the Amtrak Railroad Bridge Bypass Culvert, channel improvements between Bradley/Coe Avenues and Cooper Street, Cooper Street bridge replacement, completed the Dog's Misery Swamp Mitigation project, invasive species management at Brookside Park, 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. The \$105 million "like new" renovation of Francis T Maloney High and the \$110 million "like new" renovation of Orville Platt High School have been completed. Both of these projects received grant funding of approximately 77%.

Construction has begun at the Department of Public Utilities on a \$48.9 million phosphorus removal project for the Water Pollution Control Facility, which includes upgrades to the remote pump stations within the collection system. This project was funded through grants and low interest loans and will be repaid through user fees. Additionally, the supervisory control and data acquisition (SCADA) system for both the Water and Sewer Divisions is in the process of being updated. This 2.2 million dollar design build will improve the overall communication and performance of this important operational component.

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 2018, the City completed sidewalk reconstruction, including drainage improvements and bump out removals along West Main Street from Cook Avenue to Colony Street, and along Colony Street from West Main Street to Columbia Avenue. This project was funded by a combination of City funds and grants from the Office of Policy Management and Department of Community Development. The City also completed the \$3 million Pratt Street Gateway project from Broad Street to East Main Street in downtown Meriden, funded using State LOTCIP funds. Design is continuing on the downtown traffic signal modernization and upgrade program, with construction starting in 2021 using approximately \$3 million in CMAQ funding. Four additional signals are also in design for replacement adjacent to downtown.

The City has continued work on the Harbor Brook Flood Control Project. The project, when completed, will reduce the floodplain from 225 to 95 acres and the number of properties and structures in the floodplain from over 300 to 50. The project consists of two flood storage basins, 5 miles of channel improvements and 13 bridge replacements or upgrades. The two flood storage basins, Falcon Park on Westfield Road and Meriden Green, were completed in 2012 and 2014, respectively.

The Meriden Green project transformed an underutilized City brownfield property in the City Center into a flood control area that will detain 53-acre feet of water in high storm conditions and allow use of the property as a central park and green space in normal conditions. The park features amenities such as a performance amphitheater, public plazas, a great lawn area, an iconic pedestrian bridge and nearly a three-acre footprint for economic development purposes. An extension of the Meriden Green is in preliminary design, which will increase the storm water detention capacity, as well as additional recreational opportunities downtown.



Construction of the Amtrak Railroad Bridge Relief Culvert project, which consists of installing two 5' pipes under the railroad bridge was completed in 2020. The contract amount was \$2.8 million; with \$1 million additional for construction inspection and Amtrak related costs. The project is funded with a combination of City and a \$2.4 million FEMA grant.

Slated for construction are the Cooper Street, Cedar St and Center Street bridges, and the channel work from Bradley Avenue to Cooper Street. The Cooper Bridge is a \$3.4 million project, with funding planned from either LOTCIP or the DOT Local Bridge Program. Cedar St is a \$3.5 million project, Center Street is a \$3.5 million project, with a combination of City and State funds. The Channel work is estimated to cost \$13 million, with nearly \$7 million from State grants and the remainder using City funds.

In design are the channel sections of Harbor Brook between Cooper Street to the Amtrak Bridge, the Amtrak Bridge to Perkins Square, and Cedar St to Center Street. Designs are anticipated to be completed by 2021. These sections are funded for design.

The \$107 million “like new” renovation of Francis T Maloney High School and the \$111 million “like new” renovation of Orville Platt High School where substantially completed when the City added a phase three to each project to re-build the running tracks and associated athletic fields at each high school. Both of these tracks should be completed by mid-spring 2020. These projects are expected to have eligible expenditures reimbursed at a grant funding rate of 77%.

The City is currently engaged in a \$1.2 million re-roofing project of its Hanover Elementary School. This project is expected to receive a State grant reimbursement rate of 75.36% and is expected to be completed in January 2020.

### **Residential Development**

During 2019-20 residential development activity continued to progress. Several major residential developments, including a 63-unit development at 24 Colony Street, 151-unit development at Meriden Commons I and II, and 81-unit development at 11 Crown Street are either completed and occupied or expected to be completed by the end of 2020.

### **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 Plan Actions to promote its objectives, including targeted investments, regulatory changes, and economic development. In 2016, a review of progress implementing the POCD found that 33 Plan Actions were completed, and another 40 Plan Actions were in the process of being completed. Other Plan Actions were also in the preliminary stages. The Planning Department is preparing to do an update of the POCD over the next two years.

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. A recent review of these areas indicates the neighborhoods are stable or improving - specifically in areas previously showing a decline.

Beyond the downtown area, planning to develop large sites for mid to long-term economic development has continued. A focus of such efforts in 2016 is a large City owned site on South Mountain Road and a former hospital site in the TOD zone. The former Meriden Wallingford Hospital site includes a 245,000 square foot building occupying two city blocks, a former parking garage, and land totaling 5.64 acres. In addition, the Planning Department, along with the Economic Development Office, completed the study, "First Mile, Last Mile" to evaluate the area's mass transit bus service and how coordination with the new commuter rail line could benefit City residents and those who work within the City.

### **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM ("CDBG")**

The primary function of the City's Community Development Office (CD Office) is to administer the City's CDBG program. CDBG funds contribute to the funding of three City departments and numerous local non-profit agencies that provide services to low and moderate-income persons, and funds the NPP Residential loan program for income eligible homeowners. The office assists in the management of other municipal grants in transportation, hazard mitigation, energy, open space, economic development, Brownfields and public safety.

Key accomplishments of the CDBG Program during the 2020 Fiscal Year included:

- Funding 28 public service programs run by 23 separate organizations that served over 45,000 low and moderate-income Meriden residents.
- Conducting 5,300 code enforcement inspections in the CDBG target areas.
- Repairing 6 residential structures totaling 10 total housing units through the NPP loan program
- Replacement of deteriorated sidewalks along Springdale Ave
- Replacement of deteriorated sidewalks in 2021 include Griswold St, Catlin St, Sherman Ave and Bunker Ave.

The City of Meriden is considered a federal entitlement community under the Housing and Community Development Act of 1974, as amended in 1977 and 1982, and a state-designated "distressed" municipality pursuant to Section 32-9j of the Connecticut General Statutes. During FY 2019, the City of Meriden received \$1,053,112 in HUD CDBG "entitlement" funds, which were used to promote decent housing, suitable living environments and economic opportunities for Meriden's low and moderate-income persons. Programs funded in FY 2019 with CDBG funds include a portion of the City's code enforcement activities, youth services, and public services for the elderly, homeless, handicapped and at-risk youth, along with façade improvement projects in the City's downtown area. CDBG funds are also used to support a revolving loan program that funds housing rehabilitation projects through the Neighborhood Preservation Program.

- During FY 2020, the Community Development office in partnership with the Economic Development Department managed over \$7 million in federal and state grants related to assessment, remediation and demolition projects including attending project meetings, processing payments, submitting reimbursements requests and submitting reports as required. This included \$6 million in funds from the CT Department of Economic & Community Development for projects at 1 King Place and at the former Meriden Mills housing complex, both of which are located in the TOD district. These grants are vital to the implementation of long-term economic and community development goals for the City of Meriden.

## **Awards**

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Meriden, Connecticut for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the sixteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **Acknowledgements**

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Each member has my sincere appreciation for their contributions made in the preparation of this report, in particular, Frank Ocskasy Jr., Director of Accounting, Agnes Puzio, Accountant II, and Margaret Leighton, Accountant I. I would also like to thank Donna Carnot and Kristin Culver from the Board of Education business office.

This comprehensive annual financial report reflects a commitment to the citizens of Meriden, the Honorable Mayor, the City Council and all concerned readers of this report to provide information in conformance with the highest standards of accountability.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kevin McNabola".

Kevin McNabola, CFO  
City of Meriden



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Meriden  
Connecticut**

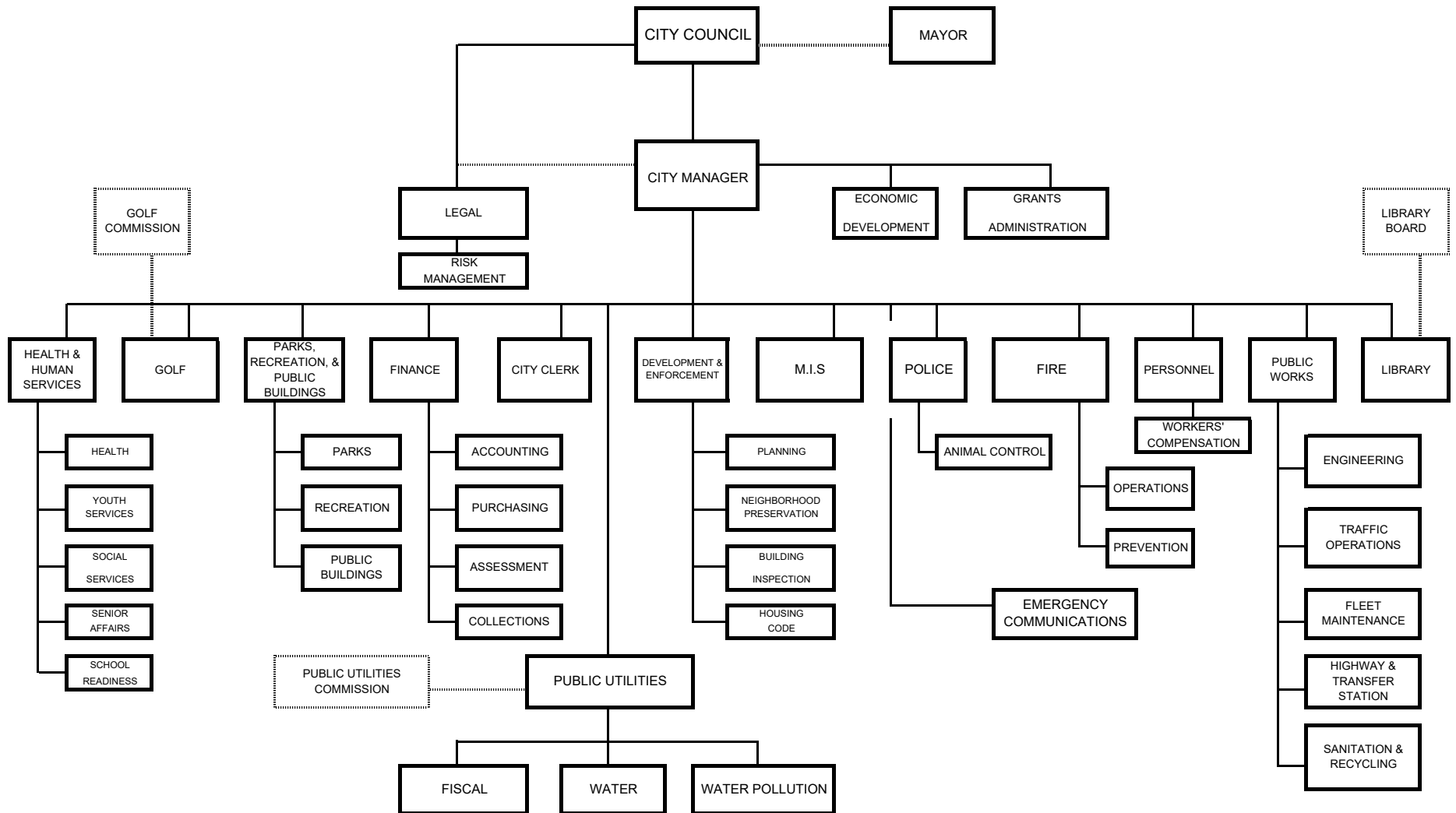
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

**CITY OF MERIDEN  
ORGANIZATIONAL CHART**



CITY OF MERIDEN, CONNECTICUT

PRINCIPAL OFFICIALS  
JUNE 30, 2020

---

**MAYOR**

Kevin M. Scarpati

**CITY COUNCIL**

Michael P. Cardona, Deputy Mayor  
David D. Lowell, Majority Leader  
Daniel Brunet, Minority Leader  
Sonya R. Jelks, Deputy Majority Leader  
Larue A. Graham, Deputy Majority Leader  
Bob Williams, Jr., Deputy Minority Leader  
Krystle Blake, City Councilor  
Michael Carabetta, City Councilor  
Bruce Fontanella, City Councilor  
Yvette Cortez, City Councilor  
Nicole Tomassetti, City Councilor  
Michael S. Rohde, City Councilor

**CITY MANAGER**

Timothy Coon

**ADMINISTRATION**

City Clerk  
Director of Finance  
Police Chief  
Fire Chief  
Corporation Counsel  
City Attorney  
Director of Development and Enforcement  
Director of Economic Development  
Director of Emergency Communications  
Director of Health and Human Services  
Information Technologies Manager  
Director of Parks and Recreation  
Director of Personnel  
Director of Public Works  
Director of Public Utilities  
Library Director  
Golf Course Facilities Manager

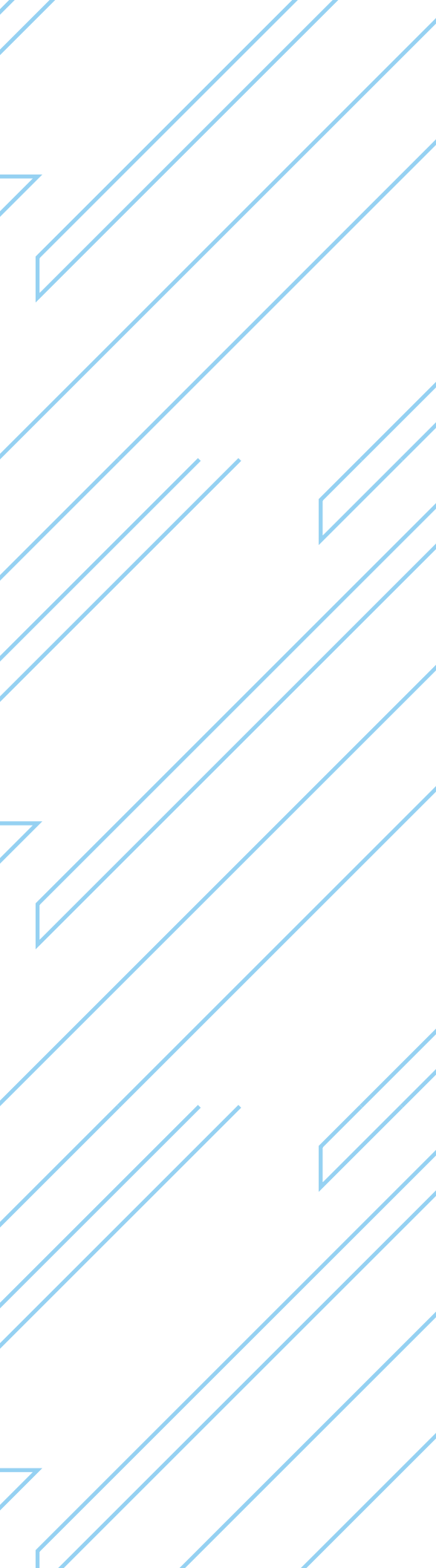
Denise Grandy  
Kevin McNabola  
Roberto Rosado  
Kenneth Morgan  
Michael Quinn  
Stephanie Dellolio  
Renata Bertotti  
Joseph Feest  
Doree Price  
Lea Crown  
Charles Carrozza  
Chris Bourdon  
Robert Scalise  
Howard Weissberg  
Richard Meskill  
Clevell Roseboro  
Thomas DeVaux

**BOARD OF EDUCATION**

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Kim A. Carbone-Pandiani, V. President  
Allan E. Pronovost, Treasurer  
Dr. Steven J. O'Donnell, Secretary  
Joshua E. Broekstra  
Marisol Estrada  
Ray R. Ouellet  
Michael P. Reynolds  
Rebecca L. Wronski

**BOARD OF EDUCATION ADMINISTRATION**

Dr. Mark Benigni, Superintendent of Schools  
Michael Grove, Assistant Superintendent for Technology and Operations  
Louis Bronk, Assistant Superintendent for Personnel and Talent Development  
Barbara Haeffner, Director of Teaching and Innovation  
Patricia Sullivan-Kowalski, Senior Director of Student Supports and Special Education



## **Financial Section**

## **Independent Auditors' Report**

To the 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, 2020, 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 from material misstatement.

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

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



## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of June 30, 2020 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, and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of 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 10, 2020 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Meriden, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Meriden, Connecticut's internal control over financial reporting and compliance.

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

West Hartford, Connecticut  
December 10, 2020

**CITY OF MERIDEN, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

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, 2020. 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 and deferred outflows of the City of Meriden exceeded its liabilities and deferred inflows of resources resulting in total net position at the close of the fiscal year of \$165.9 million. Total net position for Governmental Activities at fiscal year-end was \$84.4 million and total net position for Business-Type Activities was \$81.5 million. (Exhibit I)
- On a government-wide basis, during the year, the City's net position decreased by \$1.9 million or 1.1%, from \$167.8 million to \$165.9 million. Net position decreased by \$5.4 million for Governmental Activities and increased by \$3.5 million for Business-Type Activities. Governmental Activities expenses were \$269.6 million, while revenues were \$264.2 million. The decrease in Governmental Activities net position is primarily due to increases in pension and OPEB liabilities. The increase in Business-Type Activities is primarily attributable to increases in capital assets.
- 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 \$36.5 million, a decrease of \$13.1 million from the prior fiscal year. The decrease is primarily attributable to the spending of bond proceeds in the current period resulting in a deficiency of revenues over expenditures of \$13.7 million in the Bonded Projects Fund. (Exhibit IV)
- At the end of the current fiscal year, the total fund balance for the General Fund was \$17.6 million, an increase of \$0.6 million from the prior fiscal year. The increase is primarily attributable to an increase in investment income (\$0.9 million). Of the total General Fund, fund balance as of June 30, 2020, \$16.0 million represents unassigned General Fund fund balance. Unassigned General Fund fund balance at year-end represents 7.3% of total General Fund expenditures and transfers out (\$219.3 million), which is a decrease of 0.1% from the prior year. (Exhibit III, Exhibit IV)

**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.

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 portrayed 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.

## **Government-Wide Financial Statements**

The statement of net position presents information on all of Meriden's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. One can think of the City's net position - the difference between assets and deferred outflows against liabilities and deferred inflows - 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. To assess the overall health of the City of Meriden, the reader needs to consider other non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

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**

The City of Meriden, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 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 34 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 major funds. Data from the other 32 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 balances) 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, six 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 28-88 of this report.

The notes to this report also contain certain supplementary information concerning the City of Meriden's pension plan such as the net pension liability, employer contributions and investment returns on pension assets. Required supplementary information can be found on pages 89-100 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 is \$165.9 million on June 30, 2020. Governmental activities assets exceeded liabilities by \$84.4 million. Business-type activities total net position is \$81.5 million on June 30, 2020.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 76,084	\$ 80,070	\$ 19,686	\$ 18,683	\$ 95,770	\$ 98,753
Capital assets, net of accumulated depreciation	403,398	404,572	138,684	130,289	542,082	534,861
Total assets	<u>479,482</u>	<u>484,642</u>	<u>158,370</u>	<u>148,972</u>	<u>637,852</u>	<u>633,614</u>
Deferred outflow of resources	20,282	11,054	1,767	1,304	22,049	12,358
Current liabilities	37,763	34,772	6,755	5,369	44,518	40,141
Long-term liabilities outstanding	371,961	364,695	71,593	66,453	443,554	431,148
Total liabilities	<u>409,724</u>	<u>399,467</u>	<u>78,348</u>	<u>71,822</u>	<u>488,072</u>	<u>471,289</u>
Deferred inflow of resources	5,633	6,436	293	417	5,926	6,853
Net Position:						
Net investment in capital assets	251,004	292,794	81,364	67,580	332,368	360,374
Restricted	1,053	1,047			1,053	1,047
Unrestricted	<u>(167,650)</u>	<u>(204,048)</u>	132	10,457	<u>(167,518)</u>	<u>(193,591)</u>
Total Net Position	<u>\$ 84,407</u>	<u>\$ 89,793</u>	<u>\$ 81,496</u>	<u>\$ 78,037</u>	<u>\$ 165,903</u>	<u>\$ 167,830</u>

A portion of net position was restricted at June 30, 2020 as a result of the Wallingford Regional Solid Waste Reserve (\$.5 million), Flood Control (\$.5 million), and the corpus of various trusts (\$.1 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.

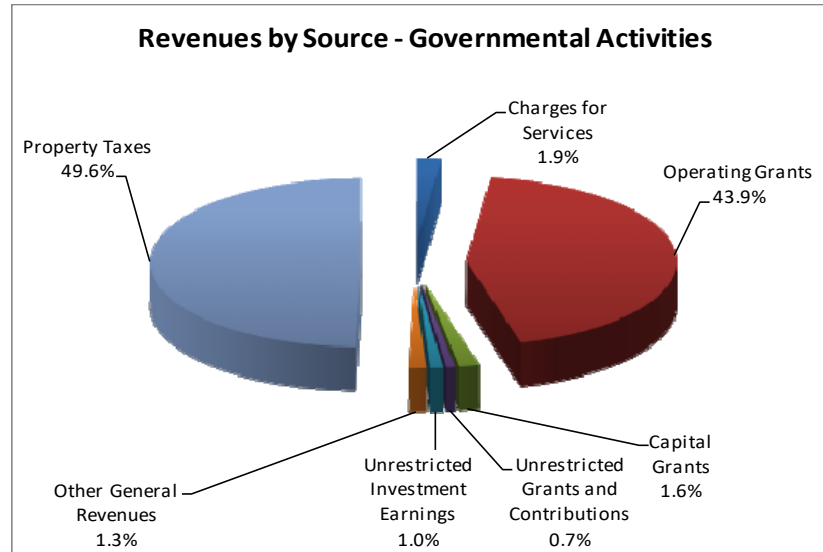
**City of Meriden, Connecticut**  
**Changes in Net Position (\$000s)**  
**Primary Government**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Revenues:						
Program revenues:						
Charges for services	\$ 4,953	\$ 5,339	\$ 22,785	\$ 21,723	\$ 27,738	\$ 27,062
Operating grants and contributions	115,958	97,670			115,958	97,670
Capital grants and contributions	4,185	9,925	5,029	389	9,214	10,314
General revenues:						
Property taxes	131,064	131,892			131,064	131,892
Grants not restricted to specific programs	1,870	1,839			1,870	1,839
Unrestricted investment earnings	2,533	2,827	81	75	2,614	2,902
Miscellaneous income	3,615	5,174	1,628	1,437	5,243	6,611
Total revenues	<u>264,178</u>	<u>254,666</u>	<u>29,523</u>	<u>23,624</u>	<u>293,701</u>	<u>278,290</u>
Expenses:						
General government	20,966	21,891			20,966	21,891
Education	164,031	148,995			164,031	148,995
Public safety	50,982	52,179			50,982	52,179
Public works	15,986	14,976			15,986	14,976
Human services	6,311	6,498			6,311	6,498
Cultural and recreation	6,834	6,603			6,834	6,603
Interest on long-term debt	4,454	4,513			4,454	4,513
Sewer Authority			12,409	11,404	12,409	11,404
Water Authority			12,492	12,853	12,492	12,853
George Hunter Golf Course			1,163	1,333	1,163	1,333
Total expenses	<u>269,564</u>	<u>255,655</u>	<u>26,064</u>	<u>25,590</u>	<u>295,628</u>	<u>281,245</u>
Change in Net Position	(5,386)	(989)	3,459	(1,966)	(1,927)	(2,955)
Net Position at Beginning of Year	<u>89,793</u>	<u>90,782</u>	<u>78,037</u>	<u>80,003</u>	<u>167,830</u>	<u>170,785</u>
Net Position at End of Year	<u>\$ 84,407</u>	<u>\$ 89,793</u>	<u>\$ 81,496</u>	<u>\$ 78,037</u>	<u>\$ 165,903</u>	<u>\$ 167,830</u>

The City’s net position decreased by \$1.9 million during the fiscal year, with net position of governmental activities decreasing by \$5.4 million and business-type activities increasing by \$3.5 million.

## Governmental Activities

49.6% of the revenues were derived from property taxes, followed by 45.5% from State and Federal Government operating and capital grant programs, and 1.9% from charges for services.

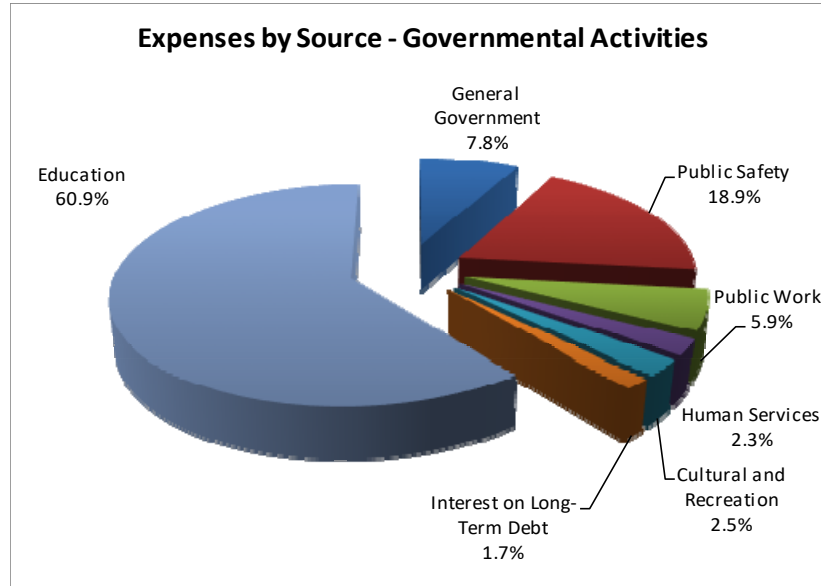


Major revenue factors included:

- Operating grants and contributions increased by \$18.3 million from 2019, which is primarily due to an increase in State Teachers Retirement OPEB on-behalf payments of \$17.8 million.
- Capital grants and contributions decreased by \$5.7 million from 2019, which is primarily due to the reduction of brownfield remediation grants (\$4.5 million) and Local Transportation Capital Improvement Program (LOTICIP) grant (\$2.2 million), coupled with an increase in activity associated with the various road reconstruction, bridge repair, and other public works capital grant programs totaling \$1.0 million.
- Miscellaneous income decreased by \$1.5 million from 2019, which is primarily due to the reduction of various educational grants and programs fund activities totaling \$1.0 million and reductions in library trust activity of \$0.3 million.
- Charges for services decreased by \$0.4 million from 2019, which is primarily due to the reduction of building permit fees and city clerk fees which both decreased by \$0.2 million.



- For Governmental Activities, 60.9% of the City’s expenses relate to education, 18.9% relate to public safety, 7.8% to general government, 5.9% to public works, 2.5% to culture and recreation, 2.3% to health and human services, and 1.7% on interest on long-term debt.



Major expense factors include:

- An increase of \$17.8 million in State Teacher Retirement Board pension and OPEB on-behalf payments.
- Increases in employee wages, resulting from general wage increases, ranged from 0% to 2.25% depending on the employee group. Some employees also received negotiated step increases.

**Business-Type Funds**

Business-type activities capital grants and contributions increased by \$4.6 million due to increases in grant funding associated with the phosphorus sewer plant upgrade.

Business-type activities charges for services increased by \$1.1 million primarily due to increased water usage for the water and sewer funds.

Business-type activities expenses were relatively consistent from 2019 to 2020. The combined amount of \$26.1 million is an increase of \$0.4 million, or 1.5%, from the prior year.

**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 \$16.0 million while total fund balance was \$17.6 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 7.3% of total General Fund expenditures and transfers out (\$219.3 million), while total fund balance represents 8.0% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund increased by \$0.6 million during the current fiscal year. This fund balance increase is primarily attributable to an increase in investment income.

The Bonded Projects Fund has a total fund balance of \$10.8 million, a decrease of \$14.9 million from the prior year. This decrease is directly attributable to the spending of bond proceeds in the current period.

The Nonmajor Governmental Funds have a total fund balance of \$8.1 million, up from \$7.0 million in the prior year. The \$1.1 million increase is primarily attributable to the accumulation of unspent funds in the capital and non-recurring fund (\$0.5 million), and a transfer from the general fund to the educational grants and programs fund (\$0.4 million).

### **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 \$34.2 million, with unrestricted net position of \$6.6 million. The Water Fund experienced an operating income of \$0.9 million, which was primarily attributable to decreases in operating expenses.

Net position of the Sewer Fund was \$47.6 million. Unrestricted net position deficit was \$3.5 million. The Sewer Fund experienced an operating loss of \$0.1 million, which is consistent with budgeted expectations.

The George Hunter Memorial Golf Course Fund had a deficit in net position at the end of the year of \$0.3 million. The Golf Fund net position deficit remained unchanged from 2019 to 2020, primarily because of operational activities.

## General Fund Budgetary Highlights

There were no additional appropriations to the \$197.3 million budget in fiscal year 2020. The original budget included a contingency of \$0.5 million that was budgeted in the General Fund expenses to cover certain items, including unsettled labor contracts and other unanticipated expenses.

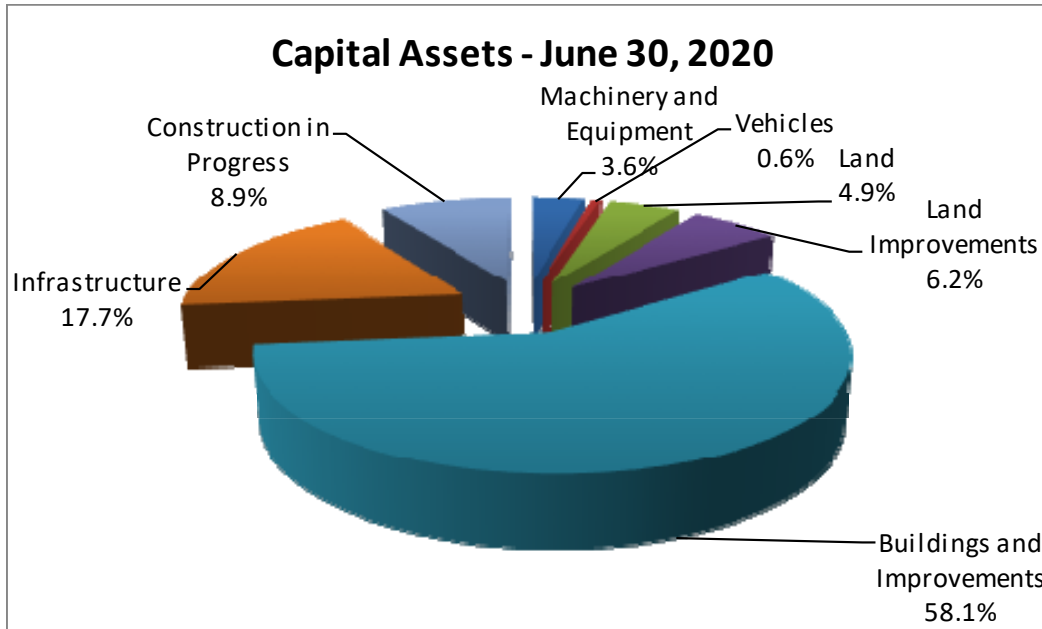
During the year, actual revenues on a budgetary basis were \$197.8 million, which exceeded the budget by \$0.5 million. Property taxes exceeded budgetary expectations by \$0.1 million, intergovernmental revenues exceeded budget by \$0.3 million, charges for services revenues fell short of budget by \$0.4 million, investment income exceeded expectations by \$0.9 million, and other revenues, including other financing sources, failed to meet expectations by \$0.4 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, 2020 amount to \$542.1 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.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 25,197	\$ 25,071	\$ 1,182	\$ 1,138	\$ 26,379	\$ 26,209
Land improvements	16,635	16,588	16,828	17,129	33,463	33,717
Buildings and improvements	277,510	288,577	37,687	39,734	315,197	328,311
Infrastructure	42,975	44,002	52,730	54,515	95,705	98,517
Machinery and equipment	10,593	11,727	8,877	11,400	19,470	23,127
Vehicles	3,146	3,889	253	349	3,399	4,238
Construction in progress	27,342	14,718	21,127	6,024	48,469	20,742
Total	<u>\$ 403,398</u>	<u>\$ 404,572</u>	<u>\$ 138,684</u>	<u>\$ 130,289</u>	<u>\$ 542,082</u>	<u>\$ 534,861</u>

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



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

- \$15.0 million in sewer system and phosphorus plant upgrades
- \$5.7 million for public works projects (road construction, paving, improvements, flood control)
- \$5.1 million in high school tracks and other school building renovations
- \$3.7 million in airport hangers and runway improvements
- \$1.2 million in construction activities associated with brownfield remediation activities
- \$1.1 million in water distribution and facility improvements

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

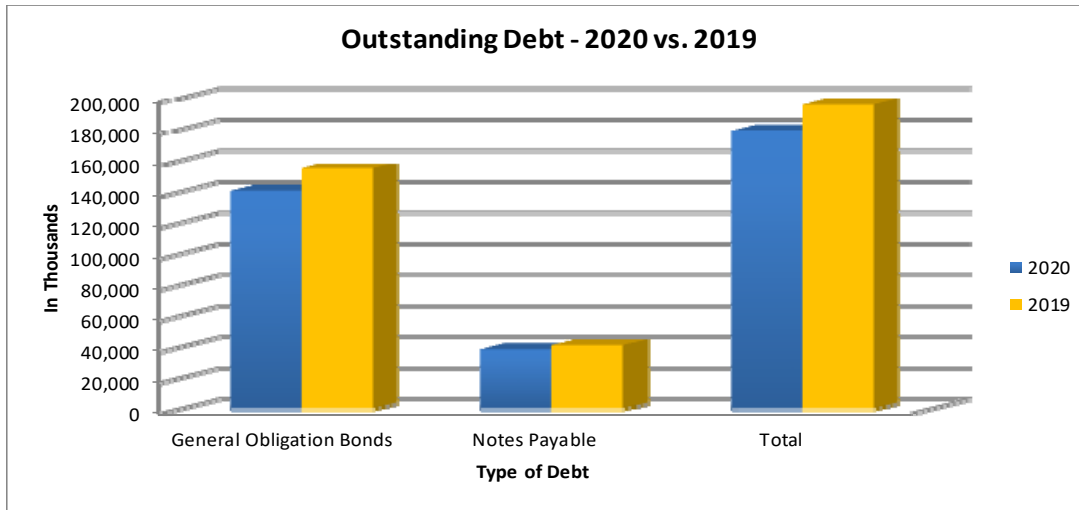
- \$2.0 million in City-wide SCADA system

Additional information on the City of Meriden’s capital assets can be found in Note 5 on pages 45-47 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of \$178.9 million. All of this debt is backed by the full faith and credit of the City.

