

FINAL OFFICIAL STATEMENT DATED OCTOBER 28, 2015**NEW ISSUE: Book-Entry-Only****RATINGS: Moody's Investor Service: Aa1/MIG 1****Standard and Poor's Corporation: AA+/SP-1+****Fitch Ratings: AA+/F1+**

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing law, interest on the Bonds and the Notes is not included in gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, with respect to certain corporations (as defined for federal income tax purposes) subject to the federal alternative minimum tax, such interest is taken into account in computing the federal alternative minimum tax. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds and the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds and the Notes. See "Tax Exemption of the Bonds and the Notes" herein.

**City of Milford, Connecticut****\$8,350,000****General Obligation Bonds, Issue of 2015 (the "Bonds")****Dated: Date of Delivery****Due: Serially, November 1, 2016 – 2035****As detailed below:**

Interest on the Bonds will be payable on May 1, 2016 and semiannually thereafter on November 1 and May 1 in each year until maturity. The Bonds will be issued in book-entry-only form whereby the beneficial owners of the Bonds will not receive physical delivery of bond certificates. Principal of, and interest payments on, the Bonds will be made by the City to The Depository Trust Company, New York, New York ("DTC"), or its nominee as registered owner of the Bonds. DTC will credit its participants in accordance with their respective holdings shown in the records of DTC. It is anticipated that the beneficial owners of the Bonds will receive payment or credit from DTC participants and other nominees of the beneficial owners. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. (See "Book-Entry-Only Transfer System" herein.)

The Bonds are subject to redemption prior to maturity as more fully described herein. See "Optional Redemption".

Year	Principal	Coupon	Yield	CUSIP	Year	Principal	Coupon	Yield	CUSIP
2016	\$420,000	2.000%	0.250%	599382AQ1	2026	\$415,000	2.250%	2.300%	599382BA5
2017	420,000	3.000%	0.550%	599382AR9	2027	415,000	2.500%	2.500%	599382BB3
2018	420,000	4.000%	0.750%	599382AS7	2028*	415,000	2.750%	2.700%	599382BC1
2019	420,000	5.000%	0.950%	599382AT5	2029*	415,000	3.000%	2.850%	599382BD9
2020	420,000	5.000%	1.150%	599382AU2	2030	415,000	3.000%	3.000%	599382BE7
2021	420,000	5.000%	1.400%	599382AV0	2031	415,000	3.000%	3.030%	599382BF4
2022	420,000	5.000%	1.600%	599382AW8	2032	415,000	3.000%	3.070%	599382BG2
2023	420,000	5.000%	1.800%	599382AX6	2033	415,000	3.000%	3.120%	599382BH0
2024	420,000	2.000%	2.000%	599382AY4	2034	415,000	3.000%	3.170%	599382BJ6
2025	420,000	2.125%	2.150%	599382AZ1	2035	415,000	3.125%	3.220%	599382BK3

* Priced assuming redemption on November 1, 2023; however any such redemption is at the option of the City.

Roosevelt & Cross, Inc. and Associates**\$15,940,000****General Obligation Bond Anticipation Notes (the "Notes")****Lot A: \$13,360,000**

Dated: November 9, 2015
Due: May 9, 2016
Rate: 1.00%
Yield: 0.10%
CUSIP: 599382BL1
Underwriter: Jefferies

Lot B: \$2,580,000

Dated: November 9, 2015
Due: November 7, 2016
Rate: 1.00%
Yield: 0.29%
CUSIP: 599382BM9
Underwriter: TD Securities (USA), LLC

Interest on the Notes will be payable at maturity. The Notes, when issued, will be registered in the name of Cede & Co., as Noteowner and nominee for The Depository Trust Company ("DTC"), New York, New York. Ownership of the Notes may be in principal amounts of \$1,000 or integral multiples thereof. So long as Cede & Co. is the Noteowner, as nominee for DTC, reference herein to the Noteowner or owners shall mean Cede & Co., aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Notes. (See "Book-Entry Only Transfer System" herein.)

The Notes are NOT subject to redemption prior to maturity.

The Bonds and the Notes will be issued in book-entry-only form and will bear interest, at such rate or rates per annum as are specified by the successful bidder or bidders, in accordance with the respective Notices of Sale, dated October 21, 2015.

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

The Bonds and Notes are offered for delivery when, as and if issued, subject to the approving opinion of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, Connecticut and certain other conditions. It is expected that delivery of the Bonds and Notes in book-entry-only form will be made to DTC on or about November 9, 2015. The Registrar, Transfer Agent, Paying Agent, and Certifying Agent will be U.S. Bank National Association.

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

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

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

Other than as to matters expressly set forth herein as the opinion of Bond Counsel, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

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Issue Summary – The Bonds

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

Date of Sale:	Wednesday, October 28, 2015 at 12:00 Noon (Eastern Time).
Location of Sale:	Office of the Mayor, City Hall, 110 River Street, Milford, Connecticut, 06460.
Issuer:	City of Milford, Connecticut (the "City").
Issue:	\$8,350,000 General Obligation Bonds, Issue of 2015 (the "Bonds").
Dated Date:	Date of delivery.
Interest Due:	Interest due May 1, 2016 and semiannually thereafter on November 1 and May 1 in each year until maturity.
Principal Due:	Principal due serially November 1, 2016 through November 1, 2035 as detailed in this Official Statement.
Authorization and Purpose:	The Bonds are being issued to permanently finance a portion of bond anticipation notes of the City maturing on November 9, 2015 and to provide new money to finance various public improvement, school and sewer projects authorized by certain bond ordinances adopted by the City.
Redemption:	The Bonds are subject to redemption prior to maturity as herein provided.
Security and Remedies:	The Bonds will be general obligations of the City of Milford, Connecticut, and the City will pledge its full faith and credit to the payment of principal and interest on the Bonds when due.
Credit Rating:	The City received a "Aa1", "AA+" and "AA+" from Moody's Investors Service, Standard & Poor's Corporation and Fitch Ratings, respectively, on the Bonds.
Bond Insurance:	The City does not expect to purchase a credit enhancement facility.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Tax Exemption:	See "Tax Exemption of the Bonds and the Notes" herein.
Bank Qualification:	The Bonds shall NOT be designated as qualified tax-exempt obligations by the City under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for certain interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data and notices of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form set forth in Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, & Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06107.
Legal Opinion:	Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut will act as Bond Counsel.
Financial Advisor:	Phoenix Advisors, LLC of Milford, Connecticut will act as Financial Advisor. Telephone (203) 878-4945.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about November 9, 2015 against payment in Federal Funds.
Issuer Official:	Questions concerning the City or this Official Statement should be addressed to Mr. Peter A. Erodici Jr., Director of Finance, City of Milford, 70 West River Street, Milford, Connecticut 06460. Telephone (203) 783-3220.

Issue Summary – The Lot A Notes

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

Date of Sale:	Wednesday, October 28, 2015 at 11:00 A.M. (Eastern Time).
Location of Sale:	Office of the Mayor, City Hall, 110 River Street, Milford, Connecticut, 06460.
Issuer:	City of Milford, Connecticut (the "City").
Issue:	\$13,360,000 General Obligation Bond Anticipation Notes, Lot A (the "Lot A Notes").
Dated Date:	November 9, 2015.
Interest Due:	At maturity: May 9, 2016.
Principal Due:	At maturity: May 9, 2016.
Authorization and Purpose:	The Lot A Notes are being issued to finance various school projects authorized by certain bond ordinances adopted by the City.
Redemption:	The Lot A Notes are not subject to redemption prior to maturity.
Security and Remedies:	The Lot A Notes will be general obligations of the City of Milford, Connecticut, and the City will pledge its full faith and credit to the payment of principal and interest on the Lot A Notes when due.
Credit Rating:	The City received a "MIG 1", "SP-1+" and "F1+" from Moody's Investors Service, Standard & Poor's Corporation and Fitch Ratings, respectively, on the Lot A Notes.
Bond Insurance:	The City does not expect to purchase a credit enhancement facility.
Basis of Award:	Lowest Net Interest Cost (NIC), as of the dated date.
Tax Exemption:	See "Tax Exemption of the Bonds and the Notes" herein.
Bank Qualification:	The Lot A Notes shall NOT be designated as qualified tax-exempt obligations by the City under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for certain interest expense allocable to the Lot A Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, notices of certain events with respect to the Lot A Notes pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form set forth in Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent & Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06107.
Legal Opinion:	Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut will act as Bond Counsel.
Financial Advisor:	Phoenix Advisors, LLC of Milford, Connecticut will act as Financial Advisor. Telephone (203) 878-4945.
Delivery and Payment:	It is expected that delivery of the Lot A Notes in book-entry-only form will be made to The Depository Trust Company on or about November 9, 2015 against payment in Federal Funds.
Issuer Official:	Questions concerning the City and this Official Statement should be addressed to Mr. Peter A. Erodici Jr., Director of Finance, City of Milford, 70 West River Street, Milford, Connecticut 06460. Telephone (203) 783-3220.

Issue Summary – The Lot B Notes

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

Date of Sale:	Wednesday, October 28, 2015 at 11:30 A.M. (Eastern Time).
Location of Sale:	Office of the Mayor, City Hall, 110 River Street, Milford, Connecticut, 06460.
Issuer:	City of Milford, Connecticut (the "City").
Issue:	\$2,580,000 General Obligation Bond Anticipation Notes, Lot B (the "Lot B Notes").
Dated Date:	November 9, 2015.
Interest Due:	At maturity: November 7, 2016.
Principal Due:	At maturity: November 7, 2016.
Authorization and Purpose:	The Lot B Notes are being issued to finance various public improvement and sewer projects authorized by certain bond ordinances adopted by the City.
Redemption:	The Lot B Notes are not subject to redemption prior to maturity.
Security and Remedies:	The Lot B Notes will be general obligations of the City of Milford, Connecticut, and the City will pledge its full faith and credit to the payment of principal and interest on the Lot B Notes when due.
Credit Rating:	The City received a "MIG 1", "SP-1+" and "F1+" from Moody's Investors Service, Standard & Poor's Corporation and Fitch Ratings, respectively, on the Lot B Notes.
Bond Insurance:	The City does not expect to purchase a credit enhancement facility.
Basis of Award:	Lowest Net Interest Cost (NIC), as of the dated date.
Tax Exemption:	See "Tax Exemption of the Bonds and the Notes" herein.
Bank Qualification:	The Lot B Notes shall NOT be designated as qualified tax-exempt obligations by the City under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for certain interest expense allocable to the Lot B Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, notices of material events with respect to the Lot B Notes pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form set forth in Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent & Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06107.
Legal Opinion:	Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut will act as Bond Counsel.
Financial Advisor:	Phoenix Advisors LLC of Milford, Connecticut will act as Financial Advisor. Telephone (203) 878-4945.
Delivery and Payment:	It is expected that delivery of the Lot B Notes in book-entry-only form will be made to The Depository Trust Company on or about November 9, 2015 against payment in Federal Funds.
Issuer Official:	Questions concerning the City and this Official Statement should be addressed to Mr. Peter A. Erodici Jr., Director of Finance, City of Milford, 70 West River Street, Milford, Connecticut 06460. Telephone (203) 783-3220.

I. Bond and Note Information

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the City of Milford, Connecticut (the "City"), in connection with the original issuance and sale of the City's \$8,350,000 General Obligation Bonds, Issue of 2015 (the "Bonds") and its \$15,940,000 General Obligation Bond Anticipation Notes, comprised of \$13,360,000 General Obligation Bond Anticipation Notes, Lot A (the "Lot A Notes") and \$2,580,000 General Obligation Bond Anticipation Notes, Lot B (the "Lot B Notes") (the Lot A Notes and the Lot B Notes referred to collectively as the "Notes").

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

All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the City contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and the Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and the Notes and such proceedings.

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

The Bonds and the Notes are being offered for sale at public bidding. Notices of Sale for the Bonds and the Notes, each dated October 21, 2015, have been furnished to prospective bidders. Reference is made to the respective Notices of Sale for the terms and conditions of the bidding.

Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement other than matters expressly set forth as its opinion and makes no representation that it has independently verified the same.

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

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data and timely notice of the occurrence of certain events with respect to the Bonds and the Notes pursuant to Continuing Disclosure Agreements to be executed substantially in the forms set forth in Appendix C to this Official Statement. The successful bidder's obligation to purchase the Bonds and the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Bonds and the Notes, executed copies of the Continuing Disclosure Agreements.

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

Financial Advisor

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

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

The Bonds

The Bonds will mature on November 1 in each of the years as set forth on the front cover of this Official Statement. The Bonds will be dated the date of delivery and will bear interest at the rate or rates per annum specified by the successful bidder, payable on May 1, 2016 and semiannually thereafter on November 1 and May 1 in each year until maturity, as set forth on the cover of this Official Statement. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. Interest is payable to the registered owner as of the close of business on the fifteenth day of April and October in each year, or the preceding business day if such fifteenth day is not a business day, by check, mailed to the registered owner at the address as shown on the registration books of the City kept for such purpose, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the City shall agree.

Optional Redemption for the Bonds

Bonds maturing on or before November 1, 2023 are not subject to redemption prior to maturity. The Bonds maturing on November 1, 2024 and thereafter are subject to redemption prior to maturity, at the election of the City, on or after November 1, 2023 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the respective prices (expressed as a percentage of the principal amount of Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<i>Period During Which Redeemed</i>	<i>Redemption Prices</i>
November 1, 2023 and thereafter	100%

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

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

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

The Notes

The Lot A Notes will be dated November 9, 2015 and will be due and payable as to both principal and interest at maturity, May 9, 2016. The Lot B Notes will be dated November 9, 2015 and will be due and payable as to both principal and interest at maturity, November 7, 2016. The Notes will bear interest calculated on the basis of twelve 30-day months and a 360-day year at such rate or rates per annum as are specified by the successful bidder or bidders. A book-entry system will be employed evidencing ownership of the Notes in principal amounts of \$1,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry Only Transfer System". The Notes are not subject to redemption prior to maturity.

Authorization and Purpose

The Bonds and the Notes are authorized and are being issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the City, and certain bond ordinances adopted by the Board of Aldermen of the City.

Use of Proceeds

The proceeds of the Bonds and Notes are anticipated to be used for the purposes set forth below:

Project	Total Amount of Authorization	Lot A Notes Due: 5/9/2016	Lot B Notes Due: 11/7/2016	The Bonds
Stowe Property.....	\$ 895,000	\$ -	\$ -	\$ 4,000
Various Public Improvements (Feb 07).....	4,620,300	-	-	85,000
Various Public Improvements (Apr 08).....	3,715,559	-	-	3,000
Various Public Improvements (Feb 10).....	6,292,000	-	-	14,000
Various Public Improvements (Feb 11).....	6,588,000	-	34,000	7,000
Eastside Firehouse.....	4,950,000	-	13,000	-
Various Public Improvements (Feb 12).....	6,088,600	-	924,000	-
Various Public Improvements (Feb 13).....	7,578,000	-	100,000	1,968,000
Various Public Improvements (Feb 14).....	8,717,500	-	85,000	243,000
Various Public Improvements (Feb 15).....	10,262,230	-	369,000	231,000
Subtotal General Improvement.....	59,707,189	-	1,525,000	2,555,000
Various School Improvements (Apr 08).....	1,440,000	25,000	-	-
Various School Improvements (Feb 11).....	5,630,000	5,000	-	16,000
Various School Improvements (Feb 12).....	12,002,883	5,930,000	-	-
Various School Improvements (Feb 13).....	9,449,948	5,097,000	-	120,000
Various School Improvements (Feb 14).....	3,456,229	1,483,000	-	1,060,000
Various School Improvements (Feb 15).....	10,390,000	820,000	-	529,000
Subtotal Schools.....	42,369,060	13,360,000	-	1,725,000
Wastewater Facilities Upgrade.....	33,150,940	-	300,000	1,815,000
Sewers XV.....	4,625,000	-	-	110,000
Sewers XVII.....	2,753,825	-	-	120,000
Sewers XVIII.....	4,254,000	-	500,000	1,625,000
Sewers XIX.....	187,000	-	-	70,000
Rock St & Welches Point Pump Stations Feb 2015....	6,050,000	-	50,000	50,000
Sewer Darina Place February 2015.....	550,000	-	5,000	-
Indian River Interceptor Phase 3 Feb. 2015.....	1,650,000	-	200,000	280,000
Subtotal Sewers.....	53,220,765	-	1,055,000	4,070,000
Totals.....	\$ 155,297,014	\$ 13,360,000	\$ 2,580,000	\$ 8,350,000

Book-Entry-Only Transfer System

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

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

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

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

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

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

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

Principal, Interest and redemption payments with respect to the Bonds and the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

DTC Practices

The City can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds or Notes act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

Replacement Bonds and Notes

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

Security and Remedies

The Bonds and the Notes will be general obligations of the City and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds and the Notes when due.

Unless paid from other sources, the Bonds and the Notes are payable from general property tax revenues of the City. The City has the power under Connecticut statutes to levy ad valorem taxes on all property subject to taxation by the City without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income and of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the City, and, under existing statutes, the State of Connecticut is obligated to pay the City the amount of tax revenue which the City would have received except for the limitation on its power to tax such dwelling houses.

Payment of the Bonds and the Notes is not limited to property tax revenues or any other revenue source, but certain revenues of the City may be restricted as to use and therefore may not be available to pay debt service on the Bonds and the Notes.

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

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

Enforcement of a claim for payment of principal of or interest on the Bonds and the Notes would also be subject to the applicable provisions of Federal bankruptcy laws, as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and to provisions of other statutes, if any, heretofore or hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied.

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

THE CITY OF MILFORD HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES

Qualification for Financial Institutions

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

Availability of Continuing Disclosure Information

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

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data and notices of the occurrence of certain events with respect to the Bonds pursuant to Continuing Disclosure Agreements to be executed by the City substantially in the forms set forth in Appendix C, to this Official Statement.

The City has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and Notes to provide certain annual financial information, operating data, and event notices pursuant to Rule 15c2-12(b)(5). In the last five years, the City has complied, in all material respects, with its undertakings under such agreements.

Ratings

The City received ratings of "Aa1", "AA+" and "AA+" from Moody's Investors Service, Standard & Poor's Corporation and Fitch Ratings, respectively, on the Bonds. The Notes received ratings of "MIG 1", "SP-1+" and "F1+" from Moody's Investors Service, Standard & Poor's Corporation and Fitch Ratings, respectively. The City furnished to the Rating Agencies certain information and materials, some of which may not have been included in this Official Statement. Such ratings reflect only the views of the Rating Agencies and will be subject to revision or withdrawal, which could affect the market price of the Bonds and the Notes. The Rating Agencies should be contacted directly for their rating on the Bonds and the Notes and the explanation of such rating.

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

Bond Insurance

The City does not expect to purchase a credit enhancement facility for the Bonds or the Notes.

Tax Exemption of the Bonds and the Notes

Federal Taxes. In the opinion of Pullman & Comley, LLC, Bond Counsel, under existing law, interest on the Bonds and the Notes is not included in gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, with respect to certain corporations (as defined for federal income tax purposes) subject to the federal alternative minimum tax, such interest is taken into account in computing the federal alternative minimum tax.

Bond Counsel's opinion with respect to the Bonds and the Notes will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the City with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Bonds and the Notes in order that interest on the Bonds and the Notes be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds and the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds and the Notes irrespective of the date on which such noncompliance occurs. In the Tax Compliance Agreement, which will be delivered concurrently with the issuance of the Bonds and the Notes, the City will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Bond and Note proceeds and certain other matters. The opinions of Bond Counsel delivered on the date of issuance of the Bonds and the Notes is conditioned upon compliance by the City with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Bonds and the Notes.

Original Issue Discount. The initial public offering prices of the Bonds of certain maturities may be less than the stated principal amount. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the cover page of this Official Statement for such Bonds is expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the Bonds are sold. Under existing law, original issue discount on the Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in a Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such Bond and will be added to the owner's basis. Original issue discount will accrue on a constant-yield-to-maturity method based on regular compounding. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such a Bond. For certain corporations (as defined for federal income tax purposes), a portion of the original issue discount that accrues in each year to such Bond will be included in the calculation of the corporation's federal alternative minimum tax liability. As a result, ownership of such a Bond by such a corporation may result in an alternative minimum tax liability even though such owner has not received a corresponding cash payment.

Prospective purchasers of Bonds at an original issue discount should consult their own tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of Bondowners purchasing such Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such Bonds.

Original Issue Premium. The initial public offering prices of certain maturities of the Bonds may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount must

amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner's basis in the Bond for federal income tax purposes. Prospective purchasers of the Bonds and should consult their tax advisors regarding the amortization of premium and the effect upon basis.

Other Federal Tax Matters. Prospective purchasers of the Bonds and the Notes should be aware that ownership of the Bonds and the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds and the Notes should consult their tax advisors regarding collateral federal income tax consequences.

State Taxes. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds and the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Bonds and the Notes is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on a Bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Owners of the Bonds should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Bonds.

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the Notes and the disposition thereof.

Proposed Legislation and Other Matters. Tax legislation and administrative actions taken by tax authorities (whether currently proposed, proposed in the future, or enacted) and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds and the Notes under federal or state law or otherwise prevent beneficial owners of the Bonds and the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation, actions or decisions could affect the market price for, or the marketability of, the Bonds and the Notes.

Prospective purchasers of the Bonds and the Notes should consult their own tax advisers regarding the foregoing matters.

General. The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the date of its opinion. Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Bonds and the Notes. Prospective owners of the Bonds and the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Bonds and the Notes.

Legal Opinion

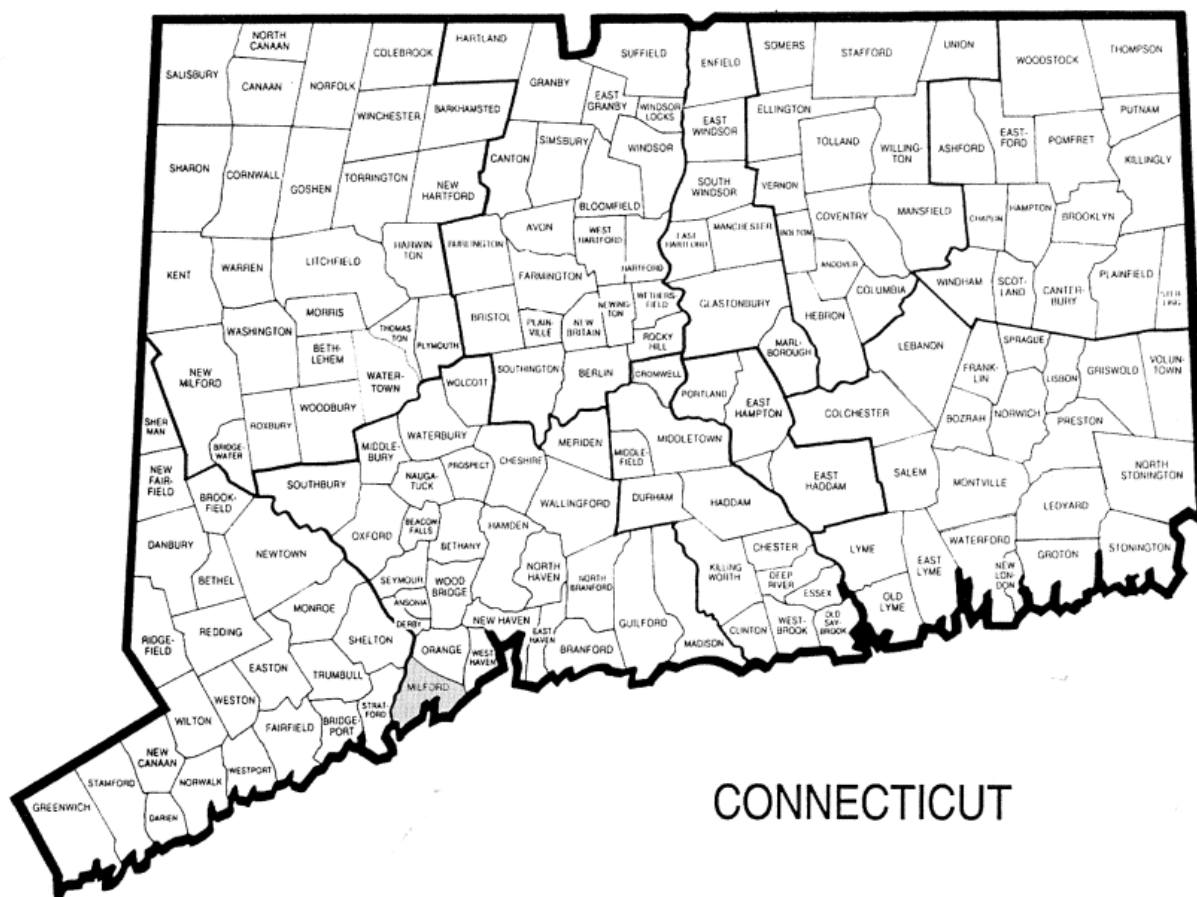
The legal opinion for the Bonds and the Notes will be rendered by Pullman & Comley, LLC in substantially the forms set forth in Appendices B to this Official Statement.

Registrar, Transfer Agent, Paying Agent and Certifying Agent

The Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds and the Notes will be U.S. Bank National Association, Goodwin Square, 23rd Floor, 225 Asylum Street, Hartford, Connecticut 06103.

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II. The Issuer



Description of the Municipality

The City of Milford, covering 23.5 square miles (15,104 acres) on Long Island Sound at the mouth of the Housatonic River, lies almost equidistant between New Haven and Bridgeport. Contiguous to the Towns of Stratford, Shelton, Orange, and West Haven, Milford is the fifth largest community by population in New Haven County and eighteenth by population of the State's one hundred and sixty-nine cities and towns.

Primarily a residential community, Milford's population has essentially stabilized (52,759 by the 2010 Census). Residences in Milford are mainly single family units and condominiums. Roughly fifty-eight percent of the land (8,810 acres) is developed residential with another twenty-five percent (3,783 acres) undeveloped residential. New single family construction has averaged about 150 units a year for the last ten years in an area where 33% of the housing stock has been built since 1970, 45% between 1940 and 1970, and 22% prior to 1940.

Milford is served by many transportation facilities. Interstate 95 has seven Milford entrances/exits and Connecticut 15 (Merritt/Wilbur Cross Parkway -- cars only) has two entrances/exits. U.S. 1 (open access throughout the City) plus Connecticut Routes 121, 162, and numerous local roads and streets are also available. Fifteen motor freight companies maintain Milford Terminals. Inter-city passenger bus service is provided by Connecticut Transit and interstate service by Greyhound. The New Haven Line, Amtrak, and Metro North (Conrail) provide four east/west passenger/freight rails and two north/south freight rails. Industrial sidings, with one available for general use, provide storage capacity for more than one hundred cars. Passenger trains stop daily going to and coming from New York City's Grand Central Station. Two airports serve Milford: Sikorsky Memorial Airport and Tweed-New Haven Airport. Sikorsky (seven miles east in Stratford) provides domestic passenger, airmail and airfreight service with two 4,700 foot runways as well as charter and complete fuel services. Tweed-New Haven's single 5,600 foot runway furnishes similar services. International air service is available at Bradley International (Windsor Locks) or the New York airports, all approximately one and one-half hours driving time.

The Milford Transit District (the “District”) provides intra-city bus service over four fixed routes in Milford covering more than fifty two miles. Special commuter buses run during peak hours serving the City's major office and industrial parks to the rail station and from commuter lots to the station. The District also operates a Federal Transit Administration Jobs Access bus service providing seamless transportation from Milford to Norwalk. A demand responsive door to door service offers transportation to the elderly and disabled with a fleet of sixteen vehicles. In addition to public transportation, the District operates two train stations at the Metro-North commuter stop in Milford along with 500 parking spaces for commuter use. Since 1979, the publicly funded District has received annual City support in excess of \$6,900,000, Federal grants in excess of \$34,600,000, and State grants in the amount of \$21,350,000.

Media choices in Milford are extensive and varied. Two morning and two weekly newspapers cover the City. Three radio stations are located in Milford, and over 50 AM and FM signals are received including those from New York City. Television stations in Connecticut that cover Milford include WTNH, WFSB, WVIT, and Channel 12. Cablevision and satellite services provide access to hundreds of channels. “Milford Living”, a quarterly magazine, features positive aspects of the community.

Milford Hospital is a full service medical center with state-of-the-art technology. The hospital is a regional leader in many areas, including emergency walk-in services, outpatient surgery, , health education and home care services. An off-site walk-in center was completed in early 2007. A staff of approximately 800, including 150 physicians representing all major medical specialties, provides a valued community service at this 106 bed facility.

Form of Government

Milford has a Mayor-Board of Aldermen form of government. The Mayor and fifteen Aldermen are elected biennially each odd numbered year. The City's Charter guarantees representation by more than one political party, with no more than ten (10) Aldermen from the same party. The Board of Aldermen acts as the legislative body of the City. The budgetary process involves sequential recommendations by Department Heads and Boards and Commissions, the Mayor, and the five (5) member Board of Finance, with the final budget set by the Board of Aldermen. A Director of Finance, whose position is included under Civil Service, administers fiscal matters.

PRINCIPAL MUNICIPAL OFFICIALS

Office	Name	Manner of Selection	Current Term	Length of Service	Principal Employment Last Five Years
Mayor.....	Benjamin G. Blake	Elected	11/13-11/15	2nd term	Attorney
Chairman, Board of Aldermen...	Philip J. Vetro	Elected	11/13-11/15	2nd term	Home Imp. Contractor
Town/City Clerk.....	Joanne M. Rohrig	Elected	11/13-11/15	1st Term	Operations Manager
Director of Finance.....	Peter A. Erodici, Jr.	Appointed	Indefinite	4.5 Years ¹	City/Senior Accountant
City Treasurer.....	Libera C. Nosal	Appointed	Indefinite	15 years	Acct./Cash Manager
Superintendent of Schools	Elizabeth E. Feser, Ed.D.	Appointed	Indefinite	4.5 Years	Superintendent, Windsor BOE
Deputy Superintendent of Ops....	James Richetelli	Appointed	Indefinite	4 years ²	Mayor, City of Milford
Director of Public Health.....	Deepa D. Joseph, MPH	Appointed	Contract	9 Months	Community Health Coordinator / Deputy Director of Health
City Attorney.....	Jonathan D. Berchem	Appointed	N/A	4 years	Attorney
Chairman, Board of Education....	Susan Glennon	Elected	11/13-11/15	2nd Term	Early Childhood Practioner

¹ Mr. Erodici served as City Accountant with the City for 3 years prior to being appointed as Director of Finance on July 18, 2011.

² Mr. Richetelli served as Mayor of the City of Milford for 10 years prior to accepting the position as Deputy Superintendent of Operations.

Sources: Finance Director's Office, City of Milford

Benjamin G. Blake, Mayor

In November 2011, at age 33, Ben was elected the 10th Mayor of Milford, CT. He previously served eight years as a member of the Board of Aldermen, including terms as Minority Leader and as Chairman.

Ben was born in Milford and his parents, grandparents, and even a generation before that, made Milford their home. He attended the University of Richmond in Virginia where he studied History and Government. He attended law school at Quinnipiac University, and from 2004 through 2011 practiced law in Downtown Milford.

As Mayor, Ben has enacted a series of cost cutting initiatives and streamlined City operations to make Milford government more effective and efficient. He has implemented comprehensive conservation improvements within City buildings and infrastructure that have yielded significant energy savings for taxpayers. Most notably, Ben has led Milford through Storm Sandy and Blizzard Nemo, and has received widespread praise and appreciation for his management during two of the worst natural disasters in the City's history.

Dr. Elizabeth E. Feser, Superintendent of Schools

Dr. Elizabeth E. Feser holds the position of Superintendent of Schools in Milford. She began her appointment in Milford on April 4, 2011. She earned a Bachelor's degree from St. Xavier College (Chicago), Master's degree from Boston College and Doctorate in Educational Administration from Teachers College, Columbia University.

Dr. Feser brings a wealth of experience to the Milford Public School district having served in three states and worked in both parochial and public school systems. Prior to her post in Milford, she served as the Superintendent of Windsor Public Schools for nine years and as Assistant Superintendent of Schools in the New Canaan Public School district for eight years. Earlier in her career, Dr. Feser was the Principal of Danbury High School. Prior to Danbury she served as a professional educator in both the public and parochial educational systems in New York and Massachusetts.

Dr. Feser has been an active participant in many educational organizations over the years, including substantial involvement with the Connecticut Association of Public School Superintendents (CAPSS). She currently is serving as Past President of CAPSS having completed her tenure as President of the organization. She also serves on the CAPSS Assessment and Accountability Committee and the Leadership Development Advisor Committee. She is a member of the Commissioner's Roundtable. She is also a member of the Connecticut Superintendents' Network, a clinical study group focused on improving instructional practice and creating the conditions that foster student achievement. She was selected as Connecticut's 2015 Superintendent of the Year.

Peter A. Erodici Jr., CPA, CGMA, Director of Finance

Peter A. Erodici Jr., Director of Finance, attended Harvard University, and earned a Bachelor of Business Administration, summa cum laude, from Iona College in New Rochelle, New York, with a major in public accounting. He has passed all four parts of the Uniform Certified Public Accountant (CPA) Examination, and is a licensed CPA in New York. Mr. Erodici has worked for the City of Milford since August 2008, when he was hired as City Accountant. In April 2011, he was promoted to Acting Director of Finance, and was permanently appointed as Director of Finance, City of Milford in July 2011. Prior to entering the public sector, Mr. Erodici was employed by Oxford Health Plans/United Healthcare, sequentially as a Senior Broker Commissions Analyst, a Team Leader, the Manager of Commissions and Broker Licensing in the Finance Department, and as Senior Accountant in General Accounting/Finance. Before his eleven year career with Oxford, he worked for five years in the mortgage banking industry with the former East River Savings Bank in New Rochelle, New York as a Loan Counselor, as well as The Bank of New York Mortgage Company, in Tarrytown, New York, where he rose to the level of Assistant Branch Manager.

Mr. Erodici is a member of the American Institute of Certified Public Accountants (AICPA), a member of the Government Finance Officers Association (GFOA) of Connecticut, and a member of the New York State Society of Certified Public Accountants. He is also a member of the Government Finance Officers Association of the United States and Canada. In addition, Mr. Erodici is a member of the Board of Directors and Secretary for the Harvard Club of Southern Connecticut; and serves as the Chairman of the Harvard Book Prize, which is awarded to approximately 100 outstanding local area high school juniors within the Club's region in Connecticut each year.

James Richetelli, Chief Operations Officer, Board of Education

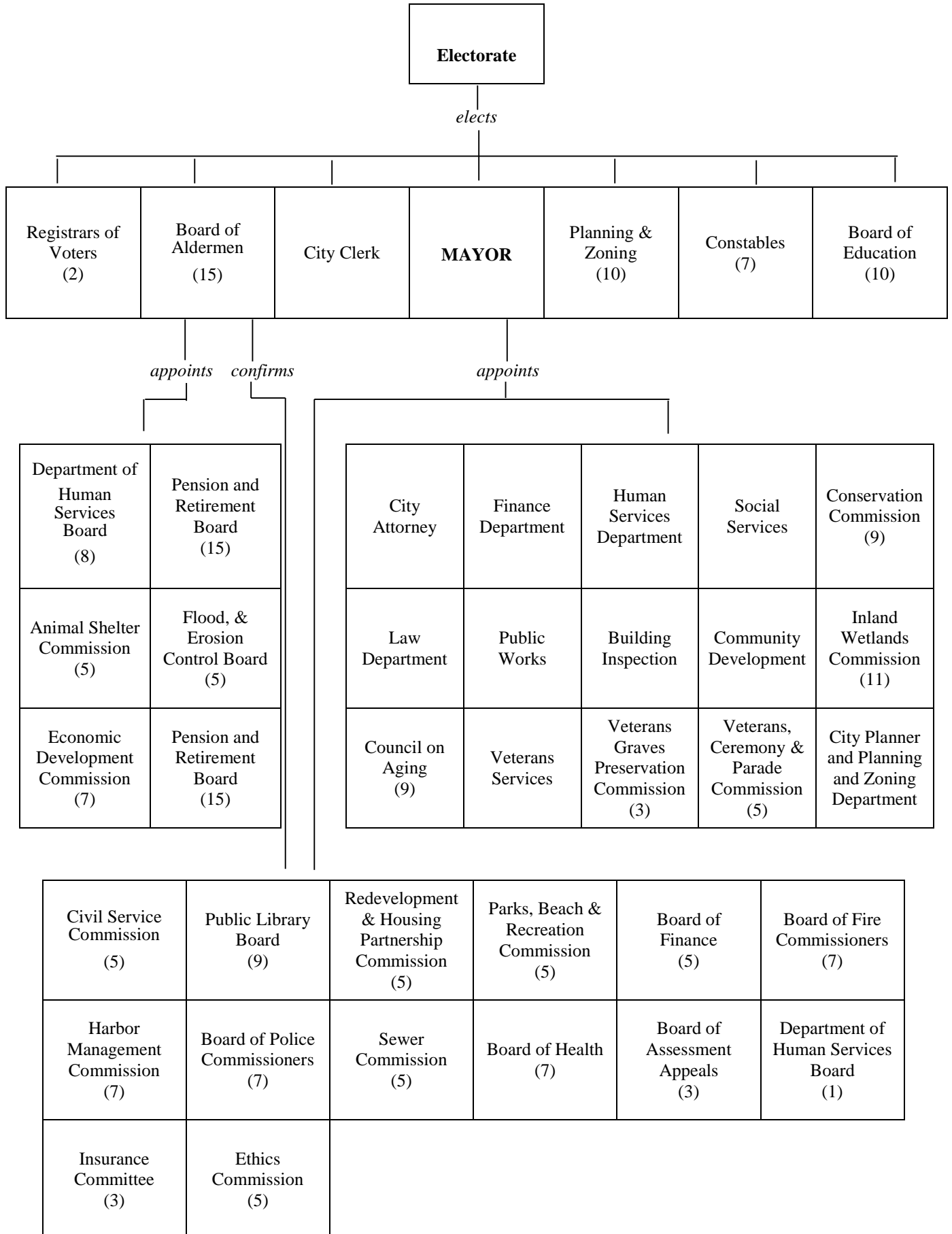
Mr. Richetelli graduated from Fordham University in 1983 with a Bachelor of Arts Degree. Prior to being appointed Chief Operations Officer in November 2011, he served as Mayor of the City of Milford for 10 years. Before that, Mr. Richetelli was employed in senior management positions in the manufacturing industry for eighteen years. His last position was that of Production Manager at Precision Metal Products in Milford, a high technology company with over 150 employees specializing in intricate medical instruments. He had overall responsibility for all day-to-day operations of the company including budget, personnel, quality and operations.

Mr. Richetelli was elected to the Board of Aldermen in 1985 at the age of twenty-four. He was a five-term member of the Board of Aldermen, including one term as Majority Leader and three terms as Chairman. He has served as Chairman of the following Aldermanic Committees: Rules, Personnel, Public Safety and Welfare as well as being a member of the Ordinance and Claims Committees. He was a member of the Central Office Complex Building Committee and Chairman of the West Shore Fire Station Building Committee.

Mr. Richetelli is a Justice of the Peace and is very active in the community, having served as President of the Milford National Little League as well as volunteering in many civic, school, and church organizations. He has received numerous awards including: *Boy Scouts of America Good Scout Award, Boys and Girls Village Distinguished Service Award, Milford Columbus Committee Italian/American of the Year Award, Milford Chamber of Commerce Public Sector Award, Easter Seals National Outstanding Advocate Award, Central Connecticut Coast Milford/Orange YMCA Strong Kids Builder, Concerned Citizens for People with Disabilities Achievement Award, Bridges...a Community Support System Public Service Award, "Kids Day America/International" Children's Empowerment Award*, and was inducted into the "Knights of Honor" for Notre Dame High School, West Haven. Under his administration, Milford was named one of the "Top 100 Communities in America for Young People" for all four years of the competition (Milford is the only city or town in Connecticut to win that designation). Mr. Richetelli served as a *national panelist at the "100 Best Communities"* Washington D.C. meeting. He has also served as Secretary and Chairman of the South Central Regional Council of Governments and was Chairman of the Connecticut Conference of Municipalities Statewide Task Force on Children, Youth and Families.

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ORGANIZATION CHART



Municipal Services

Police

The Milford Police Department is housed in a facility built in 1979. There are currently 116 sworn Officers and 15 civilian personnel in the Department. Presently, department services include the following Divisions: Patrol, Detective, and Administrative. Specialized Units in the Department consist of a Regional Special Response Team, Marine/Scuba Team, Training Unit, K-9 Unit, Crime Prevention Unit, Motorcycle Unit, Bicycle Patrol, Computer Crimes Unit, Special Investigations Unit, Traffic Unit and a Tactical Unit. The Department maintains a fleet of sixty-five vehicles plus a Prisoner Van, Scuba Van, motorcycles, Mobile Command Vehicle, Crime Scene Van and an SRT Vehicle.

On an annual basis, the Department receives over 50,000 calls for service and/or complaints that are logged and tracked via a computer-aided dispatch system. The Department recently completed a radio upgrade, to include a new combined Fire-Police dispatch center. The center is state of the art and is located in Police Headquarters.

The Police Department maintains and manages its own State (P.O.S.T.) Certified Regional Police Academy, training police officers for other municipalities in the state, as well as its own. The regional facility is located at the former Simon Lake School.

The Police Department is a federally recognized Internet Crimes Against Children Investigative Satellite and is a leader in the State in the area of internet and computer crime investigations. The Department maintains a state of the art Mobile Command Center, providing its officers with communication capabilities in the field during critical incident operations as well as providing mobile policing needs to the community.

The Community Oriented Police Sub Station (COPSS) Unit continues to be an integral part of the department's community outreach program and has been very successful in addressing quality of life issues throughout the city.

Fire

The Milford Fire Department is a multi-hazard emergency response agency consisting of excellent leadership, state of the art equipment, and highly trained dedicated personnel. The term "Fire Department" is distinguishable and traditional but falls extremely short in describing what it truly is. In Milford, the fire department responds to almost any kind of emergency you can think of. From Hazardous materials spills, to emergency medical calls, and even kittens in trees, the Milford Fire Department is trained, equipped, and ready. Milford's "firefighters" are true first responders and are on duty, 24 hours a day, every day, all year long. The department staffs 23 to 25 firefighters on each shift stationed throughout the city for the fastest most efficient response.

The City is covered by 4 zones, or what we call First Due areas. The North, Central, East and West stations provide the city with an optimal response game plan. Each station backs up the others, providing a tiered response to get the right response at the right time for the best outcome possible. Each first due area is poised to provide a first responder to the scene of an emergency within 4 minutes, with the back up being no further than 6 minutes. As an example, a 911 call for a heart attack will get the closest fire engine to the scene with oxygen and an AED within just a couple of minutes of the call. Then, fire department paramedics will be right behind them equipped and trained like a mobile emergency room.

The East and West stations each have two response units. A fire engine, which is a rescue-pumper with water supply and attack hoses, it's equipped to arrive first and get to work. The other unit is a Quint, which is a fire engine with a rescue ladder and specialized rescue equipment, designed to bring that equipment into the tighter neighborhoods by the beaches. The North and Central stations each have a rescue pumper as well. They also each have paramedic units, specialized medical responders with advanced skills and equipment, capable of caring for patients all the way to the hospital. Tower 1 is a heavy duty piece of firefighting equipment. It is stationed at the Central station and responds city wide for any type of reported fire. All response units are equipped with the emergency medical equipment including oxygen, defibrillators, and first aid gear.

For more unique emergencies the department has specialized units which are maintained by special teams, and operated by on duty crews. The Haz-Mat unit and Dive Rescue team operate out of the West Side station. Marine 1 is a 27 foot rescue vessel and is docked in Milford Harbor for a ready response. Marine 2 is a 19 foot RIB craft that deploys rapidly from the Central Station right to the boat ramp. The Technical Rescue unit which is used for complicated rescues, like confined spaces or high angles is run out of the East Side Station. It takes special training and dedication to operate in these elite units.

All Milford firefighters are trained to the Firefighter II level, Haz-Mat Operations, and EMT. They are also trained to handle rescue operations including Water Rescue, Ice Rescue, and Vehicle Extrication. All firefighters go to the Connecticut Fire Academy to receive their initial training. They then maintain their skills and continually develop through training and education throughout their shifts.

The Department is comprised of 113 fire personnel, and four civilian personnel. Two Assistant Chiefs fall under the direction of the Chief and are responsible for the operations of the Department. Assistant Chief Gary Baker is the Fire Marshal and administrative chief; he oversees the fire investigation and code enforcement division as well as the 911 center emergency operations. Assistant Chief Bernie Begley is the operations chief, whose responsibilities include the oversight of the daily operations of the department, such as emergency responses, training, and readiness. They are complimented by an administrative staff of fire officers, battalion chiefs and clerks that carry out the daily support function of the department.

Administrative staff responsibilities include planning for all the logistical situations for the department, formulating and executing long-term goals, and forecasting future budgeting to satisfy the needs of the department. They also help maintain the sustainable operations of the fire department by maintaining inventories of supplies and equipment, updating policies and procedures and coordinating training. Two department mechanics report to the assistant chief of operations and are responsible for the maintenance and repair of apparatus, the fire and rescue boats as well as all gasoline and hydraulic powered equipment.

The 911 Dispatch Center is a combined police/fire dispatch facility. It is the link from the community to fire, police, and ambulance services. For medical emergencies Milford's **911** center uses EMD protocols (Emergency Medical Dispatch). This system is designed to efficiently gather the required information to send the right response as quickly as possible. 911 dispatchers also use this system to provide pre-arrival instructions to bystanders. It is the focal point the new State Emergency Notification System used to send out a telephone message to large groups. The department's **911** dispatchers sent fire apparatus to 7855 emergency calls last year. The **911** dispatchers also monitor all fire alarms, wastewater alarms, and weather systems using state of the art technologies. Dispatchers handle over 28,000 **911** calls and over 60,000 total calls a year including non-emergency calls for service.

The latest technology at the Fire Departments disposal is Locution. Locution is a sophisticated Fire Station Alerting System (FSAS). It is made up of a series of alerting devices integrated into the fire stations, radio system and mobile data terminals (MDT) in all responding apparatus by a computer network. This system automatically distributes the needed information for response to the units wherever they are simultaneously. This eliminates several steps in the dispatch process shaving valuable seconds. It is said that a uncontrolled fire doubles in size every 30 seconds. Locution can get firefighters on scene while the fire is half the size it would be without it.

The Milford Fire Department is a system of procedures, equipment, and technology. This system is completed only by the dedicated men and women of the department, who work, train and prepare tirelessly to keep our community safe from the effects of, all kinds of fires, disasters, accidents and medical emergencies.

Public Works

The Public Works Department consists of six divisions which include Office, Highway & Parks, Engineering, Building Maintenance, Wastewater, City Garage, and Solid Waste plus an office staff. The department employs one hundred and thirty-two people and utilizes two hundred twenty-six pieces of equipment.

The Solid Waste division provides curbside garbage collection service to residents once a week and a bi-weekly curbside recycling pickup. Seasonal bulky waste pickup and fall leaf collection programs are conducted in addition to the weekly collection.

All non-recyclable solid waste is processed by the Wheelabrator Bridgeport, L.P., after first being processed through a transfer station located within City limits. The City also participates in the regional recycling program.

Service Contract - Solid Waste Disposal

In 2014, Milford joined the Greater Bridgeport Regional Solid Waste Interlocal Committee (GBRSW). The GBRSW is comprised of several municipalities which bundle their solid waste tonnage in an effort to obtain the

most economical disposal agreement. The GBRSW has a long term disposal agreement with Wheelabrator Bridgeport, L.P. Milford's tipping fee per ton went from \$59.75 to \$60.96.

Recent year's fee structures are listed below:

Current Contract			
Fiscal Year	Monthly Flat Fee	Hauling Fee (Per Ton)	Tipping Fee (Per Ton)
2015 *	\$ 30,997.00	\$14.96	\$60.96
2014	30,610.00	14.78	59.75
2013	30,198.81	14.59	67.31
2013	29,662.88	14.33	64.31
2012	28,987.47	14.00	65.11
2011	28,987.47	14.00	64.09

** Per new 2014 disposal agreement with Wheelabrator Bridgeport, L.P.*

Private firms have direct contracts with condominiums for the collection of commercial and residential solid waste.

Sewers

The City of Milford, Wastewater Division consists of two treatment facilities with a combined capacity of 11.1 million gallons per day.

The City has approximately two hundred and twenty-seven miles of sanitary sewers with forty-three pumping stations in the Collection System.

The Division has the ability to televise sewers for new acceptance and trouble shoot old ones. All maintenance is performed in house. Approximately 3,000 feet of sewer line are treated for root control each year. Several hundred feet of sewer laterals are treated at the property lines each year.

Milford Redevelopment & Housing Partnership

The Milford Redevelopment & Housing Partnership located in the City of Milford was created in November of 1948. There are currently 465 units of public housing, 403 elderly and mixed population (elderly and nonelderly-disabled), and 62 family units. Of the 465 public housing units, 330 are federally-funded units (HUD), and 135 are state-funded units (DECD).

Milford Council on Aging

The Milford Council on Aging/Milford Senior Center was founded in 1970 and is in its 45th year of operation. During 1977 and 1978, a Senior Citizen Center was built on the corner of High Street and Jepson Drive with Community Development Block Grant funds. A five thousand square foot addition was constructed in 1991 with funding provided by the State of Connecticut Department of Human Resources and Community Development Block Grant funds. A 15,872 square foot addition was completed in July of 2004, with the funding provided by the City of Milford. Membership is approximately 3,000 and the agency provides a wide range of services and programs for Milford residents aged 55 and older. For example, Transportation, Lunch Programs, the Milford Food Bank, a Respite Program, Social Services, a Meals-on-Wheels Program, Insurance Assistance, Notary Public, Evening Programs, Computer Courses, Educational Programs, Health Fairs, Flu Shot Clinics, Travel Events, Entertainment, Lectures, Foreign Language Classes, Ballroom Aerobics and Cardio Ball, Yoga, a Model Train Group, Wii Bowling, Pickle Ball, a Low Vision Support Group, Book Clubs and other classes and activities.