**Outstanding Debt (\$000s)**  
**General Obligation and Revenue Bonds**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 123,786	\$ 135,765	\$ 16,673	\$ 18,610	\$ 140,459	\$ 154,375
Notes payable	1,132	975	37,292	39,983	38,424	40,958
<b>Total</b>	<b>\$ 124,918</b>	<b>\$ 136,740</b>	<b>\$ 53,965</b>	<b>\$ 58,593</b>	<b>\$ 178,883</b>	<b>\$ 195,333</b>



The City of Meriden’s bonded debt decreased by \$16.6 million or 8.5% during fiscal year 2020. This was attributable to the payment of expected debt obligations in the current year.

The City of Meriden has received an underlying rating of AA from S&P Global Ratings and AA- from Fitch Ratings.

In reviewing the City’s financial management, S&P Global Ratings 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 \$921.9 million. As of June 30, 2020, the City recorded long-term debt of \$141.3 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 8 on pages 49-56 of this report.

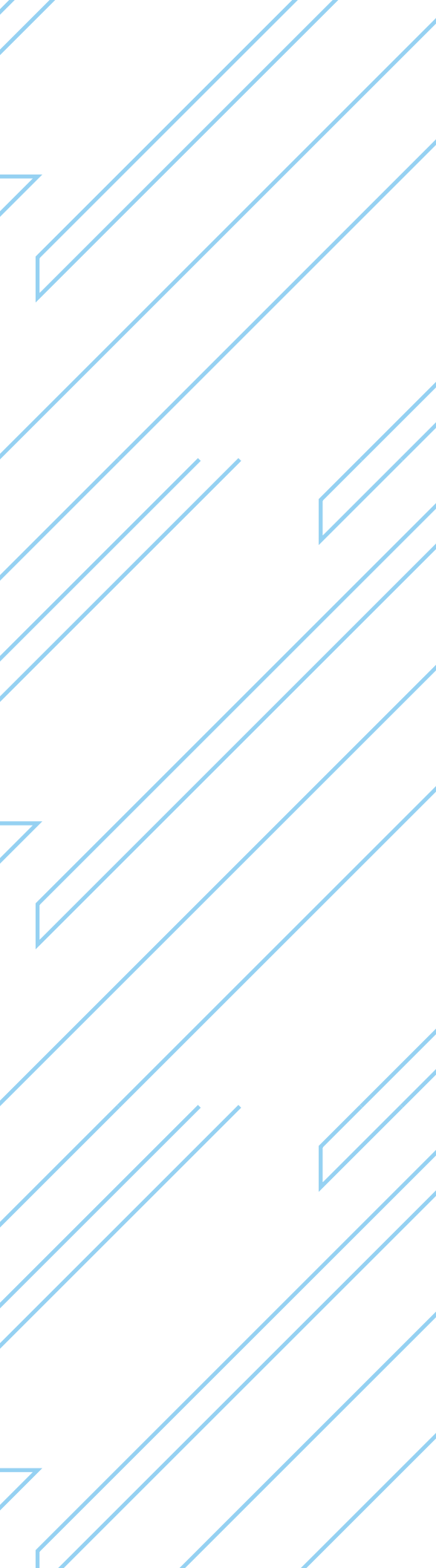
## **Economic Factors (Updated through October 2020)**

As of October 2020, the unemployment rate for Meriden was 7.1%, an increase from 4.4% in the prior year. Although Meriden's unemployment rate is above the October 2020 State of Connecticut, which had an unemployment rate of 5.8%, Meriden's unemployment rate in October 2020 remained lower than larger Connecticut cities including the City of Hartford at 11.1%, the City of Bridgeport at 9.8%, and the City of Waterbury at 9.6%.

The City of Meriden's reliance on property taxes has helped it weather the national economic downturn. 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. To foster economic development and continued expansion of the tax base, the City administers several business incentive programs, including Enterprise Zone, the Manufacturing Assistance Loan Program, and the C-PACE program, designed to attract, retain and grow business entities 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, 2020**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 32,622,315	\$ 9,417,146	\$ 42,039,461
Investments	25,663,485	1,268,109	26,931,594
Receivables, net	14,259,538	9,975,710	24,235,248
Due from OPEB trust	984,391		984,391
Internal balances	2,171,653	(976,077)	1,195,576
Inventory	351,614		351,614
Other assets	30,739	1,608	32,347
Capital assets, nondepreciable	52,539,186	22,309,881	74,849,067
Capital assets, net of accumulated depreciation	<u>350,858,606</u>	<u>116,373,897</u>	<u>467,232,503</u>
<b>Total assets</b>	<b><u>479,481,527</u></b>	<b><u>158,370,274</u></b>	<b><u>637,851,801</u></b>
<b>Deferred Outflows of Resources:</b>			
Related to pension	11,597,374	1,047,123	12,644,497
Related to OPEB	8,608,313	429,282	9,037,595
Deferred charge on refunding	76,023	291,021	367,044
<b>Total deferred outflows of resources</b>	<b><u>20,281,710</u></b>	<b><u>1,767,426</u></b>	<b><u>22,049,136</u></b>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	21,153,553	2,699,688	23,853,241
Accrued interest		103,543	103,543
Unearned revenue	1,292,631		1,292,631
Noncurrent liabilities:			
Due within one year	15,315,854	3,951,714	19,267,568
Due in more than one year	371,961,448	71,592,973	443,554,421
<b>Total liabilities</b>	<b><u>409,723,486</u></b>	<b><u>78,347,918</u></b>	<b><u>488,071,404</u></b>
<b>Deferred Inflows of Resources:</b>			
Related to pension	1,494,253	200,633	1,694,886
Related to OPEB	1,858,416	92,676	1,951,092
Advance property tax collections	2,280,192		2,280,192
<b>Total deferred inflows of resources</b>	<b><u>5,632,861</u></b>	<b><u>293,309</u></b>	<b><u>5,926,170</u></b>
<b>Net Position:</b>			
Net investment in capital assets	251,003,709	81,363,803	332,367,512
Restricted:			
Solid Waste Reserve	468,989		468,989
Expendable - Flood Control	480,001		480,001
Nonexpendable - purposes of trust	104,540		104,540
Unrestricted	<u>(167,650,349)</u>	<u>132,670</u>	<u>(167,517,679)</u>
<b>Total Net Position</b>	<b><u>\$ 84,406,890</u></b>	<b><u>\$ 81,496,473</u></b>	<b><u>\$ 165,903,363</u></b>

The accompanying notes are an integral part of the financial statements



CITY OF MERIDEN, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Function/Program Activities	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 20,965,863	\$ 2,644,105	\$ 1,471,691	\$ 816,056	\$ (16,034,011)	\$	\$ (16,034,011)
Education	164,031,142	194,341	110,140,031	223,874	(53,472,896)		(53,472,896)
Public safety	50,982,292	178,339	73,534	46,404	(50,684,015)		(50,684,015)
Public works	15,986,204	1,769,910	17,804	3,099,158	(11,099,332)		(11,099,332)
Human services	6,311,495	141,264	3,952,079		(2,218,152)		(2,218,152)
Culture and recreation	6,833,843	24,849	302,595		(6,506,399)		(6,506,399)
Interest on long-term debt	4,453,985				(4,453,985)		(4,453,985)
Total governmental activities	<u>269,564,824</u>	<u>4,952,808</u>	<u>115,957,734</u>	<u>4,185,492</u>	<u>(144,468,790)</u>	<u>-</u>	<u>(144,468,790)</u>
Business-type activities:							
Sewer Authority	12,409,386	10,047,365		4,918,660		2,556,639	2,556,639
Water Authority	12,492,341	11,678,979		60,506		(752,856)	(752,856)
George Hunter Golf Course	1,163,136	1,059,123		50,000		(54,013)	(54,013)
Total business-type activities	<u>26,064,863</u>	<u>22,785,467</u>	<u>-</u>	<u>5,029,166</u>	<u>-</u>	<u>1,749,770</u>	<u>1,749,770</u>
Total	<u>\$ 295,629,687</u>	<u>\$ 27,738,275</u>	<u>\$ 115,957,734</u>	<u>\$ 9,214,658</u>	<u>(144,468,790)</u>	<u>1,749,770</u>	<u>(142,719,020)</u>
General revenues:							
Property taxes					131,063,782		131,063,782
Grants and contributions not restricted to specific programs					1,870,173		1,870,173
Unrestricted investment earnings					2,532,548	80,913	2,613,461
Miscellaneous income					3,615,713	1,628,558	5,244,271
Total general revenues					<u>139,082,216</u>	<u>1,709,471</u>	<u>140,791,687</u>
Change in net position					(5,386,574)	3,459,241	(1,927,333)
Net Position at Beginning of Year					<u>89,793,464</u>	<u>78,037,232</u>	<u>167,830,696</u>
Net Position at End of Year					<u>\$ 84,406,890</u>	<u>\$ 81,496,473</u>	<u>\$ 165,903,363</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,265,390	\$ 13,431,345	\$ 6,775,746	\$ 28,472,481
Investments	16,990,273		2,484,469	19,474,742
Receivables, net of allowance for uncollectibles	6,625,884	2,538,142	4,864,690	14,028,716
Inventory	116,782		234,832	351,614
Other assets	13,966		523	14,489
Due from OPEB trust	2,179,967			2,179,967
Due from other funds	4,544,551	379,706		4,924,257
Total Assets	<u>\$ 38,736,813</u>	<u>\$ 16,349,193</u>	<u>\$ 14,360,260</u>	<u>\$ 69,446,266</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 12,405,113	\$ 2,321,042	\$ 3,288,665	\$ 18,014,820
Due to other funds		2,398,355	687,336	3,085,691
Unearned revenue	7,839	870,968	413,824	1,292,631
Total liabilities	<u>12,412,952</u>	<u>5,590,365</u>	<u>4,389,825</u>	<u>22,393,142</u>
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	5,335,497			5,335,497
Unavailable revenue - loans receivable	1,074,865		1,867,765	2,942,630
Advance property tax collections	2,280,192			2,280,192
Total deferred inflows of resources	<u>8,690,554</u>	<u>-</u>	<u>1,867,765</u>	<u>10,558,319</u>
Fund Balances:				
Nonspendable	130,748		339,372	470,120
Restricted	1,108,545	10,758,828	5,099,766	16,967,139
Committed	413,505		2,663,532	3,077,037
Unassigned	15,980,509			15,980,509
Total fund balances	<u>17,633,307</u>	<u>10,758,828</u>	<u>8,102,670</u>	<u>36,494,805</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 38,736,813</u>	<u>\$ 16,349,193</u>	<u>\$ 14,360,260</u>	<u>\$ 69,446,266</u>

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2020**

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)	\$ 36,494,805
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 663,258,983	
Less accumulated depreciation	(259,861,191)	
Net capital assets		403,397,792

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

Property tax receivables greater than 60 days	5,335,497
Loans receivable greater than 60 days	2,942,630
Deferred outflows related to pension	11,597,374
Deferred outflows related to OPEB	8,608,313

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.

(553,764)

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

Bonds payable	(123,786,400)
Notes payable	(2,859,398)
Bond premium	(4,506,678)
Deferred charge on refunding	76,023
Interest payable on bonds and notes	(1,011,357)
Capital lease	(253,641)
Compensated absences	(16,447,835)
Landfill post-closure monitoring	(164,000)
Net OPEB liability	(60,401,882)
Pollution remediation	(9,326,050)
Deferred inflows related to pension	(1,494,253)
Deferred inflows related to OPEB	(1,858,416)
Net pension liability	(160,506,870)
Claims and judgments	(875,000)

Net Position of Governmental Activities (Exhibit I)	\$ <u><u>84,406,890</u></u>
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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, 2020**

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes, interest and lien fees	\$ 130,621,127	\$	\$	\$ 130,621,127
Federal and state government	80,611,985	2,659,376	30,894,813	114,166,174
Charges for services	4,656,382		296,426	4,952,808
Investment income	1,230,002	352,852	93,252	1,676,106
Other local revenues	1,484,089		2,131,624	3,615,713
Total revenues	<u>218,603,585</u>	<u>3,012,228</u>	<u>33,416,115</u>	<u>255,031,928</u>
Expenditures:				
Current:				
General government	41,714,619		625,941	42,340,560
Public safety	25,117,313		167,391	25,284,704
Public works	7,715,323		1,183,250	8,898,573
Health and welfare	4,155,036		2,223,101	6,378,137
Culture and recreation	4,056,689		152,552	4,209,241
Education	119,372,090		29,081,361	148,453,451
Debt service:				
Principal retirement	10,687,300		75,000	10,762,300
Interest and other charges	5,008,489		27,821	5,036,310
Capital outlay		16,724,863	1,901,352	18,626,215
Total expenditures	<u>217,826,859</u>	<u>16,724,863</u>	<u>35,437,769</u>	<u>269,989,491</u>
Excess (Deficiency) of Revenues over Expenditures	<u>776,726</u>	<u>(13,712,635)</u>	<u>(2,021,654)</u>	<u>(14,957,563)</u>
Other Financing Sources (Uses):				
Refunding bonds issued	9,490,000			9,490,000
Premium on refunding bonds	1,461,630			1,461,630
Payment to refunded bond escrow agent	(10,857,023)			(10,857,023)
Interim funding obligation			1,727,353	1,727,353
Transfers in	1,242,720		1,440,871	2,683,591
Transfers out	(1,440,871)	(1,200,000)	(42,720)	(2,683,591)
Total other financing sources (uses)	<u>(103,544)</u>	<u>(1,200,000)</u>	<u>3,125,504</u>	<u>1,821,960</u>
Net Change in Fund Balances	673,182	(14,912,635)	1,103,850	(13,135,603)
Fund Balances at Beginning of Year	<u>16,960,125</u>	<u>25,671,463</u>	<u>6,998,820</u>	<u>49,630,408</u>
Fund Balances at End of Year	<u>\$ 17,633,307</u>	<u>\$ 10,758,828</u>	<u>\$ 8,102,670</u>	<u>\$ 36,494,805</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, 2020**

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)	\$ (13,135,603)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	17,736,288
Depreciation expense	(18,762,064)
Loss on disposal of capital assets	(148,476)

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	477,551
Loan principal collected	(95,889)
Change in interest and liens receivable	(34,896)
Change in deferred outflows related to pension	4,683,203
Change in deferred outflows related to OPEB	5,709,461

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 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.

Refunding bonds issued	(9,490,000)
Proceeds from notes payable	(1,959,398)
Principal payments on bonds and notes	10,762,300
Premium on bonds issued	(1,461,630)
Payment to refunded bond escrow agent	10,857,023
Capital lease payments	82,262

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.

Change in accrued interest on bonds and notes	272,003
Amortization of premium	1,551,198
Amortization of deferred charge on refunding	(1,240,879)
Change in long-term compensated absences	451,607
Change in landfill post-closure monitoring	56,000
Change in pollution remediation obligation	348,000
Change in net pension liability	(13,425,580)
Change in net OPEB liability	(5,267,897)
Change in deferred inflows related to pension	1,664,057
Change in deferred inflows related to OPEB	106,542
Change in claims and judgments	230,000

The net expense of the internal service funds is reported with governmental activities.	<u>4,648,243</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (5,386,574)</u>
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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, 2020**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes, interest and lien fees	\$ 130,480,871	\$ 130,480,871	\$ 130,621,127	\$ 140,256
Intergovernmental revenues	59,589,423	59,589,423	59,864,294	274,871
Charges for services	5,055,073	5,055,073	4,656,382	(398,691)
Investment income	359,094	359,094	1,229,662	870,568
Other revenues	1,455,604	1,455,604	1,342,918	(112,686)
Total revenues	<u>196,940,065</u>	<u>196,940,065</u>	<u>197,714,383</u>	<u>774,318</u>
Expenditures:				
Current:				
General government	40,432,423	40,077,366	40,033,833	43,533
Finance	1,821,296	1,673,709	1,650,539	23,170
Public safety	24,644,503	25,086,128	25,059,528	26,600
Public works	8,262,856	7,694,068	7,687,409	6,659
Health and welfare	2,857,849	2,553,040	2,544,840	8,200
Culture and recreation	4,175,335	4,136,580	4,056,689	79,891
Education	100,634,840	100,234,840	100,234,593	247
Debt service:				
Principal retirement	9,487,300	9,487,300	9,487,300	-
Interest and other charges	4,913,882	4,913,882	4,913,882	-
Total expenditures	<u>197,230,284</u>	<u>195,856,913</u>	<u>195,668,613</u>	<u>188,300</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(290,219)</u>	<u>1,083,152</u>	<u>2,045,770</u>	<u>962,618</u>
Other Financing Sources (Uses):				
Transfers in	367,719	367,719	42,719	(325,000)
Transfers out	<u>(77,500)</u>	<u>(1,450,871)</u>	<u>(1,440,871)</u>	<u>10,000</u>
Total other financing sources (uses)	<u>290,219</u>	<u>(1,083,152)</u>	<u>(1,398,152)</u>	<u>(315,000)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	647,618	<u>\$ 647,618</u>
Fund Balance at Beginning of Year			<u>16,612,086</u>	
Fund Balance at End of Year			<u>\$ 17,259,704</u>	

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2020**

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Water	Sewer	George Hunter Memorial Golf Course		
<b>Assets:</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 5,663,890	\$ 3,302,381	\$ 450,875	\$ 9,417,146	\$ 4,149,834
Investments	635,975	632,134		1,268,109	6,188,743
Accounts receivable, net	5,011,422	4,951,839	12,449	9,975,710	230,822
Due from other funds	1,681,539	-	716,816	2,398,355	
Other assets	1,608			1,608	16,250
Total current assets	<u>12,994,434</u>	<u>8,886,354</u>	<u>1,180,140</u>	<u>23,060,928</u>	<u>10,585,649</u>
<b>Noncurrent assets:</b>					
Capital assets, nondepreciable	2,799,257	19,510,624		22,309,881	
Capital assets, net of accumulated depreciation	53,199,786	60,539,616	2,634,495	116,373,897	
Total noncurrent assets	<u>55,999,043</u>	<u>80,050,240</u>	<u>2,634,495</u>	<u>138,683,778</u>	<u>-</u>
<b>Total assets</b>	<u>68,993,477</u>	<u>88,936,594</u>	<u>3,814,635</u>	<u>161,744,706</u>	<u>10,585,649</u>
<b>Deferred Outflows of Resources:</b>					
Deferred charge on refunding	222,399	68,622		291,021	
Related to pension	694,577	248,742	103,804	1,047,123	
Related to OPEB	311,822	95,645	21,815	429,282	
Total deferred outflows of resources	<u>1,228,798</u>	<u>413,009</u>	<u>125,619</u>	<u>1,767,426</u>	<u>-</u>
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	628,851	1,997,950	72,887	2,699,688	18,897
Accrued interest	58,657	44,655	231	103,543	
Due to other funds		379,706	2,994,726	3,374,432	862,489
Current portion of claims incurred but not reported				-	2,716,516
Current portion of bonds payable	687,000	484,800	1,900	1,173,700	
Current portion of notes payable	895,169	1,850,744		2,745,913	
Current portion of compensated absences	30,653	1,448	-	32,101	
Total current liabilities	<u>2,300,330</u>	<u>4,759,303</u>	<u>3,069,744</u>	<u>10,129,377</u>	<u>3,597,902</u>
<b>Noncurrent liabilities:</b>					
Claims incurred but not reported					7,541,511
Bonds payable, less current portion	9,557,000	5,912,800	29,400	15,499,200	
Notes payable, less current portion	14,883,637	19,662,127		34,545,764	
Premium on bonds	1,037,974	454,684		1,492,658	
Interim funding obligation		7,875,365		7,875,365	
Compensated absences	610,100	501,809	163,295	1,275,204	
Net pension liability	5,235,331	1,874,889	782,422	7,892,642	
OPEB liability	2,187,956	671,113	153,071	3,012,140	
Total noncurrent liabilities	<u>33,511,998</u>	<u>36,952,787</u>	<u>1,128,188</u>	<u>71,592,973</u>	<u>7,541,511</u>
<b>Total liabilities</b>	<u>35,812,328</u>	<u>41,712,090</u>	<u>4,197,932</u>	<u>81,722,350</u>	<u>11,139,413</u>
<b>Deferred Inflows of Resources:</b>					
Related to pension	133,083	47,660	19,890	200,633	
Related to OPEB	67,318	20,648	4,710	92,676	
Total deferred inflows of resources	<u>200,401</u>	<u>68,308</u>	<u>24,600</u>	<u>293,309</u>	<u>-</u>
<b>Net Position:</b>					
Net investment in capital assets	27,654,224	51,084,800	2,624,779	81,363,803	
Unrestricted	6,555,322	(3,515,595)	(2,907,057)	132,670	(553,764)
<b>Total Net Position</b>	<u>\$ 34,209,546</u>	<u>\$ 47,569,205</u>	<u>\$ (282,278)</u>	<u>\$ 81,496,473</u>	<u>\$ (553,764)</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, 2020**

	<b>Business-Type Activities - Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Major Funds</b>		<b>Nonmajor Fund</b>	<b>Total</b>	<b>Internal Service Funds</b>
	<b>Water</b>	<b>Sewer</b>	<b>George Hunter Memorial Golf Course</b>		
Operating Revenues:					
Charges for services	\$ 11,678,979	\$ 10,047,365	\$ 1,059,123	\$ 22,785,467	\$ 31,882,714
Miscellaneous	871,331	701,282	55,945	1,628,558	2,497,737
Total operating revenues	<u>12,550,310</u>	<u>10,748,647</u>	<u>1,115,068</u>	<u>24,414,025</u>	<u>34,380,451</u>
Operating Expenses:					
Salaries and benefits	3,893,232	2,053,439	351,650	6,298,321	
Medical claims				-	29,034,631
Materials and supplies	1,059,743	1,197,798	438,081	2,695,622	
Utilities	890,777	1,053,680		1,944,457	
Administration and operation	1,655,834	785,634		2,441,468	266,807
Depreciation	2,633,681	4,094,338	176,859	6,904,878	
Other	1,489,151	1,668,821	159,234	3,317,206	1,287,212
Total operating expenses	<u>11,622,418</u>	<u>10,853,710</u>	<u>1,125,824</u>	<u>23,601,952</u>	<u>30,588,650</u>
Operating Income (Loss)	<u>927,892</u>	<u>(105,063)</u>	<u>(10,756)</u>	<u>812,073</u>	<u>3,791,801</u>
Nonoperating Revenues (Expenses):					
Interest income	32,765	48,148		80,913	856,442
Interest expense	(869,923)	(702,941)	(37,312)	(1,610,176)	
Loss on disposal of assets		(852,735)		(852,735)	
Total nonoperating revenues (expenses)	<u>(837,158)</u>	<u>(1,507,528)</u>	<u>(37,312)</u>	<u>(2,381,998)</u>	<u>856,442</u>
Income (Loss) Before Contributions	90,734	(1,612,591)	(48,068)	(1,569,925)	4,648,243
Contributions:					
Capital grants and contributions	<u>60,506</u>	<u>4,918,660</u>	<u>50,000</u>	<u>5,029,166</u>	
Change in Net Position	151,240	3,306,069	1,932	3,459,241	4,648,243
Net Position at Beginning of Year	<u>34,058,306</u>	<u>44,263,136</u>	<u>(284,210)</u>	<u>78,037,232</u>	<u>(5,202,007)</u>
Net Position at End of Year	<u>\$ 34,209,546</u>	<u>\$ 47,569,205</u>	<u>\$ (282,278)</u>	<u>\$ 81,496,473</u>	<u>\$ (553,764)</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, 2020**

	Business-Type Activities - Enterprise Funds				Governmental
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Water	Sewer	George Hunter Memorial Golf Course		
<b>Cash Flows from Operating Activities:</b>					
Receipts from customers and users	\$ 11,877,865	\$ 10,247,536	\$ 1,104,272	\$ 23,229,673	\$ 34,281,794
Payments to suppliers	(4,962,293)	(3,226,287)	(608,053)	(8,796,633)	(30,682,413)
Payments to employees	(3,560,122)	(1,960,186)	(368,530)	(5,888,838)	
Net receipts from interfund transactions	372,672	380,845	35,650	789,167	(4,646,344)
Net cash provided by (used in) operating activities	<u>3,728,122</u>	<u>5,441,908</u>	<u>163,339</u>	<u>9,333,369</u>	<u>(1,046,963)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Receipts of capital grants and contributions	60,506	4,918,660	50,000	5,029,166	
Purchase of capital assets	(1,142,585)	(15,010,004)		(16,152,589)	
Proceeds from interim funding drinking water loans		7,875,365		7,875,365	
Issuance of refunding bonds	4,597,000	405,000	8,000	5,010,000	
Premium on refunding bonds	708,020	62,377		770,397	
Bonds refunded	(5,060,000)	(445,000)	(9,000)	(5,514,000)	
Principal payments of bonds	(953,700)	(476,800)	(2,900)	(1,433,400)	
Principal payments of clean water fund loans	(877,457)	(1,814,129)		(2,691,586)	
Interest paid on capital debt	(951,092)	(695,684)	(37,461)	(1,684,237)	
Net cash provided by (used in) capital and related financing activities	<u>(3,619,308)</u>	<u>(5,180,215)</u>	<u>8,639</u>	<u>(8,790,884)</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>					
Sale of investments	527	16,109		16,636	532,121
Interest income(expense)	32,765	(48,148)		(15,383)	
Net cash provided by (used in) investing activities	<u>33,292</u>	<u>(32,039)</u>	<u>-</u>	<u>1,253</u>	<u>532,121</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>142,106</b>	<b>229,654</b>	<b>171,978</b>	<b>543,738</b>	<b>(514,842)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>5,521,784</b>	<b>3,072,727</b>	<b>278,897</b>	<b>8,873,408</b>	<b>4,664,676</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 5,663,890</b>	<b>\$ 3,302,381</b>	<b>\$ 450,875</b>	<b>\$ 9,417,146</b>	<b>\$ 4,149,834</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>					
Operating income (loss)	\$ 927,892	\$ (105,063)	\$ (10,756)	\$ 812,073	\$ 3,791,801
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	2,633,681	4,094,338	176,859	6,904,878	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(670,837)	(501,111)	(10,796)	(1,182,744)	(98,657)
(Increase) decrease in due from other funds	372,672		73,507	446,179	
(Increase) decrease in other assets	(1,608)			(1,608)	
Increase (decrease) in accounts payable and accrued items	133,212	1,479,646	(10,738)	1,602,120	(93,763)
Increase (decrease) in unearned revenue				-	
Increase (decrease) in compensated absences	24,073	(36,349)	(46,501)	(58,777)	
Increase (decrease) in net pension liability	715,814	252,084	77,977	1,045,875	
Increase (decrease) in OPEB liability	149,855	54,401	16,870	221,126	
Increase (decrease) in due to other funds		380,845	(37,857)	342,988	(4,646,344)
(Increase) decrease in deferred outflows of resources	(474,492)	(147,842)	(52,254)	(674,588)	
Increase (decrease) in deferred inflows of resources	(82,140)	(29,041)	(12,972)	(124,153)	
Total adjustments	<u>2,800,230</u>	<u>5,546,971</u>	<u>174,095</u>	<u>8,521,296</u>	<u>(4,838,764)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 3,728,122</b>	<b>\$ 5,441,908</b>	<b>\$ 163,339</b>	<b>\$ 9,333,369</b>	<b>\$ (1,046,963)</b>

The accompanying notes are an integral part of the financial statements

**CITY OF MERIDEN, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2020**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Private Purpose Trust Funds</b>	<b>Agency Funds</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 13,620,341	\$ 207,612	\$ 1,974,660
Investments, at fair value:			
U.S. government securities		58,232	
Certificates of deposit		97,006	
Equities	8,594,201		
Mutual funds	166,896,085		
Alternative investments	104,590,586		317,870
Total investments	<u>280,080,872</u>	<u>155,238</u>	<u>317,870</u>
Accounts receivable	<u>18,564</u>		
Total assets	<u>293,719,777</u>	<u>362,850</u>	<u>2,292,530</u>
<b>Liabilities:</b>			
Deposits held for others			2,292,530
Accounts payable	<u>2,184,043</u>		
Total liabilities	<u>2,184,043</u>	<u>-</u>	<u>2,292,530</u>
<b>Net Position:</b>			
Restricted for Pension Benefits	256,737,856		
Restricted for OPEB Benefits	34,797,878		
Restricted for Other Purposes		<u>362,850</u>	<u>-</u>
Total net position	<u>\$ 291,535,734</u>	<u>\$ 362,850</u>	<u>\$ -</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, 2020**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Private Purpose Trust Funds</b>
Additions:		
Contributions:		
Employer	\$ 20,915,933	\$
Plan members	3,292,818	
Total contributions	<u>24,208,751</u>	<u>-</u>
Investment earnings:		
Net change in fair value of investments	3,079,757	
Interest and dividends	4,280,665	18,582
Total investment earnings	<u>7,360,422</u>	<u>18,582</u>
Less investment expenses:		
Investment management fees	1,347,400	
Net investment earnings	<u>6,013,022</u>	<u>18,582</u>
Total additions	<u>30,221,773</u>	<u>18,582</u>
Deductions:		
Benefits	38,994,225	18,478
Administrative expense	119,378	
Other	791,281	
Total deductions	<u>39,904,884</u>	<u>18,478</u>
Change in Net Position	(9,683,111)	104
Net Position at Beginning of Year	<u>301,218,845</u>	<u>362,746</u>
Net Position at End of Year	<u>\$ 291,535,734</u>	<u>\$ 362,850</u>

The accompanying notes are an integral part of the 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.

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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 and Other Employee Benefits 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. These funds are also 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, performance bonds, and South Meriden Volunteer Fire Department Award Program.

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.

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**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 acquisition value rather than at fair 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. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resources for advance property tax collections and for differences between expected and actual experience related to pensions and OPEB in the government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, these amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees). Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from the following sources: property taxes and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

#### **I. 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 and sick days to subsequent years based on the terms of an employment or union contract. In the event of termination, these employees are paid for accumulated vacation and sick time. 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. Compensated absences are reported in governmental funds only if they have matured.



**J. Net Pension Liability**

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

**K. Net Other Post Employment (OPEB) Liability**

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

**L. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

**M. 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.

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**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**

This balance represents 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 Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

**N. 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.

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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.

**O. 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.

**P. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date the financial statements were available to be issued, which date is December 10, 2020.

**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.

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- 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. Budget transfers 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 no additional appropriations in the General Fund. Additional appropriations from net position of \$14,910 were approved for the Water Fund.

- 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.

**CITY OF MERIDEN, CONNECTICUT  
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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:

	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>	<u>Fund Balance</u>
Balance, budgetary basis	\$ 197,757,102	\$ 197,109,484	\$ 17,259,704
Excess cost grant (net for budgetary)	998,245	998,245	
Premium netted for budgetary purposes	1,200,000	1,200,000	
Refunding bonds issued	9,490,000		
Payment to refunded bond escrow agent		10,857,023	
Issuance costs on refunding bonds		94,607	
Issuance of capital lease	1,461,630		
State Teachers' Retirement pension on-behalf payment	17,656,680	17,656,680	
State Teachers' Retirement OPEB on-behalf payment	482,572	482,572	
State of Connecticut WIC on-behalf payment	1,610,196	1,610,196	
Funds consolidated for GASB 54 purposes	<u>141,510</u>	<u>115,946</u>	<u>373,603</u>
Balance, GAAP Basis	<u>\$ 230,797,935</u>	<u>\$ 230,124,753</u>	<u>\$ 17,633,307</u>

**B. Deficit Fund Equity**

For the year ended June 30, 2020, the following funds had deficit balances:

Nonmajor Enterprise Fund:	
George Hunter Memorial Golf Course	\$ 282,278
Internal Service Fund:	
Workers' Compensation Fund	4,018,611

These amounts will be funded through local general fund contributions or future revenues.

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**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*, \$21,604,146 of the City’s bank balance of \$36,097,594 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 19,235,366
Uninsured and collateral held by the pledging bank’s trust department, not in the City’s name	<u>2,368,780</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 21,604,146</u>

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**Cash Equivalents**

At June 30, 2020, the City's cash equivalents amounted to \$26,779,983. 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>S &amp; P Global</u>
State Short-Term Investment Fund (STIF)	AAAm
Bank of America	*
Farmington Savings Bank	*
ICMA - RC	*
ION Bank	*
JP Morgan Chase	*
MS FSU	*
RBC Wealth Management	*
Santander	*
Stone Castle	*
TD Bank	*
United Bank	*
Webster	*

\* Not rated

**Investments**

As of June 30, 2020, the City had the following investments:

	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
		<u>Less than 1</u>	<u>1-10</u>	<u>More than 10</u>
Interest-bearing investments:				
Certificates of Deposit	\$ 12,194,245	\$ 799,836	\$ 11,394,409	\$
U.S. Government Securities	58,232		58,232	
Municipal Bonds	6,862,911	2,256,631	4,606,280	
Corporate Bonds	<u>3,966,998</u>	<u>846,727</u>	<u>3,120,271</u>	
Total	23,082,386	<u>\$ 3,903,194</u>	<u>\$ 19,179,192</u>	<u>\$ -</u>
Other investments:				
Mutual Funds	168,081,671			
Common Stock	11,573,538			
Alternative Investments	<u>104,747,979</u>			
Total Investments	<u>\$ 307,485,574</u>			

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<u>Average Rating</u>	<u>Corporate Bonds</u>	<u>Municipal Bonds</u>	<u>U.S. Government Securities</u>	<u>Certificates of Deposit</u>
Aaa	\$ 106,287	\$ 733,531	\$ 58,232	\$
Aa1	109,270	1,123,707		
Aa2	231,469	1,216,502		
Aa3	93,613	1,090,906		
A1	576,126	2,367,856		
A2	522,129	330,409		
A3	1,016,326			
Baa1	764,709			
Baa2	547,069			
Baa3				
Unrated				12,194,245
<b>Total</b>	<b>\$ 3,966,998</b>	<b>\$ 6,862,911</b>	<b>\$ 58,232</b>	<b>\$ 12,194,245</b>

**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. In addition, per policy, a depository's long-term debt must be rated at least C by Thompson Bank Watch and A- by Standard & Poor's, A3 by Moody's or A- by Fitch; and its short-term debt must be rated at least TBW-1 by Thomson Bank Watch and A-1 by Standard & Poor's, P-1 by Moody's or F-1 by Fitch or the depository's total risk-based capital ratio must exceed ten percent (10%).

**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 fair 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, 2020, 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.



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**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 Depository 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.