Milford Department of Human Services / Milford Youth & Family Services

The Milford Department of Human Services, along with The Milford Youth and Family Services Department, has been providing services to the Milford Community since July of 1976. This department is responsible for providing all aspects of human and social services, community outreach, assessment and referral, family therapy, group therapy, and positive focused prevention oriented programming for youth and their families. A staff of six people, as well as an adjunct staff of fifteen part-time therapists provides services to the community. Service hours are Monday – Friday from 8:00 a.m. – 9:00 p.m. (Evening hours by appointment only). Samples of services include assessment and evaluation, case management, food insecurity evaluations and referrals, outreach

evaluations, fuel assistance, program development, family therapy, in school group counseling, and youth and family programming.

Utilities

Water service is provided to virtually all of Milford by the South Central Connecticut Regional Water Authority, a regional quasi-municipal water company serving the southern New Haven county area. Total storage capacity is in excess of nineteen billion gallons and annual consumption is about twenty billion gallons.

Electricity is available from The United Illuminating Company. Natural gas is provided by Southern Connecticut Gas Company which maintains a 1.2 billion cubic foot LNG facility in Milford.

Recreational Facilities

The Milford Recreation Department provides “Fun for Generations”, with a combination active and passive programs and activities meeting the needs of all population groups. Milford maintains five public beaches on Long Island Sound, two boat launching ramps for fishing and recreational boating, as well as two public fishing piers. Milford Lisman Landing at the Head of the Harbor welcomes recreational boaters visiting Milford and serves as the centerpiece to the waterfront community. The Walnut Beach boardwalk joins the Silver Sands State Park boardwalk with the Burt Monroe Pier at Walnut Beach. The community playground, Bodies’ Place, at Eisenhower Park and the Sandy Ground Project playground, in honor of James Mattioli both support child development and is barrier free allowing all children, including those with disabilities, to play together. The City provides eight open space public parks, twenty playgrounds, twenty-five ball fields, ten multipurpose soccer/football facilities, twenty-five tennis courts, including twelve lighted courts, five indoor recreation facilities, and sixteen outdoor basketball courts. In addition, residents and non-residents alike enjoy golf at Milford’s municipal nine-hole, par 3 executive golf course known as “The Orchards” and the public “Great River” championship 18 hole golf course. Two outdoor handball courts, a private ice skating rink, as well as a state of the art public outdoor skate/bike park provide alternative recreation needs. Bocce ball courts are available at Walnut Beach and the Milford Academy campus. Swimming lessons, public swimming, and water based exercise classes are offered at the Joseph Foran High School Swimming Pool and the McCann Natatorium. Outdoor enthusiasts enjoy approximately 15 miles of trails and 700 acres of recreation open space. Additional facilities include the multi-service YMCA including an indoor swimming pool and a weight room for fitness and conditioning. Other recreational opportunities in the City include a variety of youth sports through Little League Baseball, Junior Major League Baseball, the Milford United Soccer Club, the Pop Warner Football program, Milford Indians Wrestling Club, and the Milford Youth Lacrosse program. Milford is home to five yacht clubs and marinas, an indoor tennis facility, and an AMF bowling alley.

Business and Industry – 2014-15

In 2014, the City of Milford increased new business by 26% from the previous year with the introduction of 394 new businesses.

The redevelopment of 230 Cherry Street, the eventual site of ShopRite, is expected to reinvigorate the area with several pad sites dedicated to gas, retail and restaurants. The new store will be 68,000-square-foot or 20 percent larger than the current store. The plaza, built on property vacant for 10 years, now includes Total Wine & More the country’s largest independent retailer of fine wine. The company operates in more than 120 superstores across 17 states and continues to grow. The store is located in a 25,000-square-foot retail space and opened in 2015. A pad site for a restaurant unit is under construction, a tenant has yet to be named. The plaza is expected to be completed in 2016.

In and around the City a number of small yet innovative and award winning businesses have opened including but not limited to MD Moms, creators of Baby Silk, the first pediatrician-developed personal care line for babies. One of “Fit Pregnancy” Finest Product of the Year. Tungsten Customs Handmade is a housewares, lamps, and furniture specialty store. The “Nixie Radian” a wall clock using vintage linear indicators, is the world’s first analog nixie timepiece. The project was just recently fully funded on Kickstarter. Launch Milford, a trampoline park, will take over over 15,000 square feet at 125 Old Gate Lane.

Over the last year, Milford’s downtown saw a number of new businesses open. Advisra Consulting has opened a residential and commercial real estate brokerage office at 4 Broad Street on the historic Milford Green. The downtown also welcomes Hair by Camille, opened in the former Wanda’s Sugar Shack. Other new ventures

include Hamilton Connections and Michelle Ragozzine & Associates, Los Cabos, and The Mod House Vaporium. Amy Champagne Events (ACE), is an event design and coordination company that specializes in weddings and wedding celebrations. ACE created the wedding loft in Downtown Milford for one stop wedding planning. ACE was named one of the Top 50 wedding planners in the country by “The Daily Meal” and has been featured in numerous notable magazines and press. Bloomer Biotech Investet Advisors LLC, a firm that invests in biotechnology companies, opened in 2015.

In Walnut Beach, the revitalization efforts, with a \$1 million state grant, are complete. These projects include a new streetscape on Naugatuck Avenue that includes a sidewalk of brick pavers, plantings, lampposts, banners, benches, bike racks and trash receptacles. Beach Shore Village, a formerly stalled project of condominiums and office/retail space, has matched streetscape improvements on Naugatuck Avenue and has begun construction on several new units as well as the marketing of rental space for new businesses. Beach Shore Village, had dedicated funds to assist new business with façade improvements. Several new business have opened in the area including, Couture Fitness on the Water, ArtFish 42 and Smoke and Mirrors Parlor.

On Boston Post Road, 7-D Turbo Ride, La Parfumerie, Red Robin, Milford Fried Chicken, Buffet Palace and In Fashion, a clothing retailer all opened at the Westfield Mall. A new shopping center with a Panera Bread restaurant, a Sleep Number store, and a Verizon store are among the businesses that will replace the former Smiles Entertainment Center at 1595-1645 Boston Post Road. Curry Leaves, an Indian restaurant, will open next to the current ShopRite location in the Cherry Street plaza. Day of Dance, a dance and exercise facility, opened at 1496 Boston Post Rd.

The City’s office park sector continues to grow with Kidsense Therapy Group, moving into the well-established Cherry Street offices at 209 Cherry Street. Also moving into Cherry Street are Vice Construction Group LLC, Stone Investment Properties LLC, Wave Wellness, amongst several more.

In the medical field, St. Vincent’s Medical Center opened an urgent care facility at 199 Cherry Street. Milford Molecular Diagnostics MMD is the first, and at present, the only licensed clinical laboratory in the United States to offer a combined DNA sequencing-based diagnostic test for *Borrelia burgdorferi*, the infectious agent for Lyme disease and *Borrelia miyamotoi*, the infectious agent of a similar Lyme disease-like illness found recently in the United States. Sleep Management Services, opened at 255 Cherry Street.

Effects of Storm Sandy

On October 29, 2012, the City experienced Storm Sandy which caused damage in the City. However, there was no major damage to City-owned property as a result of Storm Sandy. City Departments have documented storm related costs and the City has filed for reimbursement from FEMA and/or insurance. Total emergency appropriations of \$1,414,848 from the general fund unassigned fund balance and \$119,958 from the Sewer Fund unassigned fund balance were approved by the Board of Alderman in Fiscal Year 2012-2013 to fund storm clean-up costs, with the expectation that the majority of these costs will be offset by FEMA and/or insurance reimbursement. To date, the City has received approximately \$1.3 million in FEMA reimbursements.

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Employee Relations and Collective Bargaining

Municipal Employees

	2015	2014	2013	2012	2011
General Government.....	539.00	540.00	542.00	537.00	536.00
Board of Education..... ¹	1,086.38	1,076.17	1,106.24	1,111.97	1,120.75
Total.....	1,625.38	1,616.17	1,648.24	1,648.97	1,656.75

¹ Includes employees funded by grants.

Source: City Attorney's Office, City of Milford

Director of Personnel, City of Milford Public Schools

Employee Bargaining Groups

General Government Unions	Positions Covered	Current Contract Expiration Date
Police Local 899, AFSCME.....	114.00	6/30/2016
International Firefighters Association, IAFF.....	110.00	6/30/2016
Milford Supervisors Association, NAGE.....	30.00	6/30/2015 ¹
Milford Employees Association.....	66.00	6/30/2014 ¹
Registered Professional Nurses Association.....	21.00	6/30/2016
Public Works Local 1566, AFSCME.....	135.00	6/30/2015 ¹
Dispatchers United Public Service Union	4.00	6/30/2015 ¹
Dispatchers Local 4260 Prof Telecommunicators Assoc., IAFF.....	8.00	6/30/2015 ¹
Milford City Hall Employees Association (3322 AFSCME).....	7.00	6/30/2014 ¹
Organized.....	495.00	
Non-Union.....	44.00	
Sub-Total.....	539.00	
Board of Education Unions		
Milford Education Association (Teachers).....	636.00	8/31/2017
Local 2018 Maintenance Workers, AFSCME.....	74.00	6/30/2018
Milford Association of Education Secretaries.....	48.21	6/30/2015 ¹
Milford Administrators Association (Principals/Administrators).....	33.30	6/30/2016
Local 217, Cafeteria Workers, Hotel and Bartenders Association.....	74.00	6/30/2014 ¹
Milford Federation of Paraprofessionals (Teacher's Aides).....	156.50	8/31/2017
Local 1303-453 Security Guards, AFSCME.....	4.00	6/30/2014 ¹
Organized.....	1,026.01	
Non-Union.....	60.37	
Sub-Total.....	1,086.38	
Total.....	1,625.38	

¹ In negotiation.

Source: City Attorney's Office, City of Milford

Director of Human Resources, City of Milford Public Schools

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

Educational System

The Milford Board of Education is comprised of ten members, two representatives from each of Milford's five voting districts. They are elected for a two-year term and are responsible for maintaining eight public elementary schools grades K-5, three middle schools grades 6-8, and two high schools grades 9-12, as well as The Academy, an alternative education high school.

Milford is home to several private educational institutions. Lauralton Hall is a parochial girls preparatory school grades 9-12 with approximately 475 pupils. Two additional parochial schools, St. Gabriel's R.C. and St. Mary's R.C., serving grades K-8.

The Platt Vocational Technical School, a state facility, serves grades 9-12 in addition to post-graduate and has in excess of 900 students enrolled. Training is provided in skilled occupations geared to area industrial job opportunities.

School Facilities

School	Grades	Date of Construction (Remodeling)	Type of Construction	Number of Classrooms	10/1/2015 Enrollment	Rated Capacity ¹
Calf Pen Meadow...	K-5	1955 (61)(96)	Brick & Cinder	29	302	460
J.F. Kennedy.....	PreK-5	1967 (97)	Brick & Cinder	29	378	460
Live Oaks.....	PreK-5	1961 (68)(92)	Brick & Cinder	26	312	450
Mathewson.....	K-5	1961 (69)(95)(97)(01)	Brick & Cinder	26	415	530
Meadowside.....	K-5	1955 (93)	Brick & Cinder	29	317	460
Orange Avenue.....	PreK-5	1955 (61)(69)(92)(03)	Brick & Cinder	32	409	640
Orchard Hills.....	PreK-5	1961 (68)(92)(04)	Brick & Cinder	32	371	640
Pumpkin Delight....	PreK-5	1950 (56)(92)	Brick & Cinder	22	282	380
Harborside.....	6-8	1969 (92)(94)(98)(99)	Brick & Cinder	36	537	625
West Shore.....	6-8	1950 (56)(72)(91)(94)(99)	Brick & Cinder	36	450	625
East Shore.....	6-8	1952 (56)(68)(93)(94)(95)(99)(14)	Brick & Cinder	38	454	620
Joseph A. Foran.....	9-12	1973 (91)(99)(05)(10)	Brick & Cinder	76	913	1,400
Jonathan Law.....	9-12	1962 (91)(92)(99)(05)(10)	Brick & Cinder	67	923	1,400
Sub-Total.....				478	6,063	8,690
Off-site: New Haven Magnet Schools, Alternative Education.....					70	
Total.....					6,133	

¹ Classroom space used for media centers is not included in the number of classrooms.

Source: Superintendent's Office, City of Milford Public Schools.

School Projects

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved on or after July 1, 1996. Debt service reimbursement will continue under the old program for all projects approved prior to July 1, 1996.

Under the old program, the State of Connecticut will reimburse the City for principal and interest costs for eligible school construction projects over the life of outstanding school bonds and the subsequent bond issues necessary to completely fund the approved school projects at certain reimbursement rates. The City does not currently have any school projects that were authorized under the old program.

Under the new program, the State of Connecticut will make proportional progress payments for eligible construction costs during construction. The following projects will be reimbursed at the estimated reimbursement rates shown on the next page:

Projects approved on or after July 1, 1996	Authorized Amount ¹	Approximate Reimbursement Rate	Estimated Grant Amount	City's Estimated Share of Project Cost
School Improvements 2007.....	\$ 18,489,511	33.00%	\$ 5,273,438	\$ 12,591,073
School Improvements 2008.....	1,440,000	33.00%	130,736	1,222,264
J. Law Phase III Construction.....	4,050,000	33.00%	1,332,513	2,500,487
School Improvements 2010.....	9,640,000	33.00%	2,976,430	6,121,570
School Improvements 2011.....	5,630,000	33.00%	1,561,817	3,810,183
School Improvements 2012.....	12,000,000	55.00%	6,600,000	5,400,000
School Improvements 2013.....	9,449,948	55.00%	5,197,471	4,252,477
School Improvements 2014.....	3,456,229	41.00%	1,417,054	2,039,175
School Improvements 2015.....	10,390,000	41.00%	4,259,900	6,130,100
Total.....	\$ 74,545,688		\$ 28,749,359	\$ 44,067,329

¹ The authorized amount for each project listed is the original amount authorized by the Board of Aldermen prior to any grant payments received by the City.

School Enrollment					
School Year	K-5	6-8	Senior High 9-12	Pre-School	Total
<u>Historical</u>					
2006-07	3,507	1,683	2,225	181	7,596
2007-08	3,357	1,717	2,123	177	7,374
2008-09	3,309	1,744	2,086	167	7,306
2009-10	3,215	1,707	2,070	174	7,166
2010-11	3,133	1,712	2,048	176	7,069
2011-12	2,964	1,696	2,026	163	6,849
2012-13	2,846	1,680	2,006	127	6,659
2013-14	2,823	1,554	2,079	146	6,602
2014-15	2,651	1,517	1,896	181	6,245
2015-16	2,597	1,441	1,906	189	6,133
<u>Projected¹</u>					
2016-17	2,532	1,402	1,782	185	5,901
2017-18	2,476	1,316	1,706	185	5,683
2018-19	2,424	1,309	1,643	185	5,561
2019-20	2,396	1,267	1,580	185	5,428
2020-21	2,397	1,233	1,525	185	5,340

¹ Projected enrollment from the New England School Development Council.

Note: Special Education students allocated to individual grades.

Source: Superintendent's Office, City of Milford Public Schools.

III. Economic and Demographic Information

Population and Density

Year	Actual Population¹	% Increase	Density³
1950	26,870	-	1,143
1960	41,662	55.1%	1,773
1970	50,858	22.1%	2,164
1980	50,898	0.1%	2,166
1990	49,938	(1.9%)	2,125
2000	52,305	4.7%	2,226
2010	52,759	0.9%	2,245
2013 ²	52,894	0.3%	2,251

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

² U.S. Department of Commerce, Bureau of Census, American Community Survey, 2009-2013

³ Per square mile: 23.5 square miles.

Age Distribution of the Population

Age	City of Milford		State of Connecticut	
	Number	Percent	Number	Percent
Under 5.....	2,720	5.1%	197,395	5.5%
5 - 9.....	2,788	5.3	220,139	6.1
10 - 14.....	3,391	6.4	236,742	6.6
15 - 19.....	2,893	5.5	255,816	7.1
20 - 24.....	2,624	5.0	229,708	6.4
25 - 34.....	6,577	12.4	428,258	12.0
35 - 44.....	7,175	13.6	469,746	13.1
45 - 54.....	9,438	17.8	568,510	15.9
55 - 59.....	3,618	6.8	246,210	6.9
60 - 64.....	3,167	6.0	210,753	5.9
65 - 74.....	4,376	8.3	269,422	7.5
75 - 84.....	2,733	5.2	164,260	4.6
85 and over.....	1,394	2.6	86,602	2.4
Total.....	52,894	100.0%	3,583,561	100.0%
Median Age (Years).....	42.7		40.2	

Source: American Community Survey, 2009-2013.

Income Distribution

Income	City of Milford		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	842	4.0%	76,257	5.6%
\$10,000 to \$14,999.....	741	3.5	54,030	4.0
\$15,000 to \$24,999.....	1,538	7.3	113,614	8.4
\$25,000 to \$34,999.....	1,301	6.2	106,176	7.8
\$35,000 to \$49,999.....	1,931	9.2	148,806	11.0
\$50,000 to \$74,999.....	3,437	16.3	223,674	16.5
\$75,000 to \$99,999.....	3,055	14.5	178,175	13.1
\$100,000 to \$149,999.....	4,345	20.7	227,122	16.8
\$150,000 to \$199,999.....	1,874	8.9	105,201	7.8
\$200,000 or more.....	1,958	9.3	122,794	9.1
Total.....	21,022	100.0%	1,355,849	100.0%

Source: American Community Survey, 2009-2013.

Income Levels

	City of Milford	State of Connecticut
Per Capita Income, 2013 ¹	\$ 40,158	\$ 37,892
Per Capita Income, 2010.....	\$ 38,351	\$ 35,078
Median Family Income, 2013 ¹	\$ 100,680	\$ 87,245
Percent Below Poverty, 2010.....	3.3%	7.2%

¹ American Community Survey, 2009-2013.

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

Educational Attainment Persons 25 Years and Older

	City of Milford		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	672	1.7%	109,133	4.5%
9th to 12th grade.....	1,792	4.7	155,272	6.4
High School graduate.....	10,892	28.3	678,370	27.8
Some college, no degree.....	6,548	17.0	431,469	17.7
Associate's degree	3,112	8.1	178,597	7.3
Bachelor's degree.....	8,480	22.0	498,124	20.4
Graduate or professional degree.....	6,982	18.1	392,796	16.1
Total.....	38,478	100.0%	2,443,761	100.0%
Total high school graduate or higher (%).....	93.6%		89.2%	
Total bachelor's degree or higher (%).....	40.2%		36.5%	

Source: American Community Survey, 2009-2013.

Employment by Industry

Sector	City of Milford		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing/hunting, & mining	99	0.4%	6,945	0.4%
Construction	1,389	4.9	99,444	5.7
Manufacturing	3,858	13.7	193,945	11.0
Wholesale trade	627	2.2	43,550	2.5
Retail trade	2,790	9.9	191,841	10.9
Transportation and warehousing, and utilities	1,143	4.1	65,630	3.7
Information	768	2.7	41,588	2.4
Finance, insurance, real estate, rental & leasing	2,347	8.3	160,976	9.1
Professional, scientific, management, administrative, and waste mgmt services	3,461	12.3	194,959	11.1
Education, health and social services	7,689	27.3	464,177	26.4
Arts, entertainment, recreation, accommodation and food services	1,939	6.9	148,097	8.4
Other services (except public administration)	1,095	3.9	81,443	4.6
Public Administration	995	3.5	66,817	3.8
Total Labor Force, Employed	28,200	100.0%	1,759,412	100.0%

Source: American Community Survey, 2009-2013.

**Employment Data
By Place of Residence**

Period	City of Milford		Percentage Unemployed		
	Employed	Unemployed	City of Milford	Bridgeport Labor Market	State of Connecticut
August 2015	28,546	1,359	4.5	5.1	5.1
Annual Average					
2014	28,506	1,760	5.8	6.2	6.7
2013	27,643	2,083	7.0	7.2	7.8
2012	28,324	2,275	7.4	7.8	8.3
2011	30,310	2,571	7.8	8.2	8.3
2010	30,321	2,835	8.6	8.4	8.8
2009	30,397	2,474	7.5	7.8	8.2
2008	30,816	1,606	5.0	5.3	5.8
2007	30,786	1,222	3.8	4.1	4.6
2006	30,260	1,165	3.7	3.9	4.3
2005	29,391	1,346	4.4	4.6	4.9

Note: Not seasonally adjusted.

Source: State of Connecticut, Department of Labor.

**Major Employers
As of October 2015**

Name	Business	Number of Employees
City of Milford Board of Education.....	Municipal School System	1,324
Subway World Headquarters.....	Corporate Headquarters - Food Franchiser	1,000
Milford Hospital.....	Healthcare	700
City of Milford.....	Municipal Government	539
Schick.....	Manufacturer-Razors	460
Neopost Hasler, Inc.....	Postage Meter Company	381
Macy's.....	Retail Department Store	320
Stop & Shop Stores Combined	Grocery Store	305
Costco.....	Warehouse Store	234
ShopRite of Milford	Grocery Store	224

Source: Office of Community Development, City of Milford.

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Building Permits

FYE 6/30	Residential		Commercial		Industrial		Multi-Family		Miscellaneous		Totals	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
2015	54	\$ 7,886,500	6	\$ 6,705,500	-	\$ -	-	\$ -	1,019	\$ 31,674,852	1,079	\$ 46,266,852
2014	59	11,471,300	8	1,015,300	-	-	4	750,000	994	27,817,927	1,065	41,054,527
2013	48	6,120,300	19	4,520,285	-	-	-	-	1,179	37,972,718	1,246	48,613,303
2012	33	5,614,000	2	2,835,000	-	-	-	-	3,377	54,638,009	3,412	63,087,009
2011	34	5,799,000	5	1,755,000	-	-	5	4,388,000	2,974	41,545,478	3,018	53,487,478
2010	50	8,734,600	9	5,227,500	-	-	3	660,000	2,832	50,554,262	2,894	65,176,362
2009	29	6,443,600	18	4,786,000			11	2,129,550	2,714	37,746,949	2,772	51,106,099
2008	34	7,195,100	11	7,187,500	1	640,000	2	1,870,000	3,220	79,996,941	3,268	96,889,541
2007	105	23,228,470	15	33,796,099	-	-	2	3,660,000	3,814	86,540,599	3,936	147,225,168
2006	137	18,661,444	22	44,752,000	-	-	2	1,025,000	4,278	70,116,334	4,439	134,554,778

Source: Chief Building Inspector, City of Milford.

Age Distribution of Housing

Year Built	City of Milford		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	4,411	19.5%	336,587	22.6%
1940 to 1969.....	9,170	40.6	538,727	36.2
1970 to 1979.....	2,934	13.0	200,576	13.5
1980 to 1989.....	2,117	9.4	192,185	12.9
1990 to 1999.....	1,873	8.3	111,295	7.5
2000 or 2009.....	2,036	9.0	102,666	6.9
2010 or later.....	42	0.2	4,959	0.3
Total Housing Units.....	22,583	100.0%	1,486,995	100.0%

Percent Owner Occupied 76.7% 67.8%

Source: American Community Survey, 2009-2013.

Housing Inventory

Type	Units	Percent
1-unit, detached	15,704	69.5%
1-unit, attached	1,325	5.9
2 units	978	4.3
3 or 4 units	1,120	5.0
5 to 9 units	701	3.1
10 to 19 units	793	3.5
20 or more units	1,780	7.9
Mobile home	182	0.8
Boat, RV, van, etc.	-	-
Total Inventory.....	22,583	100.0%

Source: American Community Survey, 2009-2013.

Owner-Occupied Housing Values

Specified Owner-Occupied Units	City of Milford		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	282	1.7%	20,800	2.3%
\$50,000 to \$99,999.....	232	1.4	24,638	2.7
\$100,000 to \$149,999.....	383	2.4	66,934	7.3
\$150,000 to \$199,999.....	1,023	6.3	135,714	14.8
\$200,000 to \$299,999.....	5,546	34.4	264,832	28.8
\$300,000 to \$499,999.....	6,486	40.2	250,076	27.2
\$500,000 to \$999,999.....	1,756	10.9	114,622	12.5
\$1,000,000 or more.....	412	2.6	41,872	4.6
Total.....	16,120	100.0%	919,488	100.0%
Median Sales Price.....	\$313,300		\$278,900	

Source: American Community Survey, 2009-2013.

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IV. Tax Base Data

Property Tax

Assessments

The City revalued all real property as of October 1, 2011 and will revalue all real property every five years thereafter. The maintenance of an accurate tax base and the location and appraisal of all real and personal property within the City for inclusion in the Grand List are the responsibilities of the Assessor. The Grand List represents the total of assessed value for all taxable real property, motor vehicles and personal property located within the City as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last completed revaluation (Grand List 10/1/11).

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

Motor vehicle lists are furnished to the City by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials and as recommended by the State Office of Policy and Management. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Cars purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October Grand List, the taxpayer is entitled to certain credits.

All business personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at seventy percent (70%) of present market value.

Section 12-124a of the Connecticut General Statutes permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. The City has approved the use of this abatement provision.

Levy

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. All property taxes except motor vehicle taxes of \$200 or less are payable in two installments on July 1 and January 1. Motor vehicle taxes of \$200 or less are due in one installment in July. Supplemental motor vehicle taxes (those vehicles registered between October 2 and July 31) are due in one installment in January. An estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed at least two times a year, with interest charged at the rate of one and one-half percent per month with a minimum charge of \$2. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

The City of Milford has implemented an Elderly Tax Relief program. Elderly persons meeting the State elderly tax relief guidelines may also receive a tax credit from the City against real estate taxes due. No individual's tax credit may exceed \$600, and total tax credits for the year are limited to 0.05% of the total real estate tax assessed in the prior year. For fiscal year 2015-16 this limit is \$8,583,368. In fiscal year 2014-15, a total of \$821,622 tax credits were issued in connection with the Elderly Tax Relief program.

Comparative Assessed Valuations

Grand List of 10/1	Residential	Commercial/ Industrial	Personal	Motor	Gross		Net	Percent Growth
	Real Property (%)	Real Property (%)	Property (%)	Vehicle (%)	Taxable Grand List	Less Exemption ²	Taxable Grand List ³	
2014	66.6	20.8	6.9	5.7	\$ 6,554,584,086	\$ 166,978,078	\$ 6,387,606,008	0.05
2013	66.3	21.0	7.0	5.7	6,550,986,290	166,748,505	6,384,237,785	(0.53)
2012	66.6	21.0	6.8	5.6	6,583,930,018	165,694,492	6,418,235,526	0.29
2011 ⁵	65.6	22.1	6.8	5.5	6,562,433,934	162,698,656	6,399,745,278	18.29
2010 ¹	66.9	20.1	6.0	6.0	5,560,338,591	150,269,811	5,410,068,780	(0.38)
2009 ¹	66.7	20.3	7.0	6.0	5,552,659,794	121,736,873	5,430,922,921 ⁴	1.00
2008 ¹	70.1	19.0	5.6	5.3	5,491,337,688	113,975,096	5,377,362,522	2.39
2007 ¹	70.0	19.0	4.4	6.6	5,370,617,245	118,970,570	5,251,646,675	17.42
2006 ¹	68.3	19.6	4.5	7.6	4,587,119,042	114,573,019	4,472,546,023	17.24
2005	64.7	18.5	8.0	8.8	3,908,138,537	93,271,760	3,814,866,777	--

¹ Revaluation & phase-in. Phase-in of assessment increases per revaluation for Grand List of October 1, 2006. 20% of the difference between 2005 and 2006 assessment was planned to be added each year. NOTE: Phase-in of assessments increases per revaluation were suspended after the 2nd year, Grand List 2007. Grand Lists 2008 through 2010 only had 40% of the increased value reflected instead of values increasing to 100%.

² Beginning with the Grand List of October 1, 1991, Connecticut General Statutes Section 12-81 (72) exempts new manufacturing equipment from property taxation by municipalities. The State of Connecticut directly reimbursed the City for 60% of the foregone taxes for Grand List 2008; the reimbursement was 80% for Grand List Year 2009; the reimbursement 100% for the Grand List Year 2010 and the Grand List Year 2011. The program was phased out for the Grand List Year 2012.

³ See description of Property Tax Payment Agreements in "Ten Largest Taxpayers" below.

⁴ Prior to the Property Tax Payment Agreement with GenConn which will result in a reduction in the Grand List. See description of Property Tax Payment Agreements in "Ten Largest Taxpayers" below.

⁵ Revaluation.

Note: The October 1, 2006 Grand List prior to implementation of Phase-In was \$7,104,616,510.

Source: Assessor's Office, City of Milford.

Exempt Property

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

Public	Assessed Value (10/1/14) ¹
State of Connecticut.....	\$ 111,213,480
City of Milford.....	274,099,160
United States of America.....	14,574,660
Sub-Total Public.....	\$ 399,887,300
Private	
Private Hospitals and Colleges.....	\$ 52,867,220
Scientific, Educational, Historical & Charitable.....	16,829,750
Cemeteries.....	3,531,170
Churches.....	40,502,420
Recreation Facilities.....	3,191,640
Veteran's Organizations.....	1,433,330
Volunteer Fire Companies and Miscellaneous.....	16,208,760
Sub-Total Private.....	\$ 134,564,290
Total Exempt Property.....	\$ 534,451,590
Percent Compared to Net Taxable Grand List.....	8.37%

¹ Based on the October 1, 2014 Net Taxable Grand List of \$6,387,606,008.

Source: Assessor's Office, City of Milford.

The South Central Connecticut Regional Water Authority (SCCRWA) is required by State statute (SA 77-98) to “make annual payments to the City equivalent to the taxes which would otherwise be due for the property of the authority in such municipality excluding improvements to or construction on any such real property by the authority.” The exempt assessment for SCCRWA amounts to \$15,842,137. PILOTs (payments in lieu of taxes) have been (or will be) as noted below:

<u>Year</u>	<u>Payments</u>
2015-2016 ¹	\$ 441,679
2014-2015	426,985
2013-2014	414,281
2012-2013	399,901
2011-2012	436,182
2010-2011	433,264
2009-2010	409,428
2008-2009	408,420
2007-2008	433,793
2006-2007	457,349
2005-2006	436,835

¹ Estimated.

Property Tax Levies and Collections
(in thousands)

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Adjusted Annual Levy	Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/2015 ⁶
2014 ²	2016	\$ 6,387,606 ⁵	27.88	\$ 176,476		IN PROCESS	
2013 ²	2015	6,384,238 ⁵	27.22	171,929	98.1%	1.9%	1.90%
2012 ²	2014	6,418,236 ⁵	26.28	166,317	98.3%	1.7%	0.76%
2011 ^{1,2}	2013	6,399,745 ⁵	25.60	162,234	98.6%	1.4%	0.46%
2010 ²	2012	5,410,069 ⁵	28.89	156,247	98.3%	1.8%	0.33%
2009 ²	2011	5,430,923 ⁴	28.44	154,259	97.8%	2.2%	0.23%
2008 ²	2010	5,377,363	27.50	146,895	98.1%	1.9%	0.20%
2007 ²	2009	5,251,647	28.23	148,604	97.6%	2.4%	0.18%
2006 ²	2008	4,472,546	31.77	142,432	98.5%	1.5%	0.18%
2005 ²	2007	3,814,867	34.36	130,409	99.3%	0.7%	0.20%
2004 ²	2006	3,999,996	32.18	122,782 ³	98.5%	1.6%	0.19%
2003	2005	3,977,816	31.34	124,490	98.3%	1.7%	0.17%

¹ Revaluation.

² See Description of Property Tax Payment Agreements in "Ten Largest Taxpayers" below.

³ Starting with the 10/1/04 Grand List, the Milford Power Company assessment is not included in the adjusted annual levy or grand list.

⁴ Prior to the Property Tax Payment Agreement with GenConn which will result in a reduction in the Grand List. See Description of Property Tax Payment Agreements in "Ten Largest Taxpayers" below.

⁵ Does not include the assessment of GennConn in the grand list or adjusted annual levy.

⁶ Subject to audit.

Sources: Assessor's Office and Tax Collector's Office, City of Milford

Property Tax Receivable

(in thousands)

Fiscal Year Ending 6/30	Total Uncollected	Uncollected for Current Year of Levy
2015 ¹	\$8,383,217	\$3,234,100
2014	7,818,000	2,849,000
2013	6,801,000	2,359,000
2012	8,157,000	2,730,000
2011	8,906,000	2,764,000
2010	8,290,000	2,747,000
2009	7,329,000	3,152,000

¹ Subject to audit.

Source: Tax Collector's Report, City of Milford Annual Audited Financial Statements, 2009-2014. 2015 Finance Department.

Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List¹
Connecticut Post Mall.....	Connecticut Post Shopping Center	\$ 135,310,262	2.12%
Eversource Energy.....	Utility	109,403,339	1.71%
Milford Crossing Investors LLC.....	Retail	61,950,000	0.97%
Wolff.....	Office/Retail/Apartment	51,316,641	0.80%
JP Construction/Avalon Bay.....	Apartments	28,200,980	0.44%
Crown Milford LLC.....	Office Park	28,023,323	0.44%
Smith Real Estate	Office/Retail/Apartment	27,881,880	0.44%
Schick Manufacturing Inc.....	Manufacturer – Razors	27,129,597	0.42%
D'Amato Investments LLC.....	Industrial Rentals/ Construction	24,227,242	0.38%
Devon Power	Utility	20,046,600	0.31%
Total.....		\$ 513,489,864	8.04%

¹ Based on the October 1, 2014 Net Taxable Grand List of \$6,387,606,008.

Source: Assessor's Office, City of Milford

On December 2nd, 2014, the City of Milford and Milford Power Company, LLC (the "MPC") agreed to extend their existing Property Tax Payment Agreement for a term of 10 years. The initial Agreement was the result of an assessment appeal of the Grand Lists of 2001, 2002, 2003, and 2004. Originally, the assessment had been \$183,073,530 generating over \$5,000,000 in taxes. (The assessment and the taxes would have significantly decreased in future years due to depreciation of the personal property.) In return, the City accepted scheduled payments in lieu of taxes for the fiscal years of 2006 through 2015. The original agreement called for payments to be made in July and January of each fiscal year. The payment schedule was \$1,687,500 for each six month period from July 2005 through January 2009. Payments were \$1,875,000 for each six month period from July 2009 through January 2011 and were \$1,750,000 for each six month period from July 2011 through January 2015. The new agreement calls for annual payments of \$4,700,000. Payments of \$2,350,000 are to be made in January and July of each year starting on July of 2015 and running through January of 2025. The payments are based on an assessment of \$172,667,000 and a stabilized mill rate of 27.22 mills.

As a result of the Property Tax Payment Agreement, the Assessor issued a certificate of correction in June 2005 removing the \$183,073,530 from the Grand List of 2004. Since this occurred after the October 1, 2004 Grand List was signed, the reduction does not appear in any of the Grand List 2004 figures, including the Net Taxable Grand List (shown as \$3,999,996,598) in the Property Tax Levies and Collections. The Adjusted Annual Levy of \$122,782,000 does reflect the reduction.

On May 15, 2009, the City settled a tax appeal with Connecticut Post Mall Limited Partnership (the "Partnership"). Under this settlement, the City lowered its real property assessment from \$133,273,859 for the 2008 Grand List to \$118,061,678. Additionally, the City adjusted its 2006 assessment to \$110,748,904 and its 2007 assessment to \$118,061,678. This resulted in a total credit due to the Partnership of \$1,248,516. By the terms of the court approved settlement, this credit has been given to the Partnership equally over three fiscal years in the form of a credit tax bill which began in July 2009 and ended in July 2011.

On June 24, 2013, the City settled another tax appeal with the Partnership. Under this settlement, the City lowered its real property assessment for the 2012 Grand List from \$147,529,970 to \$133,000,000. Additionally, the City adjusted its 2011 Grand List assessment to \$133,000,000. This resulted in a total credit due to the Partnership of \$752,764. By the terms of the court approved settlement, this credit has been given to the Partnership over two fiscal years in the form of a credit tax bill, which began in July 2013 and ended in July 2014.

On June 28, 2010, the City entered into a Property Tax Payment Agreement with GenConn Devon LLC (the "Property Tax Agreement"). The City accepted a 30 year payment schedule calling for annual payments in lieu of taxes to be made to the City through May 1, 2040. Payment amounts are as follows: 06/30/2010 - \$ 500,000; 05/01/2011 - \$2,500,000; 05/01/2012 - \$3,000,000; 05/01/2013 through 05/01/2040 - \$2,025,000. GenConn is up to date with all of its payments.

As a result of the Property Tax Agreement, the Assessor issued a certificate of correction in July 2010 removing \$2,380,320 from the Grand List of 2009. Since this occurred after the October 1, 2009 Grand List was signed, the reduction does not appear in any of the Grand List 2009 figures, including the Net Taxable Grand List (shown as \$5,430,922,921) in the Comparative Assess Valuations and the Property Tax Levies and Collections. The Adjusted Annual Levy of \$154,259,000 does reflect the reduction.

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V. Debt Summary

Principal Amount of Bonded Indebtedness ¹ As of November 9, 2015 (Pro-Forma)

Long-Term Debt			Amount of	Outstanding	Fiscal Year
Date	Purpose	Rate %	Original Issue	After This Issue	of Final Maturity
05/01/09	General Purpose.....	2.125 - 4.125	\$ 2,500,000	\$ 250,000	2029
05/01/09	Schools.....	2.125 - 4.125	6,000,000	600,000	2029
05/01/09	Sewer.....	2.125 - 4.125	5,000,000	500,000	2029
11/01/09	General Purpose.....	3.00 - 5.00	2,746,000	815,000	2030
11/01/09	Schools.....	3.00 - 5.00	6,000,000	1,800,000	2030
11/01/09	Sewer.....	3.00 - 5.00	6,354,000	1,915,000	2030
02/02/10	General Purpose Refunding.....	2.00 - 4.50	7,373,700	3,413,000	2024
02/02/10	Schools Refunding.....	2.00 - 4.50	5,921,500	2,837,000	2024
02/02/10	Sewer Refunding.....	2.00 - 4.50	2,174,800	1,190,000	2024
11/01/10	General Purpose.....	2.50 - 4.00	1,632,000	1,212,000	2031
11/01/10	Schools.....	2.50 - 4.00	3,805,000	2,850,000	2031
11/01/10	Sewer.....	2.50 - 4.00	7,803,000	5,853,000	2031
11/01/11	General Purpose.....	3.00 - 5.00	5,519,600	4,405,600	2032
11/01/11	Schools.....	3.00 - 5.00	5,110,000	4,088,000	2032
11/01/11	Sewer.....	3.00 - 5.00	4,700,400	3,756,400	2032
02/27/12	General Purpose Refunding.....	2.00 - 4.00	4,912,000	4,199,000	2026
02/27/12	Schools Refunding.....	2.00 - 4.00	3,179,000	2,610,000	2026
02/27/12	Sewer Refunding.....	2.00 - 4.00	674,000	471,000	2026
11/02/12	General Purpose.....	2.00 - 4.00	10,300,000	8,755,000	2033
11/02/12	Schools.....	2.00 - 4.00	2,005,000	1,703,500	2033
11/02/12	Sewer.....	2.00 - 4.00	11,085,000	9,421,500	2033
12/13/12	General Purpose Refunding.....	2.00 - 5.00	6,384,000	5,080,000	2027
12/13/12	Schools Refunding.....	2.00 - 5.00	5,032,000	3,534,000	2027
12/13/12	Sewer Refunding.....	2.00 - 5.00	2,629,000	1,321,000	2027
11/12/13	General Purpose.....	3.00 - 4.00	3,055,000	2,755,000	2034
11/12/13	Schools.....	3.00 - 4.00	6,400,000	5,760,000	2034
11/12/13	Sewer.....	3.00 - 4.00	6,545,000	5,885,000	2034
11/10/14	General Purpose.....	2.00 - 5.00	3,740,000	3,550,000	2035
11/10/14	Schools.....	2.00 - 5.00	6,475,000	6,150,000	2035
11/10/14	Sewer.....	2.00 - 5.00	3,980,000	3,790,000	2035
12/17/14	General Purpose Refunding.....	2.00 - 5.00	3,416,000	3,402,000	2028
12/17/14	Schools Refunding.....	2.00 - 5.00	6,083,000	6,059,000	2028
12/17/14	Sewer Refunding.....	2.00 - 5.00	5,436,000	5,414,000	2028
Sub-Total.....			149,035,000	115,345,000	
<u>This Issue</u>					
11/09/15	General Purpose.....	2.00 - 5.00	2,555,000	2,555,000	2036
11/09/15	Schools.....	2.00 - 5.00	1,725,000	1,725,000	2036
11/09/15	Sewer.....	2.00 - 5.00	4,070,000	4,070,000	2036
Sub-Total.....			8,350,000	8,350,000	
Total All Bonds.....			157,385,000	123,695,000	
<u>Long-Term Note</u>					
09/30/06	Sewers – CWF 502D ²	2.00	2,409,308	1,292,508	2026
07/31/07	Sewers – CWF 111 ²	2.00	1,737,319	1,044,864	2027
07/31/96	Sewers – CWF 356C ²	2.00	148,605	1,487	2016
05/31/10	Sewers – CWF 532-C-1 ²	2.00	42,260,238	30,047,799	2029
Sub-Total.....			46,555,470	32,386,658	
Total Long Term Debt.....			\$ 203,940,470	\$ 156,081,658	

¹ Excludes bonds previously refunded.

² Permanent Loan Obligations issued in conjunction with State of Connecticut, Clean Water Fund Program. Principal & interest are paid in equal monthly installments. See "Clean Water Fund Program" herein.

Short-Term Debt
As of November 9, 2015
(Pro-Forma)

Project	Total Amount of Authorization	Lot A Notes Due: 5/9/2016	Lot B Notes Due: 11/7/2016
Various Public Improvements (Feb 11).....	\$ 6,588,000	\$ -	\$ 34,000
Eastside Firehouse.....	4,950,000	-	13,000
Various Public Improvements (Feb 12).....	6,088,600	-	924,000
Various Public Improvements (Feb 13).....	7,578,000	-	100,000
Various Public Improvements (Feb 14).....	8,717,500	-	85,000
Various Public Improvements (Feb 15).....	10,262,230	-	369,000
Subtotal General Improvement.....	44,184,330	-	1,525,000
Various School Improvements (Apr 08).....	1,440,000	25,000	-
Various School Improvements (Feb 11).....	5,630,000	5,000	-
Various School Improvements (Feb 12).....	12,002,883	5,930,000	-
Various School Improvements (Feb 13).....	9,449,948	5,097,000	-
Various School Improvements (Feb 14).....	3,456,229	1,483,000	-
Various School Improvements (Feb 15).....	10,390,000	820,000	-
Subtotal Schools.....	42,369,060	13,360,000	-
Wastewater Facilities Upgrade.....	33,150,940	-	300,000
Sewers XVIII	4,254,000	-	500,000
Rock St & Welches Point Pump Stations Feb 2015...	6,050,000	-	50,000
Sewer Darina Place February 2015.....	550,000	-	5,000
Indian River Interceptor Phase 3 Feb. 2015.....	1,650,000	-	200,000
Subtotal Sewers.....	45,654,940	-	1,055,000
Totals.....	\$ 132,208,330	\$ 13,360,000	\$ 2,580,000

Capital Leases

The City has no capital leases.

Other Obligations

The City has no other obligations.

Annual Bonded Debt Maturity Schedule ¹
As of November 9, 2015
(Pro-Forma)

Fiscal Year Ended	Principal	Interest	Total	This Issue - Pro-Forma				Total This Issue	Total	Cumulative Principal Retired
				General Purpose	Schools	Sewer				
2016 ²	\$ 675,000	\$ 2,035,728	\$ 2,710,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675,000	0.55%
2017	9,180,000	3,899,125	13,079,125	130,000	90,000	200,000		420,000	9,600,000	8.31%
2018	8,970,000	3,586,719	12,556,719	130,000	90,000	200,000		420,000	9,390,000	15.90%
2019	8,630,000	3,256,969	11,886,969	130,000	90,000	200,000		420,000	9,050,000	23.21%
2020	8,465,000	2,915,478	11,380,478	130,000	90,000	200,000		420,000	8,885,000	30.40%
2021	8,080,000	2,583,438	10,663,438	130,000	90,000	200,000		420,000	8,500,000	37.27%
2022	7,890,000	2,258,138	10,148,138	135,000	85,000	200,000		420,000	8,310,000	43.99%
2023	7,745,000	1,944,413	9,689,413	130,000	85,000	205,000		420,000	8,165,000	50.59%
2024	7,295,000	1,677,419	8,972,419	130,000	85,000	205,000		420,000	7,715,000	56.83%
2025	6,865,000	1,453,216	8,318,216	130,000	85,000	205,000		420,000	7,285,000	62.71%
2026	6,610,000	1,244,938	7,854,938	130,000	85,000	205,000		420,000	7,030,000	68.40%
2027	6,230,000	1,048,616	7,278,616	125,000	85,000	205,000		415,000	6,645,000	73.77%
2028	5,875,000	855,256	6,730,256	125,000	85,000	205,000		415,000	6,290,000	78.86%
2029	5,535,000	681,003	6,216,003	125,000	85,000	205,000		415,000	5,950,000	83.67%
2030	4,860,000	495,925	5,355,925	125,000	85,000	205,000		415,000	5,275,000	87.93%
2031	4,105,000	347,997	4,452,997	125,000	85,000	205,000		415,000	4,520,000	91.58%
2032	3,445,000	222,816	3,667,816	125,000	85,000	205,000		415,000	3,860,000	94.70%
2033	2,670,000	121,756	2,791,756	125,000	85,000	205,000		415,000	3,085,000	97.20%
2034	1,510,000	50,169	1,560,169	125,000	85,000	205,000		415,000	1,925,000	98.76%
2035	710,000	11,538	721,538	125,000	85,000	205,000		415,000	1,125,000	99.66%
2036	-	-	-	125,000	85,000	205,000		415,000	415,000	100.00%
Total.....	\$ 115,345,000	\$ 30,690,654	\$ 146,035,654	\$ 2,555,000	\$ 1,725,000	\$ 4,070,000	\$ 8,350,000	\$ 123,695,000		

¹ Excludes outstanding Notes, long-term capital leases, clean water fund debt and Refunded Bonds.

² Excludes \$8,235,000 in principal payments and \$2,160,228 in interest payments from July 1, 2015 through November 9, 2015.

Overlapping/Underlying Debt

The following table of jurisdictions with boundaries overlapping or underlying City boundaries is based upon information received by the City from sources specified below. The table does not reflect authorized but unissued indebtedness of those jurisdictions. The City has not assumed responsibility to verify the information in the schedule below.

Overlapping Debt

The City has no overlapping debt.

Underlying Debt

The following municipal subdivisions or special tax districts have the authority to issue tax-exempt debt that constitutes underlying debt of the City:

Jurisdiction	Debt Outstanding As of 11/9/15
Borough of Woodmont	None
Laurel Beach Association	None

Source: Treasurers of the above listed organizations.

Debt Statement ¹
As of November 9, 2015
(Pro-Forma)

Long-Term Debt Outstanding:

General Purpose (Includes this issue).....	\$ 40,391,600
Schools (Includes this issue).....	39,716,500
Sewers (Includes this issue).....	43,586,900
State of Connecticut Clean Water Fund PLO.....	32,386,658
Total Long-Term Debt	156,081,658

Short-Term Debt:

Bond Anticipation Notes (Lot A due 5/09/16 and Lot B due 11/07/16).....	15,940,000
Total Short-Term Debt	15,940,000
Total Overall Debt	172,021,658
Less: School Construction Grants Receivable (As of June 30, 2015) ²	(487,920)
Total Overall Net Debt	\$ 171,533,738

¹ Excludes capital leases and Refunded Bonds.

² The State of Connecticut will reimburse the City for eligible principal and interest costs over the life of bonds issued for school construction projects authorized by the General Assembly prior to July 1, 1996. School construction grants receivable stated above are for principal reimbursement only.

Current Debt Ratios
As of November 9, 2015
(Pro-Forma)

Population (2013) ¹	52,894
Net Taxable Grand List (10/1/14)	\$ 6,387,606,008
Estimated Full Value	\$ 9,125,151,440
Equalized Grand List (10/1/13) ²	\$ 9,270,938,632
Money Income per Capita (2013) ¹	\$ 40,158

	Total Overall Debt	Total Overall Net Debt
Per Capita.....	\$3,252.20	\$3,242.97
Ratio to Net Taxable Grand List.....	2.69%	2.69%
Ratio to Estimated Full Value.....	1.89%	1.88%
Ratio to Equalized Grand List.....	1.86%	1.85%
Debt per Capita to Money Income per Capita.....	8.10%	8.08%

¹ U.S. Department of Commerce, Bureau of Census, American Community Survey, 2009-2013.

² Office of Policy and Management, State of Connecticut.

Bond Authorization

Capital projects and cost estimates are submitted annually to the Mayor for review and inclusion in the City's Capital Improvement Program (CIP). The Mayor submits a proposed CIP describing the capital projects proposed for the upcoming five-year period, and the method of financing the same, to the Planning and Zoning Board for approval. Upon consideration and approval by the Planning and Zoning Board, the CIP is submitted by the Mayor to the Board of Aldermen.

When a specific project to be funded by bonds is about to be undertaken, the Mayor recommends to the Board of Finance that bonding for such project be approved. The action of the Board of Finance is submitted to the Board of Aldermen's Ordinance Committee. The Ordinance Committee submits the bond ordinance to the full Board of Aldermen with its recommendation. Adoption of the bond ordinance by the Board of Aldermen constitutes authorization to issue bonds for the designated capital project.

Refunding bonds may be issued upon resolution of the Board of Aldermen (CGS Sec. 7-370c).

Emergency Appropriations

Article III, Section 7(b) of the City Charter (last amended November 3, 1983) provides that upon declaration of a public emergency by the Chairman or acting Chairman of the Board of Aldermen, an emergency ordinance may be passed without public notification by at least a two-thirds majority of the Board of Aldermen. Emergency ordinances and any amendments automatically expire sixty-one days after passage, except for those which involve an appropriation of funds.