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**Fair Value**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2020:

	<u>June 30, 2020</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government securities	\$ 58,232	\$	\$ 58,232	\$
Municipal bonds	6,862,911		6,862,911	
Corporate bonds	3,966,998		3,966,998	
Common stock	11,573,538	11,573,538		
Mutual funds	168,081,671	168,081,671		
Alternative investments	42,085,479	103,177		104,644,802
Total investments by fair value level	232,628,829	\$ <u>179,758,386</u>	\$ <u>10,888,141</u>	\$ <u>104,644,802</u>
<b>Investments measured at the net asset value (NAV)</b>				
Private Equity Holdings	62,662,500			
Certificates of deposit	12,194,245			
Total Investments	\$ <u>307,485,574</u>			

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

Private equity funds - international are valued as described in the following schedule.

**CITY OF MERIDEN, CONNECTICUT  
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The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Central Park Group WP Private Equity XI, LLC	\$ 3,250,000	\$ 296,077	Restricted	N/A
Central Park Group WP Energy, LLC	1,492,500	238,806	Restricted	N/A
Central Park Group Brookfield Opportunistic Real Estate, LLC	2,970,000	653,400	Restricted	N/A
Central Park Group Carlyle Equity Oppurtunity Fund II, LLC	3,250,000	419,788	Restricted	N/A
iCapital-KV Seed C Access Fund, L.P.	650,000	27,400	Restricted	N/A
Greenspring Opportunities IV, L.P.	1,950,000	97,500	Restricted	N/A
Oak Hill Capital Partners IV (Onshore Tax Exempt), L.P.	2,000,000	474,200	Restricted	N/A
Portfolio Advisors Secondary Fund III, L.P.	2,000,000	259,492	Restricted	N/A
HarbourVest 2019 Global Fund L.P.	4,750,000	4,251,250	Restricted	N/A
Aetos Capital Distressed Investment Strategies Fund, LLC	5,774,700	-	Quarterly	60 Days
Aetos Capital Long/Short Strategies Fund, LLC	14,513,300	-	Quarterly	60 Days
Aetos Capital Multi-Strategy Arbitrage Fund, LLC	8,662,000	-	Quarterly	60 Days
RREEF America REIT II	11,400,000	5,700,000	Quarterly	45 Days
	<u>\$ 62,662,500</u>	<u>\$ 12,417,913</u>		

**CITY OF MERIDEN, CONNECTICUT  
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**4. RECEIVABLES**

The receivables as of June 30, 2020 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:

	<b>Governmental and Fiduciary Type Funds</b>			
	<b>General Fund</b>	<b>Bonded Projects Fund</b>	<b>Nonmajor, Internal Service, and Fiduciary Funds</b>	<b>Total</b>
Property taxes	\$ 8,853,127	\$	\$	\$ 8,853,127
Interest and liens	7,533,022			7,533,022
Accounts	344,631		241,888	586,519
Intergovernmental	162,566	2,537,124	2,985,858	5,685,548
Loans		1,018	2,135,563	2,136,581
Other	11,103		18,564	29,667
Gross receivables	<u>16,904,449</u>	<u>2,538,142</u>	<u>5,381,873</u>	<u>24,824,464</u>
Less allowance for collection losses	<u>10,278,565</u>		<u>267,797</u>	<u>10,546,362</u>
Net Total Receivables	<u>\$ 6,625,884</u>	<u>\$ 2,538,142</u>	<u>\$ 5,114,076</u>	<u>\$ 14,278,102</u>
	<b>Business-Type Funds</b>			
	<b>Water Authority</b>	<b>Sewer Authority</b>	<b>Nonmajor Fund</b>	<b>Total</b>
Use charges	\$ 1,111,849	\$ 1,180,631	\$	\$ 2,292,480
Interest and liens	89,766	85,329		175,095
Assessments		95,574		95,574
Unbilled	3,940,968	3,716,116		7,657,084
Other	3,895	3,175	12,449	19,519
Gross receivables	<u>5,146,478</u>	<u>5,080,825</u>	<u>12,449</u>	<u>10,239,752</u>
Less allowance for collection losses	<u>135,056</u>	<u>128,986</u>		<u>264,042</u>
Net Total Receivables	<u>\$ 5,011,422</u>	<u>\$ 4,951,839</u>	<u>\$ 12,449</u>	<u>\$ 9,975,710</u>

**CITY OF MERIDEN, CONNECTICUT  
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**5. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 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	\$ 25,070,927	\$ 248,195	\$ 122,000	\$ 25,197,122
Construction in progress	14,718,155	12,670,709	46,800	27,342,064
Total capital assets not being depreciated	<u>39,789,082</u>	<u>12,918,904</u>	<u>168,800</u>	<u>52,539,186</u>
Capital assets being depreciated:				
Land improvements	33,286,609	1,373,154		34,659,763
Buildings and improvements	409,027,266	78,000	72,620	409,032,646
Machinery and equipment	24,517,386	726,813	151,980	25,092,219
Vehicles	18,140,573	319,836	803,617	17,656,792
Infrastructure	121,911,996	2,366,381		124,278,377
Total capital assets being depreciated	<u>606,883,830</u>	<u>4,864,184</u>	<u>1,028,217</u>	<u>610,719,797</u>
Less accumulated depreciation for:				
Land improvements	16,698,495	1,325,817		18,024,312
Buildings and improvements	120,450,888	11,118,454	46,144	131,523,198
Machinery and equipment	12,790,375	1,860,431	151,980	14,498,826
Vehicles	14,251,440	1,063,179	803,617	14,511,002
Infrastructure	77,909,670	3,394,183		81,303,853
Total accumulated depreciation	<u>242,100,868</u>	<u>18,762,064</u>	<u>1,001,741</u>	<u>259,861,191</u>
Total capital assets being depreciated, net	<u>364,782,962</u>	<u>(13,897,880)</u>	<u>26,476</u>	<u>350,858,606</u>
Governmental Activities Capital Assets, Net	<u>\$ 404,572,044</u>	<u>\$ (978,976)</u>	<u>\$ 195,276</u>	<u>\$ 403,397,792</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,138,531	\$ 44,255		\$ 1,182,786
Construction in progress	6,023,541	15,103,554		21,127,095
Total capital assets not being depreciated	<u>7,162,072</u>	<u>15,147,809</u>	<u>-</u>	<u>22,309,881</u>
Capital assets being depreciated:				
Land improvements	26,021,352	1,004,780		27,026,132
Buildings and improvements	81,605,312		55,785	81,549,527
Machinery and equipment	33,335,859		3,002,862	30,332,997
Vehicles	2,837,356		182,927	2,654,429
Infrastructure	123,829,375			123,829,375
Total capital assets being depreciated	<u>267,629,254</u>	<u>1,004,780</u>	<u>3,241,574</u>	<u>265,392,460</u>
Less accumulated depreciation for:				
Land improvements	8,892,618	1,305,267		10,197,885
Buildings and improvements	41,872,162	2,027,558	35,021	43,864,699
Machinery and equipment	21,935,909	1,691,003	2,170,891	21,456,021
Vehicles	2,487,913	96,050	182,927	2,401,036
Infrastructure	69,313,922	1,785,000		71,098,922
Total accumulated depreciation	<u>144,502,524</u>	<u>6,904,878</u>	<u>2,388,839</u>	<u>149,018,563</u>
Total capital assets being depreciated, net	<u>123,126,730</u>	<u>(5,900,098)</u>	<u>852,735</u>	<u>116,373,897</u>
Business-Type Activities Capital Assets, Net	<u>\$ 130,288,802</u>	<u>\$ 9,247,711</u>	<u>\$ 852,735</u>	<u>\$ 138,683,778</u>

**CITY OF MERIDEN, CONNECTICUT  
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Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities:	
General government	\$ 539,758
Education	10,865,672
Public safety	1,175,670
Library	47,400
Public works	5,116,615
Recreation	923,653
Human services	<u>93,296</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 18,762,064</u>
Business-type activities:	
Water Authority	\$ 2,633,681
Sewer Authority	4,094,338
Golf Course	<u>176,859</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 6,904,878</u>

**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The outstanding balances between funds result mainly from the timing between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. The composition of interfund balances as of June 30, 2020 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General Fund	Nonmajor Governmental Funds	\$ 687,336
	Internal Service Fund	862,489
	Nonmajor Proprietary Fund	<u>2,994,726</u>
		<u>4,544,551</u>
Water Fund	Bonded Projects Fund	1,681,539
Bonded Projects Fund	Sewer Fund	379,706
Nonmajor Proprietary Fund	Bonded Projects Fund	<u>716,816</u>
		<u>716,816</u>
		<u>\$ 7,322,612</u>

For the most part, all balances are expected to be repaid within a year. In addition to the interfund receivables detailed above, the City also has interfund balances between the General Fund and the OPEB Trust funds in the amount of \$2,826,733. This amount is the result of a negative cash pool balance in the OPEB Trust funds and is shown as accounts receivable and accounts payable in the respective funds.

**CITY OF MERIDEN, CONNECTICUT  
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During the year, transfers are used to 1) provide resources from the bonded projects fund to the general fund for debt service relief, 2) provide local match spending requirements from the general fund to nonmajor funds for grants requiring local spending and 3) provide funding for capital non-recurring items from the general fund to the capital non-recurring fund.

	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers Out</u>
Transfers out:			
General Fund	\$	\$ 1,440,871	\$ 1,440,871
Bonded Projects Fund	1,200,000		1,200,000
Nonmajor Governmental	<u>42,720</u>		<u>42,720</u>
 Total Transfers In	 \$ <u>1,242,720</u>	 \$ <u>1,440,871</u>	 \$ <u>2,683,591</u>

**7. LEASES**

**Capital Leases**

The City has entered into a lease agreement as lessee for financing the acquisition of energy efficient lighting. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The gross amounts of assets acquired under capital leases, by major asset class, are shown below:

Buildings and improvements	\$ 452,441
Less accumulated depreciation	<u>64,096</u>
 Total	 \$ <u>388,345</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 are as follows:

**Year Ending June 30**

2021	\$ 82,262
2022	82,262
2023	82,262
2024	<u>6,855</u>
 Present Value of Minimum Lease Payments	 \$ <u>253,641</u>

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**8. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 135,764,700	\$ 9,490,000	\$ 21,468,300	\$ 123,786,400	\$ 9,336,300
Premium on bonds	4,596,246	1,461,630	1,551,198	4,506,678	
Notes payable	975,000	232,045	75,000	1,132,045	85,787
Capital leases	335,903		82,262	253,641	82,262
Compensated absences	16,899,442	828,282	1,279,889	16,447,835	823,836
Worker's compensation	2,574,022	197,973	150,475	2,621,520	873,840
Heart and hypertension	5,148,044	3,199,034	2,819,050	5,528,028	1,842,676
Landfill post-closure monitoring	220,000		56,000	164,000	70,000
Net pension liability	147,081,290	13,425,580		160,506,870	
OPEB liability	55,133,985	5,267,897		60,401,882	
Pollution remediation	9,674,050		348,000	9,326,050	
Claims and judgments	1,105,000	95,000	325,000	875,000	473,800
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$ <u>379,507,682</u></b>	<b>\$ <u>34,197,441</u></b>	<b>\$ <u>28,155,174</u></b>	<b>\$ <u>385,549,949</u></b>	<b>\$ <u>13,588,501</u></b>
Business-Type Activities:					
General obligation bonds	\$ 18,610,300	\$ 5,010,000	\$ 6,947,400	\$ 16,672,900	\$ 1,173,700
Premium on bonds	1,012,727	770,397	290,466	1,492,658	
Compensated absences	1,366,082	72,148	130,925	1,307,305	32,101
Net pension liability	6,846,767	1,045,875		7,892,642	
OPEB liability	2,791,014	221,126		3,012,140	
Clean water/drinking water notes	39,983,263		2,691,586	37,291,677	2,745,913
<b>Total Business-Type Activities Long-Term Liabilities</b>	<b>\$ <u>70,610,153</u></b>	<b>\$ <u>7,119,546</u></b>	<b>\$ <u>10,060,377</u></b>	<b>\$ <u>67,669,322</u></b>	<b>\$ <u>3,951,714</u></b>

For the governmental activities, compensated absences, net pension liabilities and net other post employment benefits liabilities 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.



**CITY OF MERIDEN, CONNECTICUT  
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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, 2020</u>
Governmental:						
General purpose:						
General obligation, Series A	5/4/10	8/1/22	3-5%	11,627,000	Various	\$ 355,000
General obligation	12/18/12	8/1/28	1-2.65%	6,400,000	Various	84,000
General obligation	1/31/13	2/15/33	1-3%	24,423,203	Various	17,005,000
General obligation, Series A	9/8/14	3/1/34	3-5%	47,515,700	Various	36,322,800
General obligation, Series B	9/8/14	3/1/24	2-3%	2,864,000	Various	1,278,600
General obligation	11/1/16	5/1/36	3-5%	59,643,302	Various	49,889,000
General obligation	11/15/16	5/15/30	3-5%	10,606,000	Various	9,362,000
General obligation	6/4/20	6/30/29	5%	9,490,000	Various	9,490,000
Total governmental activities						<u>123,786,400</u>
Business-Type:						
General purpose:						
General obligation	12/18/12	8/1/28	1-2.65%	3,500,000	Various	46,000
General obligation	1/31/13	2/15/33	1-3%	1,056,797	Various	740,000
General obligation, Series A	9/8/14	3/1/34	3-5%	2,789,300	Various	2,132,200
General obligation, Series B	9/8/14	3/1/24	2-3%	630,000	Various	281,400
General obligation	11/1/16	5/1/36	3-5%	8,596,698	Various	6,680,300
General obligation	11/15/16	5/15/30	3-5%	2,019,000	Various	1,783,000
General obligation	6/4/20	6/30/29	5%	5,010,000	Various	5,010,000
Total business-type activities						<u>16,672,900</u>
Total Outstanding						<u>\$ 140,459,300</u>

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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Annual debt service requirements to maturity for general obligation bonds are as follows:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2021	\$ 9,336,300	\$ 4,371,471	\$ 1,173,700	\$ 590,428
2022	9,668,300	4,114,061	1,551,700	613,777
2023	9,401,200	3,673,325	1,443,800	542,138
2024	9,078,200	3,278,185	1,436,100	474,615
2025	8,820,800	2,889,012	1,374,200	407,044
2026	9,079,000	2,529,663	1,391,000	342,643
2027	9,086,000	2,202,413	1,394,000	283,643
2028	9,090,000	1,903,899	1,395,000	228,601
2029	9,096,000	1,600,354	1,394,000	173,346
2030	8,027,000	1,302,099	813,000	130,251
2031	7,069,000	1,027,244	631,000	101,493
2032	7,069,000	808,444	631,000	82,168
2033	7,067,900	589,644	632,100	62,843
2034	5,763,700	370,877	576,300	43,485
2035	3,067,000	187,854	418,000	25,603
2036	3,067,000	95,844	418,000	13,063
<b>Total</b>	<b>\$ 123,786,400</b>	<b>\$ 30,944,389</b>	<b>\$ 16,672,900</b>	<b>\$ 4,115,141</b>

**Notes Payable**

*Clean Water Fund Loans*

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.

*Drinking Water Fund Loans*

The Drinking Water Fund Program issued a permanent funding obligation loan, which is recorded in the Water Fund, for the year ended June 30, 2020. The loan proceeds are being used to finance the upgrade to the Broad Brook Treatment Plant. 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 cleanup of Factory H. The obligation will be paid from future CDBG allocations.

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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*DECD Loan*

The State of Connecticut Department of Economic and Community Development issued a loan to the City under the provisions of the BROWNFIELD STATUTE (C.G.S. Sec. 32-765) on March 1, 2016, which carries interest at 1.0%. The loan proceeds financed a portion of the remediation of the former Meriden Wallingford Hospital located at 1 King Place, Meriden CT.

Notes payable 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, 2020</u>
Governmental:						
HUD 108 Note 2011-A	11/17/11	8/1/31	LIBOR+ .2%	1,500,000	75,000	\$ 900,000
DECD Loan - Project 2015080001	3/1/20	3/1/36	1%	232,045	1,389	232,045
Total governmental activities						<u>1,132,045</u>
Business-Type:						
Clean Water Fund Note 382-C1	6/30/11	12/31/30	2%	35,860,708	Various	20,410,485
Clean Water Fund Note 209-CSL	12/31/12	12/31/31	2%	1,785,546	Various	1,102,386
Drinking Water Fund Note 2012-7008	12/31/13	12/31/32	2%	1,597,153	Various	1,061,586
Drinking Water Fund Note 2014-7034	11/30/16	11/30/35	2%	17,299,858	Various	13,502,456
Drinking Water Fund Note 2016-7041	1/31/17	8/31/36	2%	1,429,943	Various	1,214,764
Total business-type activities						<u>37,291,677</u>
Total Outstanding						<u>\$ 38,423,722</u>

In addition to the notes payable above, the City has an interim financing obligation of \$1,727,353 to the Connecticut Department of Economic and Community Development. The note carries a 1% interest rate and the principal becomes payable upon the permanent financing of the short-term note payable. The City also has an interim financing obligation of \$7,875,365, to the State of Connecticut under the Clean Water Fund Program. The note carries a 2% interest rate and the principal also becomes payable upon the permanent financing of the short-term note payable.

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

Annual debt service requirements to maturity for notes payable are as follows:

Governmental Activities

	HUD Loan		DECD Note		Total Governmental	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 75,000	\$ 26,134	10,787	\$ 12,757	85,787	\$ 38,891
2022	75,000	24,255	14,520	2,146	89,520	26,401
2023	75,000	22,282	14,666	2,000	89,666	24,282
2024	75,000	20,179	14,812	1,853	89,812	22,032
2025	75,000	17,978	14,962	1,704	89,962	19,682
2026	75,000	15,739	15,112	1,554	90,112	17,293
2027	75,000	13,451	15,264	1,402	90,264	14,853
2028	75,000	11,130	15,417	1,249	90,417	12,379
2029	75,000	8,764	15,572	1,093	90,572	9,857
2030	75,000	6,337	15,729	937	90,729	7,274
2031	75,000	3,855	15,887	779	90,887	4,634
2032	75,000	1,297	16,046	620	91,046	1,917
2033			16,207	458	16,207	458
2034			16,370	296	16,370	296
2035			16,535	131	16,535	131
2036			4,159	7	4,159	7
	<u>\$ 900,000</u>	<u>\$ 171,401</u>	<u>232,045</u>	<u>\$ 28,986</u>	<u>1,132,045</u>	<u>\$ 200,387</u>

Business-Type Activities

Year Ending June 30	Clean Water Notes		Drinking Water Notes		Total Business-Type	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 1,850,744	\$ 21,261	\$ 895,169	\$ 307,400	\$ 2,745,913	\$ 328,661
2022	1,888,100	19,523	913,238	289,332	2,801,338	308,855
2023	1,926,210	17,749	931,671	270,898	2,857,881	288,647
2024	1,965,090	15,940	950,476	252,093	2,915,566	268,033
2025	2,004,754	14,094	969,661	232,909	2,974,415	247,003
2026	2,045,218	12,211	989,233	213,337	3,034,451	225,548
2027	2,086,500	10,290	1,009,200	193,370	3,095,700	203,660
2028	2,128,615	8,330	1,029,570	172,999	3,158,185	181,329
2029	2,171,579	6,331	1,050,351	152,218	3,221,930	158,549
2030	2,215,411	4,291	1,071,552	131,018	3,286,963	135,309
2031	1,177,268	2,210	1,093,180	109,389	2,270,448	111,599
2032	53,381	312	1,115,246	87,324	1,168,627	87,636
2033			1,089,528	65,014	1,089,528	65,014
2034			1,062,807	43,707	1,062,807	43,707
2035			1,084,259	22,255	1,084,259	22,255
2036			509,034	3,349	509,034	3,349
2037			14,632	37	14,632	37
	<u>\$ 21,512,870</u>	<u>\$ 132,542</u>	<u>\$ 15,778,807</u>	<u>\$ 2,546,649</u>	<u>\$ 37,291,677</u>	<u>\$ 2,679,191</u>

### **Authorized but Unissued Bonds**

The total of authorized but unissued bonds at June 30, 2020 is \$64,699,115, 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 \$164,000, 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, 2020. 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 \$10,352,000 less estimated recoveries from the State and Federal government of \$2,600,000. 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 Green (formerly the 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, 2020, 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 \$300,000 from the State of Connecticut Department of Economic and Community Development.

Remediation of the Meriden Green (formerly the Meriden HUB) which is located at 177 State Street and 50 East Main Street was completed in June 2016. The work was completed in accordance with the environmental reports prepared for the City of Meriden by AECOM entitled "Remedial Action Plan, Meriden HUB Site, dated June 2012". The work included the 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 remains on-site following completion of the flood control storage area. An Environmental Land Use Restriction has been completed and will remain in perpetuity to ensure that there will be no disturbance of the Engineered Control (EC) cap and materials beneath the cap.

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116 Cook Avenue has contaminated soil and hazardous building materials contributing to the contamination. The liability is made up of \$2,098,000 less estimated recoveries from the Federal government (HUD and US EPA) of \$523,950. 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 of Meriden by Tighe and Bond, including "Phase III Environmental Site Assessment report, dated July 2012", and an "Opinion of Probable Demolition Costs, dated July 2012". 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 of Meriden 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, 2020, the City utilized \$523,950 in federal funds to remove hazardous building materials and universal waste and to remove an underground storage tank (UST) from the site.

The City acquired 11 Crown Street in May 2014 for redevelopment purposes. In 2014, the City retained Tighe and Bond to complete Phase II/III Environmental Assessments and a Remedial Action plan for the site. Cleanup costs (soil remediation and hazardous building materials) include engineering, oversight and monitoring. As of June 30, 2020, the City was awarded and used a \$1.98 million state grant from the CT Department of Economic and Community Development to complete building demolition and site remediation. All remediation work was substantially completed in June 2018 and close out of the environmental documentation is in process. Following site remediation, the site was leased to a private developer beginning in 2019 under a long-term lease agreement. Ongoing liability will require one year of groundwater monitoring after the site redevelopment is completed after 2020. The estimated cost of groundwater monitoring is less than \$20,000 total. Grant funds may be used for this purpose.

The City acquired the former Meriden Wallingford hospital site, located at 1 King Place, in January 2014 in a tax foreclosure. In 2014, the City was awarded \$180,000 to further assess the building and property and \$221,000 in state forgivable loans for cleanup. In 2018, the City was awarded a \$2 million grant and a \$2 million loan from the State of CT and a \$200,000 grant from the USEPA for site remediation. As of June 30, 2020, site cleanup of known contaminants has been completed. Abatement of hazardous building materials was \$3.4 million based on contracts awarded. Additional costs for soils cleanup, UST removal, and other costs is approximately \$800,000 based on contracts awarded. The City has selected a private developer to purchase the site following site cleanup in 2020.

The City acquired the former Mills Memorial Housing Complex, located at 144 Pratt Street, in May 2018 as a part of a property swap with the Meriden Housing Authority. Under the agreement, the City took title to 144 Pratt Street and transferred 177 State Street and 62 Cedar Street to the Meriden Housing Authority for future development. In 2014, the City was awarded \$180,000 from the State of CT to assess the building and property and in 2015 was awarded \$2,000,000 from the State of CT for abatement and demolition. As of June 30, 2020, demolition is completed. The City will incorporate the site into the Harbor Brook Flood control plan following demolition.

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**Claims and Judgments**

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 \$875,000 at June 30, 2020.

**Debt Limitation**

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

<u>Category</u>	<u>Debt Limitation</u>	<u>Indebtedness</u>	<u>Balance</u>
General purposes	\$ 296,330	\$ 97,205	\$ 199,125
Schools	592,659	44,075	548,584
Urban renewal	428,032		428,032
Sewers	493,883	66,878	427,005
Pension bonding	395,106		395,106

In no case shall total indebtedness exceed seven times annual receipts from taxation \$921,914.

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**9. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2020 are as follows:

	<u>General Fund</u>	<u>Bonded Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$ 116,782	\$	\$ 234,832	\$ 351,614
Prepaid expenditures	13,966		523	14,489
Permanent fund principal			104,017	104,017
Restricted for:				
Flood control	480,001			480,001
Wallingford Regional Solid Waste Reserve	468,989			468,989
Federal and State grants	159,555		2,220,210	2,379,765
Bonds		10,758,828		10,758,828
Park trusts			1,930,762	1,930,762
Library trusts			799,311	799,311
Education trusts			9,040	9,040
Health trusts			796	796
Capital and nonrecurring			139,647	139,647
Committed to:				
Special assessment project			98,083	98,083
Education			565,588	565,588
Planning and development			58,396	58,396
Anti-blight			153,680	153,680
Airport improvement			18,826	18,826
Dog fund			17,233	17,233
Capital and nonrecurring			806,652	806,652
Meriden Green improvement			542,049	542,049
Insurance refunds	256,290			256,290
Tree preservation	2,985			2,985
Downtown property management	97,057			97,057
Vehicle replacement	57,173			57,173
Public safety			403,025	403,025
Unassigned	<u>15,980,509</u>			<u>15,980,509</u>
Total Fund Balances	<u>\$ 17,633,307</u>	<u>\$ 10,758,828</u>	<u>\$ 8,102,670</u>	<u>\$ 36,494,805</u>

Significant encumbrances of \$4,782,649 are included in the bonded projects fund and \$886,128 are included in the nonmajor funds as of June 30, 2020.



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**10. 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, 2020.

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 BOE and City enterprise funds use 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:

	<b>Accrued Liability Beginning of Fiscal Year</b>		<b>Current Year Claims and Changes in Estimates</b>		<b>Accrued Liability Claim Payments</b>		<b>Accrued Liability End of Fiscal Year</b>
<b>Workers' Compensation and Heart and Hypertension</b>							
2019-20	\$ 7,722,066	\$	2,969,525	\$	2,542,043	\$	8,149,548
2018-19	7,525,644		3,558,447		3,362,025		7,722,066
<b>Health Insurance</b>							
2019-20	\$ 2,283,146	\$	26,065,106	\$	26,239,773	\$	2,108,479
2018-19	2,337,468		29,109,369		29,163,691		2,283,146

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**11. 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.

Management of the plans rest with the Pension Board, which consists of eleven members: three elected by plan members, six appointed by City Council and the City Treasurer and Personnel Director who both serve as ex-officio members.

**Plan Description and Benefits Provided**

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:

<b>Provisions</b>	<b>Employees’ Retirement Plan</b>	<b>Police Pension Plan</b>	<b>Firefighters’ Pension Plan</b>
Benefit	<p>Firefighters and BOE employees receive 2% of average final pay (average of three highest calendar years out of the last ten) multiplied by the years of continuous service in the plan, with a maximum of 60% of salary.</p> <p>Police and nonBOE City employees receive 2% of average final pay for the first 20 years, plus 2½% of average final pay multiplied by years of service for years 21-32 thereafter, with a maximum of 70% of salary.</p>	<p>2% of base pay times years of service up to 20 years plus 1.6% of base pay times years of service in excess of 20 and less than 30 years plus 50% of current emoluments.</p>	<p>2.2% of base pay times the years of service up to 30 years plus 50% of emoluments.</p>
Eligibility requirements	Vested after 10 years of service.	Earlier of 20 years of service or age 65.	Earlier of 25 years of service or age 65.
Cost of living adjustment	<p>Retirement prior to July 1, 1989: No COLA adjustments.</p> <p>Retirement after July 1, 1989 and prior to July 1, 2000: 3% every other year beginning after the later of 3 years from retirement age or age 65 with a lifetime cap of 50% of original pension.</p> <p>Retirement after July 1, 2000: 2% each year beginning after the later of 2 years from retirement date or age 62. For police and firefighters with 25 years of service the COLA begins 1 year from date of retirement with a lifetime cap of 50% of original pension.</p>	<p>Retirement prior to January 1, 2003: based on increases to base pay for the rank held at retirement.</p> <p>Retirement after January 1, 2003 (25 or more years of service): 3% of base pay, excluding emoluments.</p> <p>Retirement after January 1, 2003 (between 20-25 years of service): 2% of base pay, excluding emoluments.</p> <p>Retirement after January 1, 2003 (less than 20 years of service): none.</p>	<p>Retirement prior to January 1, 2003: based on increase in base pay for the rank held at retirement.</p> <p>Retirement after January 1, 2003 (with at least 25 years of service): 3% of base pay, excluding emoluments.</p>
Early retirement provisions	City and police employees - 10 years of service and age 55. Firefighters- none.	None.	None.

**CITY OF MERIDEN, CONNECTICUT  
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<u>Provisions</u>	<u>Employees' Retirement Plan</u>	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Contributions	<p>NonBOE City employees 11% of earnings (includes 7% of earnings to pension and 4% of earnings as contributed for post-employment healthcare benefits).</p> <p>BOE employees - 8% of earnings (includes 4% of earnings to pension and 4% of earnings as contributed for post-employment healthcare benefits).</p> <p>Police employees - (hired prior to July 1, 2012) - 10% of earnings (includes 6% of earnings to pension and 4% of earnings as contributed for post-employment healthcare benefits).</p> <p>Police employees - (hired after July 1, 2012) - 7% of earnings (includes 4.5% of earnings to pension and 2.5% of earnings as contributed for post-employment healthcare benefits).</p> <p>Fire employees - 6% of earnings (includes 4% of earnings to pension and 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 6% of earnings to pension and 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 6% of earnings to pension and 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, 2018, Plan membership consisted of the following:

	<u>Employees' Retirement Plan</u>	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Retirees and beneficiaries currently receiving benefits	497	149	121
Vested terminated employees	98	1	
Active participants	491	35	41
Total Participants	<u>1,086</u>	<u>185</u>	<u>162</u>

The Employees' Retirement Plan was closed to nonpublic safety personnel as of July 1, 2011. The Police and Firefighter's plans were closed to new entrants as of March 18, 2003.

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**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. Securities traded on a national exchange are valued at the last reported sales price. 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, 2020 and changes in net position for the year then ended are as follows:

	<b>Pension Trust Funds</b>			
	<b>Employees' Retirement Plan</b>	<b>Police Pension Fund</b>	<b>Firefighters' Pension Plan</b>	<b>Total Pension Trust Funds</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 8,112,606	\$ 3,965,457	\$ 1,179,248	\$ 13,257,311
Interest receivable	13,811		4,017	17,828
<b>Investments, at fair value:</b>				
Equities	4,014,396	1,907,414	1,481,134	7,402,944
Mutual funds	84,927,092	33,683,490	26,155,718	144,766,300
Alternative investments	51,754,943	22,189,615	17,352,991	91,297,549
Total investments	<u>140,696,431</u>	<u>57,780,519</u>	<u>44,989,843</u>	<u>243,466,793</u>
Total assets	<u>148,822,848</u>	<u>61,745,976</u>	<u>46,173,108</u>	<u>256,741,932</u>
<b>Liabilities:</b>				
Accounts payable	1,264	1,548	1,264	4,076
Total liabilities	<u>1,264</u>	<u>1,548</u>	<u>1,264</u>	<u>4,076</u>
<b>Net Position:</b>				
Restricted for Pension Benefits	<u>\$ 148,821,584</u>	<u>\$ 61,744,428</u>	<u>\$ 46,171,844</u>	<u>\$ 256,737,856</u>

**CITY OF MERIDEN, CONNECTICUT  
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	<b>Pension Trust Funds</b>			
	<b>Employees' Retirement Plan</b>	<b>Police Pension Fund</b>	<b>Firefighters' Pension Plan</b>	<b>Total Pension Trust Funds</b>
Additions:				
Contributions:				
Employer	\$ 5,722,359	\$ 5,025,146	\$ 3,514,375	\$ 14,261,880
Plan members	1,887,450	137,976	193,188	2,218,614
Total contributions	<u>7,609,809</u>	<u>5,163,122</u>	<u>3,707,563</u>	<u>16,480,494</u>
Investment earnings:				
Net increase in fair value of investments	1,999,240	511,903	568,614	3,079,757
Dividends and interest	2,183,654	1,526,434		3,710,088
Total investment earnings	4,182,894	2,038,337	568,614	6,789,845
Less investment expenses:				
Investment management fees	1,037,128	283,604	26,668	1,347,400
Net investment earnings	<u>3,145,766</u>	<u>1,754,733</u>	<u>541,946</u>	<u>5,442,445</u>
Total additions	<u>10,755,575</u>	<u>6,917,855</u>	<u>4,249,509</u>	<u>21,922,939</u>
Deductions:				
Benefits	14,912,538	8,235,319	6,468,276	29,616,133
Administration	27,892	27,894	27,892	83,678
Other	563,324	201,981	25,976	791,281
Total deductions	<u>15,503,754</u>	<u>8,465,194</u>	<u>6,522,144</u>	<u>30,491,092</u>
Change in net position	(4,748,179)	(1,547,339)	(2,272,635)	(8,568,153)
Net Position at Beginning of Year	<u>153,569,763</u>	<u>63,291,767</u>	<u>48,444,479</u>	<u>265,306,009</u>
Net Position at End of Year	<u>\$ 148,821,584</u>	<u>\$ 61,744,428</u>	<u>\$ 46,171,844</u>	<u>\$ 256,737,856</u>

**CITY OF MERIDEN, CONNECTICUT  
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**Investments**

**Investment Policy**

The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board’s adopted asset allocation policy as of January 10, 2012, reaffirmed January 12, 2016:

<u>Asset Class</u>	<u>Target</u>	
Equity - domestic	45	%
Equity - international	12	
Fixed Income	18	
Real Estate	3	
Hedge Funds	4	
Managed Futures	10	
Private Equity	6	
Cash	<u>2</u>	
 Total	 <u><u>100</u></u>	 %

**Rate of Return**

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

City	1.72%
Police	2.51%
Firefighters’	1.09%

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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**Net Pension Liability**

The components of the net pension liability of the City at June 30, 2020 were as follows:

	<u>Employees'</u>	<u>Police</u>	<u>Firefighters'</u>	<u>Total</u>
Total pension liability	\$ 213,027,291	\$ 121,888,514	\$ 90,221,564	\$ 425,137,369
Plan fiduciary net position	<u>148,821,584</u>	<u>61,744,428</u>	<u>46,171,844</u>	<u>256,737,856</u>
City's Net Pension Liability	<u>\$ 64,205,707</u>	<u>\$ 60,144,086</u>	<u>\$ 44,049,720</u>	<u>\$ 168,399,513</u>

Plan fiduciary net position as a percentage  
of the total liability

69.86 %	50.66 %	51.18 %
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**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Employees'</u>	<u>Police</u>	<u>Firefighters'</u>
Inflation	2.60%	2.60%	2.60%
Salary increases	2.60%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond, including inflation	2.60%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond, including inflation	2.60%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond, including inflation
Investment rate of return	7.375%, net of pension plan investment expense	7.375%, net of pension plan investment expense	7.375%, net of pension plan investment expense

Mortality rates were based on RP-2014 Adjusted to 2006 Blue Collar Mortality Table, projected to the valuation date with Scale MP-2018.

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2020 (see the discussion of the pension plan’s investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Real Rate of Return</u>	
Equity - domestic	5.8	%
Equity - international	6	
Fixed Income	2.5	
Real Estate	4.3	
Hedge Funds	4.9	
Managed Futures	4.5	
Private Equity	10.7	
Commodities	2.3	
Cash	0.5	

**Discount Rate**

The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



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**Changes in the Net Pension Liability**

	<b>Employees'</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of July 1, 2019	\$ 208,883,809	\$ 153,569,763	\$ 55,314,046
Changes for the year:			
Service cost	3,903,104		3,903,104
Interest on total pension liability	15,152,916		15,152,916
Differences between expected and actual experience			-
Changes in assumptions			-
Employer contributions		5,722,359	(5,722,359)
Member contributions		1,887,450	(1,887,450)
Net investment income		3,145,766	(3,145,766)
Benefit payments, including refund of employee contributions	(14,912,538)	(14,912,538)	-
Administrative expenses		(27,892)	27,892
Other changes		(563,324)	563,324
Net changes	<u>4,143,482</u>	<u>(4,748,179)</u>	<u>8,891,661</u>
Balances as of June 30, 2020	\$ <u>213,027,291</u>	\$ <u>148,821,584</u>	\$ <u>64,205,707</u>

	<b>Police</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of July 1, 2019	\$ 120,699,878	\$ 63,291,767	\$ 57,408,111
Changes for the year:			
Service cost	764,251		764,251
Interest on total pension liability	8,659,704		8,659,704
Differences between expected and actual experience			-
Changes in assumptions			-
Employer contributions		5,025,146	(5,025,146)
Member contributions		137,976	(137,976)
Net investment income		1,754,733	(1,754,733)
Benefit payments	(8,235,319)	(8,235,319)	-
Administrative expenses		(27,894)	27,894
Other changes		(201,981)	201,981
Net changes	<u>1,188,636</u>	<u>(1,547,339)</u>	<u>2,735,975</u>
Balances as of June 30, 2020	\$ <u>121,888,514</u>	\$ <u>61,744,428</u>	\$ <u>60,144,086</u>

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	<b>Firefighters'</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of July 1, 2019	\$ 89,650,380	\$ 48,444,479	\$ 41,205,901
Changes for the year:			
Service cost	616,549		616,549
Interest on total pension liability	6,422,911		6,422,911
Differences between expected and actual experience			-
Changes in assumptions			-
Employer contributions		3,514,375	(3,514,375)
Member contributions		193,188	(193,188)
Net investment income		541,946	(541,946)
Benefit payments	(6,468,276)	(6,468,276)	-
Administrative expenses		(27,892)	27,892
Other changes		(25,976)	25,976
Net changes	<u>571,184</u>	<u>(2,272,635)</u>	<u>2,843,819</u>
Balances as of June 30, 2020	<u>\$ 90,221,564</u>	<u>\$ 46,171,844</u>	<u>\$ 44,049,720</u>

	<b>All Plans Combined</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of July 1, 2019	\$ 419,234,067	\$ 265,306,009	\$ 153,928,058
Changes for the year:			
Service cost	5,283,904		5,283,904
Interest on total pension liability	30,235,531		30,235,531
Differences between expected and actual experience			-
Changes in assumptions			-
Employer contributions		14,261,880	(14,261,880)
Member contributions		2,218,614	(2,218,614)
Net investment income		5,442,445	(5,442,445)
Benefit payments	(29,616,133)	(29,616,133)	-
Administrative expenses		(83,678)	83,678
Other changes		(791,281)	791,281
Net changes	<u>5,903,302</u>	<u>(8,568,153)</u>	<u>14,471,455</u>
Balances as of June 30, 2020	<u>\$ 425,137,369</u>	<u>\$ 256,737,856</u>	<u>\$ 168,399,513</u>

**CITY OF MERIDEN, CONNECTICUT  
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**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the City, calculated using the current discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b><u>Employees'</u></b>		
	<b><u>1% Decrease (6.375%)</u></b>	<b><u>Current Discount Rate (7.375%)</u></b>	<b><u>1% Increase (8.375%)</u></b>
Net Pension Liability	\$ 88,891,797	\$ 64,205,707	\$ 43,344,656

	<b><u>Police</u></b>		
	<b><u>1% Decrease (6.375%)</u></b>	<b><u>Current Discount Rate (7.375%)</u></b>	<b><u>1% Increase (8.375%)</u></b>
Net Pension Liability	\$ 74,404,138	\$ 60,144,086	\$ 48,300,100

	<b><u>Firefighters'</u></b>		
	<b><u>1% Decrease (6.375%)</u></b>	<b><u>Discount Rate (7.375%)</u></b>	<b><u>1% Increase (8.375%)</u></b>
Net Pension Liability	\$ 53,908,399	\$ 44,049,720	\$ 35,750,583

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2020, the City recognized pension expense as follows:

	<b><u>Employees'</u></b>	<b><u>Police</u></b>	<b><u>Firefighters'</u></b>	<b><u>Total</u></b>
Pension Expense	\$ 10,357,375	\$ 6,447,455	\$ 5,060,228	\$ 21,865,058

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At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Employees'</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 467,495	\$ (1,213,694)
Changes of assumptions	2,710,510	(418,429)
Net difference between projected and actual earning on pension plan investments	<u>5,340,215</u>	
Total	<u>\$ 8,518,220</u>	<u>\$ (1,632,123)</u>

	<b>Police</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	\$
Changes of assumptions		
Net difference between projected and actual earning on pension plan investments	<u>1,877,007</u>	
Total	<u>\$ 1,877,007</u>	<u>\$ -</u>

	<b>Firefighters'</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	\$ (62,763)
Changes of assumptions	94,351	
Net difference between projected and actual earning on pension plan investments	<u>2,154,919</u>	
Total	<u>\$ 2,249,270</u>	<u>\$ (62,763)</u>

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

<u>Year Ending June 30</u>	<u>Employees'</u>	<u>Police</u>	<u>Firefighters'</u>
2021	\$ 1,079,377	\$ 217,829	\$ 367,626
2022	1,677,784	393,105	493,805
2023	2,402,041	707,385	739,296
2024	1,726,895	558,688	585,780

**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 and on July 1, 2016 to reflect changes applicable to newly hired fire fighters. 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 Internal Revenue 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 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 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 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 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 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 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 the member's City Contribution Account. Employer contributions are calculated and paid each pay period.

### **Contribution Requirements/Contributions Made**

The total City contribution during the year ended June 30, 2020 was \$812,040 and represented 5% of covered payroll. The employees' required contributions were \$978,703 and represented 6% of covered payroll.

### **C. Connecticut Teachers Retirement System - Pension**

#### **Plan Description**

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

#### **Benefit Provisions**

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

#### **Normal Retirement**

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

#### **Early Retirement**

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

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**Disability Retirement**

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

**Contributions**

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

*Employer (School Districts)*

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

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$17,656,680 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees*

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

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

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

At June 30, 2020, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>233,261,847</u>
Total	\$	<u><u>233,261,847</u></u>

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The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2020, the City recognized pension expense and revenue of \$28,648,530 in Exhibit II.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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

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

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



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

<u>Asset Class</u>	<u>Expected Return</u>	<u>Target Allocation</u>	<u>Standard Deviation</u>
Public Equity - US Equity	8.10 %	20.00 %	17.00 %
Public Equity - International Developed Equity	8.50	11.00	19.00
Public Equity - Emerging Markets Equity	10.40	9.00	24.00
Fixed Income - Core Fixed Income	4.60	16.00	7.00
Fixed Income - Inflation Linked Bonds	3.60	5.00	7.00
Fixed Income - High Yield	6.50	6.00	11.00
Fixed Income - Emerging Market Debt	5.20	5.00	11.00
Private Equity	9.80	10.00	23.00
Real Estate	7.00	10.00	15.00
Alternative Investments - Real Assets	8.20	4.00	17.00
Alternative Investments - Hedge Funds	5.40	3.00	7.00
Liquidity Fund	2.90	1.00	1.00
Total		<u>100.00 %</u>	

**C. Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

**Other Information**

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

**12. POSTEMPLOYMENT HEALTHCARE PLAN - CITY OF MERIDEN AND MERIDEN BOARD OF EDUCATION**

**A. Postemployment Healthcare Trust Fund**

**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 Plan.

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 is considered a single OPEB Plan. Benefits provided consist of medical, dental and prescription benefits to eligible retirees and their spouses. City employees 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.

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The plan is considered to be part of the City’s financial reporting entity and is included in the City’s financial report as an OPEB trust fund. 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.

Management of the post employment benefits plan, including policy oversight, rests is vested with the Pension Board, Town Manager and Director of Finance. Policy oversight is provided by the OPEB Committee, which Pension Board consists of eleven members: five who specialize in the employee benefits field, two from the Town Council, two from the Board of Education and two alternate members. Three elected by plan members, six appointed by City Council, and the City Treasurer and Personnel Director who both serve as ex-officio members.

At July 1, 2018, plan membership consisted of the following:

	<u>City</u>			<u>Board of Education</u>		<u>Total</u>
	<u>Police</u>	<u>Fire</u>	<u>Other</u>	<u>Teachers</u>	<u>Other</u>	
Active employees	273	99	124	679	286	1,461
Retired employees*	197	64	60	59	120	500
Total Participants	<u>470</u>	<u>163</u>	<u>184</u>	<u>738</u>	<u>406</u>	<u>1,961</u>

\* 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	4.00% of salary
Non-Teacher BOE	4.00% of salary
Police (in City Plan) hired prior to July 1, 2012	4.00% of salary
Police (in Police Plan)	2.50% of salary
Fire	2.00% of salary
Teachers	2.00% of salary

For the year ended June 30, 2020, plan members contributed \$1,074,204. 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 were \$6,654,052, which represents 123.51% of the actuarially determined annual contribution.

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The individual plan net position at June 30, 2020 and changes in net position for the year then ended are as follows:

	<b>OPEB Trust Funds</b>					
	<b>City OPEB Fund</b>	<b>Police OPEB Fund</b>	<b>Firefighters' OPEB Fund</b>	<b>BOE Noncertified OPEB Plan</b>	<b>BOE Certified OPEB Fund</b>	<b>Total OPEB Trust Funds</b>
<b>Assets:</b>						
Cash and cash equivalents	\$ 115,427	\$ 66,283	\$ 54,775	\$ 42,873	\$ 83,672	\$ 363,030
<b>Receivables:</b>						
Interest receivable	234	134	111	87	170	736
	<u>234</u>	<u>134</u>	<u>111</u>	<u>87</u>	<u>170</u>	<u>736</u>
<b>Investments, at fair value:</b>						
Common stock	378,764	217,502	179,742	140,685	274,564	1,191,257
Mutual funds	7,036,244	4,040,497	3,339,033	2,613,483	5,100,528	22,129,785
Alternative investments	4,226,569	2,427,067	2,005,708	1,569,881	3,063,812	13,293,037
Total investments	<u>11,641,577</u>	<u>6,685,066</u>	<u>5,524,483</u>	<u>4,324,049</u>	<u>8,438,904</u>	<u>36,614,079</u>
Total assets	<u>11,757,238</u>	<u>6,751,483</u>	<u>5,579,369</u>	<u>4,367,009</u>	<u>8,522,746</u>	<u>36,977,845</u>
<b>Liabilities:</b>						
Accounts payable	693,137	397,993	328,927	257,471	502,439	2,179,967
Total liabilities	<u>693,137</u>	<u>397,993</u>	<u>328,927</u>	<u>257,471</u>	<u>502,439</u>	<u>2,179,967</u>
<b>Net Position:</b>						
Held in Trust for OPEB Benefits	<u>\$ 11,064,101</u>	<u>\$ 6,353,490</u>	<u>\$ 5,250,442</u>	<u>\$ 4,109,538</u>	<u>\$ 8,020,307</u>	<u>\$ 34,797,878</u>
<b>OPEB Trust Funds</b>						
	<b>City OPEB Fund</b>	<b>Police OPEB Fund</b>	<b>Firefighters' OPEB Fund</b>	<b>BOE Noncertified OPEB Plan</b>	<b>BOE Certified OPEB Fund</b>	<b>Total OPEB Trust Funds</b>
<b>Additions:</b>						
<b>Contributions:</b>						
Employer	\$ 2,115,680	\$ 1,214,909	\$ 1,003,991	\$ 785,830	\$ 1,533,643	\$ 6,654,053
Plan members	341,548	196,130	162,080	126,861	247,585	1,074,204
Total contributions	<u>2,457,228</u>	<u>1,411,039</u>	<u>1,166,071</u>	<u>912,691</u>	<u>1,781,228</u>	<u>7,728,257</u>
Dividends and interest	181,417	104,177	86,091	67,384	131,508	570,577
Total additions	<u>2,638,645</u>	<u>1,515,216</u>	<u>1,252,162</u>	<u>980,075</u>	<u>1,912,736</u>	<u>8,298,834</u>
<b>Deductions:</b>						
Benefits	2,981,798	1,712,269	1,415,005	1,107,534	2,161,486	9,378,092
Administration	11,351	6,518	5,387	4,216	8,228	35,700
Total deductions	<u>2,993,149</u>	<u>1,718,787</u>	<u>1,420,392</u>	<u>1,111,750</u>	<u>2,169,714</u>	<u>9,413,792</u>
Change in net assets	(354,504)	(203,571)	(168,230)	(131,675)	(256,978)	(1,114,958)
Net Position at Beginning of Year	11,418,605	6,557,061	5,418,672	4,241,213	8,277,285	35,912,836
Net Position at End of Year	<u>\$ 11,064,101</u>	<u>\$ 6,353,490</u>	<u>\$ 5,250,442</u>	<u>\$ 4,109,538</u>	<u>\$ 8,020,307</u>	<u>\$ 34,797,878</u>

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**Investments**

**Investment Policy**

OPEB Benefits Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Pension Board’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

**Rate of Return**

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 2.43 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the City**

The City’s net OPEB liability was measured as of June 30, 2020. The components of the net OPEB liability of the City at June 30, 2020 were as follows:

Total OPEB liability	\$	98,211,900
Plan fiduciary net position		<u>34,797,878</u>
Net OPEB Liability	\$	<u><u>63,414,022</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		35.43%

**Actuarial Assumptions**

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

Inflation	2.60%
Salary increases	5.0%, average, including inflation
Investment rate of return	7.375%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	7.25% for 2018, decreasing 0.5% per year to an ultimate rate of 4.60% for 2024 and later years

Mortality for the City and BOE is based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2018. For Police and Fire, it is based RP-2014 Adjusted to 2006 Blue Collar Mortality Table, projected to the valuation date with Scale MP-2018.

**CITY OF MERIDEN, CONNECTICUT  
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The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 - July 1, 2014.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2020 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected</b>
Equity - Domestic	45.00 %	5.75 %
Equity - International	12.00	6.00
Fixed Income	18.00	2.50
Real Estate	3.00	4.25
Hedge Funds	4.00	4.90
Managed Futures	10.00	4.50
Private Equity	6.00	10.70
Commodities	0.00	2.30
Cash	2.00	0.50
<b>Total</b>	<b>100 %</b>	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CITY OF MERIDEN, CONNECTICUT  
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**Changes in the Total OPEB Liability**

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
Balances as of July 1, 2019	\$ 93,837,835	\$ 35,912,836	\$ 57,924,999
Changes for the year:			
Service cost	1,829,811		1,829,811
Interest on total OPEB liability	6,715,823		6,715,823
Differences between expected and actual experience	5,324,113		5,324,113
Changes in assumptions	(117,590)		(117,590)
Employer contributions		6,654,053	(6,654,053)
Member contributions		1,074,204	(1,074,204)
Net investment income		570,577	(570,577)
Benefit payments, including refund of employee contributions	(9,378,092)	(9,378,092)	-
Administrative expenses		(35,700)	35,700
Net changes	<u>4,374,065</u>	<u>(1,114,958)</u>	<u>5,489,023</u>
Balances as of June 30, 2020	<u>\$ 98,211,900</u>	<u>\$ 34,797,878</u>	<u>\$ 63,414,022</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

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

	<b>1% Decrease (6.375%)</b>	<b>Current Discount Rate (7.375%)</b>	<b>1% Increase (8.375%)</b>
Net OPEB Liability	\$ 75,836,116	\$ 63,414,022	\$ 53,054,687

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

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

	<b>1% Decrease (6.25% Decreasing to 3.60%)</b>	<b>Healthcare cost Trend Rates (7.25% Decreasing to 4.60%)</b>	<b>1% Increase (8.25% Decreasing to 5.60%)</b>
Net OPEB Liability	\$ 50,500,360	\$ 63,414,022	\$ 79,274,104

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the City recognized OPEB expense of \$5,698,915. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Employees'</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 6,895,805	\$
Changes of assumptions		(1,951,092)
Net difference between projected and actual earning on OPEB plan investments	<u>2,141,790</u>	
Total	<u>\$ 9,037,595</u>	<u>\$ (1,951,092)</u>



**CITY OF MERIDEN, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2021	\$ 1,118,137
2022	1,118,135
2023	1,134,139
2024	947,395
2025	544,004
Thereafter	<u>2,224,693</u>
	<u>\$ 7,086,503</u>

**B. Other Post Employment Benefit - Connecticut State Teachers Retirement Plan**

**Plan Description**

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

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

**Benefit Provisions**

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

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

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

**Survivor Health Care Coverage**

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

**Eligibility**

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

**Credited Service**

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

**Normal Retirement**

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

**Early Retirement**

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

**Proratable Retirement**

Age 60 with 10 years of Credited Service.

**CITY OF MERIDEN, CONNECTICUT  
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**Disability Retirement**

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

**Termination of Employment**

Ten or more years of Credited Service.

**Contributions**

*State of Connecticut*

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

*Employer (School Districts)*

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$482,572 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees/Retirees*

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers pay for one-third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

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

At June 30, 2020, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the City was as follows:

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		<u>36,378,500</u>
Total	\$	<u>36,378,500</u>

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2018. At June 30, 2020, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the City recognized OPEB expense and revenue of (\$2,662,054) in Exhibit II.

**Actuarial Assumptions**

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

Inflation	2.50%
Health care costs trend rate:	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.41%).

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

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

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

**Other Information**

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

**13. CONTINGENCIES AND COMMITMENTS**

**Contingent Liabilities**

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.

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**Construction Commitments**

The government has active construction projects as of June 30, 2020. At year end, the government's commitments with contractors are as follows:

<u>Project</u>	<u>Commitment</u>
WPCF - Phosphorus Upgrade	\$ 29,334,427
Citywide Road/Sidewalk Reconstruction	2,085,835
Downtown Improvements	1,094,100
Airport	842,866
Sewer SCADA	747,418
Bridges	574,994
Water SCADA	403,522
Upgrade/Replace Pump Stations	376,354
WPCF - Facility/Collection Improvements	201,049
Maloney School Addition and Replacement	180,107
Platt School Addition and Replacement	176,854
Citywide Drainage	166,122
School Roof Replacement	136,172
City Building Repair/Upgrade	132,163
Economic Development - Rehab/Demo	118,274
Linear Trails	73,448
Water Treatment Plant Upgrade	30,233
Wells	27,549
Public Safety Improvements/Equipment	26,079
Flood Control	21,023
School Equipment Replacement	16,015
Landfill	15,275
City Parks Upgrades	9,027
Dams	7,945
	<u>\$ 36,796,851</u>

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

**CITY OF MERIDEN, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**14. TAX ABATEMENTS**

As of June 30, 2020, the City provides tax abatements through multiple programs:

- Distressed Municipality
- Commercial/Residential Property Incentive
- Local Incentive Programs

<b>Program</b>	<b>Distressed Municipality</b>	<b>Commercial/Residential Property Incentive Documentation</b>	<b>Various Local Incentive Programs</b>
Purpose	To incentivize investment in manufacturing	To provide affordable housing	Encourage private investment in underutilized and vacant properties, increase traffic to existing businesses along East Main Street and improve the economic vitality of Meriden's east side
Tax being abated	Real Property, Personal Property	Real Property	Real Property and Manufacturing Machinery and Equipment
Authority under which agreements are entered into	C.G.S. Sec 12-81, Sec 32-9	C.G.S. Sec. 8-215	C.G.S. Sec 12-65(b) City of Meriden Resolution
Eligibility criteria for tax abatement	30% of new employees must be residents of the Enterprise Zone or residents of the municipality in which the plant is located and eligible under the Workforce Investment Act.	Develop a building	Improvements subject to various thresholds in various categories such as office use, retail use, manufacturing use etc. for property located in certain sections of Meriden
How recipient's tax are reduced	Credit against taxes	Credit against taxes	Credit against taxes
How the tax abatement is determined	5-year 80% abatement of local property taxes on all qualifying real and personal property	15-year or 17-year 80% abatement of real property taxes	100% of the tax in the various categories
Provisions for recapturing abated taxes, if any	None Noted	None Noted	None Noted
Other commitments made by the government	None Noted	None Noted	None Noted
Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced as a result of the abatement agreement.	1,032,736	575,714	34,939
Other	<p>An 80% tax abatement for 5 years on the increased real property taxes resulting from new construction or expanded space. For companies that wish to lease the space, you must lease it for 5 years with an option to purchase or renew the lease for 5 more years. The landlord must pass any tax abatement to you in your lease.</p> <p>An 80% real property tax abatement for 5 years on the existing real estate taxes of a qualified vacant building. If you move into a vacant building/space, the entire tax burden could be eligible for the incentive.</p> <p>An 80% personal property tax abatement for 5 years on any personal property new to Meriden's grand list</p>		

**15. CORONAVIRUS (COVID-19)**

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 10, 2020, the Governor of the State of Connecticut declared a public health emergency and a civil preparedness emergency due to COVID-19.

The City derives a significant portion of its revenues from property taxes. While the City has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the City's health care costs, changes in interest rates, investment valuation and the future federal or state fiscal relief.





## **Required Supplementary Information**

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**CITY**  
**LAST SEVEN FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 3,903,104	\$ 3,625,638	\$ 3,625,638	\$ 4,197,148	\$ 4,323,062	\$ 4,197,148	\$ 4,260,041
Interest	15,152,916	15,263,289	14,708,323	14,549,089	13,890,604	13,383,258	12,718,166
Differences between expected and actual experience		(1,737,165)		1,714,155		(2,112,998)	
Changes of assumptions		4,353,244		(1,534,241)			
Benefit payments, including refunds of member contributions	<u>(14,912,538)</u>	<u>(11,664,799)</u>	<u>(10,699,435)</u>	<u>(10,171,401)</u>	<u>(9,553,855)</u>	<u>(8,960,559)</u>	<u>(8,256,310)</u>
Net change in total pension liability	4,143,482	9,840,207	7,634,526	8,754,750	8,659,811	6,506,849	8,721,897
Total pension liability - beginning	<u>208,883,809</u>	<u>199,043,602</u>	<u>191,409,076</u>	<u>182,654,326</u>	<u>173,994,515</u>	<u>167,487,666</u>	<u>158,765,769</u>
Total pension liability - ending	<u>213,027,291</u>	<u>208,883,809</u>	<u>199,043,602</u>	<u>191,409,076</u>	<u>182,654,326</u>	<u>173,994,515</u>	<u>167,487,666</u>
Plan fiduciary net position							
Contributions - employer	5,722,359	4,061,085	4,058,052	3,316,370	3,264,731	2,307,742	2,316,905
Contributions - member	1,887,450	3,223,093	2,053,469	2,076,909	2,086,049	2,099,957	2,096,283
Net investment income (loss)	3,145,766	9,688,631	14,305,503	12,750,329	(2,815,325)	1,307,142	18,083,974
Benefit payments, including refunds of member contributions	<u>(14,912,538)</u>	<u>(11,664,799)</u>	<u>(10,699,435)</u>	<u>(10,171,401)</u>	<u>(9,553,855)</u>	<u>(8,960,559)</u>	<u>(8,256,310)</u>
Administrative expense	(27,892)	(27,100)	(25,118)	(38,998)	(30,816)	(29,710)	(29,362)
Other	<u>(563,324)</u>	<u>(303,186)</u>	<u>(332,992)</u>	<u>(536,118)</u>	<u>(510,786)</u>	<u>(231,874)</u>	<u>(308,727)</u>
Net change in plan fiduciary net position	(4,748,179)	4,977,724	9,359,479	7,397,091	(7,560,002)	(3,507,302)	13,902,763
Plan fiduciary net position - beginning	<u>153,569,763</u>	<u>148,592,039</u>	<u>139,232,560</u>	<u>131,835,469</u>	<u>139,395,471</u>	<u>142,902,773</u>	<u>129,000,010</u>
Plan fiduciary net position - ending	<u>148,821,584</u>	<u>153,569,763</u>	<u>148,592,039</u>	<u>139,232,560</u>	<u>131,835,469</u>	<u>139,395,471</u>	<u>142,902,773</u>
Net Pension Liability - Ending	<u>\$ 64,205,707</u>	<u>\$ 55,314,046</u>	<u>\$ 50,451,563</u>	<u>\$ 52,176,516</u>	<u>\$ 50,818,857</u>	<u>\$ 34,599,044</u>	<u>\$ 24,584,893</u>
Plan fiduciary net position as a percentage of the total pension liability	69.86%	73.52%	74.65%	72.74%	72.18%	80.11%	85.32%
Covered payroll	\$ 34,673,843	\$ 34,673,843	\$ 35,780,810	\$ 35,780,810	\$ 39,460,000	\$ 38,311,000	\$ 41,094,000
Net pension liability as a percentage of covered payroll	185.17%	159.53%	141.00%	145.82%	128.79%	90.31%	59.83%

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

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**POLICE**  
**LAST SEVEN FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 764,251	\$ 891,166	\$ 891,166	\$ 959,988	\$ 988,788	\$ 959,988	\$ 1,078,300
Interest	8,659,704	8,939,933	8,787,537	8,856,455	8,676,168	8,483,287	8,304,594
Differences between expected and actual experience		(2,385,985)		(5,236,845)		194,089	
Changes of assumptions		2,735,872		5,709,426			
Benefit payments	(8,235,319)	(7,743,367)	(7,682,367)	(7,395,323)	(7,370,307)	(7,144,344)	(6,921,764)
Net change in total pension liability	1,188,636	2,437,619	1,996,336	2,893,701	2,294,649	2,493,020	2,461,130
Total pension liability - beginning	120,699,878	118,262,259	116,265,923	113,372,222	111,077,573	108,584,553	106,123,423
Total pension liability - ending	<u>121,888,514</u>	<u>120,699,878</u>	<u>118,262,259</u>	<u>116,265,923</u>	<u>113,372,222</u>	<u>111,077,573</u>	<u>108,584,553</u>
Plan fiduciary net position:							
Contributions - employer	5,025,146	4,769,583	4,769,583	4,464,984	4,441,422	4,227,288	4,201,553
Contributions - member	137,976	168,428	174,763	198,574	332,597	331,956	359,530
Net investment income (loss)	1,754,733	3,970,701	6,039,634	5,288,257	(1,409,597)	575,432	8,188,947
Benefit payments	(8,235,319)	(7,743,367)	(7,682,367)	(7,395,323)	(7,370,307)	(7,144,344)	(6,921,764)
Administrative expense	(27,894)	(27,103)	(25,118)	(38,997)	(30,815)	(29,710)	(29,361)
Other	(201,981)	(126,521)	(13,845)	(14,103)	(2,050)	(7,771)	(2,171)
Net change in plan fiduciary net position	(1,547,339)	1,011,721	3,262,650	2,503,392	(4,038,750)	(2,047,149)	5,796,734
Plan fiduciary net position - beginning	63,291,767	62,280,046	59,017,396	56,514,004	60,552,754	62,599,903	56,803,169
Plan fiduciary net position - ending	<u>61,744,428</u>	<u>63,291,767</u>	<u>62,280,046</u>	<u>59,017,396</u>	<u>56,514,004</u>	<u>60,552,754</u>	<u>62,599,903</u>
Net Pension Liability - Ending	<u>\$ 60,144,086</u>	<u>\$ 57,408,111</u>	<u>\$ 55,982,213</u>	<u>\$ 57,248,527</u>	<u>\$ 56,858,218</u>	<u>\$ 50,524,819</u>	<u>\$ 45,984,650</u>
Plan fiduciary net position as a percentage of the total pension liability	50.66%	52.44%	52.66%	50.76%	49.85%	54.51%	57.65%
Covered payroll	\$ 3,190,078	\$ 3,190,078	\$ 3,915,359	\$ 3,915,359	\$ 3,904,000	\$ 3,790,000	\$ 4,302,000
Net pension liability as a percentage of covered payroll	1885.35%	1799.58%	1429.81%	1462.15%	1456.41%	1333.11%	1068.91%

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

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**FIREFIGHTERS'**  
**LAST SEVEN FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 616,549	\$ 626,248	\$ 626,248	\$ 628,936	\$ 647,804	\$ 628,936	\$ 769,596
Interest	6,422,911	6,626,420	6,540,595	6,751,800	6,647,913	6,501,155	6,385,020
Differences between expected and actual experience		(1,318,025)		(3,286,413)		528,080	
Changes of assumptions		1,981,357		1,862,117			
Benefit payments	<u>(6,468,276)</u>	<u>(6,168,027)</u>	<u>(5,954,841)</u>	<u>(5,954,632)</u>	<u>(6,001,021)</u>	<u>(5,690,074)</u>	<u>(5,439,284)</u>
Net change in total pension liability	571,184	1,747,973	1,212,002	1,808	1,294,696	1,968,097	1,715,332
Total pension liability - beginning	<u>89,650,380</u>	<u>87,902,407</u>	<u>86,690,405</u>	<u>86,688,597</u>	<u>85,393,901</u>	<u>83,425,804</u>	<u>81,710,472</u>
Total pension liability - ending	<u>90,221,564</u>	<u>89,650,380</u>	<u>87,902,407</u>	<u>86,690,405</u>	<u>86,688,597</u>	<u>85,393,901</u>	<u>83,425,804</u>
Plan fiduciary net position:							
Contributions - employer	3,514,375	3,201,799	3,201,799	3,054,069	3,040,690	2,823,649	2,808,242
Contributions - member	193,188	209,021	231,994	234,116	324,312	337,587	360,575
Net investment income (loss)	541,946	2,874,124	4,711,063	4,255,684	(1,122,881)	467,255	6,653,019
Benefit payments	<u>(6,468,276)</u>	<u>(6,168,027)</u>	<u>(5,954,841)</u>	<u>(5,954,632)</u>	<u>(6,001,021)</u>	<u>(5,690,074)</u>	<u>(5,439,284)</u>
Administrative expense	<u>(27,892)</u>	<u>(27,100)</u>	<u>(25,118)</u>	<u>(38,998)</u>	<u>(30,815)</u>	<u>(29,710)</u>	<u>(29,361)</u>
Other	<u>(25,976)</u>	<u>(2,801)</u>	<u>(12,833)</u>	<u>(14,105)</u>	<u>(2,050)</u>	<u>(7,771)</u>	<u>(1,002)</u>
Net change in plan fiduciary net position	<u>(2,272,635)</u>	<u>87,016</u>	<u>2,152,064</u>	<u>1,536,134</u>	<u>(3,791,765)</u>	<u>(2,099,064)</u>	<u>4,352,189</u>
Plan fiduciary net position - beginning	<u>48,444,479</u>	<u>48,357,463</u>	<u>46,205,399</u>	<u>44,669,265</u>	<u>48,461,030</u>	<u>50,560,094</u>	<u>46,207,905</u>
Plan fiduciary net position - ending	<u>46,171,844</u>	<u>48,444,479</u>	<u>48,357,463</u>	<u>46,205,399</u>	<u>44,669,265</u>	<u>48,461,030</u>	<u>50,560,094</u>
Net Pension Liability - Ending	<u>\$ 44,049,720</u>	<u>\$ 41,205,901</u>	<u>\$ 39,544,944</u>	<u>\$ 40,485,006</u>	<u>\$ 42,019,332</u>	<u>\$ 36,932,871</u>	<u>\$ 32,865,710</u>
Plan fiduciary net position as a percentage of the total pension liability	51.18%	54.04%	55.01%	53.30%	51.53%	56.75%	60.60%
Covered payroll	\$ 3,515,276	\$ 3,515,276	\$ 3,831,328	\$ 3,831,328	\$ 3,533,000	\$ 3,430,000	\$ 3,554,000
Net pension liability as a percentage of covered payroll	1253.09%	1172.20%	1032.15%	1056.68%	1189.34%	1076.76%	924.75%

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

**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
CITY  
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined employer contribution	\$ 5,698,548	\$ 4,044,454	\$ 4,044,454	\$ 3,284,920	\$ 3,218,884	\$ 2,307,742	\$ 2,302,606	\$ 2,038,150	\$ 1,898,009	\$ 479,981
Contributions in relation to the actuarially determined contribution	5,722,359	4,061,085	4,058,052	3,316,370	3,264,731	2,307,742	2,316,905	2,056,897	1,906,102	489,450
Contribution Deficiency (Excess)	<u>\$ (23,811)</u>	<u>\$ (16,631)</u>	<u>\$ (13,598)</u>	<u>\$ (31,450)</u>	<u>\$ (45,847)</u>	<u>\$ -</u>	<u>\$ (14,299)</u>	<u>\$ (18,747)</u>	<u>\$ (8,093)</u>	<u>\$ (9,469)</u>
Covered payroll	\$ 34,673,843	\$ 34,673,843	\$ 35,780,810	\$ 35,780,810	\$ 39,460,000	\$ 38,311,000	\$ 41,094,000	\$ 39,897,000	\$ 38,734,928	\$ 34,128,961
Contributions as a percentage of covered payroll	16.50%	11.71%	11.34%	9.27%	8.27%	6.02%	5.64%	5.16%	4.92%	1.43%

**Notes to Schedule**

Valuation date: July 1, 2018

Measurement date: June 30, 2020

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method           Entry age  
Amortization method           Level dollar, closed  
Remaining amortization period   19 years  
Asset valuation method           5-year smoothed market  
Inflation                           2.60%  
Salary increases                 2.60%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond  
Investment rate of return       7.375%, net of pension plan investment expense  
Retirement age                 City:  
  - Later of 10 years of service and age 65  
  - Any combination of years of service and age equaling 80, with a minimum of 10 years of service

Mortality                         RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2018.