Maturities

General obligation bonds, with the exception of refunding bonds, are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50% or aggregate annual principal and interest payments must be substantially equal. The term of an issue may not exceed twenty years except in the case of school and sewer bonds which may mature in up to thirty years.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing no later than two years after the original date of issue (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable and the legislative body schedules principal reductions by the end of the third and each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for certain sewer and school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer and school projects, by the amount of time temporary financing has been outstanding.

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

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

Clean Water Fund Program

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

Loans to a participating municipality are made pursuant to a Project Grant and Project Loan Agreement. Each municipality is obligated to repay only that amount which it draws down for the payment of project costs. Municipalities must permanently finance draws under the Interim Funding Obligations ("IFO") through the issuance of a Project Loan Obligation ("PLO").

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the PLO, or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are payable 1) in equal monthly installments commencing one month after the scheduled completion date, or 2) in a single annual installment representing 1/20 of total principal not later than one year from the project completion date specified in the PLO, and thereafter in monthly installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty. Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

The City has nearly completed a \$92,712,000 program to upgrade its wastewater facilities. The project was permanently financed in part by 2% loans of approximately \$47 million and grants of approximately \$12.9 million under the State of Connecticut Clean Water Fund Program. As of this issue, the total authorization has been reduced to \$33,150,940 reflecting the Clean Water Fund grant and loan proceeds received. There is one remaining sewer sub-project that is nearly completed (Indian River Interceptor).

Limitation of Indebtedness

Municipalities shall not incur indebtedness through the issuance of bonds which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Past Pension Purposes:	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the annual receipts from taxation. Annual receipts from taxation (the "base,") are defined as total tax collections (including interest and penalties) and state payments for revenue loss under the Connecticut General Statutes Sections 12-129d and 7-528.

The statutes also provide for exclusion from the debt limit calculation debt issued in anticipation of taxes; for the supply of water, gas, electricity; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; and for two or more of such purposes. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement and for indebtedness issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or contract but only to the extent such indebtedness can be paid from such proceeds. The statutes also provide for exclusion from the debt limitation any debt to be paid from a funded sinking fund.

Statement of Statutory Debt Limitation ¹
As of November 9, 2015
(Pro Forma)

Total Tax Collections (including interest and lien fees)

Received by the Treasurer for the year ended June 30, 2015 (Subject to Audit)..... \$ 172,703,859

Reimbursement For Revenue Loss:

Tax relief for elderly -

Base for Debt Limitation Computation..... \$ 172,703,859

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base.....	\$ 388,583,683	-	-	-	-
4 1/2 times base.....	-	\$ 777,167,366	-	-	-
3 3/4 times base.....	-	-	\$ 647,639,471	-	-
3 1/4 times base.....	-	-	-	\$ 561,287,542	-
3 times base.....	-	-	-	-	\$ 518,111,577
Total Debt Limitation	\$ 388,583,683	\$ 777,167,366	\$ 647,639,471	\$ 561,287,542	\$ 518,111,577

Indebtedness:

Bonds Outstanding.....	37,836,600	37,991,500	39,516,900	-	-
Bonds – This Issue.....	2,555,000	1,725,000	4,070,000	-	-
Notes outstanding.....	1,525,000	13,360,000	1,055,000	-	-
CWF Project Loan Obligation (PLO).....	-	-	32,386,658	-	-
Debt Authorized But Unissued.....	31,296,729	13,001,637	16,361,465	-	-
Total Indebtedness	73,213,329	66,078,137	93,390,023	-	-

Less:

State School Grants Receivable ¹	-	(487,920)	-	-	-
Total Net Indebtedness	73,213,329	65,590,217	93,390,023	-	-

DEBT LIMITATION IN EXCESS

OF OUTSTANDING INDEBTEDNESS.... \$ 315,370,354 \$ 711,577,149 \$ 554,249,449 \$ 561,287,542 \$ 518,111,577

¹ The State of Connecticut will reimburse the City for eligible principal and interest costs over the life of bonds issued for school construction projects authorized by the General Assembly prior to July 1, 1996. School construction grants receivable stated above are for principal reimbursement only.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$1,208,927,013.

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

Authorized but Unissued Debt
As of November 9, 2015
(Pro Forma)

Project	Total Amount of Authorization	Bonds Issued	Statutory Paydown	Grants	Lot A Notes			Lot B Notes		The Bonds	Authorized But Unissued		
					Notes Due 11/10/2014	Due: 5/9/2016	Due: 11/7/2016				General Purpose	Schools	Sewers
Recreation Facilities Improvements.....	\$ 1,310,000	\$ 1,304,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,300	\$ -	\$ -
Pepe's Farm Rd & Woodmont Rd.....	1,370,000	1,202,000	-	-	-	-	-	-	-	-	168,000	-	-
Stowe Property.....	895,000	798,000	-	-	4,000	-	-	-	4,000	-	93,000	-	-
Milford Academy Renovations.....	2,650,000	2,570,500	2,250	-	-	-	-	-	-	-	77,250	-	-
Various Public Improvements (Feb 04).....	2,483,065	2,406,765	-	-	-	-	-	-	-	-	76,300	-	-
Various Public Improvements (Nov 04).....	3,347,500	3,152,200	-	68,053	-	-	-	-	-	-	127,247	-	-
Various Public Improvements (Mar 05).....	1,134,500	1,112,200	150	-	-	-	-	-	-	-	22,150	-	-
Road Resurfacing.....	715,000	704,000	-	-	-	-	-	-	-	-	11,000	-	-
Various Public Improvements (Feb 07).....	4,620,300	3,637,185	-	4,082	14,000	-	-	-	85,000	-	894,033	-	-
Various Public Improvements (Apr 08).....	3,715,559	3,078,450	-	-	-	-	-	-	3,000	-	634,109	-	-
Various Public Improvements (Feb 10).....	6,292,000	5,826,600	-	12,725	14,000	-	-	-	14,000	-	438,675	-	-
Various Public Improvements (Feb 11).....	6,588,000	5,636,500	-	-	-	-	-	34,000	7,000	-	910,500	-	-
Various Public Improvements (Apr 11).....	1,685,000	1,432,000	-	-	41,000	-	-	-	-	-	253,000	-	-
Eastside Firehouse.....	4,950,000	4,368,000	-	-	13,000	-	-	13,000	-	-	569,000	-	-
Woodmont Beach FEMA (Mar 12).....	534,000	123,000	-	402,112	287,000	-	-	-	-	-	8,888	-	-
Various Public Improvements (Feb 12).....	6,088,600	1,760,000	-	614,291	924,000	-	-	924,000	-	-	2,790,309	-	-
Various Public Improvements (Feb 13).....	7,578,000	2,420,500	-	-	915,000	-	-	100,000	1,968,000	-	3,089,500	-	-
Various Public Improvements (Feb 14).....	8,717,500	708,000	-	-	108,000	-	-	85,000	243,000	-	7,681,500	-	-
Various Public Improvements (Feb 15).....	10,262,230	-	-	-	-	-	-	369,000	231,000	-	9,662,230	-	-
Naugatuck Ave Drainage Imp Phase 2: Sep. 2015....	3,761,000	-	-	-	-	-	-	-	-	-	3,761,000	-	-
General Public Improvements.....	1,775,538	1,751,800	-	-	-	-	-	-	-	-	23,738	-	-
Subtotal General Improvement.....	\$ 80,472,792	\$ 43,992,400	\$ 2,400	\$ 1,101,263	\$ 2,320,000	\$ -	\$ 1,525,000	\$ 2,555,000	\$ 31,296,729	\$ -	\$ -	\$ -	\$ -
Various School Improvements (Feb 07)	18,489,511	12,591,600	-	5,273,438	-	-	-	-	-	-	624,473	-	-
Various School Improvements (Apr 08).....	1,440,000	1,197,000	-	130,736	-	25,000	-	-	-	-	87,264	-	-
J. Law Phase III Construction (Aug 09).....	4,050,000	2,500,000	-	1,332,513	-	-	-	-	-	-	217,487	-	-
Various School Improvements (Feb 10).....	9,640,000	6,121,400	-	2,976,430	-	-	-	-	-	-	542,170	-	-
Various School Improvements (Feb 11).....	5,630,000	3,789,000	-	1,561,817	21,000	5,000	-	16,000	-	-	258,183	-	-
Various School Improvements (Feb 12).....	12,002,883	5,000,000	-	-	5,720,000	5,930,000	-	-	-	-	1,072,883	-	-
Various School Improvements (Feb 13).....	9,449,948	3,375,000	-	-	4,865,000	5,097,000	-	120,000	-	-	857,948	-	-
Various School Improvements (Feb 14).....	3,456,229	613,000	-	-	1,229,000	1,483,000	-	1,060,000	-	-	300,229	-	-
Various School Improvements (Feb 15).....	10,390,000	-	-	-	-	820,000	-	529,000	-	-	9,041,000	-	-
Subtotal Schools.....	\$ 74,548,571	\$ 35,187,000	\$ -	\$ 11,274,934	\$ 11,835,000	\$ 13,360,000	\$ -	\$ 1,725,000	\$ -	\$ 13,001,637	\$ -	\$ -	\$ -
Wastewater Facilities Upgrade. ¹	33,150,940	27,962,200	-	-	1,600,000	-	300,000	1,815,000	-	-	-	-	3,073,740
Sewers XIII.....	2,555,000	2,092,400	-	-	-	-	-	-	-	-	-	-	462,600
Sewers XIV Design Phase.....	930,000	589,400	-	-	-	-	-	-	-	-	-	-	340,600
East/West Interceptor.....	4,250,000	4,065,000	-	-	-	-	-	-	-	-	-	-	185,000
Buckingham Ave Force Main.....	4,650,000	4,030,000	-	-	-	-	-	-	-	-	-	-	620,000
Roger Ave Pump & High St Sewer.....	2,623,500	1,500,000	-	-	-	-	-	-	-	-	-	-	1,123,500
Sewers XV.....	4,625,000	3,120,800	-	-	55,000	-	-	110,000	-	-	-	-	1,394,200
Sewers XVI.....	275,000	251,000	-	-	-	-	-	-	-	-	-	-	24,000
Sewers XVII.....	2,753,825	2,112,000	-	-	63,000	-	-	120,000	-	-	-	-	521,825
Sewers XVIII.....	4,254,000	1,215,000	-	-	1,452,000	-	500,000	1,625,000	-	-	-	-	914,000
Sewers XIX.....	187,000	80,000	-	-	65,000	-	-	70,000	-	-	-	-	37,000
Rock St & Welches Point Pump Stations Feb 2015..	6,050,000	-	-	-	-	-	50,000	50,000	-	-	-	-	5,950,000
Sewer Darina Place February 2015.....	550,000	-	-	-	-	-	5,000	-	-	-	-	-	545,000
Indian River Interceptor Phase 3 Feb. 2015.....	1,650,000	-	-	-	-	-	200,000	280,000	-	-	-	-	1,170,000
Subtotal Sewers.....	\$ 68,504,265	\$ 47,017,800	\$ -	\$ -	\$ 3,235,000	\$ -	\$ 1,055,000	\$ 4,070,000	\$ -	\$ -	\$ 16,361,465	\$ -	\$ -
Totals.....	\$ 223,525,628	\$ 126,197,200	\$ 2,400	\$ 12,376,197	\$ 17,390,000	\$ 13,360,000	\$ 2,580,000	\$ 8,350,000	\$ 31,296,729	\$ 13,001,637	\$ 16,361,465	\$ -	\$ -

¹ The City has nearly completed a \$92,712,000 program to upgrade its wastewater facilities. The project has been financed in part by 2% loans of approximately \$48 million and grants of approximately \$12.9 million under the State of Connecticut Clean Water Fund Program. As of this issue, the authorization has been reduced to \$33,150,940 reflecting Clean Water Fund grant and loan proceeds received.

**Principal Amount of Outstanding General Fund Debt
Last Five Fiscal Years Ending June 30**

Long-Term Debt	2015 ¹	2014	2013	2012	2011
Bonds.....	\$ 123,580,000	\$ 119,490,000	\$ 111,570,000	\$ 96,615,000	\$ 89,100,000
Clean Water Fund.....	33,278,932	35,390,320	37,459,934	39,488,000	41,476,000
Sub-Total.....	156,858,932	154,880,320	149,029,934	136,103,000	130,576,000
Short-Term Debt					
Bond Anticipation Notes.....	17,390,000	21,526,000	17,555,000	31,816,000	26,230,000
Grand Total.....	\$ 174,248,932	\$ 176,406,320	\$ 166,584,934	\$ 167,919,000	\$ 156,806,000

¹ Subject to audit.

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

Fiscal Year Ended 6/30	Net Assessed Value (000s)	Estimated Full Value ¹ (000s)	Net Long-Term Debt ² (000s)	Ratio of Net Long-Term Debt to Assessed Value (%)	Ratio of Net Long-Term Debt to Estimated Full Value (%)	Population ³	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income ⁴ (%)
2014	\$ 6,418,236	\$ 9,168,908	\$ 148,010	2.31%	1.61%	52,894	\$ 2,798.24	7.30%
2013	6,399,745	9,142,646	148,010	2.31%	1.62%	52,894	2,798.24	7.30%
2012	5,410,069	10,578,867	134,763	2.49%	1.27%	52,894	2,547.79	6.64%
2011	5,430,923	10,603,075	128,728	2.37%	1.21%	52,894	2,433.70	6.35%
2010	5,377,363	10,546,040	80,622	1.50%	0.76%	52,894	1,524.22	3.97%
2009	5,251,647	10,546,040	74,796	1.42%	0.71%	52,894	1,414.07	3.69%
2008	4,472,546	9,992,784	67,116	1.50%	0.67%	52,894	1,268.88	3.31%

¹ Assessment Ratio, 70% for fiscal year 2007; Fiscal years 2008-2012 represent the Estimated Full Value had the 10/1/06 revaluation not been phased in. The phase-in was suspended after 2 years (40% of increase was realized for fiscal years 2008 and 2009).

² Reflects deductions for contractual state school building construction grants receivable over the life of the respective issues. Includes long-term notes payable; does not include outstanding BANS, or authorized but unissued debt.

³ U.S. Department of Commerce, Bureau of Census (2010).

⁴ Money Income per Capita: Census 2010 data: \$38,351 used for all calculations.

Note: Excludes capital leases.

**Ratios of Annual Long-Term General Fund Debt Service Expenditures
To Total General Fund Expenditures
(in thousands)**

Fiscal Year Ended 6/30	Principal	Interest	Total Debt Service	Total General Fund Expenditures ¹	Ratio of General Fund Debt Service To Total General Fund Expenditures (%)
2015 ²	\$9,567	\$4,110	\$13,677	\$195,826	6.98%
2014	8,693	3,955	12,648	205,380	6.16%
2013	8,127	3,670	11,797	198,431	5.95%
2012	8,282	3,811	12,093	195,785	6.18%
2011	7,628	3,493	11,121	182,808	6.08%
2010	6,993	3,143	10,136	177,917	5.70%
2009	6,281	3,055	9,336	178,876	5.22%

¹ GAAP basis of accounting. Includes Transfers out.

² Budgetary basis of accounting; subject to audit

Capital Improvement Program
(in thousands)

Proposed Projects	Fiscal 2014-15	Fiscal 2015-16	Fiscal 2016-17	Fiscal 2017-18	Fiscal 2018-19	Total
Education.....	\$ 7,500	\$ 18,115	\$ 15,920	\$ 8,350	\$ 9,300	\$ 59,185
Sewers	6,500	2,840	5,688	10,080	9,980	35,088
Fire	250	285	120	600	600	1,855
Police.....	-	20,000	-	-	-	20,000
Roads/Drainage.....	1,350	1,350	1,350	1,350	1,350	6,750
Bridges.....	500	-	-	-	-	500
Buildings.....	3,025	-	50	-	-	3,075
Erosion/Flood Control..	2,200	35	-	-	-	2,235
Recreation.....	-	650	325	10,000	-	10,975
Total.....	\$ 21,325	\$ 43,275	\$ 23,453	\$ 30,380	\$ 21,230	\$ 139,663
Proposed Funding						
Pay-As-You-Go.....	\$ 150	\$ 460	\$ 200	\$ 150	\$ 150	\$ 1,110
Bonds.....	16,865	33,908	15,443	28,880	19,730	114,826
Grants.....	4,310	8,907	7,810	1,350	1,350	23,727
Total.....	\$ 21,325	\$ 43,275	\$ 23,453	\$ 30,380	\$ 21,230	\$ 139,663

Note: The proposed projects reflect what is being submitted for approval for each fiscal year. The proposed funding does not reflect the amount of bonds that will be issued in each fiscal year.

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VI. Financial Administration

Fiscal Year

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

Basis of Accounting

The City's accounting policies are summarized in Note 1 of the auditor's report, attached hereto as Appendix A.

Budget Procedure

It is the duty and responsibility of the Board of Finance to present the annual budget to the Board of Aldermen, to recommend to the Board of Aldermen all transfers of appropriations in budget accounts, and to recommend all issues of bonds or notes required for the management of the City's business.

The budget making process is as follows:

- | | |
|---------------|---|
| By December 6 | Departments, Offices, Boards, Commissions, Committees, and Agencies except the Board of Education submit estimates of receipts and expenditures to the Mayor.

The Mayor reviews the budget request together with estimates of receipts and expenditures for the current year with the Director of Finance. |
| By January 31 | The Mayor submits to the Board of Finance estimated revenue and expenditures (excluding Education) for the ensuing fiscal year. The Board of Education requested budget is forwarded directly to the Board of Finance from the Chairman of the Board of Education.

The Board of Finance conducts one or more public hearings to review the requested budgets and holds several meetings with all department heads during the month of March. |
| By April 1 | The Board of Finance recommends a proposed total budget (City and Board of Education) and submits it to the Board of Aldermen. |
| In April | The Board of Aldermen holds a public hearing on the entire City budget as proposed by the Board of Finance.

Following the public hearing, several meetings are held with department heads, commissions, chairmen, and agency representatives. |
| In May | The Board of Aldermen adopts the budget for the fiscal year beginning July 1.

The Board of Aldermen sets the tax rate for the fiscal year beginning July 1. |

Annual Audit

The City of Milford, pursuant to local ordinance and provisions of Chapter 111 of the Connecticut General Statutes (Sec. 7-391 through 397), is required to undergo an annual audit by an independent public accountant. The auditor is required to conduct the audit under the guidelines outlined by the Office of Policy and Management, which also receives a copy of the audit report. For the fiscal year ended June 30, 2014, the general purpose financial statements of the various funds of the City were audited by Blum Shapiro.

Property and Liability Insurance

The City and the Board of Education Property, General Liability, Auto Liability, Public Officials' Liability, Police Professional Liability, and Educators' Liability are insured by Connecticut Interlocal Risk Management Agency (CIRMA) with deductibles of \$1,000 for auto physical damage and \$0 for other liability coverage. Law Enforcement/Public Officials/School Leaders has a \$25,000 deductible and Employee Benefits has a deductible of \$1,000. The Board of Education insures its Workers' Compensation with CIRMA.

The Property/Inland Marine Insurance and Boiler and Machinery Insurance are with CIRMA Insurance. The policy has a deductible of \$50,000. There is \$20,000,000 of coverage for flood damage under this policy. Flood Zones A and V have a deductible of \$1,000,000. The City has purchased coverage from the National Flood Program to cover this deductible. The National Flood Program has a maximum deductible of \$25,000.

All City deductibles and premiums for the City portion of insurance are paid from the City's Property and Casualty Self Insurance Fund. The Board of Education pays for its premiums and deductibles from its operations budget.

The Property and Casualty Self Insurance Fund is an internal service fund that was established by the Board of Aldermen in April 2003 along with a self insurance program for property and casualty insurance. This fund pays for claims that occurred between April 23, 2003 and June 30, 2008. The General Liability, Auto Liability, Public Officials' Liability, Police Professional Liability, and Educator's Liability were self insured for the first \$250 thousand dollars of each claim. As of the date of issue, there is one claim open from this period.

Workers' Compensation Insurance

The City is self-insured for Workers' Compensation. In Fiscal Year 2014-2015, the self-insured retention was \$500,000. The coverage in excess of the self-insured retention was provided by Safety National Casualty Corporation. For Fiscal Year 2014-2015, all coverages and the excess insurance remained the same compared to 2013-2014. The Board of Education Workers' Compensation insurance is carried through Connecticut Interlocal Risk Management Agency (CIRMA).

Pensions

The City of Milford administers a single-employer public employee retirement system (PERS) established and administered by the City to provide pension benefits for its full-time employees other than teachers who are covered by the Retirement System - State Teachers Retirement Board. The Retirement System is considered to be part of the City's financial reporting entity and is included in the City's financial reports as a pension trust fund. The City does not issue stand-alone financial statements for the Pension Trust Fund.

The City has actuarial reports prepared annually. The most recent actuarial report was prepared as of July 1, 2014. Based upon that report, the actuarial value of assets and actuarial accrued liabilities (in thousands) were as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
7/1/2008	\$385,088	\$287,313	\$97,775	134.0%	\$40,141	243.6%
7/1/2009	383,936	302,642	81,294	126.9%	40,550	200.5%
7/1/2010	375,679	307,980	67,699	122.0%	40,622	166.7%
7/1/2011	372,126	307,306	64,820	121.1%	41,597	155.8%
7/1/2012	354,081	321,477	32,604	110.1%	43,010	75.8%
7/1/2013	341,045	341,706	(661)	99.8%	42,773	(1.5%)
7/1/2014	354,832	360,861	(6,029)	98.3%	43,811	(13.8%)

For valuation purposes, the City's actuary calculates an actuarial value of assets that smoothes fluctuations of value over a five year period. As of June 30, 2015, the City's Pension Plan held assets with a fair market value totaling \$333,987,968. For Fiscal Year 2015, the City has budgeted 66.84% of the actuarially determined employer contribution (ADEC) and has made payment to the Plan. For fiscal year 2016, the City has budgeted 71.27% of the ADEC, and has made payment to the Plan. For a description of the City's Pension Plan, see Note No. 9 to the City's audited general purpose financial statements at Appendix A.

Other Post Employment Benefits (OPEB)

The City and Board of Education have had actuarial valuations of their OPEB liabilities.

City

- The City has an actuarial accrued liability as of its last valuation on July 1, 2014 of \$126.1 million.

- The Annual Required Contribution (ARC) for Fiscal Year Ending 2012 was \$14.08 million, for Fiscal Year Ending 2013 was \$14.78 million, for Fiscal Year Ending 2014 was \$12.2 million, and for Fiscal Year Ending 2015 was \$12.5 million
- The Fiscal Year Ending 2014 estimated “Pay as you go” cost that is an offset to the cash cost of funding the ARC was \$6.4 million.
- As a result, the net cost to the City for the Fiscal Year Ending 2014 was \$5.3 million, after adjustments.
- The City has made the following contributions as follows: Fiscal Year Ending 2007: \$250,000; Fiscal Year Ending 2008: \$250,000; Fiscal Year Ending 2009: \$350,000; Fiscal Year Ending 2010: \$350,000; Fiscal Year Ending 2011: \$500,000; Fiscal Year Ending 2012: \$500,000; Fiscal Year Ending 2013: \$500,000; Fiscal Year Ending 2014: \$500,000; Fiscal Year Ending 2015: \$500,000. Fiscal year ending 2016: \$500,000. These contributions have been deposited in an OPEB Trust which had a value of \$ 4.9 million as of August 31, 2015. As of July 1, 2011, the City had converted its existing OPEB fund to an OPEB Trust.
- Since the plan is not fully funded, the Net OPEB Obligation as of June 30, 2014 is \$53.9million.

Board of Education (BOE)

- The BOE has an actuarial accrued liability as of July 1, 2014 of \$142.4 million.
- The Annual Required Contribution (ARC) for the for Fiscal Year Ending 2012 was \$13.70 million, for Fiscal Year Ending 2013 was 14.38 million, for Fiscal Year Ending 2014 was \$14.5 million, and for Fiscal Year Ending 2015 was \$14.8 million.
- The Fiscal Year Ending 2014 “Pay as you go” cost that is an offset to the cash cost of funding the ARC was \$3.4 million.
- As a result, the net cost to the BOE for the Fiscal Year Ending 2014 was \$10.4 million, after adjustments.
- The BOE made a contribution of \$50,000 in Fiscal Year Ending 2008. This contribution has been deposited in a CT STIF account, which had a value of \$50,718 as of June 30, 2015. To date, the BOE has yet to create an OPEB Trust. Without the creation of an OPEB Trust Fund, the investment options under State statute are the same as those for the deposit of public funds as described in note 4 of the financial statements.
- Since the plan is not fully funded, the Net OPEB Obligation as of June 30, 2014 is \$64.3 million.

For a description of the City’s and BOE’s Other Post Employment Benefits, see Note No. 10 to the City's audited general purpose financial statements at Appendix A.

Investment Practices

The operating and working capital funds of the City are invested at the discretion of the Director of Finance in the following short-term investments: (1) various certificates of deposit with Connecticut banks; (2) money market accounts with various banks and (3) Connecticut Short Term Investment Fund (STIF).

By City ordinance, the Milford Pension and Retirement Board is responsible for investment of pension and retirement system monies. The Board has adopted an investment policy to allocate a maximum of 65% of fund assets to equities and 35% to fixed income securities. The City's portfolio is managed by several investment advisors. For a description of the City's Pension Plan, see Note No. 9 to the City's audited general purpose financial statements at Appendix A.

General Fund Balance Sheet
Five Year Summary of Assets, Liabilities, and General Fund Equity
(in thousands)

	Actual 6/30/2014	Actual 6/30/2013	Actual 6/30/2012	Actual 6/30/2011	Actual 6/30/2010
Assets:					
Cash and cash equivalents	\$ 39,204	\$ 34,433	\$ 31,881	\$ 35,649	\$ 29,168
Investments	117	117	116	116	116
Receivables, net.....	12,451	12,538	14,609	14,964	15,277
Due from other funds	1,338	2,937	2,344	1,895	624
Prepaid items and other assets	207	774	21	438	852
Advances to other funds	-	-	-	-	-
Total Assets	53,317	50,799	48,971	53,062	46,037
Liabilities, Equity, & Other Credits:					
<u>Current Liabilities</u>					
Accounts and other payables.....	9,964	9,036	9,461	10,372	9,684
Other Liabilities	3,801	3,683	1,741	1,753	1,545
Due to other governments	584	475	430	421	400
Due to other funds	933	255	1,788	485	830
Deferred Revenues	15,187	13,476	14,482	16,508	15,775
Total Liabilities	30,469	26,925	27,902	29,539	28,234
<u>Equity & Other Credits</u> ¹					
Nonspendable	21	21	21	438	3,341
Committed	1,054	1,033	1,212	2,699	-
Assigned	6,959	7,875	4,198	7,545	2,000
Unassigned.....	14,814	14,945	15,638	12,841	12,462
Total Equity & Other Credits	22,848	23,874	21,069	23,523	17,803
Total Liabilities, Equity & Other Credits ...	\$ 53,317	\$ 50,799	\$ 48,971	\$ 53,062	\$ 46,037

¹ Reflects fund balance classification changes as a result of GASB 54 implementation for the fiscal year ending June 30, 2011

General Fund Revenues and Expenditures
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis) and
Estimated Actuals and Current Year Budget (Budgetary Basis)
(in thousands)

	Adopted Budget ¹ 6/30/2016	Estimated Actual ¹ 6/30/2015	Actual 6/30/2014	Actual 6/30/2013	Actual 6/30/2012	Actual 6/30/2011
Revenues:						
Property Taxes & Assessments.....	\$ 174,151	\$ 171,505	\$ 165,899	\$ 164,236	\$ 155,213	\$ 153,080
Fines, Forfeitures, Penalties & Interest.....	1,000	1,199	1,058	1,632	1,487	1,654
Intergovernmental.....	13,928	14,312	27,759	26,789	26,930	22,384
Charges for Services.....	-	-	2,251	2,382	2,111	2,204
Investment Income.....	64	89	75	64	62	113
Net Appreciation in Fair Value of Investments....	-	-	-	-	-	-
Other.....	13,038	13,030	5,985	5,854	6,796	7,011
Total.....	\$ 202,181	\$ 200,135	\$ 203,027	\$ 200,957	\$ 192,599	\$ 186,446
Expenditures:						
General Government.....	\$ 4,269	\$ 3,975	\$ 3,885	\$ 3,894	\$ 3,869	\$ 3,968
Administration.....	2,702	2,526	2,529	2,492	2,435	2,462
Public Safety.....	25,668	24,472	23,686	23,142	22,837	22,654
Public Services.....	12,186	11,577	11,691	11,527	11,455	11,696
Education.....	113,244	110,668	123,068	119,070	114,635	109,306
Health & Welfare.....	1,691	1,622	1,645	1,576	1,656	1,695
General Charges.....	24,746	23,600	21,961	19,324	21,295	15,453
Grants to Agencies.....	3,132	3,141	2,642	2,640	2,626	2,646
Capital Outlay.....	-	-	-	-	-	-
Debt Service.....	14,543	13,677	12,648	11,939	12,013	10,926
Total.....	\$ 202,181	\$ 195,258	\$ 203,755	\$ 195,604	\$ 192,821	\$ 180,806
Excess (Deficiency) of Revenues Over Expenditures.....	\$ -	\$ 4,877	\$ (728)	\$ 5,353	\$ (222)	\$ 5,640
Other Financing Sources (Uses):						
Lease Principal Payments.....	N/A	-	-	-	-	\$ -
Proceeds from Advanced Refunding.....	N/A	17,390	-	15,611	9,457	-
Payment for Refunding Debt.....	N/A	(17,390)	-	(15,469)	(9,332)	-
Sale of Capital Assets.....	N/A	-	-	116	11	-
Operating transfers in.....	N/A	-	1,327	21	596	456
Operating transfers out.....	N/A	(568)	(1,625)	(2,827)	(2,964)	(2,002)
Net Other Financing Sources (Uses).....	\$ -	\$ (568)	\$ (298)	\$ (2,548)	\$ (2,232)	\$ (1,546)
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures and Other Financing Uses.....	-	4,309	(1,026)	2,805	(2,454)	4,094
Fund Equity, Beginning of Year.....	N/A	22,848	23,874	21,069	23,523	19,429²
Residual Equity Transfer.....	-	-	-	-	-	-
Fund Equity, End of Year.....	N/A	N/A	\$ 22,848	\$ 23,874	\$ 21,069	\$ 23,523

¹ Budgetary basis of accounting; subject to audit

² As restated.

Analysis of General Fund Equity

	Adopted Budget ¹ 6/30/2016	Estimated Actual ¹ 6/30/2015	Actual 6/30/2014	Actual 6/30/2013	Actual 6/30/2012	Actual 6/30/2011
Nonspendable.....	N/A	N/A	\$ 21	\$ 21	\$ 21	\$ 438
Committed.....	N/A	N/A	1,054	1,033	1,212	2,699
Assigned for Encumbrances.....	N/A	N/A	2,959	2,875	4,177	3,524
Assigned for Subsequent Year's Budget.....	N/A	N/A	4,000	5,000	-	4,000
Assigned for Other Purposes.....	N/A	N/A	-	-	21	21
Unassigned.....	N/A	N/A	14,814	14,945	15,638	12,841
Total Fund Equity.....	N/A	N/A	\$ 22,848	\$ 23,874	\$ 21,069	\$ 23,523

¹ Budgetary Basis of accounting. Subject to audit. No assurances can be given that subsequent projections & the final result of operations will not change.

VII. Legal and Other Information

Legal Matters

Pullman & Comley, LLC is serving as Bond Counsel with respect to the authorization and issuance of the Bonds and the Notes and will render its opinions in substantially the forms attached hereto as Appendix B.

Litigation

The City Attorney has advised that the City of Milford, its officers, employees, boards and commissions, are defendants in a number of lawsuits. It is the opinion of the City Attorney that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the City which would materially adversely affect its financial position.

Transcript and Closing Documents

Upon delivery of the Bonds and the Notes, the winning purchasers will be furnished with the following documents:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the Notes or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the City, signed by the Mayor, the Director of Finance, and the City Treasurer which will be dated the date of delivery, and which will certify, to the best of said officials' knowledge and belief, that at the time bids were accepted on the Bonds and the Notes, the descriptions and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds and the Notes.
4. Executed continuing disclosure agreements for the Bonds and the Notes substantially in the forms attached hereto as Appendix C.
5. The approving opinions of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, Connecticut.
6. The City of Milford has prepared an Official Statement for the Bonds and the Notes which is dated October 28, 2015. The City deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. The City will make available to the winning purchaser of the Bonds one hundred (100) copies and to each winning purchaser of the Notes ten (10) copies of the final Official Statement at the City's expense. The copies of the Official Statement will be made available to the winning purchasers within seven business days of the bid opening. If the City's Financial Advisor is provided with the necessary information from the winning purchasers by noon of the day following the day bids on the Bonds and the Notes are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or re-offering prices, the name of the managing underwriter, and the name of the insurer, if any, on the Bonds and the Notes. The winning purchasers shall arrange with the Financial Advisor the method of delivery of the copies of the Official Statement. Additional copies of the Official Statement may be obtained by the winning purchasers at their own expense by arrangement with the printer.

A transcript of the proceedings taken by the City in authorizing the Bonds will be kept on file at the offices of U.S. Bank, National Association, 225 Asylum Street, Hartford, Connecticut 06103 and may be examined upon reasonable request.

Concluding Statement

To the extent that any statements made in this Official Statement involve matters of opinion or estimates such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the City from official and other sources and is believed by the City to be reliable, but such information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Any questions concerning this Official Statement should be directed to Mr. Peter A. Erodici, Jr., Director of Finance, City of Milford, 70 West River Street, Milford, Connecticut 06460, telephone number (203) 783-3220. This Official Statement has been duly prepared and delivered by the City, and executed for and on behalf of the City by the following officials:

CITY OF MILFORD, CONNECTICUT

By: /s/ Benjamin G. Blake

Benjamin G. Blake, *Mayor*

By: /s/ Peter A. Erodici, Jr.

Peter A. Erodici, Jr., *Director of Finance*

By: /s/ Libera C. Nosal

Libera C. Nosal, *City Treasurer*

Dated as of October 28, 2015

Appendix A

2014 General Purpose Financial Statements

The following includes excerpts from the Comprehensive Annual Financial Report of the City of Milford, Connecticut for the fiscal year ended June 30, 2014. The supplemental data which was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460. Telephone (203) 878-4945.

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Independent Auditors' Report

To the Members of the Board of Aldermen
City of Milford, 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 Milford, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Milford, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages A-3 through A-10, the budgetary comparison information on pages A-52 through A-57, and the pension disclosures on pages A-58 through A-60 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.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 17, 2014

CITY OF MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2014

This discussion and analysis of the City of Milford, Connecticut's (the City) financial performance is provided by management to provide an overview of the City's financial activities for the fiscal year ended June 30, 2014. This is the eleventh year of reporting in accordance with Statement No. 34 of the Governmental Accounting Standards Board. Please read this MD&A in conjunction with the transmittal letter and the City's financial statements, Exhibits I to IX.

Financial Highlights

- The City's net position decreased overall as a result of this year's operations. Net position of our business-type activities increased by \$232 thousand and net position of our governmental activities decreased by \$9.95 million.
- During the year, the City had expenses that were \$10.2 million more than the \$229.2 million generated in tax and other revenues for governmental programs.
- Total cost of all of the City's programs was \$239.4 million with no new programs added this year.
- The General Fund reported a total fund balance this year of \$22.9 million and unassigned fund balance of \$14.8 million.
- The resources available for appropriation were \$503 thousand more than budgeted for the General Fund. Expenditures were \$2.6 million less than final appropriations.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

- *Governmental activities* - Most of the City's basic services are reported here, including education, public safety, public services, health and welfare, and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.
- *Business-type activities* - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's Golf Course and Harbor Management Fund are reported here.

Fund Financial Statements

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

- *Governmental funds (Exhibits III and IV)*- Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.

- *Proprietary funds (Exhibits V, VI and VII)* - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services for the City's other programs and activities - such as the City's Health, Workers' Compensation, and Property and Casualty Internal Service Funds.
- *Fiduciary funds (Exhibits VIII and IX)* - The City is the trustee, or fiduciary, for its employees' pension and other postemployment benefit plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The City's combined net position decreased from \$109 million to \$98.4 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

Table 1
NET POSITION
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 94,138	\$ 87,840	\$ 523	\$ 724	\$ 94,661	\$ 88,564
Capital assets	343,874	329,447	3,126	3,163	347,000	332,610
Total assets	<u>438,012</u>	<u>417,287</u>	<u>3,649</u>	<u>3,887</u>	<u>441,661</u>	<u>421,174</u>
Deferred outflow of resources:						
Deferred charge on refunding	<u>787</u>	<u>914</u>			<u>787</u>	<u>914</u>
Long-term debt outstanding	297,960	273,890			297,960	273,890
Other liabilities	<u>42,914</u>	<u>35,828</u>	<u>10</u>	<u>16</u>	<u>42,924</u>	<u>35,844</u>
Total liabilities	<u>340,874</u>	<u>309,718</u>	<u>10</u>	<u>16</u>	<u>340,884</u>	<u>309,734</u>
Deferred inflow of resources:						
Advance property tax collections	<u>3,120</u>	<u>1,902</u>			<u>3,120</u>	<u>1,902</u>
Net position:						
Net investments in capital assets	166,869	153,422	3,126	3,163	169,995	156,585
Restricted	255	255			255	255
Unrestricted	<u>(72,319)</u>	<u>(48,924)</u>	<u>513</u>	<u>708</u>	<u>(71,806)</u>	<u>(48,216)</u>
Total Net Position	<u>\$ 94,805</u>	<u>\$ 104,753</u>	<u>\$ 3,639</u>	<u>\$ 3,871</u>	<u>\$ 98,444</u>	<u>\$ 108,624</u>

Net position of the City's governmental activities decreased 9.5% (\$94.8 million compared to \$104.8 million). Unrestricted net position - the part of net position that can be used to finance daily operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased to a deficit of \$72.3 million at the end of this year.

There was a 6% decrease (\$3.64 million compared to 3.87 million in the net position of business-type activities from 2013 to 2014.

Table 2
CHANGES IN NET POSITION
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 7,753	\$ 8,313	\$ 333	\$ 332	\$ 8,086	\$ 8,645
Operating grants and contributions	36,980	29,867			36,980	29,867
Capital grants and contributions	115	1,753			115	1,753
General revenues:						
Property taxes	174,885	170,870			174,885	170,870
Grants and contributions not restricted to specific purposes	8,693	11,327			8,693	11,327
Unrestricted investment earnings	72	1,735	1		73	1,735
Other general revenues	718	1,019			718	1,019
Total revenues	<u>229,216</u>	<u>224,884</u>	<u>334</u>	<u>332</u>	<u>229,550</u>	<u>225,216</u>
Expenses:						
General government	9,770	8,068			9,770	8,068
Administration	3,803	4,018			3,803	4,018
Public safety	38,410	41,506			38,410	41,506
Public services	27,538	25,314			27,538	25,314
Education	142,617	138,265			142,617	138,265
Health and welfare	5,503	5,728			5,503	5,728
Grants to agencies	9,072	4,051			9,072	4,051
Interest on long-term debt	2,711	2,703			2,711	2,703
Milford Golf Course			64	69	64	69
Harbor management			242	230	242	230
Total program expenses	<u>239,424</u>	<u>229,653</u>	<u>306</u>	<u>299</u>	<u>239,730</u>	<u>229,952</u>
Transfers in (out)	<u>260</u>	<u>4</u>	<u>(260)</u>	<u>(4)</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ (9,948)</u>	<u>\$ (4,765)</u>	<u>\$ (232)</u>	<u>\$ 29</u>	<u>\$ (10,180)</u>	<u>\$ (4,736)</u>

The City's total revenues were \$229.2 million. The total cost of all programs and services was \$239.4 million. Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

The City's revenues increased by \$4.3 million from 2013. Most of the increase is attributable to property tax revenue and operating grants.

Table 3 presents the cost of each of the City's three largest programs - public safety, public services, and education - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Table 3
GOVERNMENTAL ACTIVITIES
(In Thousands)

	Total Cost of Services		Net Cost of Services	
	2014	2013	2014	2013
Public safety	\$ 38,410	\$ 41,506	\$ 34,846	\$ 38,347
Public services	27,538	25,314	21,060	23,109
Education	142,617	138,265	109,707	107,126
All others	30,859	24,568	28,963	21,138
Totals	\$ 239,424	\$ 229,653	\$ 194,576	\$ 189,720

Business-Type Activities

Revenues of the City's business-type activities (see Table 2) increased by 0.6% (\$334 thousand in 2014 compared to \$332 thousand in 2013) and expenses increased by 2.3% (\$306 thousand in 2014 versus \$299 thousand in 2013).

City Funds Financial Analysis

Governmental Funds

As the City completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$21.4million, which is a decrease of \$3.7 million over last year's fund balance of \$25 million. Included in this year's total change in fund balance, is a decrease of \$1 million in the general fund, and increases of \$508 thousand in the Capital Non-recurring Fund (CNR) and \$2.6 million in the Sanitary Sewer Fund (SSR). The fund balance decreased by \$6.5 million in the School Facilities Fund due to expenditures incurred and paid prior to the receipt of school grant revenue and the issuance of bonds, which is anticipated. Moreover, the primary reasons for the General Fund's decrease in fund balance mirrors the governmental activities analysis highlighted in Exhibit IV. Because \$5 million of general fund balance was assigned in 2013 to support the 2014 budget, property tax revenue growth was moderated. In addition, the City had collected \$2.5 million from the sale of delinquent tax liens in 2013, but there was no sale in 2014. As a result, revenue from taxes increased only by 0.97% in 2014 compared to 5.8% in 2013. There were also two traditionally general fund State grants, which converted to restricted revenue that had to be deposited into the Capital NR Fund for Town Aid Road purposes (\$950 thousand less than budgeted). On the

expenditure side, the City implemented a hiring freeze mid-year and other expenditure restrictions. This yielded a surplus from expenditures coming in less than budget at levels similar to the prior year.

Proprietary Funds

The Internal Service Funds' net position increased \$1.8 million primarily due to higher operating revenues from employer contributions and employee cost share. The Enterprise Funds' net position decreased from last year by \$232 thousand due to an allocation transfer from fund balance for golf course capital projects.

General Fund Budgetary Highlights

- General Property Taxes and Assessments - property tax and assessment revenue was greater than budgeted by \$953 thousand due to a higher collection rate than was used in the budget.
- State aid revenue was less than budgeted by \$437 thousand. This was due to both increases and decreases in various grant revenues. Moreover, the BOE had a deficit in their special education costs budget resulting in a \$105 revenue shortfall in the City's general fund budget.
- Investment Income - revenues from the investment of idle funds were more than budgeted by \$14 thousand due to slightly higher interest rates and more money on deposit in the Connecticut Short Term Investment Fund.
- Other Revenue was \$38 thousand greater than budget due to an increase in miscellaneous other revenues.
- Licenses, Permits and Other Charges were \$177 thousand above budget mainly due to higher than anticipated conveyance taxes, paramedic fees, and recycling revenues. These income categories are directly related to the economy and population, and can fluctuate.
- Department Expenditures - Expenditure controls were put into place throughout the fiscal year, including a hiring freeze and overtime restrictions, which resulted in an overall budget surplus of \$2.3 million on the expenditure side.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2014, the City's governmental activities had \$343.9 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and water and sewer lines - Table 4. This amount represents a net increase (including additions and deductions) of \$14.5 million over last year.

Table 4
CAPITAL ASSETS AT YEAR-END (Net of Depreciation)
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 36.6	\$ 36.5	\$ 1.7	\$ 1.7	\$ 38.3	\$ 38.2
Construction in progress	134.0	143.1			134.0	143.1
Buildings and improvements	107.9	87.6	1.3	1.3	109.2	88.9
Machinery and equipment	8.9	8.7	0.2	0.2	9.1	8.9
Infrastructure	56.5	53.5			56.5	53.5
Totals	<u>\$ 343.9</u>	<u>\$ 329.4</u>	<u>\$ 3.2</u>	<u>\$ 3.2</u>	<u>\$ 347.1</u>	<u>\$ 332.6</u>

This year's major additions included (in thousands):

Police Equipment and Vehicles	\$ 94
Public Works Equipment and Vehicles	1,400
Fire Department Equipment and Vehicles	101
Trumbull Avenue Revetment - CIP	567
School Additions and Renovations - CIP	13,060
School Additions and Renovations	23,042
Sewer CIP	3,634
Sewer Installations	4,065
	<u>\$ 45,963</u>

The City's fiscal-year 2014-2015 capital plan has \$29 million of capital projects planned. School building renovations are estimated at \$10.7 million, sewer projects at \$14 million, and public service projects at \$4.3 million. Of the total estimated \$29 million, it is expected to finance \$24 million with bonds and \$4.5 million with grants. It is likely that not all projects will be implemented - resulting in a lower level of cost. More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

Long-Term Debt

At June 30, 2014, the City had \$176.4 million in bonds and notes outstanding versus \$166.6 million last year - an increase of 5.9% - as shown in Table 5. Additional detail on the City's long-term debt can be found in Note 7.

Table 5
OUTSTANDING DEBT
(In Thousands)

	Governmental Activities	
	2014	2013
General obligation bonds (backed by the City)	\$ 119,490	\$ 111,570
Bond anticipation notes (backed by the City)	21,526	17,555
Long-term note payable	35,400	37,460
Totals	\$ <u>176,416</u>	\$ <u>166,585</u>

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2015 budget tax rates and fees that will be charged for the business-type activities. One of those factors is the economy. The City's unemployment rate has decreased from 7.1% to 6.0%. In comparison, the figures for the State of Connecticut have decreased from 8.1% to 6.9%.

These indicators were taken into account when adopting the General Fund budget for 2014-2015. The adopted budget for FY 2015 is \$198 million, an increase of 2% over the final 2014 budget of \$194 million. No new programs or initiatives were added to the 2015 budget. State grants were assumed to fund 7.2% of the 2015 budget as compared to 7.5% of the 2014 budget.

If estimates are realized, the City's June 30, 2015 budgetary General Fund balance is expected to be \$4 million lower than the June 30, 2014 budgetary General Fund balance because of the use of that amount to balance the budget. As for the City's business-type activities, we expect that the 2014-2015 results will improve due to more rounds of golf, higher operating fee revenue, and an increase in bookings at the marina.

Contacting the City's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, City of Milford, 70 West River Street, Milford, Connecticut 06460.