**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE  
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined employer contribution	\$ 5,025,146	\$ 4,769,583	\$ 4,769,583	\$ 4,464,984	\$ 4,441,422	\$ 4,227,288	\$ 4,201,533	\$ 4,066,540	\$ 4,028,938	\$ 3,683,113
Contributions in relation to the actuarially determined contribution	<u>5,025,146</u>	<u>4,769,583</u>	<u>4,769,583</u>	<u>4,464,984</u>	<u>4,441,422</u>	<u>4,227,288</u>	<u>4,201,553</u>	<u>4,066,540</u>	<u>4,028,938</u>	<u>3,683,113</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(20)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 3,190,078	\$ 3,190,078	\$ 3,915,359	\$ 3,915,359	\$ 3,904,000	\$ 3,790,000	\$ 4,302,000	\$ 4,382,000	\$ 4,462,636	\$ 5,027,254
Contributions as a percentage of covered payroll	157.52%	149.51%	121.82%	114.04%	113.77%	111.54%	97.67%	92.80%	90.28%	73.26%

**Notes to Schedule**

Valuation date: July 1, 2018  
 Measurement date: June 30, 2020  
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age  
 Amortization method: Level dollar, closed  
 Remaining amortization period: 24 years  
 Asset valuation method: 5-year smoothed market  
 Inflation: 2.60%  
 Salary increases: 2.60%  
 Investment rate of return: 7.375%, net of pension plan investment expense

Retirement age: Earlier of:  
 - 20 years of service  
 - Age 65 and 10 years of service

Mortality: RP-2014 Adjusted to 2006 Blue Collar Mortality Table, projected to the valuation date with Scale MP-2018.

**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS'  
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined employer contribution	\$ 3,514,375	\$ 3,201,799	\$ 3,201,799	\$ 3,054,069	\$ 3,040,690	\$ 2,823,649	\$ 2,808,242	\$ 2,643,414	\$ 2,620,905	\$ 2,441,615
Contributions in relation to the actuarially determined contribution	<u>3,514,375</u>	<u>3,201,799</u>	<u>3,201,799</u>	<u>3,054,069</u>	<u>3,040,690</u>	<u>2,823,649</u>	<u>2,808,242</u>	<u>2,643,414</u>	<u>2,620,905</u>	<u>2,441,615</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,515,276	\$ 3,515,276	\$ 3,831,328	\$ 3,831,328	\$ 3,533,000	\$ 3,430,000	\$ 3,554,000	\$ 3,902,000	\$ 4,349,943	\$ 4,800,571
Contributions as a percentage of covered payroll	99.97%	91.08%	83.57%	79.71%	86.07%	82.32%	79.02%	67.75%	60.25%	50.86%

**Notes to Schedule**

Valuation date: July 1, 2018  
 Measurement date: June 30, 2020  
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method           Entry age  
 Amortization method        Level dollar, closed  
 Remaining amortization period   24 years  
 Asset valuation method       5-year smoothed market  
 Inflation                        2.60%  
 Salary increases               2.60%, per annum (compounded) plus a graded scale of 7% at age 20 down to 0% at age 60 and beyond  
 Investment rate of return       7.375%, net of pension plan investment expense  
 Retirement age                 Earlier of:  
   - 25 years of service  
   - Age 65

Mortality                         RP-2014 Adjusted to 2006 Blue Collar Mortality Table, projected to the valuation date with Scale MP-2018.

**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
LAST SEVEN FISCAL YEARS\***

	<b>City</b>						
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expense	1.72%	6.42%	10.19%	9.42%	(2.42%)	0.76%	13.97%

	<b>Police</b>						
	<b>2020</b>	<b>2020</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expense	2.51%	6.30%	10.43%	9.54%	(2.38%)	0.92%	14.68%

	<b>Firefighters'</b>						
	<b>2020</b>	<b>2020</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expense	1.09%	6.09%	10.43%	9.77%	(2.38%)	0.93%	(14.72%)

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



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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability \$	- \$	- \$	- \$	- \$	- \$	-
State's proportionate share of the net pension liability associated with the City	<u>137,743,578</u>	<u>149,024,816</u>	<u>193,009,397</u>	<u>182,945,968</u>	<u>179,858,436</u>	<u>233,261,847</u>
Total	<u>\$ 137,743,578</u>	<u>\$ 149,024,816</u>	<u>\$ 193,009,397</u>	<u>\$ 182,945,968</u>	<u>\$ 179,858,436</u>	<u>\$ 233,261,847</u>
City's covered payroll	\$ 52,602,518	\$ 53,762,278	\$ 55,056,900	\$ 55,913,234	\$ 56,350,874	\$ 56,186,343
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%	57.69%	52.00%

**Notes to Schedule**

Changes in benefit terms	HB 7424 made the following provision changes: - Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0%. - For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of benefit commencement, the difference is paid to the Member's beneficiary.
Changes of assumptions	HB 7424 made the following assumption changes: - Reduce the inflation assumption from 2.75% to 2.50%. - Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.00% to 6.90%. - Increase the annual rate of wage increase assumption from 0.50% to 0.75%. - Phase in to a level dollar amortization method for the June 30, 2024 valuation.
Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	17.6 years
Asset valuation method	4-year smoothed market
Inflation	2.75%
Salary increase	3.25%-6.50%, including inflation
Investment rate of return	8.00%, net of investment related expense

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

**CITY OF MERIDEN, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**OPEB**  
**LAST FOUR FISCAL YEARS\***

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB liability:				
Service cost	\$ 2,137,397	\$ 2,196,175	\$ 2,249,987	\$ 1,829,811
Interest	6,267,766	6,643,615	7,039,568	6,715,823
Differences between expected and actual experience	1,724,320	1,464,765	1,284,356	5,324,113
Changes of assumptions			(2,284,049)	(117,590)
Benefit payments	<u>(4,422,318)</u>	<u>(4,565,426)</u>	<u>(5,959,158)</u>	<u>(9,378,092)</u>
Net change in total OPEB liability	5,707,165	5,739,129	2,330,704	4,374,065
Total OPEB liability - beginning	<u>80,060,837</u>	<u>85,768,002</u>	<u>91,507,131</u>	<u>93,837,835</u>
Total OPEB liability - ending	<u>85,768,002</u>	<u>91,507,131</u>	<u>93,837,835</u>	<u>98,211,900</u>
Plan fiduciary net position:				
Contributions - employer	4,569,770	2,556,023	4,367,945	6,654,053
Contributions - member	1,446,777	1,487,302	1,272,804	1,074,204
Net investment income	3,592,134	2,577,615	1,728,276	570,577
Benefit payments	<u>(4,422,318)</u>	<u>(4,565,426)</u>	<u>(5,959,158)</u>	<u>(9,378,092)</u>
Administrative expense		<u>(63,080)</u>	<u>(3,600)</u>	<u>(35,700)</u>
Net change in plan fiduciary net position	5,186,363	1,992,434	1,406,267	(1,114,958)
Plan fiduciary net position - beginning	<u>27,327,772</u>	<u>32,514,135</u>	<u>34,506,569</u>	<u>35,912,836</u>
Plan fiduciary net position - ending	<u>32,514,135</u>	<u>34,506,569</u>	<u>35,912,836</u>	<u>34,797,878</u>
Net OPEB Liability - Ending	<u>\$ 53,253,867</u>	<u>\$ 57,000,562</u>	<u>\$ 57,924,999</u>	<u>\$ 63,414,022</u>
Plan fiduciary net position as a percentage of the total OPEB liability	37.91%	37.71%	38.27%	35.43%
Covered payroll	\$ 102,161,945	\$ 104,971,399	\$ 103,892,574	\$ 106,593,781
Net OPEB liability as a percentage of covered payroll	52.13%	54.30%	55.75%	59.49%

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially determined contribution (1)	\$ 11,043,833	\$ 11,081,681	\$ 7,694,428	\$ 7,725,338	\$ 7,680,809	\$ 7,513,565	\$ 7,728,391	\$ 5,424,655	\$ 5,440,438	\$ 5,387,249
Contributions in relation to the actuarially determined contribution	<u>3,351,825</u>	<u>5,613,907</u>	<u>5,726,019</u>	<u>5,483,979</u>	<u>6,215,192</u>	<u>4,683,520</u>	<u>4,569,770</u>	<u>2,556,023</u>	<u>4,367,945</u>	<u>6,654,052</u>
Contribution Deficiency (Excess)	<u>\$ 7,692,008</u>	<u>\$ 5,467,774</u>	<u>\$ 1,968,409</u>	<u>\$ 2,241,359</u>	<u>\$ 1,465,617</u>	<u>\$ 2,830,045</u>	<u>\$ 3,158,621</u>	<u>\$ 2,868,632</u>	<u>\$ 1,072,493</u>	<u>\$ (1,266,803)</u>
Covered payroll	\$ 94,310,588	\$ 95,772,885	\$ 95,772,885	\$ 95,450,755	\$ 95,450,755	\$ 99,427,684	\$ 102,161,945	\$ 104,971,399	\$ 103,892,574	\$ 106,593,781
Contributions as a percentage of covered payroll	3.55%	5.86%	5.98%	5.75%	6.51%	4.71%	4.47%	2.43%	4.20%	6.24%

(1) Actuarially Determined Contributions prior to fiscal year ended June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

**Notes to Schedule**

Valuation date: July 1, 2018  
Measurement date: June 30, 2019

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

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.60%
Healthcare cost trend rates	8.25% initial, decreasing 0.5% per year to an ultimate rate of 4.60%
Salary increases	5.0%, average, including inflation
Investment rate of return	7.375%, net of pension plan investment expense, including inflation
Retirement age	In the 2018 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience
Mortality	City and BOE Retirements: RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2018. Police and Fire Retirements: RP-2014 Adjusted to 2006 Blue Collar Mortality Table, projected to the valuation date with Scale MP-2018.

**CITY OF MERIDEN, CONNECTICUT  
 SCHEDULE OF INVESTMENT RETURNS  
 OPEB  
 LAST FOUR FISCAL YEARS\***

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	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual money-weighted rate of return, net of investment expense	12.15%	7.98%	5.10%	2.43%

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


**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHERS RETIREMENT PLAN  
LAST THREE FISCAL YEARS\***

	<u>2018</u>	<u>2019</u>	<u>2020</u>
City's proportion of the net OPEB liability	0.00%	0.00%	0.00%
City's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the City	<u>47,088,200</u>	<u>35,954,874</u>	<u>36,378,500</u>
Total	<u>\$ 47,088,200</u>	<u>\$ 35,954,874</u>	<u>\$ 36,378,500</u>
City's covered payroll	\$ 55,913,234	\$ 56,350,874	\$ 56,186,343
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%	2.08%

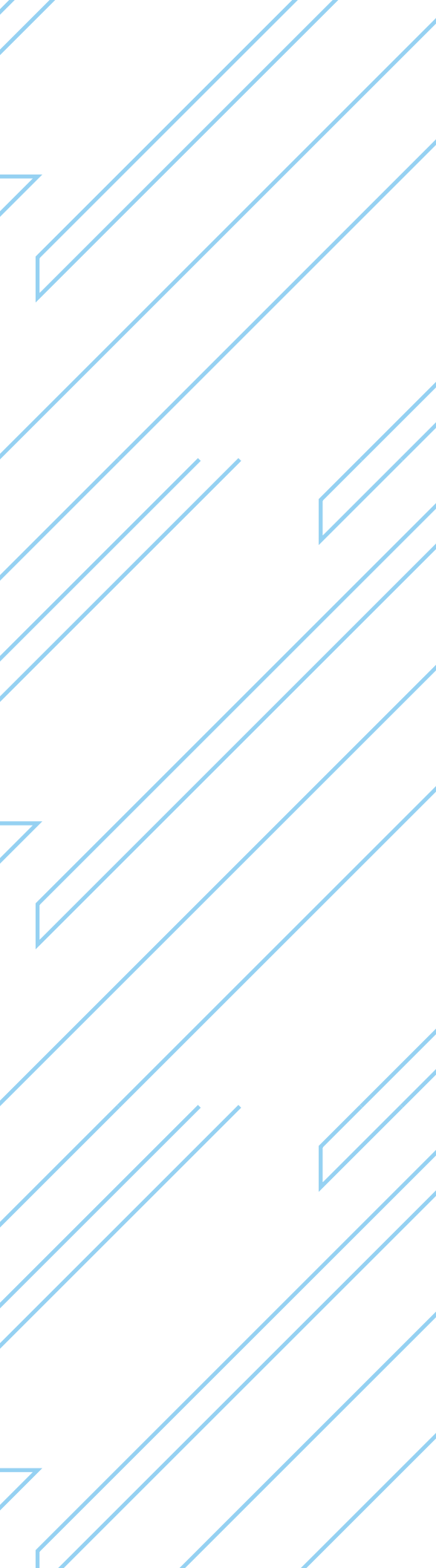
**Notes to Schedule**

Changes in benefit terms	The Plan was amended by the Board, effective January 1, 2019, during the September 12, 2018 meeting. The Board elected a new prescription drug plan, which is expected to reduce overall costs and allow for the Board to receive a government subsidy for members whose claims reach a catastrophic level. These changes were communicated to retired members during the months leading up to the open enrollment period that preceded the January 1, 2019 implementation date.
Changes of assumptions	Based on the procedure described in GASB 74, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2019 was updated to equal the Municipal Bond Index Rate of 3.50% as of June 30, 2019. Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2019. The expected rate of inflation was decreased, and the real wage growth assumption was increased.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.75%

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



**Supplemental, Combining  
and Individual Fund  
Statements and Schedules**



# General Fund

## GENERAL FUND

The General Fund is the general operating fund of the City. It is used to account for all unrestricted resources, except those required to be accounted for in another fund. It accounts for all activities in relation to the normal recurring operations of the City. These activities are funded principally by property taxes, user fees and grants from other governmental units.

There are also funds that do not meet the definition of a special revenue fund in accordance with GASB 54, which are combined with the General Fund. Schedule A-1 applies only to the General Fund.

**Foreclosure Fund** - To account for expenditures and costs recovered related to collections on foreclosed properties.

**Insurance Reserve Fund** - To account for unexpected insurance claim funds.

**Tree Preservation Fund** - To account for funds collected and designated for tree preservation.

**Downtown Property Management Fund** - To account for management of City-owned property in the downtown area.

**Vehicle Replacement Fund** - To account for vehicle purchases.



**CITY OF MERIDEN, CONNECTICUT**  
**GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING**  
**SOURCES (USES) - BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property taxes:				
Property Taxes Current Year	\$ 125,323,581	\$ 125,323,581	\$ 125,638,587	\$ 315,006
Property Taxes Prior Years	2,164,900	2,164,900	2,191,365	26,465
Property Taxes MV Supplement	1,844,715	1,844,715	1,774,247	(70,468)
Property Taxes Suspense	1,250	1,250		(1,250)
Tax Collector Interest	1,124,565	1,124,565	1,000,550	(124,015)
Tax Collector Lien Fees	21,860	21,860	16,378	(5,482)
Total property taxes	<u>130,480,871</u>	<u>130,480,871</u>	<u>130,621,127</u>	<u>140,256</u>
Intergovernmental:				
E911 Quarterly	11,984	11,984	12,045	61
State Education ECS Grant	54,261,826	54,261,826	53,970,221	(291,605)
Special Education	598,419	598,419	753,062	154,643
State Property Pilot	258,466	258,466	258,466	-
Select PILOT Account			79,001	79,001
Pa 217A Private Schools	35,783	35,783	12,444	(23,339)
State Pilot Hospitals & Colleges	772,912	772,912	772,912	-
Town Aid To Roads	662,689	662,689	663,656	967
State Pequot / Mohegan Grant	698,609	698,609	698,609	-
Reimbursed Exemptions	340,866	340,866	311,222	(29,644)
Transit District	255,000	255,000	260,030	5,030
Telecommunications Personal Property	176,922	176,922	159,035	(17,887)
Miscellaneous State Grants			548	548
Municipal Stabilization Grant	622,306	622,306	622,306	-
Municipal Fund Revenue Sharing Grant	893,641	893,641	1,290,737	397,096
Total intergovernmental	<u>59,589,423</u>	<u>59,589,423</u>	<u>59,864,294</u>	<u>274,871</u>
Charges for services:				
Police Parking Tag Fund	31,967	31,967	34,144	2,177
Licenses & Permits	26,453	26,453	15,899	(10,554)
Parking Commission Revenue	151,506	151,506	108,903	(42,603)
Fire Marshal Fees	70,000	70,000	118,385	48,385
Fines Lost & Damaged Books	6,340	6,340	4,228	(2,112)
Salary - Administrative Charges	114,292	114,292	133,951	19,659
Abandoned Motor Vehicles	2,500	2,500		(2,500)
Alarm Fees	22,299	22,299	14,950	(7,349)
Building Department Fees	1,002,660	1,002,660	848,989	(153,671)
City Clerk Fees	1,595,000	1,595,000	1,346,357	(248,643)
Health Licenses & Fees	80,981	80,981	77,402	(3,579)
Recreation Fees	12,375	12,375	10,706	(1,669)
Park Concession Leases	10,985	10,985	8,200	(2,785)
Cost Allocation Enterprise Funds	1,700,000	1,700,000	1,700,000	-
Bulky Waste Fees	69,781	69,781	69,910	129
Circuit Court Rent & Fees	23,542	23,542	23,542	-
Hispanos Unidos, Inc. Rental	5,000	5,000	5,000	-
Aviation Rent & Fees	124,512	124,512	131,176	6,664
Aviation - Land Use Rent	4,880	4,880	4,640	(240)
Total charges for services	<u>5,055,073</u>	<u>5,055,073</u>	<u>4,656,382</u>	<u>(398,691)</u>
Investment income:				
Income From Investment - General	350,000	350,000	1,220,395	870,395
Interest - Coe Estate	9,094	9,094	9,267	173
Total investment income	<u>359,094</u>	<u>359,094</u>	<u>1,229,662</u>	<u>870,568</u>

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT  
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Miscellaneous revenues:				
Tax Collector Fees	\$	\$	\$	\$ -
Billboard Rental	82,567	82,567	86,399	3,832
Tax Collector DMV Fees	78,087	78,087	76,425	(1,662)
Aviation - Fuel Sales	352,800	352,800	191,131	(161,669)
Aviation - Ramp Fees	1,967	1,967	1,745	(222)
Other Revenue	57,742	57,742	(118,637)	(176,379)
Sale Of Surplus Property	75,000	75,000	41,704	(33,296)
Rent - Meriden Humane Society	2,400	2,400	2,800	400
PILOT - Meriden Commons	14,461	14,461		(14,461)
Fire Recruitment Revenue			17,100	17,100
Misc. Revenue - Rental Income	15,546	15,546	16,620	1,074
Misc. Revenue - Police	53,971	53,971	48,947	(5,024)
Misc. Revenue - Engineering	24,609	24,609	25,609	1,000
Misc. Revenue - Planning	17,801	17,801	25,333	7,532
Misc. Revenue - Assessment & Collection	584	584	442	(142)
Misc. Revenue - Fire	1,700	1,700	79	(1,621)
Misc. Revenue - Recycling	3,725	3,725	7,594	3,869
Misc. Revenue - Thomas Edison	35,639	35,639	41,554	5,915
Misc. Revenue - Aircraft Registration	3,400	3,400	4,360	960
Principal Revenue - Irrigation Loan	60,562	60,562	67,718	7,156
Interest Revenue - Irrigation Loan	37,293	37,293	37,143	(150)
Bank Of America Pcard Rebates	54,350	54,350	63,521	9,171
Rebates Archimedes Screw	90,000	90,000	69,071	(20,929)
Rebates Solar-Fields	191,000	191,000	184,640	(6,360)
Police Vehicle Outside O/T	200,400	200,400	451,620	251,220
Total miscellaneous revenues	<u>1,455,604</u>	<u>1,455,604</u>	<u>1,342,918</u>	<u>(112,686)</u>
Other financing sources:				
Transfers In - Fund 122	42,719	42,719	42,719	-
Transfers In - Bond Fund - Interest	325,000	325,000		(325,000)
Total other financing sources	<u>367,719</u>	<u>367,719</u>	<u>42,719</u>	<u>(325,000)</u>
Total revenues and other financing sources	<u>197,307,784</u>	<u>197,307,784</u>	<u>197,757,102</u>	<u>449,318</u>

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT  
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON-GAAP BUDGETARY BASIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
General government:				
Contingency	\$ 500,000	\$	\$	\$ -
City council:				
Salary - Elected Officials	70,388	71,388	71,388	-
Salary - Salary - Administrative	49,547	51,394	51,394	-
Salary - Overtime Contingency	7,500	10,518	10,518	-
Salary - MME	72,037	72,049	72,049	-
Council Of Governments	20,300	20,400	20,400	-
Office Expenses & Supplies	23,400	27,037	27,037	-
Meetings & Memberships	3,000	796	796	-
Total city council	<u>246,172</u>	<u>253,582</u>	<u>253,582</u>	<u>-</u>
City manager:				
Salary - Administrative	236,319	204,811	204,811	-
Salary - MME	109,437	125,286	125,286	-
Salary - Seasonal Workers		53,123	53,123	-
Salary - Overtime Contingency		1,231	1,231	-
Deferred Compensation	8,065	8,267	8,267	-
Vehicle Maintenance	3,600	4,903	4,903	-
Management Non Union	40,000			-
Recruitment		89	89	-
Office Expenses & Supplies	12,500	23,201	23,201	-
Meetings & Memberships	44,800	44,930	44,930	-
Total city manager	<u>454,721</u>	<u>465,841</u>	<u>465,841</u>	<u>-</u>
Legal:				
Salary - Seasonal Workers		1,642	1,642	-
Salary - Administrative	257,342	219,839	219,839	-
Salary - MME	100,192	118,177	118,177	-
Vehicle Maintenance	2,400	2,532	2,532	-
Safety & Risk Claims	10,000	1,825	1,825	-
Legal Fees & Deductibles	375,000	324,833	324,833	-
Foreclosure Activities		1,500	1,500	-
Outside Counsel	150,000	134,557	134,557	-
Assessment Appeals Fees	25,000	20,792	20,792	-
Office Expenses & Supplies	26,600	19,967	19,967	-
Meetings & Memberships	4,500	3,119	3,119	-
Total legal	<u>951,034</u>	<u>848,783</u>	<u>848,783</u>	<u>-</u>
Personnel:				
Salary - Seasonal Workers	5,000	12,026	12,026	-
Salary - Administrative	162,082	163,252	163,252	-
Overtime	1	4	4	-
Salary - MME	42,096	38,877	38,877	-
Vehicle Maintenance	2,400	2,400	2,400	-
EAP Services	4,964	4,981	4,981	-
Fees	5,000	809	800	9
Training	1,500			-
Tuition Reimbursement	20,000	30,200	30,200	-
Physicals	5,000	9,392	9,392	-
Alcohol/Drug Testing	7,600	7,900	7,900	-
Office Expenses & Supplies	6,000	2,762	2,762	-
Meetings & Memberships	2,500	150	150	-
Total personnel	<u>264,143</u>	<u>272,753</u>	<u>272,744</u>	<u>9</u>
City clerk:				
Salary - Elected Officials	80,060	81,773	81,773	-
Overtime	1,750	4,288	4,288	-
Other Non-Union	49,504	49,694	49,694	-
Salary - MME	207,173	201,858	197,975	3,883
Codification	5,000	5,874	5,874	-
Land Records	45,000	45,000	41,185	3,815
Vital Statistics	2,500	2,500	2,166	334
Office Expenses & Supplies	14,250	14,250	7,000	7,250
Elections	6,000	6,000	4,811	1,189
Meetings & Memberships	2,800	2,800	1,620	1,180
Total city clerk	<u>414,037</u>	<u>414,037</u>	<u>396,386</u>	<u>17,651</u>

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**CITY OF MERIDEN, CONNECTICUT  
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Aviation:				
Salary - Seasonal Workers	\$ 15,920	\$ 15,112	\$ 15,112	\$ -
Overtime	1,500	1,842	1,842	-
Salary - Supervisors	54,925	58,359	58,359	-
Other Purchased Services	12,000	10,736	10,736	-
Office Expenses & Supplies	4,000	4,038	4,038	-
Aviation Maintenance	60,000	107,816	107,816	-
Fuel Costs	293,999	139,483	139,483	-
Banking Services		52	52	-
Total aviation	<u>442,344</u>	<u>337,438</u>	<u>337,438</u>	<u>-</u>
Elections:				
Salary - Elected Officials	60,351	62,842	62,842	-
Salary - Seasonal Workers		4,440	4,440	-
Overtime	1,000	13	13	-
Salary - Other Non-Union	47,186	46,657	46,657	-
Primaries	65,000	19,261	19,261	-
Office Expenses & Supplies	11,000	13,619	13,619	-
Elections	65,000	53,820	53,820	-
Meetings & Memberships	2,000	2,011	2,011	-
Total elections	<u>251,537</u>	<u>202,663</u>	<u>202,663</u>	<u>-</u>
Insurance:				
Boilers & Machinery				-
Bonds Money & Securities	1,782			-
Fire & Vandalism	225,031			-
Liability Insurance	873,184	1,416,788	1,416,788	-
Police Professional Liability	142,950			-
Public Official Liability	60,276			-
Workers Compensation Indemnity	2,654,264	2,654,264	2,654,264	-
Workers Compensation Excess Liability Insurance	218,568	174,859	174,859	-
Total insurance	<u>4,176,055</u>	<u>4,245,911</u>	<u>4,245,911</u>	<u>-</u>

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**CITY OF MERIDEN, CONNECTICUT  
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Employee benefits:				
City Medical Benefits	\$ 7,384,373	\$ 7,384,373	\$ 7,384,373	\$ -
Post Retirement Benefits (OPEB)	400,000	400,000	400,000	-
Life Insurance	120,000	137,873	137,873	-
Longevity	45,438	45,438	43,243	2,195
Employee Retirement	3,642,191	5,226,905	5,226,905	-
Defined Contribution Plan	735,000	689,438	689,438	-
Police Defined Contribution Plan	25,000	18,359	18,359	-
Fire Defined Contribution Plan	5,000	6,665	6,665	-
Unemployment Compensation	160,000	151,045	151,045	-
Unused Sick Leave	219,797	188,531	188,531	-
Social Security	3,351,720	3,503,328	3,503,328	-
Police Benefits	1,097,330	1,250,227	1,250,227	-
Police Retirement	5,246,541	5,025,146	5,025,146	-
Fire Benefits	1,320,937	1,118,014	1,118,014	-
Fire Retirement	3,521,979	3,514,375	3,514,375	-
Police Longevity	49,600	50,050	50,050	-
Fire Longevity	40,112	40,112	37,742	2,370
Uniforms Guards	1,000	4,798	4,798	-
Total employee benefits	<u>27,366,018</u>	<u>28,754,677</u>	<u>28,750,112</u>	<u>4,565</u>
Finance general administration:				
Transit	296,763	268,549	268,549	-
Pupil Transportation	938,656	870,491	870,491	-
Water	200,080	191,458	191,458	-
Hydrants	65,000	65,000	65,000	-
Sewers	148,158	143,594	143,594	-
Maloney Scholarship	21,000	24,000	24,000	-
Veterans Organization	18,450	12,778	12,778	-
Ambulance	157,680	120,192	120,192	-
Emergency Medical Dispatch	45,177	35,496	35,496	-
Nerden RTC Day Camp	40,000	40,000	40,000	-
Audit	88,500	72,230	72,230	-
Probate Court	15,000	13,940	13,940	-
Zoning Expenses & Supplies	5,500	8,347	8,347	-
Housing Authority	11,411			-
Textbooks	15,000			-
Special Events Veterans Day	1,500			-
Special Events Mayor's Cleanup	1,000	100	100	-
Special Events Memorial Day Parade	2,500			-
Special Events Fly In Airport	2,000			-
Special Events Miscellaneous	1,000	875	875	-
Special Events Daffodil Festival	85,362			-
Meriden Scholastic Scholarship	30,000	28,000	28,000	-
Neighborhood Associations	3,500	3,452	3,452	-
Youth Activities	80,000	76,250	76,250	-
Project Graduation	1,000			-
Linear Trail Advisory Committee	1,000	833	833	-
Supportive Contribution - Golf	50,000	50,000	50,000	-
Supportive Contribution - MMBC	71,680	71,680	71,680	-
Total finance general administration	<u>2,396,917</u>	<u>2,097,265</u>	<u>2,097,265</u>	<u>-</u>

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**CITY OF MERIDEN, CONNECTICUT  
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Capital equipment:				
Capital Equipment - MIS	\$ 211,000	\$	\$	\$ -
Capital Equipment - Planning and Enforcement	15,000			-
Capital Equipment - Police	166,600			-
Capital Equipment - Bullet Proof Vest	(11,900)			-
Capital Equipment - Fire	20,245			-
Capital Equipment - Emergency Communications	42,500			-
Capital Equipment - Engineering	6,100			-
Capital Equipment - Garage	30,500			-
Capital Equipment - Traffic	59,400			-
Capital Equipment - Highway	5,000			-
Capital Equipment - Facilities	200,000			-
Capital Equipment - Parking	100,000			-
Capital Equipment - Health	6,600			-
Total capital equipment	851,045	-	-	-
Management information systems:				
Overtime	500	212	212	-
Salary - MME	63,270			-
Salary - Supervisors	294,703	395,999	395,999	-
Rentals	416,720	479,360	479,360	-
Telephones	155,400	134,726	134,726	-
Training	50,000	9,390	9,390	-
Video Services	21,000	13,426	13,426	-
Office Expenses & Supplies	7,485	8,076	8,076	-
Software	5,800	5,229	5,229	-
Meetings & Memberships	2,750	649	649	-
Total management information systems	1,017,628	1,047,067	1,047,067	-
Development and enforcement:				
Salary - Administrative	110,593	112,786	112,786	-
Overtime	3,000	95	95	-
Salary - MME	374,624	377,069	377,069	-
Salary - Supervisors	277,731	285,583	285,583	-
Gasoline	3,000	3,141	3,141	-
Vehicle Maintenance	5,200	5,672	5,672	-
Office Expenses & Supplies	16,500	16,600	16,600	-
Meetings & Memberships	6,000	2,849	2,849	-
Total development and enforcement	796,648	803,795	803,795	-
Parking:				
Payroll	19,488	44,099	44,099	-
Salary - Supervisors	10,000	10,000		10,000
Salary - Overtime Contingency		11,968	11,968	-
Maintenance	625	625		625
Gasoline	225	225		225
Vehicle Maintenance	200	200		200
General Expenses	875	875	607	268
Total parking	31,413	67,992	56,674	11,318
Economic Development:				
Administrative	172,711	144,517	136,367	8,150
Office Expenses & Supplies	5,000	5,721	5,721	-
Economic Development	90,000	110,324	110,324	-
Membership & Meetings	5,000	5,000	3,160	1,840
Total economic development	272,711	265,562	255,572	9,990
Total general government	40,432,423	40,077,366	40,033,833	43,533

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**CITY OF MERIDEN, CONNECTICUT  
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Finance:				
Finance:				
Salary - Seasonal Workers	\$	\$ 1,266	\$ 1,266	\$ -
Salary - Administrative	131,142	146,092	146,092	-
Overtime	1,000	1,031	1,031	-
Salary - MME	166,162	139,845	139,845	-
Salary - Supervisors	270,544	286,480	286,480	-
Vehicle Maintenance	2,400	2,503	2,503	-
Office Expenses & Supplies	29,000	27,142	27,142	-
Banking Fees	59,000	33,073	33,073	-
Meetings & Memberships	4,750	4,750	881	3,869
General Office Supplies	1	1		1
Total finance	663,999	642,183	638,313	3,870
Purchasing:				
Part-time		2,098	2,098	-
Overtime	500	500		500
Salary - MME	116,027	107,685	107,685	-
Salary - Supervisors	92,476	101,750	101,750	-
Office Expenses & Supplies	5,215	5,195	3,744	1,451
Meetings & Memberships	4,000	1,122	1,122	-
Storeroom	1	1		1
Total purchasing	218,219	218,351	216,399	1,952
Tax collector:				
Salary - Seasonal Workers		420	420	-
Overtime	2,500	3,804	3,804	-
Salary - MME	200,508	192,014	184,415	7,599
Salary - Supervisors	171,505	188,246	188,246	-
Office Expenses & Supplies	72,000	72,000	63,012	8,988
Meetings & Memberships	1,425	1,425	664	761
Total tax collector	447,938	457,909	440,561	17,348
Tax assessor:				
Overtime	1,000	7,198	7,198	-
Salary - MME	167,702	135,034	135,034	-
Salary - Supervisors	178,533	180,076	180,076	-
Salary - Misc. Part-Time		2,500	2,500	-
Gasoline	200	396	396	-
Vehicle Maintenance	175	221	221	-
Audit	3,000			-
Revaluation	128,000	17,674	17,674	-
Office Expenses & Supplies	10,275	11,505	11,505	-
Meetings & Memberships	2,255	662	662	-
Total tax assessor	491,140	355,266	355,266	-
Total finance	1,821,296	1,673,709	1,650,539	23,170
Public safety:				
Police:				
Salary - Administrative	312,958	250,066	250,066	-
Overtime	1,251,189	1,008,499	1,008,499	-
Salary - Other Non Union	110,572	110,783	110,783	-
Salary - Public Works	73,242	75,752	75,752	-
Salary - MME	561,187	551,591	551,591	-
Salary - Police Patrol	9,343,360	9,723,815	9,723,815	-
Salary - Supervisors	41,996	63,394	63,394	-
Salary - Crossing Guards	222,528	192,708	192,708	-