CITY OF MILFORD, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2014

(In Thousands)

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 79,800	\$ 500	\$ 80,300
Investments	117		117
Receivables, net	13,922		13,922
Inventory	45		45
Prepaid items and other assets	233		233
Net pension asset	21		21
Capital assets:			
Capital assets not being depreciated	170,527	1,654	172,181
Capital assets being depreciated, net	173,347	1,472	174,819
Total assets	438,012	3,626	441,638
Deferred Outflow of Resources:			
Deferred charge on refunding	787		787
Liabilities:			
Accounts and other payables	20,750	10	20,760
Unearned revenue	13		13
Due to other governments	602		602
Internal balances	23	(23)	-
Bond anticipation notes payable	21,526		21,526
Noncurrent liabilities:			
Due within one year	16,546		16,546
Due in more than one year	281,414		281,414
Total liabilities	340,874	(13)	340,861
Deferred Inflow of Resources:			
Advance property tax collection	3,120		3,120
Net Position:			
Net investments in capital assets	166,869	3,126	169,995
Restricted for:			
Trust purposes:			
Expendable	255		255
Unrestricted	(72,319)	513	(71,806)
Total Net Position	\$ 94,805	\$ 3,639	\$ 98,444

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue 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	\$ 9,770	\$ 1,125	\$	\$	\$ (8,645)	\$	\$ (8,645)
Administration	3,803				(3,803)		(3,803)
Public safety	38,410	3,246	267	51	(34,846)		(34,846)
Public services	27,538	1,627	4,851		(21,060)		(21,060)
Education	142,617	1,627	31,219	64	(109,707)		(109,707)
Health and welfare	5,503	128	643		(4,732)		(4,732)
Grants to agencies	9,072				(9,072)		(9,072)
Interest on long-term debt	2,711				(2,711)		(2,711)
Total governmental activities	<u>239,424</u>	<u>7,753</u>	<u>36,980</u>	<u>115</u>	<u>(194,576)</u>	<u>-</u>	<u>(194,576)</u>
Business-type activities:							
Milford Golf Course	64	84				20	20
Harbor Management	242	249				7	7
Total business-type activities	<u>306</u>	<u>333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27</u>	<u>27</u>
Total	\$ <u>239,730</u>	\$ <u>8,086</u>	\$ <u>36,980</u>	\$ <u>115</u>	<u>(194,576)</u>	<u>27</u>	<u>(194,549)</u>
General revenues:							
Property taxes					174,885		174,885
Grants and contributions not restricted to specific programs					8,693		8,693
Unrestricted investment earnings					72	1	73
Other general revenues					718		718
Transfers					260	(260)	-
Total general revenues and transfers					<u>184,628</u>	<u>(259)</u>	<u>184,369</u>
Change in net position					(9,948)	(232)	(10,180)
Net position, July 1, 2013					<u>104,753</u>	<u>3,871</u>	<u>108,624</u>
Net position, June 30, 2014					\$ <u>94,805</u>	\$ <u>3,639</u>	\$ <u>98,444</u>

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2014

(In Thousands)

	General	Sewer Fund	Capital Nonrecurring Fund	Sanitary Sewer Fund	School Facilities Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 39,204	\$ 5,222	\$ 5,902	\$ 155	\$ 2,512	\$ 12,263	\$ 65,258
Investments	117						117
Receivables, net	12,451	182				401	13,034
Due from other funds	1,338	208	377			318	2,241
Inventories						45	45
Prepaid items and other assets	207		26				233
Total Assets	<u>\$ 53,317</u>	<u>\$ 5,612</u>	<u>\$ 6,305</u>	<u>\$ 155</u>	<u>\$ 2,512</u>	<u>\$ 13,027</u>	<u>\$ 80,928</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts and other payables	\$ 9,964	\$ 429	\$ 777	\$ 454	\$ 1,312	\$ 1,391	\$ 14,327
Other liabilities	3,801	1	124	476	881		5,283
Due to other governments	584		18				602
Due to other funds	933	258	814	127	27	190	2,349
Unearned revenue	746	285				8	1,039
Bond anticipation notes payable			3,615	2,581	15,130	200	21,526
Total liabilities	<u>16,028</u>	<u>973</u>	<u>5,348</u>	<u>3,638</u>	<u>17,350</u>	<u>1,789</u>	<u>45,126</u>
Deferred inflow of resources:							
Unavailable revenue - property taxes	6,352						6,352
Unavailable revenue - property taxes interest	4,889						4,889
Unavailable revenue - special assessments	80						80
Advance property tax collections	3,120						3,120
Total deferred inflow of resources	<u>14,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,441</u>
Fund balances:							
Nonspendable	21		26			45	92
Restricted						3,845	3,845
Committed	1,054	864	1,940	5,880	2,921	7,463	20,122
Assigned	6,959					86	7,045
Unassigned	14,814	3,775	(1,009)	(9,363)	(17,759)	(201)	(9,743)
Total fund balances	<u>22,848</u>	<u>4,639</u>	<u>957</u>	<u>(3,483)</u>	<u>(14,838)</u>	<u>11,238</u>	<u>21,361</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 53,317</u>	<u>\$ 5,612</u>	<u>\$ 6,305</u>	<u>\$ 155</u>	<u>\$ 2,512</u>	<u>\$ 13,027</u>	<u>\$ 80,928</u>

(Continued on next page)

CITY OF MILFORD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2014

(In Thousands)

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

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

Fund balances - total governmental funds	\$	21,361
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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	\$	481,650	
Less accumulated depreciation		<u>(137,776)</u>	
Net capital assets			343,874

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

Net pension asset	21
Property tax receivables greater than 60 days	287
Interest receivable on property taxes	4,889
Assessments receivable	6,352
Interest receivable on assessments	71
Receivable from the state for school construction projects	746

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

10,647

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

Bonds and notes payable	(154,890)
Interest payable on bonds and notes	(681)
Compensated absences	(19,043)
Net OPEB obligation	(118,240)
Bond premium	(1,376)
Deferred charges on refunding	<u>787</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>94,805</u></u>
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The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2014
(In Thousands)

	<u>General</u>	<u>Sewer Fund</u>	<u>Capital Nonrecurring Fund</u>	<u>Sanitary Sewer Fund</u>	<u>School Facilities Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:							
Property taxes and assessments	\$ 165,899	\$ 7,170	\$	\$	\$	\$	\$ 173,069
Fines, forfeitures, penalties and interest	1,058						1,058
Intergovernmental	27,759		4,284		338	6,884	39,265
Charges for services	2,251	119	100			4,267	6,737
Investment income	75	40				2	117
Other	5,985	628				1,890	8,503
Total revenues	<u>203,027</u>	<u>7,957</u>	<u>4,384</u>	<u>-</u>	<u>338</u>	<u>13,043</u>	<u>228,749</u>
Expenditures:							
Current:							
General government	3,885					787	4,672
Administration	2,529						2,529
Public safety	23,686					2,251	25,937
Public services	11,691					547	12,238
Education	123,068					7,874	130,942
Health and welfare	1,645					2,088	3,733
General charges	21,961						21,961
Grants to agencies	2,642						2,642
Capital outlay		7,620	6,729	3,903	13,093		31,345
Debt service	12,648						12,648
Total expenditures	<u>203,755</u>	<u>7,620</u>	<u>6,729</u>	<u>3,903</u>	<u>13,093</u>	<u>13,547</u>	<u>248,647</u>
Excess (deficiency) of revenues over expenditures	<u>(728)</u>	<u>337</u>	<u>(2,345)</u>	<u>(3,903)</u>	<u>(12,755)</u>	<u>(504)</u>	<u>(19,898)</u>
Other financing sources (uses):							
Issuance of bonds and notes			3,055	6,545	6,194	206	16,000
Transfers in	1,327	31	1,135			800	3,293
Transfers out	(1,625)	(21)	(1,337)			(50)	(3,033)
Total other financing sources (uses)	<u>(298)</u>	<u>10</u>	<u>2,853</u>	<u>6,545</u>	<u>6,194</u>	<u>956</u>	<u>16,260</u>
Net change in fund balances	(1,026)	347	508	2,642	(6,561)	452	(3,638)
Fund balances, July 1, 2013	<u>23,874</u>	<u>4,292</u>	<u>449</u>	<u>(6,125)</u>	<u>(8,277)</u>	<u>10,786</u>	<u>24,999</u>
Fund Balances, June 30, 2014	<u>\$ 22,848</u>	<u>\$ 4,639</u>	<u>\$ 957</u>	<u>\$ (3,483)</u>	<u>\$ (14,838)</u>	<u>\$ 11,238</u>	<u>\$ 21,361</u>

(Continued on next page)

CITY OF MILFORD, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2014

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (3,638)
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	19,739
Depreciation expense	(5,245)
Loss on disposal of asset	(67)

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

School building grant receipts	(274)
Property tax receivable - accrual basis change	378
Property tax interest and lien revenue - accrual basis change	375
Sewer assessment receivable and interest - accrual basis change	67
Sewer assessment interest receivable - accrual change	(7)
Net pension asset	1

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

Bond and note principal payments	10,140
Issuance of bonds and notes	(16,000)
Premium on bonds refunded	120

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

Compensated absences	(1,323)
Accrued interest	(54)
Net OPEB expense	(15,692)
Other	(142)
Amortization of bond discounts	(127)

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

1,801

Change in Net Position of Governmental Activities (Exhibit II)	\$ <u>(9,948)</u>
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The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

JUNE 30, 2014

(In Thousands)

	Business-Type Activities			Governmental Activities
	Milford Golf Course	Harbor Management	Total	Internal Service
Assets:				
Current:				
Cash and cash equivalents	\$ 77	\$ 423	\$ 500	\$ 14,542
Receivables, net			-	888
Due from other funds	24		24	85
Total current assets	<u>101</u>	<u>423</u>	<u>524</u>	<u>15,515</u>
Capital assets, net	1,794	1,332	3,126	
Total assets	<u>1,895</u>	<u>1,755</u>	<u>3,650</u>	<u>15,515</u>
Liabilities:				
Current:				
Accounts payable and accrued liabilities		10	10	457
Due to other funds		1	1	
Total current liabilities	<u>-</u>	<u>11</u>	<u>11</u>	<u>457</u>
Noncurrent:				
Due within one year:				
Risk management claims				4,411
Total liabilities	<u>-</u>	<u>11</u>	<u>11</u>	<u>4,868</u>
Net Position:				
Invested in capital assets	1,794	1,332	3,126	
Unrestricted	101	412	513	10,647
Total Net Position	<u>\$ 1,895</u>	<u>\$ 1,744</u>	<u>\$ 3,639</u>	<u>\$ 10,647</u>

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	Business-Type Activities			Governmental Activities
	Milford Golf Course	Harbor Management	Total	Internal Service
Operating revenues:				
Employer contributions	\$	\$	\$	\$ 33,615
Charges for services	84	249	333	5,913
Other			-	287
Total operating revenues	<u>84</u>	<u>249</u>	<u>333</u>	<u>39,815</u>
Operating expenses:				
Health and welfare	48	221	269	
Depreciation	16	21	37	
Insurance premiums and claims expense			-	38,015
Total operating expenses	<u>64</u>	<u>242</u>	<u>306</u>	<u>38,015</u>
Operating income	20	7	27	1,800
Nonoperating revenue:				
Interest income		1	1	1
Transfers out	<u>(260)</u>		<u>(260)</u>	
Change in net position	(240)	8	(232)	1,801
Total net position, beginning of year	<u>2,135</u>	<u>1,736</u>	<u>3,871</u>	<u>8,846</u>
Total Net Position, End of Year	\$ <u><u>1,895</u></u>	\$ <u><u>1,744</u></u>	\$ <u><u>3,639</u></u>	\$ <u><u>10,647</u></u>

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	Business-Type Activities			Governmental Activities
	Milford Golf Course	Harbor Management	Total	Internal Service
Cash flows from operating activities:				
Cash received from contributions and charges for services	\$ 84	\$ 249	\$ 333	\$ 39,528
Cash paid to employees		(227)	(227)	
Cash paid to vendors	(48)		(48)	
Cash payments for claims paid			-	(37,567)
Net cash provided by operating activities	<u>36</u>	<u>22</u>	<u>58</u>	<u>1,961</u>
Cash flows to/from noncapital financing:				
Transfers to/from other funds	<u>(260)</u>	<u>-</u>	<u>(260)</u>	
Cash flows from investing activities:				
Interest and dividends received		<u>1</u>	<u>1</u>	<u>1</u>
Net (decrease) increase in cash and cash equivalents	(224)	23	(201)	1,962
Cash and cash equivalents at beginning of year	<u>301</u>	<u>400</u>	<u>701</u>	<u>12,580</u>
Cash and Cash Equivalents at End of Year	<u>\$ 77</u>	<u>\$ 423</u>	<u>\$ 500</u>	<u>\$ 14,542</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 20	\$ 7	\$ 27	\$ 1,800
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	16	21	37	
(Increase) decrease in due from other funds	(23)	(5)	(28)	43
(Increase) decrease in accounts receivable	23		23	(330)
Increase (decrease) in accounts payable and accrued liabilities		(1)	(1)	448
Net Cash Provided by Operating Activities	<u>\$ 36</u>	<u>\$ 22</u>	<u>\$ 58</u>	<u>\$ 1,961</u>

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

JUNE 30, 2014

(In Thousands)

	Pension Trust Funds	City OPEB Trust Fund	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ <u>25,304</u>	\$ <u>22</u>	\$ <u>1,659</u>
Investments:			
Certificate of deposits			123
Corporate bonds	32,486		
U.S. government obligations	13,409		
Marketable equity securities	195,112		
Asset backed securities	10,464		
Alternative investments	66,057		
Mutual funds	<u>11,608</u>	<u>4,068</u>	<u> </u>
Total investments	<u>329,136</u>	<u>4,068</u>	<u>123</u>
Receivables	<u>5</u>	<u> </u>	<u> </u>
Total assets	<u>354,445</u>	<u>4,090</u>	\$ <u><u>1,782</u></u>
Liabilities:			
Accounts and other payables	151		\$
Due to employees and students	<u> </u>	<u> </u>	<u>1,782</u>
Total liabilities	<u>151</u>	<u> </u>	\$ <u><u>1,782</u></u>
Net Position:			
Held in Trust for Retirement Benefits	\$ <u><u>354,294</u></u>	\$ <u><u>4,090</u></u>	

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT

STATEMENT OF CHANGES IN PLAN NET POSITION - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	Pension Trust Funds	City OPEB Trust Fund
Additions:		
Contributions:		
Plan members	\$ 2,169	\$
Employer-current year	2,225	5,907
Employer-additional		500
Total contributions	<u>4,394</u>	<u>6,407</u>
Miscellaneous	<u>12</u>	<u>1</u>
Investment income:		
Net appreciation in fair value of investments	33,671	444
Interest and dividends	8,564	62
Net gain on sale of investments	<u>13,187</u>	<u>101</u>
	55,422	607
Less investment expense	<u>8,222</u>	<u>12</u>
Net investment gain	<u>47,200</u>	<u>595</u>
Total additions	<u>51,606</u>	<u>7,003</u>
Deductions:		
Benefit payments and withdrawals	21,862	5,907
Administration	1	
Other	<u>3,056</u>	
Total deductions	<u>24,919</u>	<u>5,907</u>
Net Increase	26,687	1,096
Net position held in trust, beginning of year	<u>327,607</u>	<u>2,994</u>
Net Position Held in Trust, End of Year	<u>\$ 354,294</u>	<u>\$ 4,090</u>

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
(In Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The government is a municipal corporation governed by an elected mayor and 15-member Board of Aldermen. A 10-member Board of Education oversees all education activities. As required by GAAP, these financial statements present all of the governmental functions for which it is financially accountable.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. 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.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

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

The Sewer Fund is used to account for revenue from the operation of the sewer system. The major source of revenue is user fees and investment income.

The Capital Nonrecurring Fund is used to account for those projects of the City, except for those of the school buildings or sewers, which are capital nonrecurring in nature. The major sources of revenue for this fund are intergovernmental revenues and bond proceeds.

The Sanitary Sewer Fund is used to account for activities related to the construction of sanitary sewers. The major sources of revenue for this fund are proceeds from the sale of bonds.

The School Facilities Fund is used to account for construction of school buildings and additions. The major sources of revenue for this fund are State revenues and proceeds from the sale of bonds.

The City reports the following major proprietary funds:

The Milford Golf Course Fund accounts for the activity of the municipal golf course.

The Harbor Management Fund is used to account for the activity of Harbor area.

Additionally, the City reports the following fund types:

The Internal Service Funds account for the City's and Board of Education's health insurance, the City's workers' compensation insurance and the City's and Board of Education's property and casualty insurance.

The Pension Trust Funds account for the activities of the Milford Retirement System, which accumulates resources for pension benefit payments to qualified City employees.

The OPEB Trust Fund accounts for and accumulates resources for post-employment benefits due to the City's retirees.

All fiduciary funds, including agency funds, use the accrual, rather than the modified accrual, of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain City's functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

D. Deposits and Investments

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

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

Investments for the City are reported at fair value.

E. Receivables and Payables

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

Property taxes are levied each June on the assessed value listed on the prior October 1 grand list for all taxable property located in the City. Although taxes are levied in June, the legal right to attach the property does not exist until July 1, and, as such, taxes are due and payable in equal installments on July 1 and January 1 following the date of the grand list. Taxes become overdue one month after the installment date. Interest accrues at the rate of 1.5% per month. Additional property taxes are assessed for motor vehicles registered subsequent to the grand list date and are payable in one installment due January 1.

In accordance with State law, the oldest outstanding tax is collected first. Prior to June 30 of each year, liens are automatically placed on outstanding real estate tax accounts, with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

Real estate, motor vehicle, and personal property accounts are no longer collectible 15 years after the due date in accordance with State Statutes. A total of \$1.4 million has been established as an allowance for uncollectible taxes and interest.

F. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure	35-70
Motor vehicles	5-20
Office and other equipment	5-15

H. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, special assessments and 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 in varying amounts based on length of service. Certain employees may carry over a limited number of unused vacation days to subsequent years and, in the event of termination, these employees are reimbursed for accumulated vacation.

Under the terms of its various contracts, City and Board of Education employees are granted sick leave in varying amounts. Certain employees may carry over a limited number of unused sick days to subsequent years and, in the event of termination, these employees are reimbursed for accumulated sick time. Accumulated vacation and sick time is recognized as a liability of the City in the government-wide statement of net position.

J. Long-Term Obligations

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

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

K. Fund Equity

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

Net Investments 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 - Net position is restricted when there are externally imposed restrictions by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This component of net position includes anything that does not meet the definition of “restricted” or “net investments 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 Board of Aldermen has the highest level of decision making authority for the City of Milford. In order for the City to establish, modify or rescind a fund balance commitment, the Mayor must make a recommendation to the Board of Aldermen, which has final authority.

Assigned Fund Balance - This balance represents amounts constrained for the intent to be used for a specific purpose by a governing board (Board of Alderman) or a body or official (Director of Finance) that has been delegated authority to assign amounts by the City Charter.

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Prior to February 1, the Mayor and the Board of Education submit proposed budgets for their respective shares of the General Fund to the Board of Finance. Prior to April 1, the Board of Finance submits to the Board of Aldermen the proposed fiscal budget. The Board of Aldermen then holds hearings on the Board of Finance’s proposed budget. The Board of Aldermen may reduce or delete any item contained in the Board of Finance’s budget by a simple majority. The Board of Aldermen may increase or add to any item in the Board of Finance budget by a two-thirds vote. The Board of Aldermen adopts the budget for the following fiscal year and sets the mill rate. This budget, at the department level, becomes the legal level of control. For management purposes, the Mayor is authorized to transfer budgeted amounts between like categories of line items within individual budgeted departments. All other transfers, as well as additional appropriations, must first be approved by the Board of Finance and then by the Board of Aldermen. Allocation transfers of \$642 were approved during the fiscal year.

All unencumbered appropriations lapse at year-end except those for Capital Projects and Special Revenue Funds. Appropriations for these funds are continued until completion of applicable projects, which generally extend more than one fiscal year.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded as assigned or committed fund balance, in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all governmental fund types. For GAAP purposes, encumbrances outstanding at the year-end are reported as an assignment or commitment of fund balance since they do not constitute expenditures or liabilities.

The major difference between the budgetary and GAAP basis of accounting is:

- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year whereas they are shown as an assigned fund balance on a GAAP basis of accounting.
- In accordance with Governmental Accounting Standards Board Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the City reports on-behalf contributions made by the State of Connecticut to the Connecticut State Teachers' Retirement System as revenue and expenditures for GAAP purposes.
- At the end of each fiscal year, the Board of Education's summer payroll is charged to the subsequent year's budget. As these expenditures should be accrued, this adjustment is necessary to properly record expenditures on a GAAP basis.

B. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2014:

	<u>Amount</u>
Major:	
School Facilities Fund	\$ 14,838
Sanitary Sewer Fund	3,483
Nonmajor:	
School Renovations	201

These deficits will be reduced or eliminated through the receipt of grant funds, permanent financing or future transfers from the General Fund.

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 does 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 also provide for investment in shares of the State Short-Term Investment Fund (STIF). This investment pool is under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and is 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*, \$28,254 of the City's bank balance of \$32,515 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 26,630
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>1,624</u>
Total Amount Subject to Custodial Credit Risk	<u><u>\$ 28,254</u></u>

Cash Equivalents

At June 30, 2014, the City's cash equivalents amounted to \$64,079. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard & Poor's</u>
State Short-Term Investment Fund (STIF)	AAA/m
Cutwater Asset Management - Connecticut Cooperative Liquid Assets Securities System (CLASS) Plus	AAA/m
Money market funds *	

*Not rated

Investments

As of June 30, 2014, the City had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More Than 10
Interest-bearing investments:					
Asset-backed securities	NR	\$ 10,464	\$	\$ 1,434	\$ 9,030
Treasury notes	N/A	13,409		8,330	5,079
Corporate bonds	AA+	685		685	
Corporate bonds	A+ to A-	4,949		4,949	
Corporate bonds	BBB+ to BBB-	10,962	621	10,341	
Corporate bonds	BB+ to BB-	9,155		9,155	
Corporate bonds	B+ to B-	4,997	43	4,892	62
Corporate bonds	CAA2	155		155	
Corporate bonds	CCC	1,583		1,583	
Certificates of deposit	*	240	123	117	
Total		56,599	\$ 787	\$ 41,641	\$ 14,171
Other investments:					
Equities		195,112			
Alternative investments		66,057			
Mutual funds		15,676			
Total Investments		\$ 333,444			

*Subject to coverage by Federal Depository Insurance and collateralization.

Interest Rate Risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City limits their maximum final stated maturities to 15 years, unless specific authority is given to exceed. 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. The City has no formal investment policy that would further limit its investment choices.

Concentration of Credit Risk - The City has no policy limiting an investment in any one issuer that is in excess of 5% of the City's total investments.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2014, the City did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

4. RECEIVABLES

Receivables as of year-end for the City's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Sewer Fund</u>	<u>Nonmajor and Aggregate Remaining Funds</u>
Receivables:			
Taxes	\$ 12,980	\$ 166	\$
Accounts	53	16	1,056
Special assessments	80		
Intergovernmental	748		238
Gross receivables	<u>13,861</u>	<u>182</u>	<u>1,294</u>
Less allowance for uncollectibles:	<u>(1,410)</u>		
Net Total Receivables	<u>\$ 12,451</u>	<u>\$ 182</u>	<u>\$ 1,294</u>

5. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 36,573	\$ 5	\$	\$	\$ 36,578
Construction in progress	143,057	18,000		(27,108)	133,949
Total capital assets not being depreciated	<u>179,630</u>	<u>18,005</u>	<u>-</u>	<u>(27,108)</u>	<u>170,527</u>
Capital assets being depreciated:					
Buildings and improvements	144,085		(168)	23,043	166,960
Improvements other than buildings	3,577	19			3,596
Machinery and equipment	38,865	1,647	(1,775)		38,737
Infrastructure	97,697	68		4,065	101,830
Total capital assets being depreciated	<u>284,224</u>	<u>1,734</u>	<u>(1,943)</u>	<u>27,108</u>	<u>311,123</u>
Less accumulated depreciation for:					
Buildings and improvements	(58,980)	(2,506)	111		(61,375)
Improvements other than buildings	(1,059)	(192)			(1,251)
Machinery and equipment	(30,145)	(1,499)	1,765		(29,879)
Infrastructure	(44,223)	(1,048)			(45,271)
Total accumulated depreciation	<u>(134,407)</u>	<u>(5,245)</u>	<u>1,876</u>	<u>-</u>	<u>(137,776)</u>
Total capital assets being depreciated, net	<u>149,817</u>	<u>(3,511)</u>	<u>(67)</u>	<u>27,108</u>	<u>173,347</u>
Governmental Activities Capital Assets, Net	<u>\$ 329,447</u>	<u>\$ 14,494</u>	<u>\$ (67)</u>	<u>-</u>	<u>\$ 343,874</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 1,654	\$	\$	\$	\$ 1,654
Capital assets being depreciated:					
Buildings and system	468				468
Improvements other than buildings	1,231				1,231
Machinery and equipment	693				693
Total capital assets being depreciated	<u>2,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,392</u>
Less accumulated depreciation for:					
Buildings and system	(267)	(16)			(283)
Improvements other than buildings	(152)	(5)			(157)
Machinery and equipment	(464)	(16)			(480)
Total accumulated depreciation	<u>(883)</u>	<u>(37)</u>	<u>-</u>	<u>-</u>	<u>(920)</u>
Total capital assets being depreciated, net	<u>1,509</u>	<u>(37)</u>	<u>-</u>	<u>-</u>	<u>1,472</u>
Business-Type Activities Capital Assets, Net	<u>\$ 3,163</u>	<u>\$ (37)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 3,126</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:		
General government	\$	84
Administration		163
Public safety		1,247
Public service		2,142
Education		1,378
Health and welfare		161
Grants to agencies		<u>70</u>
Total Depreciation Expense - Governmental Activities	\$	<u><u>5,245</u></u>
Business-type activities:		
Milford Golf Course	\$	16
Harbor Management		<u>21</u>
Total Depreciation Expense - Business-Type Activities	\$	<u><u>37</u></u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. At June 30, 2014, the amounts due to and from other funds were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Nonrecurring Fund	General Fund	\$ 377
General Fund	Harbor Management	1
General Fund	Capital Nonrecurring Fund	814
General Fund	Nonmajor Governmental	177
General Fund	Sanitary Sewer	127
General Fund	School Facilities	27
General Fund	Sewer Use	192
Internal Service	Nonmajor Governmental	14
Internal Service	General Fund	8
Internal Service	Sewer Use	63
Nonmajor Governmental	General Fund	315
Nonmajor Governmental	Sewer Use	3
Harbor Management	General Fund	24
Sewer Use	General Fund	<u>208</u>
Total		\$ <u><u>2,350</u></u>

Interfund transfers:

	Transfers In				Total
	Capital Nonrecurring	Nonmajor Governmental	Sewer Use	General Fund	
Transfers out:					
General Fund	\$ 825	\$ 800	\$	\$	\$ 1,625
Capital Nonrecurring Fund			31	1,306	1,337
Milford Golf Course	260				260
Nonmajor Governmental	50				50
Sewer Use Fund				21	21
Total	\$ <u>1,135</u>	\$ <u>800</u>	\$ <u>31</u>	\$ <u>1,327</u>	\$ <u>3,293</u>

General Fund transfers are made in accordance with budget appropriations and authorized allocation transfers. The General Fund transfers to other funds are primarily for the purpose of establishing local funding for capital projects to reduce bonding. Transfers are used to move unrestricted general fund revenues to fund various programs that must be accounted for separately in accordance with budgetary authorizations.

7. LONG-TERM DEBT

General Obligation Bonds

Bonds payable at June 30, 2014 amounted to \$119,490 with interest rates ranging from 2.0% to 4.0% on bonds maturing at various dates through the year 2034. Grants receivable to offset future City principal payments totaled \$746 from State of Connecticut school construction grants. The General Fund is typically used to liquidate long-term liabilities.