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT  
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public safety (continued):				
Salary - Part-Time	\$ 4,000	\$ 4,152	\$ 4,152	\$ -
Gasoline	150,000	163,964	163,964	-
Vehicle Maintenance	150,000	118,106	118,106	-
Communications & Maintenance	85,000	56,119	56,119	-
Training	220,000	204,667	204,667	-
South Central Justice	12,325	12,325	12,325	-
Explorers / Auxiliary Police	7,000	7,000	6,435	565
Canine Unit	6,000	6,053	6,053	-
Bicycle Patrol	4,000	4,000	2,035	1,965
Police Expenses & Supplies	119,880	93,516	93,516	-
Accreditation	500	92	92	-
Crime Prevention	6,500	161	161	-
Hostage Crisis	20,000	20,000	18,161	1,839
MIS Technology	275,000	283,200	283,200	-
Body Camera / Taser Expense	131,000	131,000	130,600	400
Meetings & Memberships	6,000	6,000	2,305	3,695
Overtime - Neighborhood Initiative	250,000	210,191	193,761	16,430
Overtime - School Resource Officers	75,000	59,862	58,156	1,706
Police Private Duty	1	5,833	5,833	-
		10,000	10,000	-
Total police	13,439,238	13,372,849	13,346,249	26,600
Fire:				
Salary - Seasonal Workers	4,000	4,000	4,000	-
Salary - Administrative	229,426	233,495	233,495	-
Overtime	1,105,075	1,261,462	1,261,462	-
Salary - Public Works	87,892	125,666	125,666	-
Salary - Fire	7,665,359	8,041,234	8,041,234	-
Salary - MME	110,659	107,038	107,038	-
Gasoline	41,000	44,088	44,088	-
Vehicle Maintenance	82,500	135,268	135,268	-
Communications & Maintenance	31,000	22,040	22,040	-
Training	40,000	27,061	27,061	-
Physicals	41,683	32,781	32,781	-
Recruitment	2,000	16,575	16,575	-
Maintenance Supplies	41,300	35,130	35,130	-
Office Expenses & Supplies	17,000	21,159	21,159	-
Fire Equipment	80,658	71,087	71,087	-
Personnel Protective Equipment	78,700	69,968	69,968	-
Meetings & Memberships	10,500	4,136	4,136	-
Total fire	9,668,752	10,252,188	10,252,188	-
Emergency communications:				
Salary - Administrative	186,951	147,267	147,267	-
Overtime	408,455	561,778	561,778	-
Salary - Dispatch	827,912	664,172	664,172	-
Vehicle Maintenance	2,400	2,400	2,400	-
C-Med	29,595	24,595	24,595	-
Communications & Maintenance	8,000	7,527	7,527	-
Training	25,000	20,864	20,864	-
Office Expenses & Supplies	20,000	14,688	14,688	-
Total emergency communications	1,508,313	1,443,291	1,443,291	-
South Meriden volunteer fire:				
SMVFD Merit Plan	28,200	17,800	17,800	-
Total public safety	24,644,503	25,086,128	25,059,528	26,600

(Continued on next page)



**CITY OF MERIDEN, CONNECTICUT  
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public Works:				
Engineering:				
Capital Equipment				
Salary - Administrative	\$ 123,006	\$ 125,090	\$ 125,090	\$ -
Overtime	5,500	9,169	9,169	-
Salary - MME	465,043	425,169	425,169	-
Salary - Supervisors	195,913	216,775	216,775	-
Inspections - Dams & Bridges	3,500	10,225	10,225	-
Salary - Seasonal Workers		17,113	17,113	-
Gasoline	8,300	5,407	5,407	-
Vehicle Maintenance	6,800	3,212	3,212	-
Office Expenses & Supplies	8,200	8,071	8,071	-
Software	7,600	6,605	6,605	-
Meetings & Memberships	2,650	1,800	1,800	-
Total engineering	<u>826,512</u>	<u>828,636</u>	<u>828,636</u>	<u>-</u>
Garage and warehouse:				
Overtime	3,000	2,485	2,485	-
Salary - Public Works	401,184	386,482	386,482	-
Salary - MME	62,160	62,125	62,125	-
Salary - Supervisors		26,775	26,775	-
Repairs & Maintenance Service	5,000	2,862	2,862	-
Gasoline	1,900	770	770	-
Vehicle Maintenance	2,300	2,897	2,897	-
Office Expenses & Supplies	6,500	3,318	3,318	-
Meetings & Memberships	500			-
Garage Materials	1			-
Inventory Over/Short		7,507	7,507	-
CNG Fueling Station	7,300	2,298	2,298	-
Total garage and warehouse	<u>489,845</u>	<u>497,519</u>	<u>497,519</u>	<u>-</u>
Traffic engineering:				
Salary - Part-Time	16,000	7,279	7,279	-
Overtime	11,000	4,458	4,458	-
Salary - MME	227,394	258,187	258,187	-
Salary - Supervisors	109,178	74,472	74,472	-
Gasoline	10,000	8,024	8,024	-
Vehicle Maintenance	12,000	9,550	9,550	-
Safety Equipment	5,000	2,476	2,476	-
Signalization	58,000	45,733	45,733	-
Signs & Lines	40,000	34,386	34,386	-
Street Lighting	367,400	307,184	307,184	-
Alarm Systems	900	77	77	-
Office Expense	1,750	1,319	1,319	-
Meetings & Memberships	1,200	905	905	-
Total traffic engineering	<u>859,822</u>	<u>754,050</u>	<u>754,050</u>	<u>-</u>
Highway safety:				
Snow & Ice Control	750,000	398,636	398,226	410
Overtime	36,200	54,295	54,295	-
Salary - Public Works	1,137,862	985,566	985,566	-
Salary - Supervisors	91,834	101,760	101,760	-
Gasoline	95,000	67,203	67,203	-
Vehicle Maintenance	195,000	179,884	179,884	-
Street Maintenance Supplies	16,000	16,086	16,086	-
Sidewalk Basin Construction	3,000	2,998	2,998	-
Storm Drain Construction	6,500	6,427	6,427	-
Roadside Bulky Waste	500			-
Safety & Health Plan	3,000	2,429	2,429	-

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT  
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Highway safety (continued):				
Office Expenses & Supplies	\$ 5,500	\$ 3,507	\$ 3,507	\$ -
Clothing	7,000	5,172	5,172	-
Soil / Catch Basin Disposal	49,900	49,107	49,107	-
Meetings & Memberships	250	99	99	-
Total highway safety	<u>2,397,546</u>	<u>1,873,169</u>	<u>1,872,759</u>	<u>410</u>
Transfer station:				
Overtime	21,000	16,878	16,878	-
Monitoring	70,000	53,200	53,200	-
Recycling - Hazardous Waste	75,000	30,534	30,534	-
Gasoline	6,000	5,206	5,206	-
Vehicle Maintenance	22,000	23,912	23,912	-
Other Purchased Services	1,000			-
Office Expenses & Supplies	2,500	794	794	-
Total transfer station	<u>197,500</u>	<u>130,524</u>	<u>130,524</u>	<u>-</u>
Waste collection:				
Dumping Fees	579,600	538,341	538,341	-
Contract	853,500	852,603	852,603	-
Office Expenses & Supplies	1,500			-
Total waste collection	<u>1,434,600</u>	<u>1,390,944</u>	<u>1,390,944</u>	<u>-</u>
Bulky waste:				
Overtime		193	193	-
Gasoline	3,100	3,100	1,705	1,395
Vehicle Maintenance	4,800	4,800	700	4,100
Dump Fees	87,000	99,902	99,902	-
Office Expenses & Supplies	1,500	1,500	746	754
Total bulky waste	<u>96,400</u>	<u>109,495</u>	<u>103,246</u>	<u>6,249</u>
Building maintenance:				
Salary - Part-Time	61,344	15,657	15,657	-
Overtime	45,000	53,114	53,114	-
Salary - Public Works	387,617	427,607	427,607	-
Salary - Supervisors	77,670	93,171	93,171	-
Gasoline	1,500	1,934	1,934	-
Vehicle Maintenance	2,500	412	412	-
Repairs & Upgrades	300,000	335,710	335,710	-
Maintenance Supplies	45,000	49,477	49,477	-
Heat, Energy, & Lights	1,040,000	1,132,649	1,132,649	-
Total building maintenance	<u>1,960,631</u>	<u>2,109,731</u>	<u>2,109,731</u>	<u>-</u>
Total public works	<u>8,262,856</u>	<u>7,694,068</u>	<u>7,687,409</u>	<u>6,659</u>
Health and welfare:				
Health:				
Certified Salaries	144,901	118,836	118,836	-
Salary - Part-Time	5,160	5,160	5,160	-
Salary - Administrative	114,595	116,537	116,537	-
Overtime	3,750	6,076	6,076	-
Salary - Public Health Nurses	976,836	888,641	888,641	-
Salary - MME	637,820	616,500	616,500	-
Salary - Supervisors	297,291	226,852	226,852	-
Gasoline	1,750	1,541	1,541	-
Vehicle Maintenance	3,400	3,508	3,508	-
Office Expenses & Supplies	9,000	7,068	7,068	-

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**CITY OF MERIDEN, CONNECTICUT  
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Health and welfare (continued):				
Health:				
Environmental Supplies	\$ 4,000	\$ 2,173	\$ 2,173	\$ -
Health Supplies	9,500	8,496	8,496	-
P.A. 10-217A Supplies	3,000	1,968	1,968	-
Lead Program	5,600	475	475	-
Special Projects	1			-
Meetings & Memberships	4,000	2,103	2,103	-
Total health	<u>2,220,604</u>	<u>2,005,934</u>	<u>2,005,934</u>	<u>-</u>
Social services:				
Evictions	<u>35,000</u>	<u>35,000</u>	<u>26,800</u>	<u>8,200</u>
Senior center:				
Salary - Other Non-Union	29,000	18,951	18,951	-
Salary - MME	433,357	362,322	362,322	-
Salary - Supervisors	96,238	101,998	101,998	-
Salary - Overtime Contingency	1,000	857	857	-
Elderly Nutrition	8,500	12,500	12,500	-
Gasoline	12,000	219	219	-
Vehicle Maintenance	5,900	307	307	-
Office Expenses & Supplies	14,750	13,987	13,987	-
Meetings & Memberships	1,500	965	965	-
Total senior center	<u>602,245</u>	<u>512,106</u>	<u>512,106</u>	<u>-</u>
Total health and welfare	<u>2,857,849</u>	<u>2,553,040</u>	<u>2,544,840</u>	<u>8,200</u>
Culture and recreation:				
Library:				
Salary - Part-Time	71,500	56,336	46,973	9,363
Salary - Administrative	100,872	100,872	91,786	9,086
Overtime	2,000	2,000	1,600	400
Salary - MME	683,096	683,096	674,165	8,931
Salary - Supervisors	865,301	865,367	865,367	-
Gasoline	600	600	54	546
Vehicle Maintenance	1,800	1,800	100	1,700
Security Service	700	1,000	1,000	-
Other Purchased Services	80,000	80,000	79,408	592
Building Supplies & Materials	14,220	14,220	7,258	6,962
Library Books & Materials	172,500	185,876	185,876	-
Office Expenses & Supplies	27,100	28,522	28,522	-
Meetings & Memberships	2,500	2,500	2,093	407
Total library	<u>2,022,189</u>	<u>2,022,189</u>	<u>1,984,202</u>	<u>37,987</u>
Parks:				
Capital Equipment		37,382	37,382	-
Salary - Part-Time	80,000	74,348	73,335	1,013
Salary - Administrative	107,177	108,992	108,992	-
Overtime	75,000	68,915	68,915	-
Salary - Public Works	1,168,641	1,109,746	1,109,746	-
Salary - Supervisors	77,670	88,288	88,288	-

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**CITY OF MERIDEN, CONNECTICUT  
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES) - BUDGET AND ACTUAL - NON- GAAP BUDGETARY BASIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Parks (continued):				
Expenses & Supplies	\$ 92,000	\$ 93,882	\$ 93,882	\$ -
Meriden Green Maintenance	30,000	29,396	29,396	-
Cemetery Maintenance	7,000	10,354	10,354	-
Gasoline	45,000	45,208	45,208	-
Vehicle Maintenance	74,000	51,647	51,647	-
Meetings & Memberships	2,000	2,000	2,000	-
Downtown	3,500	3,500	3,500	-
Tree Removal & Replacement	10,000	10,000	10,000	-
Turf Management	25,000	24,182	24,182	-
Total parks	<u>1,796,988</u>	<u>1,757,840</u>	<u>1,756,827</u>	<u>1,013</u>
Recreation:				
Overtime	3,000	3,000	2,258	742
Salary - Other Non-Union	145,000	145,000	106,620	38,380
Salary - MME	128,258	128,258	127,286	972
Recreation Program Expense	16,000	16,393	16,393	-
League Subsidy	30,000	30,000	30,000	-
Safety Surface Replacement	4,400	4,400	4,400	-
Office Expenses & Supplies	7,000	7,000	6,678	322
Fireworks Display	20,000	20,000	19,525	475
Meetings & Memberships	2,500	2,500	2,500	-
Total recreation	<u>356,158</u>	<u>356,551</u>	<u>315,660</u>	<u>40,891</u>
Total culture and recreation	<u>4,175,335</u>	<u>4,136,580</u>	<u>4,056,689</u>	<u>79,891</u>
Education:				
Board of Education	100,633,340	100,233,340	100,233,340	-
School building committee:				
Salary Expense	1,500	1,500	1,253	247
Total education	<u>100,634,840</u>	<u>100,234,840</u>	<u>100,234,593</u>	<u>247</u>
Debt service:				
Principal retirement:				
Principal Bonds	9,487,300	9,487,300	9,487,300	-
Interest:				
Interest Bonds	4,913,882	4,913,882	4,913,882	-
Total debt service	<u>14,401,182</u>	<u>14,401,182</u>	<u>14,401,182</u>	<u>-</u>
Other financing uses:				
Transfers out:				
Transfer Out - Dog Fund	10,000	10,000		10,000
Meriden Green Financial Assurance Fund	67,500	65,000	65,000	-
Transfer Out - Misc. Grants		524,826	524,826	-
Transfers Out - Capital		851,045	851,045	-
Total transfers out	<u>77,500</u>	<u>1,450,871</u>	<u>1,440,871</u>	<u>10,000</u>
Total expenditures and other financing uses	<u>197,307,784</u>	<u>197,307,784</u>	<u>197,109,484</u>	<u>198,300</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>647,618</u>	\$ <u>647,618</u>

**CITY OF MERIDEN, CONNECTICUT  
GENERAL FUND  
COMBINING BALANCE SHEET SCHEDULE  
JUNE 30, 2020**

	<u>General</u>	<u>Foreclosure Fund</u>	<u>Insurance Reserve Fund</u>	<u>Tree Preservation Fund</u>	<u>Downtown Property Management Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>								
Cash and cash equivalents	\$ 7,896,224	\$ (39,902)	\$ 250,698	\$ 2,985	\$ 98,212	\$ 57,173		\$ 8,265,390
Investments	16,990,273							16,990,273
Receivables, net of allowance for uncollectibles	6,614,781		11,103					6,625,884
Inventory	116,782							116,782
Other assets	13,966							13,966
Due from OPEB trust	2,179,967							2,179,967
Due from other funds	4,544,551							4,544,551
Total Assets	<u>\$ 38,356,544</u>	<u>\$ (39,902)</u>	<u>\$ 261,801</u>	<u>\$ 2,985</u>	<u>\$ 98,212</u>	<u>\$ 57,173</u>	<u>\$ -</u>	<u>\$ 38,736,813</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 12,398,447	\$	\$ 5,511	\$	\$ 1,155	\$	\$	\$ 12,405,113
Retainage payable								-
Due to other governments								-
Due to other funds								-
Unearned revenue	7,839							7,839
Temporary notes payable								-
Total liabilities	<u>12,406,286</u>	<u>-</u>	<u>5,511</u>	<u>-</u>	<u>1,155</u>	<u>-</u>	<u>-</u>	<u>12,412,952</u>
Deferred Inflows of Resources:								
Unavailable revenue - property taxes	5,335,497							5,335,497
Unavailable revenue - loans receivable	1,074,865							1,074,865
Advance property tax collections	2,280,192							2,280,192
Total deferred inflows of resources	<u>8,690,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,690,554</u>
Fund Balances:								
Nonspendable	130,748							130,748
Restricted	1,108,545							1,108,545
Committed			256,290	2,985	97,057	57,173		413,505
Assigned								-
Unassigned	16,020,411	(39,902)						15,980,509
Total fund balances	<u>17,259,704</u>	<u>(39,902)</u>	<u>256,290</u>	<u>2,985</u>	<u>97,057</u>	<u>57,173</u>	<u>-</u>	<u>17,633,307</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 38,356,544</u>	<u>\$ (39,902)</u>	<u>\$ 261,801</u>	<u>\$ 2,985</u>	<u>\$ 98,212</u>	<u>\$ 57,173</u>	<u>\$ -</u>	<u>\$ 38,736,813</u>

**CITY OF MERIDEN, CONNECTICUT  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2020**

	General	Foreclosure Fund	Insurance Reserve Fund	Tree Preservation Fund	Downtown Property Management Fund	Vehicle Replacement Fund	Transfer Elimination	Total
<b>Revenues:</b>								
Property taxes, interest and lien fees	\$ 130,621,127	\$	\$	\$	\$	\$	\$	\$ 130,621,127
Federal and state government	80,611,985							80,611,985
Charges for services	4,656,382							4,656,382
Investment income	1,229,662				340			1,230,002
Other local revenues	1,342,919		125,640		15,530			1,484,089
Total revenues	<u>218,462,075</u>	<u>-</u>	<u>125,640</u>	<u>-</u>	<u>15,870</u>	<u>-</u>	<u>-</u>	<u>218,603,585</u>
<b>Expenditures:</b>								
<b>Current:</b>								
General government	41,684,372	6,496			23,751			41,714,619
Public safety	25,059,528		57,785					25,117,313
Public works	7,687,409		27,914					7,715,323
Health and welfare	4,155,036							4,155,036
Culture and recreation	4,056,689							4,056,689
Education	119,372,090							119,372,090
<b>Debt service:</b>								
Principal retirement	10,687,300							10,687,300
Interest and other charges	5,008,489							5,008,489
Capital outlay								-
Total expenditures	<u>217,710,913</u>	<u>6,496</u>	<u>85,699</u>	<u>-</u>	<u>23,751</u>	<u>-</u>	<u>-</u>	<u>217,826,859</u>
Excess (Deficiency) of Revenues over Expenditures	<u>751,162</u>	<u>(6,496)</u>	<u>39,941</u>	<u>-</u>	<u>(7,881)</u>	<u>-</u>	<u>-</u>	<u>776,726</u>
<b>Other Financing Sources (Uses):</b>								
Bond proceeds	9,490,000							9,490,000
Premium on refunding bonds	1,461,630							1,461,630
Payment to refunded bond escrow agent	(10,857,023)							(10,857,023)
Transfers in	1,242,720							1,242,720
Transfers out	(1,440,871)							(1,440,871)
Total other financing sources	<u>(103,544)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(103,544)</u>
Net Change in Fund Balances	647,618	(6,496)	39,941	-	(7,881)	-	-	673,182
Fund Balances at Beginning of Year	16,612,086	(33,406)	216,349	2,985	104,938	57,173		16,960,125
Fund Balances at End of Year	<u>\$ 17,259,704</u>	<u>\$ (39,902)</u>	<u>\$ 256,290</u>	<u>\$ 2,985</u>	<u>\$ 97,057</u>	<u>\$ 57,173</u>	<u>\$ -</u>	<u>\$ 17,633,307</u>



## **Nonmajor Governmental Funds**

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

**Special Revenue Funds** account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.

**Document Preservation** - To account for the City Clerk's document preservation program, which is funded through fees and State grants.

**Community Development Block Grant** - To account for the revenues and expenditures related to the Federal Block Grant.

**Day Care Center** - To account for the operations of the Meriden Day Care Center, which is partially funded by State grants.

**Women, Infant and Children Program** - To account for grants from the State Department of Social Services.

**Education Grants and Programs** - To account for education related grants from the state and federal governments.

**Health Grants and Programs** - To account for revenues and various grants from the State of Connecticut.

**Neighborhood Preservation Program** - To account for revolving loan funds.

**Asset Forfeiture** - To account for drug seizure money from the state and federal governments.

**School Readiness** - To account for grant funds from the State Department of Education for school readiness and child day care programs.

**Law Enforcement Block Grant** - To account for a grant from the federal government for law enforcement.

**Dog** - To account for revenue from dog license fees and related expenditures.

**Public School Lunch** - To account for the operations of the school lunch program.

**Public School Rental** - To account for rental of school facilities.

**Adult Evening School** - To account for the activities of the Adult Education Program.

**Anti-Blight** - To account for funds used in a human services program.

**Smoke Detector** - To account for funds collected for fire prevention programs.

**Miscellaneous Grants and Programs** - To account for revenues and expenses for grants received for miscellaneous purposes.

**Library Trust** - To account for donations and additional funds for the library.

**Meriden Green Improvement** - To account for funds associated with the maintenance, preservation, and improvement of the Meriden Green.



## **CAPITAL PROJECT FUNDS**

**Capital Project Funds** - Capital Project Funds are used to account for financial resources that are restricted or committed for capital outlays including the acquisition or construction of capital facilities and other capital assets.

**Parks and Recreation Capital and Nonrecurring** - To account for the financial resources used for various parks and recreation projects.

**Capital and Nonrecurring** - To account for the financial resources used for various capital projects.

**Airport Improvement** - To account for the activity funds for airport improvements.

**Brownfield Assessment** - To account for funds used in a local environmental hazard study.

**Factory H Demolition** - To account for grants related to the demolition of Factory H.

**Miscellaneous Capital Project Grants** - To account for grants for various capital projects.

**Land Acquisition** - To account for funds restricted for the acquisition of land.

**Planning Commission Subdivision Development** - To account for funds collected from developers for sidewalk construction.

## **PERMANENT FUNDS**

**Permanent Funds** - Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used.

**Walter Hubbard Park** - To account for the care and maintenance of Hubbard Park.

**C.P. Bradley Park** - To account for the care and maintenance of C.P. Bradley Park.

**Lorenzo Fuller Award** - To account for a scholarship fund given to the high school.

**Charlotte Yale Ives** - To account for supportive health service for needy families.

CITY OF MERIDEN, CONNECTICUT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2020

	Special Revenue Funds							
	Document Preservation	Community Development Block Grant	Day Care Center	Women, Infant and Children Program	Education Grants and Programs	Health Grants and Programs	Neighborhood Preservation (CDBG)	Neighborhood Preservation (Bonded)
<b>ASSETS</b>								
Cash and cash equivalents	\$ 39,800	\$ 225	\$ 141,417	\$ 84,689	\$ 2,193,482	\$ 9,234	\$ 257,508	\$ 25,000
Investments								
Accounts receivable	177	111,924			479,735	184,582	1,683,636	184,130
Due from other funds								
Inventory								
Other assets					523			
<b>Total Assets</b>	<b>\$ 39,977</b>	<b>\$ 112,149</b>	<b>\$ 141,417</b>	<b>\$ 84,689</b>	<b>\$ 2,673,740</b>	<b>\$ 193,816</b>	<b>\$ 1,941,144</b>	<b>\$ 209,130</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 3,977	\$ 74,215	\$ 75,427	\$ 40,686	\$ 1,772,744	\$ 69,785	\$ 539	\$
Unearned revenue				44,003	355,450	10,330		
Due to other governments								
Due to other funds		37,934						
<b>Total liabilities</b>	<b>3,977</b>	<b>112,149</b>	<b>75,427</b>	<b>84,689</b>	<b>2,128,194</b>	<b>80,115</b>	<b>539</b>	<b>-</b>
Deferred Inflows of Resources:								
Unavailable revenue - loans receivable							1,683,635	184,130
Fund Balances:								
Nonspendable					523			
Restricted	36,000		65,990		545,023	113,701	256,970	25,000
Committed								
Assigned								
Unassigned								
<b>Total fund balances</b>	<b>36,000</b>	<b>-</b>	<b>65,990</b>	<b>-</b>	<b>545,546</b>	<b>113,701</b>	<b>256,970</b>	<b>25,000</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 39,977</b>	<b>\$ 112,149</b>	<b>\$ 141,417</b>	<b>\$ 84,689</b>	<b>\$ 2,673,740</b>	<b>\$ 193,816</b>	<b>\$ 1,941,144</b>	<b>\$ 209,130</b>

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CITY OF MERIDEN, CONNECTICUT  
 COMBINING BALANCE SHEET (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2020

	Special Revenue Funds								
	Asset Forfeiture	School Readiness	Law Enforcement Block Grant	Dog	Public School Lunch	Public School Rental	Adult Evening School	Anti-Blight	Smoke Detector
<b>ASSETS</b>									
Cash and cash equivalents	\$ 214,751	\$ 448,156	\$ 14,672	\$ 26,852	\$ 550,032	\$ 181,722	\$ 100,028	\$ 153,680	\$ 2,519
Investments									
Accounts receivable			16,776	1,509	966,382				
Due from other funds									
Inventory					234,832				
Other assets									
Total Assets	<u>\$ 214,751</u>	<u>\$ 448,156</u>	<u>\$ 31,448</u>	<u>\$ 28,361</u>	<u>\$ 1,751,246</u>	<u>\$ 181,722</u>	<u>\$ 100,028</u>	<u>\$ 153,680</u>	<u>\$ 2,519</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable and accrued liabilities	\$	\$ 325,665	\$	\$ 11,128	\$ 394,811	\$	\$	\$	\$
Unearned revenue									
Due to other governments									
Due to other funds									
Total liabilities	<u>-</u>	<u>325,665</u>	<u>-</u>	<u>11,128</u>	<u>394,811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:									
Unavailable revenue - loans receivable									
Fund Balances:									
Nonspendable					234,832				
Restricted	214,751				960,256				2,519
Committed		122,491	31,448	17,233	161,347	181,722	100,028	153,680	
Assigned									
Unassigned									
Total fund balances	<u>214,751</u>	<u>122,491</u>	<u>31,448</u>	<u>17,233</u>	<u>1,356,435</u>	<u>181,722</u>	<u>100,028</u>	<u>153,680</u>	<u>2,519</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 214,751</u>	<u>\$ 448,156</u>	<u>\$ 31,448</u>	<u>\$ 28,361</u>	<u>\$ 1,751,246</u>	<u>\$ 181,722</u>	<u>\$ 100,028</u>	<u>\$ 153,680</u>	<u>\$ 2,519</u>

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CITY OF MERIDEN, CONNECTICUT  
 COMBINING BALANCE SHEET (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2020

	Special Revenue Funds			Capital Project Funds				
	Misc. Grants and Programs	Library Trust	Meriden Green Improvement	P & R Capital and Nonrecurring	Capital and Nonrecurring	Airport Improvement	Brownfield Assessment	Factory H Demolition
<b>ASSETS</b>								
Cash and cash equivalents	\$ 210,615	\$ 799,311	\$	\$	\$ 840,414	\$ 52,556	\$ 10,419	\$
Investments			538,795					
Accounts receivable	308,461		3,254			709,354	214,770	
Due from other funds								
Inventory								
Other assets								
Total Assets	<u>\$ 519,076</u>	<u>\$ 799,311</u>	<u>\$ 542,049</u>	<u>\$ -</u>	<u>\$ 840,414</u>	<u>\$ 761,910</u>	<u>\$ 225,189</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and accrued liabilities	\$ 147,467	\$	\$	\$	\$ 33,762	\$ 316,492	\$ 1,440	\$
Unearned revenue	32						939	
Due to other governments								
Due to other funds						426,592	222,810	
Total liabilities	<u>147,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,762</u>	<u>743,084</u>	<u>225,189</u>	<u>-</u>
Deferred Inflows of Resources:								
Unavailable revenue - loans receivable								
Fund Balances:								
Nonspendable								
Restricted		799,311						
Committed	371,577		542,049		806,652	18,826		
Assigned								
Unassigned								
Total fund balances	<u>371,577</u>	<u>799,311</u>	<u>542,049</u>	<u>-</u>	<u>806,652</u>	<u>18,826</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 519,076</u>	<u>\$ 799,311</u>	<u>\$ 542,049</u>	<u>\$ -</u>	<u>\$ 840,414</u>	<u>\$ 761,910</u>	<u>\$ 225,189</u>	<u>\$ -</u>

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CITY OF MERIDEN, CONNECTICUT  
 COMBINING BALANCE SHEET (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2020

	Capital Project Funds			Permanent Funds				Eliminating Entries	Total
	Misc. Capital Project Grants	Land Acquisition	Planning Commission Subdivision Development	Walter Hubbard Park	C.P. Bradley Park	Lorenzo Fuller Award	Charlotte Yale Ives		
<b>ASSETS</b>									
Cash and cash equivalents	\$ 142,717	\$ 98,083	\$ 58,396	\$ 29,332	\$ 90,111	\$ 18	\$ 7		\$ 6,775,746
Investments				735,632	1,196,214	10,039	3,789		2,484,469
Accounts receivable									4,864,690
Due from other funds									
Inventory									234,832
Other assets									523
<b>Total Assets</b>	<u>\$ 142,717</u>	<u>\$ 98,083</u>	<u>\$ 58,396</u>	<u>\$ 764,964</u>	<u>\$ 1,286,325</u>	<u>\$ 10,057</u>	<u>\$ 3,796</u>	<u>\$ -</u>	<u>\$ 14,360,260</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>									
<b>Liabilities:</b>									
Accounts payable and accrued liabilities	\$	\$	\$	\$ 5,429	\$ 15,098	\$	\$	\$	\$ 3,288,665
Unearned revenue	3,070								413,824
Due to other governments									-
Due to other funds									687,336
<b>Total liabilities</b>	<u>3,070</u>	<u>-</u>	<u>-</u>	<u>5,429</u>	<u>15,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,389,825</u>
<b>Deferred Inflows of Resources:</b>									
Unavailable revenue - loans receivable									1,867,765
<b>Fund Balances:</b>									
Nonspendable				50,000	50,000	1,017	3,000		339,372
Restricted	139,647			709,535	1,221,227	9,040	796		5,099,766
Committed		98,083	58,396						2,663,532
Assigned									-
Unassigned									-
<b>Total fund balances</b>	<u>139,647</u>	<u>98,083</u>	<u>58,396</u>	<u>759,535</u>	<u>1,271,227</u>	<u>10,057</u>	<u>3,796</u>	<u>-</u>	<u>8,102,670</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 142,717</u>	<u>\$ 98,083</u>	<u>\$ 58,396</u>	<u>\$ 764,964</u>	<u>\$ 1,286,325</u>	<u>\$ 10,057</u>	<u>\$ 3,796</u>	<u>\$ -</u>	<u>\$ 14,360,260</u>

**CITY OF MERIDEN, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds							
	Document Preservation	Community Development Block Grant	Day Care Center	Women, Infant and Children Program	Education Grants and Programs	Health Grants and Programs	Neighborhood Preservation (CDBG)	Neighborhood Preservation (Bonded)
Revenues:								
Intergovernmental revenues	\$ 7,500	\$ 800,382	\$ 439,374	\$ 806,399	\$ 17,512,966	\$ 774,066	\$	\$
Charges for services	25,648					63,862		
Investment income (loss)								
Other					1,653,002		32,549	
Total revenues	<u>33,148</u>	<u>800,382</u>	<u>439,374</u>	<u>806,399</u>	<u>19,165,968</u>	<u>837,928</u>	<u>32,549</u>	<u>-</u>
Expenditures:								
General government	43,285	425,220					8,280	
Public safety								
Public works		81,439						
Health and welfare		148,337	439,372	806,399		821,624		
Culture and recreation		42,565						
Capital outlay								
Education					19,181,125			
Debt service:								
Principal retirement								
Interest and other charges								
Total expenditures	<u>43,285</u>	<u>697,561</u>	<u>439,372</u>	<u>806,399</u>	<u>19,181,125</u>	<u>821,624</u>	<u>8,280</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(10,137)</u>	<u>102,821</u>	<u>2</u>	<u>-</u>	<u>(15,157)</u>	<u>16,304</u>	<u>24,269</u>	<u>-</u>
Other Financing Sources (Uses):								
Note proceeds								
Transfers in					400,000	14,500		
Transfers out		(102,821)						(42,720)
Total other financing sources (uses)	<u>-</u>	<u>(102,821)</u>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>14,500</u>	<u>-</u>	<u>(42,720)</u>
Change in Fund Balance	(10,137)	-	2	-	384,843	30,804	24,269	(42,720)
Fund Balances at Beginning of Year	<u>46,137</u>	<u>-</u>	<u>65,988</u>	<u>-</u>	<u>160,703</u>	<u>82,897</u>	<u>232,701</u>	<u>67,720</u>
Fund Balances at End of Year	<u>\$ 36,000</u>	<u>\$ -</u>	<u>\$ 65,990</u>	<u>\$ -</u>	<u>\$ 545,546</u>	<u>\$ 113,701</u>	<u>\$ 256,970</u>	<u>\$ 25,000</u>

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**CITY OF MERIDEN, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds								
	Asset Forfeiture	School Readiness	Law Enforcement Block Grant	Dog	Public School Lunch	Public School Rental	Adult Evening School	Anti-Blight	Smoke Detector
Revenues:									
Intergovernmental revenues	\$ 46,404	\$ 3,891,755	\$ 38,237	\$	\$ 5,724,125	\$	\$	\$	\$
Charges for services				10,860	122,216	40,933	31,192		
Investment income (loss)					2,117				
Other					52,889				
Total revenues	<u>46,404</u>	<u>3,891,755</u>	<u>38,237</u>	<u>10,860</u>	<u>5,901,347</u>	<u>40,933</u>	<u>31,192</u>	<u>-</u>	<u>-</u>
Expenditures:									
General government									
Public safety	9,999		22,132	24,854					
Public works									
Health and welfare									
Culture and recreation									
Capital outlay									
Education		3,885,599			5,770,874	214,074	29,689		
Debt service:									
Principal retirement									
Interest and other charges									
Total expenditures	<u>9,999</u>	<u>3,885,599</u>	<u>22,132</u>	<u>24,854</u>	<u>5,770,874</u>	<u>214,074</u>	<u>29,689</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>36,405</u>	<u>6,156</u>	<u>16,105</u>	<u>(13,994)</u>	<u>130,473</u>	<u>(173,141)</u>	<u>1,503</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):									
Note proceeds									
Transfers in									
Transfers out									
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	36,405	6,156	16,105	(13,994)	130,473	(173,141)	1,503	-	-
Fund Balances at Beginning of Year	<u>178,346</u>	<u>116,335</u>	<u>15,343</u>	<u>31,227</u>	<u>1,225,962</u>	<u>354,863</u>	<u>98,525</u>	<u>153,680</u>	<u>2,519</u>
Fund Balances at End of Year	<u>\$ 214,751</u>	<u>\$ 122,491</u>	<u>\$ 31,448</u>	<u>\$ 17,233</u>	<u>\$ 1,356,435</u>	<u>\$ 181,722</u>	<u>\$ 100,028</u>	<u>\$ 153,680</u>	<u>\$ 2,519</u>

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**CITY OF MERIDEN, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020**

	Special Revenue Funds			Capital Project Funds				
	Misc. Grants and Programs	Library Trust	Meriden Green Improvement	P & R Capital and Nonrecurring	Capital and Nonrecurring	Airport Improvement	Brownfield Assessment	Factory H Demolition
Revenues:								
Intergovernmental revenues	\$ 20,236	\$	\$	\$	\$	742,214	\$ 22,793	\$
Charges for services	1,715							
Investment income (loss)			32,680					
Other	305,653	81,698				5,760		
Total revenues	<u>327,604</u>	<u>81,698</u>	<u>32,680</u>	<u>-</u>	<u>-</u>	<u>747,974</u>	<u>22,793</u>	<u>-</u>
Expenditures:								
General government	149,156							
Public safety	110,406							
Public works							1,101,811	
Health and welfare	7,369							
Culture and recreation		39,659						
Capital outlay					450,030	744,289	648,335	
Education								
Debt service:								
Principal retirement								75,000
Interest and other charges								27,821
Total expenditures	<u>266,931</u>	<u>39,659</u>	<u>-</u>	<u>-</u>	<u>450,030</u>	<u>744,289</u>	<u>1,750,146</u>	<u>102,821</u>
Excess (Deficiency) of Revenues over Expenditures	<u>60,673</u>	<u>42,039</u>	<u>32,680</u>	<u>-</u>	<u>(450,030)</u>	<u>3,685</u>	<u>(1,727,353)</u>	<u>(102,821)</u>
Other Financing Sources (Uses):								
Note proceeds							1,727,353	
Transfers in	65,000				961,371			102,821
Transfers out								
Total other financing sources (uses)	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>961,371</u>	<u>-</u>	<u>1,727,353</u>	<u>102,821</u>
Change in Fund Balance	125,673	42,039	32,680	-	511,341	3,685	-	-
Fund Balances at Beginning of Year	<u>245,904</u>	<u>757,272</u>	<u>509,369</u>	<u>-</u>	<u>295,311</u>	<u>15,141</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 371,577</u>	<u>\$ 799,311</u>	<u>\$ 542,049</u>	<u>\$ -</u>	<u>\$ 806,652</u>	<u>\$ 18,826</u>	<u>\$ -</u>	<u>\$ -</u>

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**CITY OF MERIDEN, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020**

	Capital Project Funds			Permanent Funds				Eliminating Entries	Total
	Misc. Capital Project Grants	Land Acquisition	Planning Commission Subdivision Development	Walter Hubbard Park	C.P. Bradley Park	Lorenzo Fuller Award	Charlotte Yale Ives		
Revenues:									
Intergovernmental revenues	\$ 68,362	\$	\$	\$	\$	\$	\$	\$	\$ 30,894,813
Charges for services									296,426
Investment income (loss)				(4,514)	62,107	626	236		93,252
Other			73						2,131,624
Total revenues	<u>68,362</u>	<u>-</u>	<u>73</u>	<u>(4,514)</u>	<u>62,107</u>	<u>626</u>	<u>236</u>	<u>-</u>	<u>33,416,115</u>
Expenditures:									
General government									625,941
Public safety									167,391
Public works									1,183,250
Health and welfare									2,223,101
Culture and recreation				27,905	42,423				152,552
Capital outlay	58,698								1,901,352
Education									29,081,361
Debt service:									
Principal retirement									75,000
Interest and other charges									27,821
Total expenditures	<u>58,698</u>	<u>-</u>	<u>-</u>	<u>27,905</u>	<u>42,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,437,769</u>
Excess (Deficiency) of Revenues over Expenditures	<u>9,664</u>	<u>-</u>	<u>73</u>	<u>(32,419)</u>	<u>19,684</u>	<u>626</u>	<u>236</u>	<u>-</u>	<u>(2,021,654)</u>
Other Financing Sources (Uses):	12,189								
Note proceeds									1,727,353
Transfers in								(102,821)	1,440,871
Transfers out								102,821	(42,720)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,125,504</u>
Change in Fund Balance	9,664	-	73	(32,419)	19,684	626	236	-	1,103,850
Fund Balances at Beginning of Year	<u>129,983</u>	<u>98,083</u>	<u>58,323</u>	<u>791,954</u>	<u>1,251,543</u>	<u>9,431</u>	<u>3,560</u>	<u>-</u>	<u>6,998,820</u>
Fund Balances at End of Year	<u>\$ 139,647</u>	<u>\$ 98,083</u>	<u>\$ 58,396</u>	<u>\$ 759,535</u>	<u>\$ 1,271,227</u>	<u>\$ 10,057</u>	<u>\$ 3,796</u>	<u>\$ -</u>	<u>\$ 8,102,670</u>



## **Internal Service Funds**

## **PROPRIETARY FUNDS**

### **INTERNAL SERVICE FUNDS**

**Internal Service Funds** - Internal Service Funds are used for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has two such funds.

**Workers' Compensation Fund** - To account for the self-insured operations of workers' compensation activities.

**Meriden Health Insurance** - To account for the self-insured operations of health insurance claims and charges for employees' health insurance.

**CITY OF MERIDEN, CONNECTICUT  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2020**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Workers' Compensation Fund</b>	<b>Meriden Health Insurance</b>	<b>Total</b>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 4,149,834	\$	\$ 4,149,834
Investments		6,188,743	6,188,743
Accounts receivable		230,822	230,822
Due from other funds			-
Other assets		16,250	16,250
Total assets	<u>4,149,834</u>	<u>6,435,815</u>	<u>10,585,649</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	18,897		18,897
Current portion of claims incurred but not reported	2,716,516		2,716,516
Due to other funds		862,489	862,489
Total current liabilities	<u>2,735,413</u>	<u>862,489</u>	<u>3,597,902</u>
Noncurrent liabilities:			
Claims incurred but not reported, less current portion	<u>5,433,032</u>	<u>2,108,479</u>	<u>7,541,511</u>
Total liabilities	<u>8,168,445</u>	<u>2,970,968</u>	<u>11,139,413</u>
Total Net Position	<u>\$ (4,018,611)</u>	<u>\$ 3,464,847</u>	<u>\$ (553,764)</u>

**CITY OF MERIDEN, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN NET POSITION - INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Workers' Compensation Fund</b>	<b>Meriden Health Insurance</b>	<b>Total</b>
Operating Revenues:			
Charges for services	\$ 3,978,611	\$ 27,904,103	\$ 31,882,714
Other revenues	33,013	2,464,724	2,497,737
Total operating revenues	<u>4,011,624</u>	<u>30,368,827</u>	<u>34,380,451</u>
Operating Expenses:			
Claims	2,969,525	26,065,106	29,034,631
Administrative	120,927	145,880	266,807
Other expenses	<u>1,287,212</u>	<u>1,287,212</u>	<u>1,287,212</u>
Total operating expenses	<u>3,090,452</u>	<u>27,498,198</u>	<u>30,588,650</u>
Operating Income	921,172	2,870,629	3,791,801
Nonoperating Revenues:			
Investment income	<u>856,442</u>	<u>856,442</u>	<u>856,442</u>
Change in Net Position	921,172	3,727,071	4,648,243
Net Position at Beginning of Year	<u>(4,939,783)</u>	<u>(262,224)</u>	<u>(5,202,007)</u>
Net Position at End of Year	<u>\$ (4,018,611)</u>	<u>\$ 3,464,847</u>	<u>\$ (553,764)</u>

**CITY OF MERIDEN, CONNECTICUT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Governmental Activities - Internal Service Funds</b>		
	<b>Workers' Compensation Fund</b>	<b>Meriden Health Insurance</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers and users	\$ 4,011,624	\$ 30,270,170	\$ 34,281,794
Receipts for interfund services provided		(4,646,344)	(4,646,344)
Payments to suppliers	(102,030)	(1,798,567)	(1,900,597)
Payments to vendors	(2,542,043)	(26,239,773)	(28,781,816)
Payments for interfund services used			-
Net cash provided by (used in) operating activities	<u>1,367,551</u>	<u>(2,414,514)</u>	<u>(1,046,963)</u>
<b>Cash Flows from Investing Activities:</b>			
Sales of investments		532,121	532,121
Net cash provided by (used in) investing activities	<u>-</u>	<u>532,121</u>	<u>532,121</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,367,551	(1,882,393)	(514,842)
Cash and Cash Equivalents at Beginning of Year	<u>2,782,283</u>	<u>1,882,393</u>	<u>4,664,676</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,149,834</u>	<u>\$ -</u>	<u>\$ 4,149,834</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Operating income (loss)	\$ <u>921,172</u>	\$ <u>2,870,629</u>	\$ <u>3,791,801</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
(Increase) decrease in accounts receivable		(98,657)	(98,657)
Increase (decrease) in accounts payable	18,897	(365,475)	(346,578)
Increase (decrease) in claims payable	427,482	(174,667)	252,815
Increase (decrease) in due to other funds		(4,646,344)	(4,646,344)
Total adjustments	<u>446,379</u>	<u>(5,285,143)</u>	<u>(4,838,764)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,367,551</u>	<u>\$ (2,414,514)</u>	<u>\$ (1,046,963)</u>



## **Fiduciary Funds**

## **FIDUCIARY FUNDS**

### **PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS**

**Pension Trust Funds** - To account for the City's activity in defined benefit plans that accumulate resources for pension benefit payments to qualified employees.

**OPEB Trust Funds** - To account for the City's activity in the other post employment benefit plans that accumulate resources for other post employment benefit payments to qualified employees.

### **PRIVATE PURPOSE TRUST FUNDS**

**East Cemetery Trust Fund** - To account for the receipts and disbursements related to the Katherine H. Hamlin Cemetery Trust and various East Cemetery Escrow Trusts.

**Scholarship Trust Fund** - To account for the receipts and disbursements of various Board of Education scholarships.

### **AGENCY FUNDS**

**Agency Funds** - To account for monies held for third parties. Agency funds are custodial in nature (assets equal liabilities) and are used to account for senior activities, student activities and performance bonds. The City's Agency Funds are as follows:

- Senior Trips Activities Fund
- Student Activity Fund
- Performance Bonds
- Police Evidence Fund
- License to Work Fund
- South Meriden Volunteer Firefighters' Award Program



**CITY OF MERIDEN, CONNECTICUT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS  
 JUNE 30, 2020**

	<b>Pension Trust Funds</b>	<b>OPEB Trust Funds</b>	<b>Total Pension and Other Employee Benefit Trust Funds</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Assets:			
Cash and cash equivalents	\$ 13,257,311	\$ 363,030	\$ 13,620,341
Investments, at fair value:			
Equities	7,402,944	1,191,257	8,594,201
Mutual funds	144,766,300	22,129,785	166,896,085
Alternative investments	91,297,549	13,293,037	104,590,586
Total investments	<u>243,466,793</u>	<u>36,614,079</u>	<u>280,080,872</u>
Accounts receivable	<u>17,828</u>	<u>736</u>	<u>18,564</u>
Total assets	<u>256,741,932</u>	<u>36,977,845</u>	<u>293,719,777</u>
Liabilities:			
Accounts payable	<u>4,076</u>	<u>2,179,967</u>	<u>2,184,043</u>
Net Position:			
Restricted for Pension Benefits and Other Purposes	<u>\$ 256,737,856</u>	<u>\$ 34,797,878</u>	<u>\$ 291,535,734</u>

**CITY OF MERIDEN, CONNECTICUT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Pension Trust Funds</b>	<b>OPEB Trust Funds</b>	<b>Total Pension and Other Employee Benefit Trust Funds</b>
Additions:			
Contributions:			
Employer	\$ 14,261,880	\$ 6,654,053	\$ 20,915,933
Plan members	<u>2,218,614</u>	<u>1,074,204</u>	<u>3,292,818</u>
Total contributions	<u>16,480,494</u>	<u>7,728,257</u>	<u>24,208,751</u>
Investment earnings:			
Net increase in fair value of investments	3,079,757		3,079,757
Interest and dividends	<u>3,710,088</u>	<u>570,577</u>	<u>4,280,665</u>
Total investment earnings	6,789,845	570,577	7,360,422
Less investment expenses			
Investment management fees	<u>1,347,400</u>		<u>1,347,400</u>
Net investment earnings	<u>5,442,445</u>	<u>570,577</u>	<u>6,013,022</u>
Total additions	<u>21,922,939</u>	<u>8,298,834</u>	<u>30,221,773</u>
Deductions:			
Benefits	29,616,133	9,378,092	38,994,225
Administrative expense	83,678	35,700	119,378
Other	<u>791,281</u>		<u>791,281</u>
Total deductions	<u>30,491,092</u>	<u>9,413,792</u>	<u>39,904,884</u>
Change in Net Position	(8,568,153)	(1,114,958)	(9,683,111)
Net Position at Beginning of Year	<u>265,306,009</u>	<u>35,912,836</u>	<u>301,218,845</u>
Net Position at End of Year	<u>\$ 256,737,856</u>	<u>\$ 34,797,878</u>	<u>\$ 291,535,734</u>

**CITY OF MERIDEN, CONNECTICUT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 JUNE 30, 2020**

	<b>East Cemetery Trust Fund</b>	<b>Scholarship Trust Fund</b>	<b>Total Private Purpose Trust Funds</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ <u>117,880</u>	\$ <u>89,732</u>	\$ <u>207,612</u>
Investments, at fair value:			
U.S. government securities		58,232	58,232
Corporate bonds			
Equities			
Mutual funds			
Certificates of deposit		97,006	97,006
Alternative investments			
Total investments	<u>-</u>	<u>155,238</u>	<u>155,238</u>
Accounts receivable			-
Total assets	<u>117,880</u>	<u>244,970</u>	<u>362,850</u>
<b>Liabilities:</b>			
Other liabilities			
Due to other funds			
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position:</b>			
Restricted for Pension Benefits and Other Purposes	\$ <u><u>117,880</u></u>	\$ <u><u>244,970</u></u>	\$ <u><u>362,850</u></u>

**CITY OF MERIDEN, CONNECTICUT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020**

	<b>East Cemetery Trust Fund</b>	<b>Scholarship Trust Fund</b>	<b>Total Private Purpose Trust Funds</b>
Additions:			
Contributions:			
Employer	\$	\$	\$
Plan members			
Total contributions	<u>-</u>	<u>-</u>	<u>-</u>
Investment earnings (losses):			
Net increase (decrease) in fair value of investments			
Interest and dividends	<u>236</u>	<u>18,346</u>	<u>18,582</u>
Total investment earnings (losses)	236	18,346	18,582
Less investment expenses			
Investment management fees			
Net investment earnings (losses)	<u>236</u>	<u>18,346</u>	<u>18,582</u>
Total additions	<u>236</u>	<u>18,346</u>	<u>18,582</u>
Deductions:			
Benefits		18,478	18,478
Administrative expense			
Other			
Total deductions	<u>-</u>	<u>18,478</u>	<u>18,478</u>
Change in Net Position	236	(132)	104
Net Position at Beginning of Year	<u>117,644</u>	<u>245,102</u>	<u>362,746</u>
Net Position at End of Year	<u>\$ 117,880</u>	<u>\$ 244,970</u>	<u>\$ 362,850</u>

**CITY OF MERIDEN, CONNECTICUT  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<b>Senior Trips Activities Fund</b>				
Assets:				
Cash and cash equivalents	\$ 3,577	\$ 10,445	\$ 10,451	\$ 3,571
Liabilities:				
Deposits held for others	\$ 3,577	\$ 10,445	\$ 10,451	\$ 3,571
<b>Student Activity Fund</b>				
Assets:				
Cash and cash equivalents	\$ 732,618	\$ 1,130,309	\$ 1,016,298	\$ 846,629
Liabilities:				
Deposits held for others	\$ 732,618	\$ 1,130,309	\$ 1,016,298	\$ 846,629
<b>Performance Bonds</b>				
Assets:				
Cash and cash equivalents	\$ 1,044,964	\$ 91,403	\$ 259,390	\$ 876,977
Liabilities:				
Deposits held for others	\$ 1,044,964	\$ 91,403	\$ 259,390	\$ 876,977
<b>Police Evidence Fund</b>				
Assets:				
Cash and cash equivalents	\$ 93,078	\$ 50,142	\$ 29,939	\$ 113,281
Total Assets	\$ 93,078	\$ 50,142	\$ 29,939	\$ 113,281
Liabilities:				
Deposits held for others	\$ 90,457	\$ 50,142	\$ 27,318	\$ 113,281
Accounts Payable	2,621		2,621	-
Total Liabilities	\$ 93,078	\$ 50,142	\$ 29,939	\$ 113,281

(Continued on next page)

**CITY OF MERIDEN, CONNECTICUT  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<b>License to Work Fund</b>				
Assets:				
Cash and cash equivalents	\$ 103,750	\$ 28,750	\$ 5,000	\$ 127,500
Liabilities:				
Deposits held for others	\$ 103,750	\$ 28,750	\$ 5,000	\$ 127,500
<b>South Meriden Volunteer Firefighters' Award Program</b>				
Assets:				
Cash and cash equivalents	\$ 6,920	\$ 17,800	\$ 18,018	\$ 6,702
Investments	325,070	-	7,200	317,870
Total Assets	\$ 331,990	\$ 17,800	\$ 25,218	\$ 324,572
Liabilities:				
Deposits held for others	\$ 331,990	\$ 17,800	\$ 25,218	\$ 324,572
<b>Total</b>				
Assets:				
Cash and cash equivalents	\$ 1,984,907	\$ 1,328,849	\$ 1,339,096	\$ 1,974,660
Investments	325,070	-	7,200	317,870
Total Assets	\$ 2,309,977	\$ 1,328,849	\$ 1,346,296	\$ 2,292,530
Liabilities:				
Deposits held for others	\$ 2,307,356	\$ 1,328,849	\$ 1,343,675	\$ 2,292,530
Accounts payable	2,621	-	2,621	-
Total Liabilities	\$ 2,309,977	\$ 1,328,849	\$ 1,346,296	\$ 2,292,530



## **Other Schedules**

CITY OF MERIDEN, CONNECTICUT  
PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
FOR THE YEAR ENDED JUNE 30, 2020

Grand List of October 1,	Uncollected Balance July 1, 2019	Current Year Levy	Lawful Corrections	Balance to be Collected	Collections			Uncollected Balance June 30, 2020	
					Taxes	Interest	Liens		Total
2003	\$ 334,085	\$	\$ (334,085)	\$ -	\$	\$	\$	\$ -	\$ -
2004	493,192		5	493,197	2,127	4,064		6,191	491,070
2005	384,162			384,162	2,829	7,565		10,394	381,333
2006	239,859			239,859	1,294	3,248		4,542	238,565
2007	247,581		(132)	247,449	3,338	5,413	24	8,775	244,111
2008	255,505		(146)	255,359	3,033	6,253		9,286	252,326
2009	291,321		(95)	291,226	2,798	4,927		7,725	288,428
2010	264,589		(329)	264,260	3,422	5,708	48	9,178	260,838
2011	328,358		(150)	328,208	7,622	7,953	48	15,623	320,586
2012	372,756		(456)	372,300	12,720	14,795	72	27,587	359,580
2013	435,758		(399)	435,359	20,643	21,655	168	42,466	414,716
2014	483,661		(1,632)	482,029	39,752	28,034	264	68,050	442,277
2015	501,051		(1,782)	499,269	82,985	45,487	596	129,068	416,284
2016	747,097		(1,221)	745,876	250,264	96,130	1,740	348,134	495,612
2017	2,762,385		(75,673)	2,686,712	1,729,219	282,103	11,812	2,023,134	957,493
Total prior years	8,141,360	-	(416,095)	7,725,265	2,162,046	533,335	14,772	2,710,153	5,563,219
2018		130,463,486	56,987	130,520,473	127,230,565	467,214	1,606	127,699,385	3,289,908
Total	\$ 8,141,360	\$ 130,463,486	\$ (359,108)	\$ 138,245,738	\$ 129,392,611	\$ 1,000,549	\$ 16,378	\$ 130,409,538	\$ 8,853,127



**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF COLLECTIONS OF USE CHARGES - SEWER AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2020**

Fiscal Year	Uncollected Balance July 1, 2019	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2020
			Additions	Deductions		Sewer Use Charges	Interest	Liens	Total	
2004 and prior	\$ 77	\$	\$	\$ 77	\$ -	\$	\$	\$	\$ -	\$ -
2005	28			28	-				-	-
2009	1,053				1,053				-	1,053
2010	1,342				1,342	18	31	24	73	1,324
2011	1,620				1,620	254	413	96	763	1,366
2012	3,618				3,618	72	104	48	224	3,546
2013	2,038			130	1,908	232	105	48	385	1,676
2014	5,304				5,304	2,366	2,304	96	4,766	2,938
2015	6,002				6,002	1,798	11,331	168	13,297	4,204
2016	5,652				5,652	3,370	2,353	240	5,963	2,282
2017	22,110				22,110	13,314	6,165	552	20,031	8,796
2018	59,886			70	59,816	44,501	14,025	1,512	60,038	15,315
2019	1,109,875		5,104	6,516	1,108,463	1,056,028	70,826	10,299	1,137,153	52,435
Total prior years	1,218,605	-	5,104	6,821	1,216,888	1,121,953	107,657	13,083	1,242,693	94,935
2020		10,053,091	1,659	570,175	9,484,575	8,398,879	60,628	19,467	8,478,974	1,085,696
<b>Total</b>	<b>\$ 1,218,605</b>	<b>\$ 10,053,091</b>	<b>\$ 6,763</b>	<b>\$ 576,996</b>	<b>\$ 10,701,463</b>	<b>\$ 9,520,832</b>	<b>\$ 168,285</b>	<b>\$ 32,550</b>	<b>\$ 9,721,667</b>	<b>\$ 1,180,631</b>

CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF COLLECTIONS OF USE CHARGES - WATER AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2020

Fiscal Year	Uncollected Balance July 1, 2019	Current Year Charges	Corrections		Balance to be Collected	Collections				Uncollected Balance June 30, 2020
			Additions	Deductions		Water Use Charges	Interest	Liens	Total	
2004 and prior	\$ 87	\$	\$	\$ 87	\$ -	\$	\$	\$	\$ -	\$ -
2005	31			31	-				-	-
2009	2,516				2,516				-	2,516
2010	2,715				2,715	20	34	24	78	2,695
2011	3,618			16	3,602	226	393	96	715	3,376
2012	3,013				3,013	78	135	48	261	2,935
2013	1,592			21	1,571	85	108	48	241	1,486
2014	4,632			42	4,590	2,307	2,677	120	5,104	2,283
2015	5,984			46	5,938	1,878	1,537	170	3,585	4,060
2016	8,003			46	7,957	3,775	2,586	264	6,625	4,182
2017	20,432				20,432	12,572	5,727	572	18,871	7,860
2018	58,850			583	58,267	43,614	13,700	1,648	58,962	14,653
2019	1,074,109		4,434	1,321	1,077,222	1,030,374	65,038	19,674	1,115,086	46,848
Total prior years	1,185,582	-	4,434	2,193	1,187,823	1,094,929	91,935	22,664	1,209,528	92,894
2020		9,789,814	4,284	16,938	9,777,160	8,758,205	58,579	19,207	8,835,991	1,018,955
Total	\$ 1,185,582	\$ 9,789,814	\$ 8,718	\$ 19,131	\$ 10,964,983	\$ 9,853,134	\$ 150,514	\$ 41,871	\$ 10,045,519	\$ 1,111,849

**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS -  
BUDGET AND ACTUAL - SEWER AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating Revenues:				
Sewer connection and use charges	\$ 10,042,980	\$ 10,042,980	\$ 10,042,205	\$ (775)
Miscellaneous income	447,516	447,516	706,442	258,926
Total operating revenues	<u>10,490,496</u>	<u>10,490,496</u>	<u>10,748,647</u>	<u>258,151</u>
Operating Expenses:				
Overtime	95,000	95,000	91,228	3,772
Wages - public works	737,685	737,685	661,692	75,993
Wages - MME	65,935	65,935	57,423	8,512
Wages - supervisor	459,988	459,988	488,016	(28,028)
Employee benefits	775,881	775,881	637,085	138,796
Utilities	986,500	986,500	1,065,157	(78,657)
Repairs and maintenance	105,500	105,500	174,010	(68,510)
Vehicle maintenance	20,000	20,000	7,733	12,267
Audit fees	18,500	18,500	8,690	9,810
Medical expenses	5,000	5,000	1,481	3,519
Fiscal division services	785,634	785,634	785,634	-
General fund services	650,432	650,432	541,910	108,522
Supplies	440,000	440,000	441,010	(1,010)
Biosolid disposals	800,000	800,000	865,924	(65,924)
Pumping station operations	38,000	38,000	49,893	(11,893)
Capital outlay	88,000	88,000	88,000	-
Memberships and meeting	11,000	11,000	11,828	(828)
Insurance	693,735	693,735	702,968	(9,233)
Total operating expenses	<u>6,776,790</u>	<u>6,776,790</u>	<u>6,679,682</u>	<u>97,108</u>
Nonoperating Revenues (Expenses):				
Interest on investments	22,196	22,196	48,148	25,952
Debt service - principal	(3,026,049)	(3,026,049)	(2,290,927)	735,122
Debt service - interest	(709,853)	(709,853)	(709,852)	1
Total nonoperating expenses	<u>(3,713,706)</u>	<u>(3,713,706)</u>	<u>(2,952,631)</u>	<u>761,075</u>
Excess of Revenues over Expenses	\$ <u>-</u>	\$ <u>-</u>	1,116,334	\$ <u>1,116,334</u>
Budgetary revenues and expenses are different than GAAP because:				
Depreciation expense			(4,094,338)	
Capital grants and contributions			4,918,660	
Debt service principal payments			2,290,927	
Loss on disposal of assets			(852,735)	
Bond premium amortization and deferred refunding amount			(3,291)	
Change in accrued interest on bonds			10,192	
Change in deferred inflows, outflows, and net liability - pension			(128,144)	
Change in deferred inflows, outflows, and net liability - OPEB			10,149	
Other GAAP recognized expenses			38,315	
Total Deficiency of Revenues and Expenses as of the Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds - Exhibit VII			\$ <u>3,306,069</u>	

**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS -  
BUDGET AND ACTUAL - WATER AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Operating Revenues:				
Water sales and charges	\$ 11,256,149	\$ 11,256,149	\$ 11,678,979	\$ 422,830
Miscellaneous income	945,966	945,966	871,331	(74,635)
Total operating revenues	<u>12,202,115</u>	<u>12,202,115</u>	<u>12,550,310</u>	<u>348,195</u>
Operating Expenses:				
Part-time seasonal			3,810	(3,810)
Administration	129,314	129,314	115,885	13,429
Overtime	180,000	180,000	188,897	(8,897)
Wages - public works	1,652,861	1,652,861	1,654,995	(2,134)
Wages - MME	221,921	221,921	219,225	2,696
Wages - supervisor	256,874	256,874	267,963	(11,089)
Employee benefits	1,540,499	1,540,499	1,133,420	407,079
Gasoline	49,500	49,500	44,141	5,359
Taxes paid to other towns	65,000	65,000		65,000
Utilities	800,000	800,000	847,672	(47,672)
Repairs and maintenance	25,000	25,000	9,083	15,917
Vehicle maintenance	65,244	65,244	43,120	22,124
Attorney fees	9,000	9,000	(435)	9,435
Audit fees	19,750	19,750	8,690	11,060
Water purchased	40,000	40,000	43,105	(3,105)
Other purchased services	60,000	60,000	54,760	5,240
Medical expense	4,650	4,650	2,874	1,776
Fiscal division services	870,425	870,425	870,425	-
General fund services	1,390,007	1,390,007	1,158,090	231,917
Safe Water Primacy Assessment	45,253	45,253	32,223	13,030
Maintenance of mains	35,000	35,000	23,277	11,723
Maintenance of reservoirs	40,000	40,000	12,500	27,500
Maintenance of pump station	40,000	40,000	33,988	6,012
Maintenance of meters	11,000	11,000	10,281	719
Supplies	92,450	92,450	106,346	(13,896)
Services - materials	7,500	7,500	(13,394)	20,894
Treatment expenses	600,000	600,000	566,459	33,541
Water equipment	33,000	33,000	31,719	1,281
Hydrants and mains - materials	15,000	15,000	14,151	849
Repairs - trenches	80,000	80,000	79,237	763
Capital outlay		14,910	2,184	12,726
Memberships and meeting	30,000	30,000	18,520	11,480
Insurance	1,015,042	1,015,042	944,995	70,047
Total operating expenses	<u>9,424,290</u>	<u>9,439,200</u>	<u>8,528,206</u>	<u>910,994</u>
Nonoperating Revenues (Expenses):				
Interest on investments	7,500	7,500	32,765	25,265
Debt service - principal	(1,830,460)	(1,830,460)	(1,830,458)	2
Debt service - interest	(954,865)	(954,865)	(793,317)	161,548
Total nonoperating expenses	<u>(2,777,825)</u>	<u>(2,777,825)</u>	<u>(2,591,010)</u>	<u>186,815</u>
Other Financing Sources (Uses):				
Contribution from net position		14,910		(14,910)
Excess of Revenues over Expenses	\$ <u>-</u>	\$ <u>-</u>	1,431,094	\$ <u>1,431,094</u>
Budgetary revenues and expenses are different than GAAP because:				
Depreciation expense			(2,633,681)	
Capital grants and contributions			60,506	
Debt service principal payments			1,830,458	
Bond premium amortization and deferred refunding amount			(150,782)	
Change in accrued interest on bonds			74,176	
Change in deferred inflows, outflows, and net liability - pension			(369,163)	
Change in deferred inflows, outflows, and net liability - OPEB			60,126	
Other GAAP recognized expenses			(151,494)	
Total Deficiency of Revenues and Expenses as of the Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds - Exhibit VII			\$ <u>151,240</u>	

**CITY OF MERIDEN, CONNECTICUT  
SCHEDULE OF REVENUES AND EXPENSES - BUDGETARY BASIS -  
BUDGET AND ACTUAL - GEORGE HUNTER MEMORIAL GOLF COURSE  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenues:				
Golf fees	\$ 1,004,878	\$ 1,004,878	\$ 995,482	\$ (9,396)
Total operating revenues	<u>1,004,878</u>	<u>1,004,878</u>	<u>995,482</u>	<u>(9,396)</u>
Operating Expenses:				
Wages - part-time	88,280	88,280	108,102	(19,822)
Wages - overtime	13,450	13,450	6,055	7,395
Wages - public works	107,819	107,819	14,912	92,907
Wages - supervisors	100,055	100,055	106,115	(6,060)
Employee benefits	131,491	131,491	86,845	44,646
Golf supplies and expenses	185,250	185,250	202,538	(17,288)
Golf professional expenses	280,600	280,600	302,383	(21,783)
Club house expenses	22,500	22,500	15,579	6,921
Liability and general insurance	40,000	40,000	51,152	(11,152)
Capital outlay	5,000	5,000	1,368	3,632
Memberships and meeting	1,215	1,215	1,390	(175)
Total operating expenses	<u>975,660</u>	<u>975,660</u>	<u>896,439</u>	<u>79,221</u>
Nonoperating Revenues (Expenses):				
Debt service - principal	(2,900)	(2,900)	(2,900)	-
Debt service - interest	(1,318)	(1,318)	(1,318)	-
General Fund debt payback	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	-
Total nonoperating expenses	<u>(29,218)</u>	<u>(29,218)</u>	<u>(29,218)</u>	-
Deficiency of Revenues over Expenses	\$ <u>-</u>	\$ <u>-</u>	69,825	\$ <u>69,825</u>
Budgetary revenues and expenses are different than GAAP because:				
Depreciation expense			(176,859)	
Capital grants and contributions			50,000	
Debt service principal payments			2,900	
Change in accrued interest on bonds			148	
General Fund debt payback			25,000	
Change in deferred inflows, outflows, and net liability - pension			(27,549)	
Change in deferred inflows, outflows, and net liability - OPEB			(2,072)	
Other GAAP recognized revenues			120,586	
Other GAAP recognized expenses			<u>(60,047)</u>	
Total Deficiency of Revenues and Expenses as of the Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds - Exhibit VII			\$ <u>1,932</u>	



## **Statistical Section**

## STATISTICAL SECTION

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate own-source revenues (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF MERIDEN, CONNECTICUT  
NET POSITION BY COMPONENT  
LAST TEN YEARS  
(In Thousands)  
(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 251,004	\$ 292,795	\$ 297,247	\$ 288,360	\$ 283,492	\$ 237,700	\$ 187,903	\$ 130,773	\$ 122,787	\$ 101,928
Restricted	1,053	1,046	1,034	1,361	1,359	1,357	1,357	1,356	952	1,347
Unrestricted	<u>(167,650)</u>	<u>(204,048)</u>	<u>(207,500)</u>	<u>(195,627)</u> **	<u>(180,447)</u> *	<u>(171,203)</u>	<u>(173,100)</u> *	<u>(69,494)</u>	<u>(62,882)</u>	<u>(40,973)</u>
<b>Total Governmental Activities Net Position</b>	<b>\$ <u>84,407</u></b>	<b>\$ <u>89,793</u></b>	<b>\$ <u>90,781</u></b>	<b>\$ <u>94,094</u></b>	<b>\$ <u>104,404</u></b>	<b>\$ <u>67,854</u></b>	<b>\$ <u>16,160</u></b>	<b>\$ <u>62,635</u></b>	<b>\$ <u>60,857</u></b>	<b>\$ <u>62,302</u></b>
<b>Business-Type Activities:</b>										
Net investment in capital assets	\$ 81,363	\$ 67,580	\$ 68,830	\$ 67,843	\$ 83,376	\$ 80,266	\$ 78,893	\$ 81,045	\$ 81,563	\$ 89,259
Unrestricted	<u>133</u>	<u>10,457</u>	<u>11,173</u>	<u>13,338</u> **	<u>1,708</u> *	<u>11,682</u>	<u>13,279</u>	<u>12,734</u>	<u>15,870</u>	<u>11,855</u>
<b>Total Business-Type Activities Net Position</b>	<b>\$ <u>81,496</u></b>	<b>\$ <u>78,037</u></b>	<b>\$ <u>80,003</u></b>	<b>\$ <u>81,181</u></b>	<b>\$ <u>85,084</u></b>	<b>\$ <u>91,948</u></b>	<b>\$ <u>92,172</u></b>	<b>\$ <u>93,779</u></b>	<b>\$ <u>97,433</u></b>	<b>\$ <u>101,114</u></b>
<b>Primary Government:</b>										
Net investment in capital assets	\$ 332,367	\$ 360,375	\$ 366,077	\$ 356,203	\$ 366,868	\$ 317,966	\$ 266,796	\$ 211,818	\$ 204,350	\$ 191,187
Restricted	1,053	1,046	1,034	1,361	1,359	1,357	1,357	1,356	952	1,347
Unrestricted	<u>(167,517)</u>	<u>(193,591)</u>	<u>(196,327)</u>	<u>(182,289)</u>	<u>(178,739)</u>	<u>(159,521)</u>	<u>(159,821)</u>	<u>(56,760)</u>	<u>(47,012)</u>	<u>(29,118)</u>
<b>Total Primary Government Net Position</b>	<b>\$ <u>165,903</u></b>	<b>\$ <u>167,830</u></b>	<b>\$ <u>170,784</u></b>	<b>\$ <u>175,275</u></b>	<b>\$ <u>189,488</u></b>	<b>\$ <u>159,802</u></b>	<b>\$ <u>108,332</u></b>	<b>\$ <u>156,414</u></b>	<b>\$ <u>158,290</u></b>	<b>\$ <u>163,416</u></b>

\* Note: Balance was restated for implementation of GASB 68.

\*\* Note: Balance was restated for implementation of GASB 75.



**CITY OF MERIDEN, CONNECTICUT**  
**CHANGES IN NET POSITION**  
**LAST TEN YEARS**  
(In Thousands)  
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental activities:										
General government	\$ 20,966	\$ 21,891	\$ 21,492	\$ 20,257	\$ 10,476	\$ 12,020	\$ 15,303	\$ 13,392	\$ 35,202	\$ 30,816
Education	164,031	145,067	156,578	155,752	142,710	137,161	141,547	132,521	136,298	138,091
Public safety	50,982	52,178	49,296	53,345	59,490	54,674	42,606	44,424	24,364	23,810
Public works	15,986	14,976	11,772	18,596	11,788	12,378	14,168	14,604	10,705	9,249
Human services	6,311	10,426	10,033	12,478	12,553	13,029	11,513	10,560	8,053	8,652
Culture and recreation	6,834	6,603	7,329	7,154	7,121	7,180	5,721	6,689	5,408	5,075
Interest on long-term debt	4,454	4,513	2,352	5,279	4,151	4,228	3,340	2,957	3,052	3,024
Total governmental activities expenses	<u>269,564</u>	<u>255,654</u>	<u>258,852</u>	<u>272,861</u>	<u>248,289</u>	<u>240,670</u>	<u>234,198</u>	<u>225,147</u>	<u>223,082</u>	<u>218,717</u>
Business-type activities:										
Sewer Authority	12,409	11,404	11,403	11,587	12,262	11,374	11,206	11,441	10,816	9,659
Water Authority	12,492	12,853	12,982	13,462	14,717	11,674	11,073	11,334	9,882	10,256
George Hunter Golf Course	1,163	1,333	1,205	1,361	1,760	1,468	1,135	1,184	1,303	1,126
Total business-type activities expenses	<u>26,064</u>	<u>25,590</u>	<u>25,590</u>	<u>26,410</u>	<u>28,739</u>	<u>24,516</u>	<u>23,414</u>	<u>23,959</u>	<u>22,001</u>	<u>21,041</u>
Total Primary Government Expenses	<u>\$ 295,628</u>	<u>\$ 281,244</u>	<u>\$ 284,442</u>	<u>\$ 299,271</u>	<u>\$ 277,028</u>	<u>\$ 265,186</u>	<u>\$ 257,612</u>	<u>\$ 249,106</u>	<u>\$ 245,083</u>	<u>\$ 239,758</u>
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 2,644	\$ 3,024	\$ 2,479	\$ 2,446	\$ 2,784	\$ 2,643	\$ 2,108	\$ 1,959	\$ 1,955	\$ 2,522
Education	194	294	813	894	1,143	1,139	1,029	1,048	1,061	1,047
Public safety	178	79	81	96	78	79	77	75	47	50
Public works	1,770	1,771	2,151	2,078	2,011	1,982	1,919	1,865	1,813	1,737
Human services	141	139	129	171	189	204	292	314	243	289
Culture and recreation	25	32	24	22	25	29	27	29	43	33
Operating grants and contributions	115,958	97,670	110,276	112,423	104,644	100,182	100,071	94,358	94,000	89,914
Capital grants and contributions	4,186	9,924	7,413	18,776	48,613	63,460	41,292	10,379	4,094	3,744
Total governmental activities	<u>125,096</u>	<u>112,933</u>	<u>123,366</u>	<u>136,906</u>	<u>159,487</u>	<u>169,718</u>	<u>146,815</u>	<u>110,027</u>	<u>103,256</u>	<u>99,336</u>
Business-type activities:										
Charges for services:										
Sewer Authority	10,047	9,609	9,527	8,513	8,079	8,128	8,629	8,228	8,615	8,507
Water Authority	11,679	11,083	11,267	11,000	9,533	10,171	10,433	9,065	8,255	8,935
George Hunter Golf Course	1,059	1,030	1,055	1,020	1,103	946	982	958	1,074	779
Capital grants and contributions	5,030	390	1,087	343	1,400	3,744	128	284		161
Total business-type activities	<u>27,815</u>	<u>22,112</u>	<u>22,936</u>	<u>20,876</u>	<u>20,115</u>	<u>22,989</u>	<u>20,172</u>	<u>18,535</u>	<u>17,944</u>	<u>18,382</u>
Total Primary Government Program Revenues	<u>\$ 152,911</u>	<u>\$ 135,045</u>	<u>\$ 146,302</u>	<u>\$ 157,782</u>	<u>\$ 179,602</u>	<u>\$ 192,707</u>	<u>\$ 166,987</u>	<u>\$ 128,562</u>	<u>\$ 121,200</u>	<u>\$ 117,718</u>
Net Revenues (Expenses):										
Governmental activities	\$ (144,468)	\$ (142,721)	\$ (135,486)	\$ (135,955)	\$ (88,802)	\$ (70,952)	\$ (87,383)	\$ (115,120)	\$ (119,826)	\$ (119,381)
Business-type activities	<u>1,751</u>	<u>(3,478)</u>	<u>(2,654)</u>	<u>(5,534)</u>	<u>(8,624)</u>	<u>(1,527)</u>	<u>(3,242)</u>	<u>(5,424)</u>	<u>(4,057)</u>	<u>(2,659)</u>
Total Primary Government Net Expenses	<u>\$ (142,717)</u>	<u>\$ (146,199)</u>	<u>\$ (138,140)</u>	<u>\$ (141,489)</u>	<u>\$ (97,426)</u>	<u>\$ (72,479)</u>	<u>\$ (90,625)</u>	<u>\$ (120,544)</u>	<u>\$ (123,883)</u>	<u>\$ (122,040)</u>
General Revenues and Other										
Changes in Net Position:										
Governmental activities:										
Property taxes	\$ 131,064	\$ 131,892	\$ 124,596	\$ 123,890	\$ 120,490	\$ 117,045	\$ 113,452	\$ 108,622	\$ 110,885	\$ 109,377
Grants and contributions not restricted to specific programs	1,870	1,839	2,160	1,685	1,758	1,728	1,752	1,801	1,873	2,598
Unrestricted investment earnings	2,533	2,827	1,277	1,026	877	856	1,327	680	914	1,218
Miscellaneous income	3,614	5,174	4,139	1,608	2,227	3,017	2,904	5,795	3,654	7,391
Transfers										
Total governmental activities	<u>139,081</u>	<u>141,732</u>	<u>132,172</u>	<u>128,209</u>	<u>125,352</u>	<u>122,646</u>	<u>119,435</u>	<u>116,898</u>	<u>117,326</u>	<u>120,584</u>
Business-type activities:										
Unrestricted investment earnings	81	75	120	56	29	66	76	69	92	85
Miscellaneous income	1,627	1,438	1,356	1,741	1,731	1,237	1,558	1,702	1,337	1,024
Transfers										
Total business-type activities	<u>1,708</u>	<u>1,513</u>	<u>1,476</u>	<u>1,797</u>	<u>1,760</u>	<u>1,303</u>	<u>1,634</u>	<u>1,771</u>	<u>1,429</u>	<u>1,109</u>
Total Primary Government	<u>\$ 140,789</u>	<u>\$ 143,245</u>	<u>\$ 133,648</u>	<u>\$ 130,006</u>	<u>\$ 127,112</u>	<u>\$ 123,949</u>	<u>\$ 121,069</u>	<u>\$ 118,669</u>	<u>\$ 118,755</u>	<u>\$ 121,693</u>
Change in Net Position:										
Governmental activities	\$ (5,387)	\$ (989)	\$ (3,314)	\$ (7,746)	\$ 36,550	\$ 51,694	\$ 32,052	\$ 1,778	\$ (2,500)	\$ 1,203
Business-type activities	<u>3,459</u>	<u>(1,965)</u>	<u>(1,178)</u>	<u>(3,737)</u>	<u>(6,864)</u>	<u>(224)</u>	<u>(1,608)</u>	<u>(3,653)</u>	<u>(2,628)</u>	<u>(1,550)</u>
Total Primary Government	<u>\$ (1,928)</u>	<u>\$ (2,954)</u>	<u>\$ (4,492)</u>	<u>\$ (11,483)</u>	<u>\$ 29,686</u>	<u>\$ 51,470</u>	<u>\$ 30,444</u>	<u>\$ (1,875)</u>	<u>\$ (5,128)</u>	<u>\$ (347)</u>

**CITY OF MERIDEN, CONNECTICUT**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(In Thousands)  
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Nonspendable	\$ 131	\$ 136	\$ 148	\$ 139	\$ 137	\$ 149	\$ 131	\$ 126	\$ 134	\$ 133
Restricted	1,109	962	947	933	943	938	948	1,010	520	825
Committed	413	381	393	420	401	285	405	637	580	547
Unassigned	15,980	15,481	14,822	16,839	16,665	16,296	16,043	15,725	16,024	16,761
<b>Total General Fund</b>	<b>\$ 17,633</b>	<b>\$ 16,960</b>	<b>\$ 16,310</b>	<b>\$ 18,331</b>	<b>\$ 18,146</b>	<b>\$ 17,668</b>	<b>\$ 17,527</b>	<b>\$ 17,498</b>	<b>\$ 17,258</b>	<b>\$ 18,266</b>
All other governmental funds:										
Nonspendable	\$ 339	\$ 262	\$ 212	\$ 539	\$ 491	\$ 491	\$ 517	\$ 520	\$ 537	\$ 522
Restricted	15,859	30,190	37,262	57,975	3,818	39,182	5,795	4,465	3,787	6,171
Committed	2,664	2,218	1,309	2,579	2,284	1,843	785	19,609	1,178	1,526
Unassigned				(37)	(329)		(12,552)		(4,264)	4,813
<b>Total All Other Governmental Funds</b>	<b>\$ 18,862</b>	<b>\$ 32,670</b>	<b>\$ 38,783</b>	<b>\$ 61,056</b>	<b>\$ 6,264</b>	<b>\$ 41,516</b>	<b>\$ (5,455)</b>	<b>\$ 24,594</b>	<b>\$ 1,238</b>	<b>\$ 13,032</b>
<b>Total</b>	<b>\$ 36,495</b>	<b>\$ 49,630</b>	<b>\$ 55,093</b>	<b>\$ 79,387</b>	<b>\$ 24,410</b>	<b>\$ 59,184</b>	<b>\$ 12,072</b>	<b>\$ 42,092</b>	<b>\$ 18,496</b>	<b>\$ 31,298</b>

TABLE 4

**CITY OF MERIDEN, CONNECTICUT**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(In Thousands)  
(Modified Accrual Basis of Accounting)

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Property taxes, interest and lien fees	\$ 130,621	\$ 131,454	\$ 124,978	\$ 124,071	\$ 120,780	\$ 117,379	\$ 114,075	\$ 113,887	\$ 109,910	\$ 108,759
Federal and state government	114,166	119,057	110,489	131,038	153,125	164,576	141,474	106,500	100,238	96,231
Charges for services	4,953	5,339	5,677	5,706	6,231	6,075	5,453	5,290	5,163	5,678
Investment income	1,676	2,415	966	693	711	678	766	581	533	741
Other revenues	3,616	5,172	4,167	3,456	4,118	3,813	2,973	5,908	3,384	7,405
Total revenues	<u>255,032</u>	<u>263,437</u>	<u>246,277</u>	<u>264,964</u>	<u>284,965</u>	<u>292,521</u>	<u>264,741</u>	<u>232,166</u>	<u>219,228</u>	<u>218,814</u>
Expenditures:										
Current:										
General government	42,342	44,500	39,455	39,099	39,050	37,765	34,735	37,906	35,154	30,815
Public safety	25,285	24,446	23,542	24,226	23,889	23,268	22,715	22,614	21,853	21,840
Public works	8,899	8,042	8,010	6,875	6,612	7,439	6,877	7,025	7,017	6,835
Health and welfare	6,378	10,576	9,923	11,017	11,117	12,443	8,255	8,401	7,817	8,281
Culture and recreation	4,209	4,255	4,328	4,681	4,518	4,517	4,259	4,306	4,168	4,020
Education	148,453	144,657	139,635	147,666	137,765	133,925	133,770	127,605	128,009	126,494
Debt service:										
Principal	10,762	10,758	11,398	10,394	10,183	9,123	8,309	8,672	8,959	9,542
Interest	5,036	5,429	7,737	4,365	5,357	2,950	3,265	2,938	3,237	3,055
Capital outlay	18,626	16,237	15,571	38,183	81,248	66,638	72,490	14,224	17,217	8,002
Total expenditures	<u>269,990</u>	<u>268,900</u>	<u>259,599</u>	<u>286,506</u>	<u>319,739</u>	<u>298,068</u>	<u>294,675</u>	<u>233,691</u>	<u>233,431</u>	<u>218,884</u>
Deficiency of Revenues over Expenditures	<u>(14,958)</u>	<u>(5,463)</u>	<u>(13,322)</u>	<u>(21,542)</u>	<u>(34,774)</u>	<u>(5,547)</u>	<u>(29,934)</u>	<u>(1,525)</u>	<u>(14,203)</u>	<u>(70)</u>
Other Financing Sources (Uses):										
Transfers in	2,684	2,251	3,559	1,690	2,765	1,719	1,430	372	484	608
Transfers out	(2,684)	(2,251)	(3,559)	(1,690)	(2,765)	(1,719)	(1,430)	(372)	(484)	(608)
Bond issuance				59,644		50,380		24,423	1,500	18,764
Bond premium				4,804		2,280		609		
Issuance of refunding bonds	9,490			10,606				6,400		
Premium on refunding bonds			452	1,466				145		
Payment to escrow	(10,857)		(11,425)					(6,453)		
Note proceeds	1,727									
Issuance of capital lease	1,462									
Total other financing sources (uses)	<u>1,822</u>	<u>-</u>	<u>(10,973)</u>	<u>76,520</u>	<u>-</u>	<u>52,660</u>	<u>-</u>	<u>25,124</u>	<u>1,500</u>	<u>18,764</u>
Net Change in Fund Balances	<u>\$ (13,136)</u>	<u>\$ (5,463)</u>	<u>\$ (24,295)</u>	<u>\$ 54,978</u>	<u>\$ (34,774)</u>	<u>\$ 47,113</u>	<u>\$ (29,934)</u>	<u>\$ 23,599</u>	<u>\$ (12,703)</u>	<u>\$ 18,694</u>
Debt Service as a Percentage of Noncapital Expenditures										
	6.3%	6.6%	7.6%	6.0%	6.5%	5.2%	5.2%	5.3%	5.6%	5.9%

**CITY OF MERIDEN, CONNECTICUT**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
(In Thousands)

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial/Industrial Property</u>	<u>Tax Exempt Property</u>	<u>City-wide Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value as a Percentage of Actual Value</u>	<u>Estimated Actual Tax Value</u>
2020	\$ 1,841,158	\$ 764,018	\$ 115,039	\$ 3,241,280	40.86	70%	\$ 4,630,400
2019	1,837,075	765,327	110,918	3,181,029	41.04	70%	4,544,327
2018 *	1,834,034	785,703	105,632	3,204,402	39.92	70%	4,577,717
2017	2,005,036	713,988	79,078	3,307,941	37.47	70%	4,725,630
2016	2,062,045	660,026	70,752	3,289,089	36.63	70%	4,698,699
2015	2,059,909	666,466	64,436	3,291,848	35.74	70%	4,702,640
2014	2,001,846	825,224	230,230	3,447,307	34.99	70%	4,924,724
2013 *	2,011,418	842,711	230,411	3,479,853	34.70	70%	4,971,219
2012	2,426,231	843,535	279,450	3,877,407	29.83	70%	5,539,153
2011	2,422,965	845,647	236,110	3,866,337	29.53	70%	5,523,339

Source: City of Meriden Tax Assessor

\* Revaluation year

**CITY OF MERIDEN, CONNECTICUT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
(Rates per \$1,000 of Assessed Value)**

Fiscal Year	City Direct Rate			Overlapping Rates		Total Direct & Overlapping Rates
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Sanitation Removal District	Total Overlapping Rate	
2020	35.92	4.94	40.86	2.18	2.18	43.04
2019	35.99	5.05	41.04	2.17	2.17	43.21
2018	33.81	6.11	39.92	2.14	2.14	42.06
2017	33.11	4.36	37.47	2.23	2.23	39.70
2016	31.92	4.71	36.63	2.14	2.14	38.77
2015	32.06	3.68	35.74	2.09	2.09	37.83
2014	31.40	3.59	34.99	2.10	2.10	37.09
2013	31.13	3.57	34.70	1.82	1.82	36.52
2012	26.44	3.39	29.83	1.90	1.90	31.73
2011	26.10	3.43	29.53	1.74	1.74	31.27

Source: City of Meriden Tax Collector

\*The overlapping rate is only applicable to some property owners within the City of Meriden.

Although the direct rate applies to all property owners, the Sanitation Removal District applies to approximately one-quarter (26%) of the property owners whose property is located within the district's geographic boundaries.

TABLE 7

**CITY OF MERIDEN, CONNECTICUT  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>Fiscal Year Ended June 30, 2020</u>			<u>Taxpayer</u>	<u>Fiscal Year Ended June 30, 2011</u>		
	<u>Assessment</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>		<u>Assessment</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Connecticut Light & Power	\$ 79,054,760	1	2.44 %	Connecticut Light & Power	\$ 52,629,410	3	1.36 %
Meriden Square Partnership	53,016,987	2	1.64				
Yankee Gas	46,468,100	3	1.43				
TLS Group	28,299,460	4	0.87				
211 Pomeroy LLC	19,080,450	5	0.59				
Meriden Square #3 LLC et al	18,818,699	6	0.58	Meriden Square #3 LLC et al	73,662,140	1	1.91
Radio Frequency Systems, Inc.	18,441,180	7	0.57	Radio Frequency Systems, Inc.	24,885,520	4	0.64
Computer Science Corp	14,556,317	8	0.45	Carabetta Enterprises, Inc.	15,157,490	7	0.39
Sky 103 LLC	13,710,130	9	0.42				
Carabetta Enterprises Inc	12,874,890	10	0.40				
	<u>\$ 304,320,973</u>		<u>9.39 %</u>	Computer Sciences Corp.	53,678,280	2	1.39
				Urstadt Biddle Properties, Inc.	23,665,670	5	0.61
				Yankee Gas	20,125,840	6	0.52
				Newbury Village Development	12,694,710	8	0.33
				Denmeri Associates LP	10,984,320	9	0.28
				TC Meriden LLC	10,370,710	10	0.27
					<u>\$ 297,854,090</u>		<u>7.70 %</u>

Source: City of Meriden Tax Assessor

**CITY OF MERIDEN, CONNECTICUT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date		
		Amount	Percentage of Original Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2020	\$ 130,520,473	\$ 127,230,565	97.48%	\$	\$ 127,230,565	97.48%
2019	130,071,347	127,308,962	97.88%	1,729,219	129,038,181	99.21%
2018	125,203,281	121,577,654	97.10%	3,128,794	124,706,448	99.60%
2017	123,265,329	120,721,441	97.94%	2,125,822	122,847,263	99.66%
2016	119,621,624	117,093,329	97.89%	2,084,386	119,177,715	99.63%
2015	116,353,974	113,706,112	97.72%	2,232,747	115,938,859	99.64%
2014	113,715,590	110,777,791	97.42%	2,577,763	113,355,554	99.68%
2013	113,392,474	110,334,477	97.30%	2,737,261	113,071,738	99.72%
2012	109,948,425	107,069,554	97.38%	2,617,704	109,687,258	99.76%
2011	108,567,738	105,858,662	97.50%	2,420,553	108,279,215	99.73%

Source: City of Meriden Tax Collector

**CITY OF MERIDEN, CONNECTICUT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN YEARS  
(In Thousands)**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Total Primary Government (2)	Percentage of Personal Income	Aggregate Personal Income (3)	Population (3)	Per Capita (3)
	General Obligation Bonds	Capital Leases	Notes Payable	Resources Restricted for Debt Payments (1)	Water Bonds	Sewer Bonds	Golf Course Bonds					
2020	\$ 128,293	\$ 254	\$ 1,132	\$	\$ 27,061	\$ 28,365	\$ 31	\$ 185,136	9.39 %	\$ 1,972,000	60	33
2019	140,361	336	975		35,578	23,993	35	201,278	10.21	1,972,000	60	33
2018	151,563	418	1,050		30,787	32,950	39	216,807	10.99	1,972,000	60	33
2017	178,849		1,125		33,386	36,705	776	250,841	12.72	1,972,000	60	33
2016	113,246		1,200		28,585	33,254	69	176,354	8.94	1,972,000	61	32
2015	123,857		1,275		13,227	35,466	85	173,910	8.82	1,972,000	61	32
2014	80,533		1,350		12,757	35,872	82	130,594	6.62	1,972,000	61	32
2013	89,056		1,425		12,547	37,944	97	141,069	7.15	1,972,000	61	32
2012	71,879		1,500		12,940	39,477	109	125,905	6.38	1,972,000	61	32
2011	81,087				14,185	42,059	125	137,456	6.97	1,972,000	59	33

(1) Includes intergovernmental grants receivable from the State Department of Education and restrictions from enabling legislation  
 (2) All of the City of Meriden's debt is considered general obligation with no other revenues specifically pledged  
 (3) U.S. Bureau of Economic Analysis



**CITY OF MERIDEN, CONNECTICUT  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30,</b>	<b>Bonded Debt (thousands)</b>	<b>Net Assessed Value (thousands)</b>	<b>Ratio of Net Bonded Debt to Net Assessed Value</b>	<b>Population</b>	<b>Debt Per Capita</b>
2020	\$ 146,459	\$ 3,126,241	4.68	59,864	* \$ 2,447
2019	159,984	3,070,111	5.21	60,841	2,630
2018	** 172,717	3,098,770	5.57	59,927	2,882
2017	204,494	3,228,863	6.33	59,622	3,430
2016	128,827	3,218,337	4.00	61,119	2,108
2015	140,914	3,227,412	4.37	60,691	2,322
2014	95,787	3,217,077	2.98	60,456	1,584
2013	** 105,975	3,249,442	3.26	60,868	1,741
2012	88,961	3,597,957	2.47	60,868	1,462
2011	100,014	3,630,227	2.76	60,868	1,643

\* Source: U.S. Census Bureau's (USCB) Population Estimates Program

\*\* Revaluation year

**CITY OF MERIDEN, CONNECTICUT  
DEBT LIMITATION  
FOR THE YEAR ENDED JUNE 30, 2020  
(In Thousands)**

Total Tax Collections, Including Interest and Lien Fees, for June 30, 2019	\$ 131,688
Reimbursement for Revenue Loss on: Tax relief for elderly and disabled	<u>14</u>
Base	<u>\$ 131,702</u>

	<u>General Long-Term Debt</u>				
	<u>General Purposes</u> (2.25 x base)	<u>Schools</u> (4.50 x base)	<u>Urban Renewal</u> (3.25 x base)	<u>Sewers</u> (3.75 x base)	<u>Pension Bonding</u> (3.00 x base)
Debt Limitation: Statutory debt limits by function	\$ <u>296,330</u>	\$ <u>592,659</u>	\$ <u>428,032</u>	\$ <u>493,883</u>	\$ <u>395,106</u>
Debt:					
Notes payable	1,132			21,513	
Bonds payable	60,762	62,466		6,398	
Bonds authorized but unissued**	<u>35,311</u>	<u>(18,391)</u>		<u>38,967</u>	
	<u>97,205</u>	<u>44,075</u>	<u>-</u>	<u>66,878</u>	<u>-</u>
Debt Limitation in Excess of Debt*	\$ <u><u>199,125</u></u>	\$ <u><u>548,584</u></u>	\$ <u><u>428,032</u></u>	\$ <u><u>427,005</u></u>	\$ <u><u>395,106</u></u>

\*In no event shall total debt exceed seven times annual receipts from taxation. The maximum amount permitted under this formula would be approximately \$921,914.

\*\*At June 30, 2020, the City has \$21.6 million of debt in excess of the amount authorized related to the Platt and Maloney High School Renovation projects. This excess is fully expected to be reimbursed through State School Building Construction Grants.

**CITY OF MERIDEN, CONNECTICUT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN YEARS  
(In Thousands)**

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt limitation	\$ 921,914	\$ 874,986	\$ 871,710	\$ 848,400	\$ 827,176	\$ 799,316	\$ 798,819	\$ 771,316	\$ 765,877	\$ 749,462
Total net debt applicable to limit	<u>141,280</u>	<u>138,746</u>	<u>157,819</u>	<u>170,670</u>	<u>135,481</u>	<u>133,340</u>	<u>133,910</u>	<u>130,069</u>	<u>129,058</u>	<u>131,935</u>
Legal Debt Margin	<u>\$ 780,634</u>	<u>\$ 736,240</u>	<u>\$ 713,891</u>	<u>\$ 677,730</u>	<u>\$ 691,695</u>	<u>\$ 665,976</u>	<u>\$ 664,909</u>	<u>\$ 641,247</u>	<u>\$ 636,819</u>	<u>\$ 617,527</u>
Total net debt applicable to the limit as a percentage of debt limit	15.3%	15.9%	18.1%	20.1%	16.4%	16.7%	16.8%	16.9%	16.9%	17.6%

Notes: The State of Connecticut General Statutes require that in no event shall the total debt of the City exceed seven (7) times the annual receipts from taxation. The calculation of the current year debt limit can be found on Table 11 of this report.

The City has no overlapping debt.

**CITY OF MERIDEN, CONNECTICUT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS**

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<u>Fiscal Year</u>	<u>Population</u>		<u>Median Family Income</u>	<u>Unemployment Rate</u>
2020	59,864	\$	57,886	8.7 %
2019	60,841		57,350	4.4
2018	59,927		55,547	5.1
2017	59,622		54,588	5.5
2016	61,119		54,588	5.6
2015	60,691		53,831	7.0
2014	60,456		53,831	8.3
2013	60,868		52,788	9.8
2012	60,868		52,788	10.0
2011	60,868		52,788	10.8

Sources: Department of Labor, State of Connecticut, U.S. Census Bureau and the State Department of Economic and Community Development

TABLE 14

**CITY OF MERIDEN, CONNECTICUT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

<b>2020</b>				<b>2011</b>			
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>	<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
City of Meriden	1,736	1	5.5%				
Midstate Medical Center	1,296	2	4.1%	Midstate Medical Center	945	2	3.2%
YMCA	471	3	1.5%				
Hunters	380	4	1.2%				
Carabatta Management	320	5	1.0%				
3m Purification	280	6	0.9%				
RFS Cable	240	7	0.8%				
Miron Technologies, Inc.	235	8	0.8%				
BOSCOV	145	9	0.5%				
Target	140	10	0.4%				
				Southern New England Telephone	1,470	1	5.0%
				State of Connecticut	870	3	2.9%
				Walbro Automotive	641	4	2.2%
				Bob's Stores	360	5	1.2%
				CUNO, Inc.	357	6	1.2%
				Filene's	300	7	1.0%
				J.C. Penney Co., Inc.	215	8	0.7%
				Sears Roebuck and Co.	215	8	0.7%
				AGC, Inc.	213	10	0.7%
Totals	<u>5,243</u>		<u>16.7%</u>	Totals	<u>5,586</u>		<u>18.8%</u>

Source: Connecticut Department of Labor, City of Meriden Economic Development Office

**CITY OF MERIDEN, CONNECTICUT  
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDED JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government	151.5	149	160	172	156	158.5	167.5	166.5	169.5	165
Public Safety:										
Police										
Officers	116	122	121	113	121	122	121	120	118	117
Civilians	24.5	23	26	20	29	27	24	18.5	18.5	35.5
Fire:										
Firefighters and officers	99	100	100	100	95.5	100	98	99	100	97
Civilians	2	2	3	3	3	3	3	3	3	3
Emergency Communications	12.5	13	14	14.5	17.5	16	17	18	13	13
Highways and Streets:										
Engineering	11.5	10.5	8.5	10.5	10.5	9	9	9.5	12	11.5
Maintenance	28	24	28.5	39.5	42.5	29.5	30	27	28	29
Culture and Recreation	30	39	39	45.5	30.5	33.5	45.5	43.5	47.5	29.5
Golf	11	14	14	13.5	13	13	10	11	12	12
Water	33	29	33	33.5	31.5	31	30.5	32	33	33
Sewer	16	16	17	16	17	15	17	15	14	17
<b>Total</b>	<u>535.0</u>	<u>541.5</u>	<u>564.0</u>	<u>581.0</u>	<u>567.0</u>	<u>557.5</u>	<u>572.5</u>	<u>563.0</u>	<u>568.5</u>	<u>562.5</u>

Source: City of Meriden Payroll System

**CITY OF MERIDEN, CONNECTICUT  
OPERATING INDICATORS BY FUNCTION/TYPE  
LAST TEN FISCAL YEARS**

Function / Operating Indicator	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>Police</u>										
Cases Investigated	13,773	10,382	10,382	8,895	10,972	11,097	11,298	14,363 B)	n/a B)	27,872 B)
Calls for Service	51,481	45,034	45,034	40,585	45,826	44,705	41,116	44,279 B)	56,178 B)	
Arrests	2,981	3,002	3,002	3,173	3,373	3,428	3,495	3,012	3,592	3,809
Traffic Citations	2,405	2,419	2,419	2,153	3,023	3,764	3,426	2,723	3,071	4,233
Parking Citations	1,425	1,639	1,639	1,607	1,781	1,981	1,465	1,105	1,050	2,063
<u>Fire</u>										
Emergency Responses	7,249	8,304	7,967	7,314	8,016	7,710	7,692	7,738	8,650	7,256
Non-emergency Responses	550	660	1,457	1,378	1,510	1,642	1,471	1,403	1,656	1,574
Inspections	996	998	1,537	1,518	1,283	2,307	3,359	4,091	4,123	2,409
Fire Investigations (C)	98	124	94	100	121	70	73	63		
<u>Refuse Collection</u>										
Refuse Collected (Tons)	18,047 I)	18,047	18,005	17,890	18,000	30,253	28,929	30,297	32,175	32,067
Recyclables Collected (Tons)	N/A	N/A	N/A H)	1,276	2,800	1,105 F)	2,426	2,775	2,797	2,521
<u>Other Public Works</u>										
Street Resurfacing (Miles)	7.53	4.3	6.16	9.27	6.82	4.26	5.75	5.68	2.04	2.5
Potholes Repaired	5,800	6,400	6,225	6,450	5,284	6,406	7,654	4,792 E)	800	800
<u>Library</u>										
Volumes in Collection (Print)	123,710	151,592	183,214	212,888	206,436	249,190	245,620	239,686	234,772	235,134
Volumes in Collection (Non-print)	14,559	15,362	24,707	20,966	16,002	20,857	19,239	18,111	16,707	15,332
Total Volumes Borrowed	159,274	203,871	225,598	218,291	238,710	242,368	251,687	246,198	232,141	231,325
Annual Library Visits	156,482	204,111	261,087	284,587	281,655	288,000	312,442	308,801	307,904	292,421
<u>Water</u>										
Average Daily Production (thousands of gallons)	5.635	5.427	5.205	5.178	5.318	5.001	5.234	5.379	5.560	5.720
Average Daily Demand (thousands of gallons)	5.635	5.427	5.205	5.178	5.318	5.001	5.234	5.379	5.560	5.720
<u>Wastewater</u>										
Average Daily Treatment (thousands of gallons)	11.5	10.0	10.0	9.0	9.0	9.0	10.0	11.0	12.0	12.0
<u>Transit</u>										
Total Route Miles	41,736	22,085	23,343	23,936	24,495	25,243	27,600 A)	27,600 A)	27,600 A)	27,600 A)
Passengers	5,585	6,954	10,488	10,068	10,514	12,847	15,233	17,549	18,274	18,734
<u>Human Services</u>										
Environmental Inspections and Responses	2,377	2,099	2,433	2,941	4,736	3,208	2,919	2,616 D)	2,988	3,621
Health and Clinic Services Provided	2,639	3,087	4,225	3,829	2,858	4,203	4,272	4,892 D)	4,385	4,913
School Health Services Provided	37,883	99,741	99,338	106,083	104,392	83,113	96,690	91,814 D)	134,031	147,718
Social Service Worker Clients	1,316	1,144	1,300	1,258	1,037	381	683	1,102 D)	1,211	1,953
Youth Program Participants	595	524	672	274	345	648 G)	5,429	2,081 D)	11,673	11,087
Senior Program Participants	14,043	20,855	24,357	25,278	26,792	20,721	20,400	20,400 D)	8,922	15,287

Sources: Various City of Meriden Departments

- A) Change in formula used by the State of Connecticut implemented in 2010.  
 B) New police software implemented in 2011 uses new criteria to calculate investigations.  
 C) New in 2013 - Fire Investigations completed by the Fire Marshals Office required by State Statute  
 D) Calculation methods were changed in 2013  
 E) New pothole machine was purchased  
 F) Includes inner city only (excludes outer district trash haulers)  
 G) Decrease in number is due to not conducting educational programming in Meriden Public Schools  
 H) Amount no longer required to be tracked per DEEP.

**CITY OF MERIDEN, CONNECTICUT  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police stations	1	1	1	1	1	1	1	1	1	1
Police sub-stations	3	3	3	3	3	3	3	3	3	3
Fire stations	6	6	5	5	5	5	5	5	5	5
Volunteer Fire stations	1	1	1	1	1	1	1	1	1	1
Municipal buildings	12	10	10	10	10	10	10	10	10	10
Schools	13	13	13	13	13	13	13	13	13	13
High Schools	2	2	2	2	2	2	2	2	2	2
Elementary Schools	8	8	8	8	8	8	8	8	8	8
Middle Schools	2	2	2	2	2	2	2	2	2	2
Magnet Schools	1	1	1	1	1	1	1	1	1	1
Parks and recreation										
Fields - Municipal	11	11	11	11	11	11	11	11	11	11
Fields - Schools	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (Municipal) (feet)	1,225,161	1,225,161	1,297,632	1,280,788	1,279,148	1,278,060	1,276,601	1,275,235	1,218,960	1,218,120
Fire hydrants (Municipal)	1,510	1,509	1,509	1,495	1,493	1,493	1,493	1,493	1,496	1,544
Fire hydrants (Private)	347	347	347	340	340	340	340	339	282	275
Wastewater										
Sewer line (feet)	1,129,392	1,130,259	1,130,259	1,126,675	1,126,560	1,126,179	1,123,712	1,111,214	1,111,026	1,111,026
Highway										
Paved miles	187.83	187.83	187.83	187.83	187.83	187.83	187.83	187.36	187.45	187.45
Unimproved miles	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58

Sources: Various City of Meriden Departments