Bonds authorized and unissued totaled \$45,552 at June 30, 2014. A summary of the long-term indebtedness transactions for the current fiscal year follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 111,570	\$ 16,000	\$ (8,080)	\$ 119,490	\$ 8,890
Bond premium	1,496		(120)	1,376	
Total bonds payable	<u>113,066</u>	<u>16,000</u>	<u>(8,200)</u>	<u>120,866</u>	<u>8,890</u>
Long-term note payable	37,460		(2,060)	35,400	2,102
Claims and judgments	4,010	38,015	(37,614)	4,411	4,411
Compensated absences	17,720	1,413	(90)	19,043	1,143
Net OPEB obligation	<u>102,548</u>	<u>15,692</u>		<u>118,240</u>	
Total Governmental Activities					
Long-Term Liabilities	\$ <u>274,804</u>	\$ <u>71,120</u>	\$ <u>(47,964)</u>	\$ <u>297,960</u>	\$ <u>16,546</u>

The following is a schedule of long-term debt maturity:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 8,890	\$ 3,963	\$ 12,853
2016	8,535	3,699	12,234
2017	8,940	3,415	12,355
2018	8,345	3,101	11,446
2019	8,015	2,789	10,804
2020	7,840	2,486	10,326
2021	7,445	2,194	9,639
2022	7,235	1,917	9,152
2023	7,070	1,654	8,724
2024	6,600	1,433	8,033
2025	6,155	1,241	7,396
2026	5,890	1,058	6,948
2027	5,510	880	6,390
2028	5,155	706	5,861
2029	4,825	539	5,364
2030	4,150	375	4,525
2031	3,395	249	3,644
2032	2,735	145	2,880
2033	1,960	65	2,025
2034	800	16	816
Total	\$ 119,490	\$ 31,925	\$ 151,415

Long-Term Note Payable

The City has several State of Connecticut Clean Water serial notes outstanding. The interest rate is 2% and the notes are payable through May 31, 2029. The principal and interest payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 2,102	\$ 688	\$ 2,790
2016	2,144	644	2,788
2017	2,188	604	2,792
2018	2,232	554	2,786
2019	2,278	513	2,791
2020-2024	12,098	1,856	13,954
2025-2029	12,358	614	12,972
Total	\$ 35,400	\$ 5,473	\$ 40,873

Prior Year Defeasance of Debt

In prior years, the City had defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2014, \$6,955 of bonds outstanding is considered defeased.

Bond Anticipation Notes

Bond anticipation notes, which serve as temporary financing for certain capital projects, were outstanding at June 30, 2014.

	<u>Amount</u>
Notes payable, July 1, 2013	\$ 17,555
Notes issued	36,880
Notes retired	<u>(32,909)</u>
Notes Payable, June 30, 2014	<u>\$ 21,526</u>

During the year, the City issued \$15,354 in notes dated November 12, 2013, which matured May 12, 2014 and carried an interest rate of 1%. The City also issued notes on November 12, 2013 in the amount of \$4,031 with a maturity date of November 10, 2014 and interest rate of 1%. On May 12, 2014, the City issued \$17,495 in notes that mature on November 10, 2014 and carry an interest rate of .5%. These notes serve as temporary financing for various general purpose, school and sewer projects.

Other Obligations

At June 30, 2014, the dollar value of City employees' and Board of Education employees' accumulated vacation and sick time has been valued using the vesting methods outlined in GASB Statement No. 16. These obligations are typically funded by the General Fund.

Debt Limitation

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 374,801	\$ 65,943	\$ 308,858
Schools	749,601	61,315	688,286
Sewers	624,668	93,963	530,705
Urban renewal	541,379		541,379
Pension deficit	499,734		499,734

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation (\$1,166,046).

The indebtedness reflected above includes long-term debt outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School indebtedness is net of \$746 of State of Connecticut school building grant commitments.

8. RISK MANAGEMENT

The City and the Board of Education are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters. For FY2014, the City and the Board of Education Property, General Liability, Auto Liability, Public Officials' Liability, Police Professional Liability, and Educators' Liability were insured by CIRMA with deductibles of \$1,000 for auto physical damage and \$-0- for other liability coverage. Law Enforcement/Public Officials/School Leaders has a \$25,000 deductible and Employee Benefits has a deductible of \$1,000. The Board of Education insures its Workers' Compensation with CIRMA.

The Property/Inland Marine Insurance and Boiler and Machinery Insurance are with CIRMA Insurance. The policy has a deductible of \$50,000. There is \$20,000,000 of coverage for flood damage under this policy. Flood Zones A and V have a deductible of \$1,000,000. The City has purchased coverage from the National Flood Program to cover this deductible. The National Flood Program has a maximum deductible of \$25,000.

All City deductibles and premiums for the City portion of insurance are paid from the City's Property and Casualty Self Insurance Fund. The Board of Education pays for its premiums and deductibles from its operations budget.

The Property and Casualty Self Insurance Fund is an internal service fund that was established by the Board of Aldermen in April 2003 along with a self insurance program for property and casualty insurance. This fund pays for claims that occurred between April 23, 2003 and June 30, 2008. The General Liability, Auto Liability, Public Officials' Liability, Police Professional Liability and Educator's Liability were self insured for the first \$250 thousand dollars of each claim. There is still one claim open from this period.

The claims liability reported in the Internal Service Fund at June 30, 2014 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded.

	Liability July 1,	Current Year Claims	Claim Payments	Liability June 30,
06/30/13	\$ 310	\$ 1,179	1,268	221
06/30/14	221	1,279	1,287	213

The Workers' Compensation Internal Service Fund is used to account for and finance workers' compensation costs for City employees and City Grant Agency employees. Contributions to the Workers' Compensation Fund from the General Fund are made based upon actuarial calculations. Payments are made by Grant Agencies and the Sewer Fund based upon NCCI rates based on payroll.

The City carries an Excess Workers' Compensation Policy with Safety National Casualty Corporation with a self-insured retention per occurrence of \$500,000.

The General Fund will be used to cover any uninsured risks of loss.

Changes in the claims liability for the years ended June 30, 2014 and 2013 were as follows:

	<u>Liability July 1,</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Liability June 30,</u>
06/30/13	\$ 2,015	1,218	1,197	2,036
06/30/14	2,036	1,185	1,023	2,198

The Health Insurance Service Fund is used to account for and finance indemnity medical coverage for eligible City, Board of Education and City Grant Agency employees and dependents, and prior employees and dependents entitled to continue participation in the City's plan under the provisions of COBRA. For the year ended June 30, 2014, the annual limit on individual medical claims chargeable to the Fund is \$100,000. Payments to the Health Insurance Fund are made by the Grant Agencies, the Sewer Use Fund, the Special Education Grants Fund, the Special Grants Fund, the Harbor Management Enterprise Fund and persons continuing coverage under COBRA in an amount equal to the premium an individual would pay for continuation coverage under the group program. The City makes General Fund contributions to the Health Insurance Fund based on budgeted amounts, which, in conjunction with estimated Grant contributions, total the year's estimated expected losses. Employee and applicable retirees under age 65 also make contributions to the fund through premium cost share.

Changes in the claims liability for the years ended June 30, 2014 and 2013 were as follows:

	<u>Liability July 1,</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Liability June 30,</u>
06/30/13	\$ 1,775	\$ 34,442	\$ 34,464	\$ 1,753
06/30/14	1,753	35,551	35,304	2,000

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Plan Descriptions

The City of Milford is the administrator of a single-employer public employee retirement system (PERS) established and administered by the City to provide pension benefits for its full-time employees other than teachers who are covered by the Retirement System - State Teachers Retirement Board. The Retirement System is considered to be part of the City of Milford's financial reporting entity and is included in the City's financial reports as a pension trust fund. The City does not issue stand-alone financial statements for the Pension Trust Fund.

Management of the Retirement System rests with the Pension and Retirement Board, which consists of 24 members, who are appointed by the Board of Aldermen.

The City of Milford Retirement System provides retirement benefits as well as death and disability benefits. Benefits vest after 10 years for General City members (5 years for Public Works, Supervisors, Custodians and Cafeteria Workers); there is no vesting for Police and Fire members. Except for Police and Fire, members who retire after age 60 with 10 years of service (5 years for Public Works, Supervisors, Custodians and Cafeteria Workers) or the age at which the sum of age and service equal 80 (79 for non-represented members and Board of Education Contract Secretaries) are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% or 2-1/4% of their final average salary for each year of credited service. Police and Fire members who retire after 20 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 45% times average annual pay plus 2% times average annual pay times credited service over 20 years. Supplemental benefits for Police members who were hired prior to April 6, 1989 and Fire members are based on 1/2 of salary increases given to members in the grade that the member was in at the time of retirement.

Final average salary is the average of the 2 or 3 highest fiscal years compensation. General city members with 10 years of service (5 years for Public Works, Custodians and Cafeteria Workers) may retire at or after age 50 and receive a reduced benefit. If a member leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions with interest thereon are refunded. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. The surviving spouse of a Fire active member or retiree who retired after November 1, 1988 receives a fixed pension supplement equal to 50% of average annual pay at death or retirement, payable monthly for life. The surviving spouse of a Police active member or retiree who retired after June 29, 2001 receives a fixed pension supplement equal to 50% of average annual pay at death or retirement, payable monthly for life.

Membership in the plan consisted of the following at July 1, 2013:

	City of Milford Retirement System
Retirees and beneficiaries receiving benefits	743
Terminated employees entitled to benefits but not yet receiving them	17
Active plan members	705
	<hr/>
Total	1,465
	<hr/> <hr/>

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: The PERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as per statutory or contractual requirements. Benefit payments and refunds are payable when due and payable in accordance with the terms of the PERS. All administrative costs are financed through investment earnings.

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.

Plan Changes: The City benefits reflect the 2012 ad-hoc COLA that was approved effective May 1, 2013. The change increased the City cost about \$140,000.

Changes in Actuarial Methods and Assumptions: The investment return assumption has been changed from 8.25% to 8.00%, net of investment expenses. This change increased costs for the City, Fire, and Police approximately \$0.5, \$0.3, and \$0.4 million respectively.

C. Funding Status and Progress

City of Milford Retirement System

General City members are required to contribute 2.25% of annual compensation up to \$4,200 plus 5% of compensation in excess of \$4,200 (4% of compensation in excess of \$4,200 for MEA and MSA members and non-represented members with 15 or more years of service); Fire employees are required to contribute 6% of annual compensation; if they have less than 15 years of service, 5% for years between 15 and 24, and 4% thereafter; Police employees are required to contribute 5.5% of annual compensation if they have less than 10 years of service, 5% for years between 10 and 14, and 4.5% thereafter. The contributions by employees are determined by collective bargaining. The City is required by ordinance to contribute the remaining amounts necessary to provide benefits for the members.

Investments

Investment Policy: The pension 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. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
US Large Cap Equity	25.00%
US Mid/Small Cap Equity	15.00%
International Developed Equity	10.00%
International Emerging Market Equity	5.00%
Core Fixed Income	25.00%
High Yield Fixed Income	2.50%
International Fixed Income	2.50%
REITs	5.00%
Other (hedge fund, etc.)	10.00%
	<u>100.00%</u>

Rate of Return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.78%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

D. Net Pension Liability

In accordance with Government Accounting Standards Board Statement No. 67, the components of the net pension liability at June 30, 2014, were as follows:

Total pension liability	\$	353,977
Plan fiduciary net position		<u>354,294</u>
Net pension asset	\$	<u>(317)</u>
Plan fiduciary net position as a percentage of the total pension asset		100.09%

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

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

Inflation	3.00%
Salary increases	Age related table
Investment rate of return	8.0%

Mortality rates were based on the RP-2000 Fully Projected Mortality Table with male and female rates and separate tables for employees and annuitants. The actuarial method used for calculating the total pension liability was the Entry Age Normal cost method.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2013-June 30, 2014.

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
US Large Cap Equity	4.75%
US Mid/Small Cap Equity	5.50%
International Developed Equity	5.25%
International Emerging Market Equity	6.00%
Core Fixed Income	2.00%
High Yield Fixed Income	3.25%
International Fixed Income	2.50%
REITs	5.00%
Other (hedge fund, etc.)	5.25%

Discount Rate: The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the City, calculated using the discount rate of 8.0%, 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 (7.0%) or 1 percentage point higher (9.0%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Town Net Pension (Asset) Liability \$	\$ 39,164	\$ (317)	\$ (33,520)

E. Annual Pension Cost and Net Pension Obligations

The City's annual pension cost and net pension obligation to the PERS for the current year were as follows:

	City of Milford Retirement System
Annual required contribution	\$ 2,225
Interest on net pension obligation	(1)
Adjustment to annual required contribution	2
Annual pension cost	2,226
Contribution made	(2,225)
Decrease in net pension asset	1
Net pension asset, July 1, 2013	(22)
Net pension asset, June 30, 2014	\$ (21)

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

City of Milford Retirement System	
Actuarial valuation date	July 1, 2013
Actuarial cost method	Aggregate Actuarial Cost
Amortization method	None
Remaining amortization period	Not Applicable
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return (including inflation rate of 3%)	8.0%/annum
Projected salary increases	3.0%/annum
Cost of living adjustments:	
Post-retirement benefit increases	None, except for Police hired after April 6, 1989 - 3%/annum

E. Trend Information

City of Milford Retirement System			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
2012	\$ 343	99.7%	\$ (23)
2013	325	99.7	(22)
2014	2,226	100.0	(21)

F. Pension Plan Required Supplementary Information

Schedule of Funding Progress*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (b-a)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
7/1/09	\$ 383,936	\$ 302,642	\$ (81,294)	126.9	\$ 40,550	(200.5)
7/1/10	375,679	307,980	(67,699)	122.0	40,622	(166.7)
7/1/11	372,126	307,306	(64,820)	121.1	41,597	(155.8)
7/1/12	354,081	321,477	(32,604)	110.1	43,010	(75.8)
7/1/13	341,045	341,706	661	99.8	42,773	1.6

* Schedule was prepared using the entry-age normal cost method as the aggregate cost method does not identify or separately amortize unfunded actuarial accrued liabilities. The information presented is intended to serve as a surrogate for the funded status and funding progress of the plan.

State of Connecticut Police and Fire Survivors' Plan

The City makes monthly contributions to the State Survivors' Plan based upon an amount invoiced by the State. The State Survivors' Plan makes monthly payments to the surviving spouses of police and fire retirees. The City has no information concerning payments made by or the funding status of this plan. City contributions for the year ended June 30, 2014 were \$302.

Connecticut State Teachers' Retirement System

All certified employees of the City of Milford school system participate in the State of Connecticut Teachers' Retirement System under Chapter 167a of the General Statutes of the State of Connecticut. A teacher is eligible to receive a normal retirement benefit if he or she has: 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut or 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut. The City's Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of the actuarially computed unfunded liability. The City does not have any liability for Teacher Pensions. The amount contributed by the State on behalf of the City of Milford's Board of Education was \$12,368. This amount has been recorded in the General Fund as intergovernmental revenue and education expenditures.

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

10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description and Benefits Provided

City

In addition to the pension benefits, all City employees retiring under the City of Milford Retirement Plan are provided postemployment benefits. Individual stand-alone statements are not issued. Effective July 1, 2011, the City established the OPEB Trust Fund, which converted the existing balance in the OPEB fund to the Trust. The City continues to make annual contributions to the OPEB Trust Fund. This trust fund was opened for the purpose of segregating balances for postemployment benefits. All related activity is now shown in the newly established OPEB Trust Fund. The level of these benefits is determined by contract for all union employees and by a City ordinance for all non-represented employees. Per contracts and ordinances, the City will pay a portion of the cost of these benefits. Benefits provided are as follows: 1) for retirees under 65, the City must currently provide Blue Cross/Blue Shield hospitalization, medical/surgical, prescription drug and major medical coverage's (varying deductibles) with coverages provided to both the retired employee and eligible dependents; 2) for retired employees and their eligible dependents, the City must provide Blue Cross/Blue Shield 65 coverage and also reimburse the Medicare Part B premium for each eligible retiree and retiree spouse eligible for Medicare; 3) the City also provides life insurance coverage based on union contracts. Health care costs are as follows:

Pre-65:	
General City	\$10,391 per year
Fire	\$10,095 per year
Police	\$10,095 per year

Post-65:	
BC 65 Low Option	\$1,586 per year
Plan 82	\$2,565 per year
Medicare Part B:	
Actives	\$1,379 per year
Retirees	\$1,259 per year

Board of Education

The Board of Education provides certain post-retirement benefits to retirees through negotiated contracts. Eligibility for benefits is as follows:

Teachers: Prior to age 65 retiree and spouse pay full premium minus the Teachers' Retirement Board subsidy (eligible if receiving a retirement allowance from the Teacher's Retirement Board). Post 65, Board of Education pays premium in full for participant only, spouse pays premium minus subsidy.

Para-professionals: Retiree and spouse pay 50% of premium at age 60 with 15 years of service. No benefits after age 65.

Custodians: No cost to retiree or spouse until age 65 if at least age 60 with 10 years of service at retirement. At age 65, retiree and spouse must pay for prescription and dental coverage if elected.

Secretaries: No cost to retiree or spouse if retiree is at least 60 with 10 years of service at retirement or age plus service equals 79. (Note: Rule of 79 also applies to custodians and cafeteria workers.) If employee was hired after June 30, 2002, retiree and spouse pay same cost share as active employees until age 65.

Cafeteria Workers: No cost to retiree or spouse until age 65 if employee is at least age 60 with 10 years of service at retirement. At age 65, retiree and spouse must pay for prescription and dental coverage if elected.

Administrators: If retired before age 65, must be receiving retirement allowance from the Teachers' Retirement Board to qualify for benefits. No cost to retiree or spouse if the percentage of premium that the employee pays prior to retirement is less than the Teachers' Retirement Board subsidy. If cost is greater than the subsidy, retiree pays the difference. If subsidy is eliminated, retiree pays percentage of cost in effect at time of retirement. At age 65, there is no cost to the retiree or spouse for medical insurance. Retirement date on or after 7/1/2010, retiree and spouse must pay for dental coverage, regardless of age. .

The Board provides Medicare Part A and B supplemental coverage and life insurance for retirees over 65. The Board of Education does not provide any financial assistance to those teachers who retire prior to age 65. The State Teachers' Retirement Board provides a \$110 (single) and/or \$220 (two-person) per month per employee as a subsidy to offset the post-employment costs. Life insurance is provided to Union employees as follows: Administrators 100% of salary; Teacher 50% of salary; support or non-certified staff \$10,000 or less. The Life Insurance Amount is fixed and does not get adjusted for inflation, cost of living, or any other index. Health care costs are as follows:

Pre-65 (for current active members who retire):	<u>As of July 1, 2013:</u>
Board of Ed-Café	\$10,653 per year
Board of Ed-Cust	\$9,927 per year
Board of Ed-Sec	\$10,075 per year
Board of Ed-Para	\$9,944 per year
Administrators	\$9,606 per year
Teachers	\$9,944 per year

Pre-65 (for current retirees who are under 65):

Based on plan selected

Post-65 (for current active members who retire and
current retirees who are over 65):

As of 1/1/14:

Plan 82 only	\$1,076 per year
Hi Option with Plan 82 and Major Medical (\$50,000)	\$4,956 per year
Hi Option with Plan 82 and Major Medical (\$250,000)	\$5,084 per year
Hi Option with Plan 82 and No Rx	\$2,398 per year
Plan F with Rx	\$6,344 per year
Medicare Part B:	
Retirees	\$1,259 per year
Post-65 (for current retirees who are under 65):	
Based on plan selected - Dental plan	\$516 per year

B. Membership

Membership in the plan consisted of the following at July 1, 2012:

	Board of Education Retiree Medical Benefit Plan	City of Milford Retiree Medical Benefit Plan
Number of retirees and eligible surviving spouses	687	572
Number of active participants	1,048	533
Total	1,735	1,105

C. Description of Actuarial Assumptions and Methods

Actuarial calculations reflect a long-term perspective. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events into the future. Actuarially determined amounts are subject to continual revision, as results are compared to past expectations and new estimates are made about the future. Calculations are based on benefits provided under the terms of the plan in effect at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The following is a summary of certain significant actuarial assumptions and other PERS information:

	Board of Education Retiree Medical Benefit Plan	City of Milford Retiree Medical Plan
Actuarial valuation date	July 1, 2012	July 1, 2012
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level dollar	Level dollar
Remaining amortization period	30 years - open	30 years - open
Actuarial assumptions:		
Investment rate of return	5.0%/annum	5.0%/annum
Projected salary increases	4.5%/annum	n/a

Medical Trend Rates:

Board of Education and City retirees:

9% in 2012, reducing by 0.5% each year to a final 5% per year rate for 2020 and later for pre-age 65 plans.
8% in 2012, reducing by 1.0% each year to a final 5% per year rate for 2015 and later for post-age 65 plans
(changed from 8% in 2010).

Retirement Assumptions:

City

General City: Age 62 or completion of 10 years of service if later, minimum age on valuation date plus one year.

Fire: 20 years of service, minimum age 53, maximum age 60, minimum age on valuation date plus one year.

Police: 20 years of service, minimum age 45, maximum age 60, minimum age on valuation date plus one year.

Board of Education

Cafeteria Workers, Custodians, Secretaries: age 50 with 10 years of service, minimum age on valuation date plus one year.

Teachers and Administrators: age 60 with 10 years of service or age 55 with 20 years of service, minimum age on valuation date plus one year.

Para-professionals: age 60 with 15 years of service, minimum age on valuation date plus one year.

D. Annual OPEB Cost and Net OPEB Obligations

The City and Board of Education's annual OPEB cost and net OPEB obligation for the current year was as follows:

	Board of Education Retiree Medical Benefit Plan	City of Milford Retiree Medical Benefit Plan
Annual required contribution	\$ 14,507	\$ 12,248
Interest on net OPEB obligation	2,694	2,434
Adjustment to annual required contribution	<u>(3,338)</u>	<u>(3,016)</u>
Annual OPEB cost	13,863	11,666
Contribution made	<u>3,429</u>	<u>6,407</u>
Increase in net OPEB obligation	10,434	5,259
Net OPEB obligation, July 1, 2013	<u>53,877</u>	<u>48,671</u>
Net OPEB obligation, June 30, 2014	\$ <u><u>64,311</u></u>	\$ <u><u>53,930</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the fiscal year ended June 30, 2014 is presented below.

		Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed		Net OPEB Obligation (Asset)
Board of Education						
6/30/12	\$	13,287	\$ 3,972	29.9%	\$	43,758
6/30/13		13,860	3,741	27.0%		53,877
6/30/14		13,863	3,429	27.7%		64,311
City						
6/30/12	\$	13,659	\$ 8,112	59.4%	\$	40,798
6/30/13		14,297	6,425	44.9%		48,671
6/30/14		11,666	6,407	54.9%		53,930

Schedule of Employer Contributions

City		
Fiscal Year Ended	Annual Required Contribution	Percentage of ARC Contributed
6/30/09	\$ 13,055	34.9%
6/30/10	14,070	35.4
6/30/11	14,773	34.4
6/30/12	14,081	57.6
6/30/13	14,785	43.4
6/30/14	12,248	52.3
Board of Education		
Fiscal Year Ended	Annual Required Contribution	Percentage of ARC Contributed
6/30/09	\$ 11,594	29.7%
6/30/10	12,414	22.2
6/30/11	13,035	27.8
6/30/12	13,698	29.0
6/30/13	14,383	26.0
6/30/14	14,507	23.6

Schedule of Funding Progress

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

City

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Underfunded AAL (OAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a percentage of Covered Payroll ((b-a)/c)
7/1/08	\$ -	\$ 128,764	\$ 128,764	-	\$ 32,683	394.0%
7/1/10	-	133,711	133,711	-	32,996	405.0%
7/1/12	2,232	129,798	127,565	1.72%	34,856	366.0%

Board of Education

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Underfunded AAL (OAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a percentage of Covered Payroll ((b-a)/c)
7/1/08	\$ -	\$ 117,053	\$ 117,053	-	\$ 55,591	210.6%
7/1/10	-	131,639	131,639	-	62,165	212.0%
7/1/12	-	142,358	142,358	-	61,276	232.3%

11. FUND BALANCE

Significant encumbrances at June 30, 2014 are contained in the table below in both the assigned and committed categories of the General Fund.

	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Capital Nonrecurring Fund</u>	<u>Sanitary Sewer Fund</u>	<u>School Facilities Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:							
Nonspendable:							
Inventory	\$ 21	\$	\$	\$	\$	\$ 45	\$ 66
Prepays			26				26
Restricted for:							
Grants						3,845	3,845
Committed to:							
Capital projects		864	1,940	5,880	2,921		11,605
General government	1,054					1,440	2,494
Education						2,069	2,069
Debt service						3,988	3,988
Assigned to:							
Subsequent year's budget	4,000						4,000
Encumbrances:							
General government	655						655
Public safety	386						386
Public services	91						91
Health and welfare	22						22
Education	1,805					52	1,857
Unassigned	<u>14,814</u>	<u>3,775</u>	<u>(1,009)</u>	<u>(9,363)</u>	<u>(17,759)</u>	<u>(201)</u>	<u>(9,743)</u>
Total Fund Balances	<u>\$ 22,848</u>	<u>\$ 4,639</u>	<u>\$ 957</u>	<u>\$ (3,483)</u>	<u>\$ (14,838)</u>	<u>\$ 11,238</u>	<u>\$ 21,361</u>

12. CONTINGENT LIABILITIES (Amounts not Rounded)

On June 30, 2005, the City and Milford Power Company, LLC (the MPC) entered into a Property Tax Payment Agreement. The MPC withdrew its assessment appeals for Grand Lists of 2001, 2002, 2003, and 2004. The assessment had been \$183,073,530 generating over \$5,000,000 in taxes. (The assessment and the taxes would have significantly decreased in future years due to depreciation of the personal property.) In return, the City accepted scheduled payments in lieu of taxes for the fiscal years of 2006 through 2015. Payments will be made in July and January of each fiscal year. The payment schedule was \$1,687,500 for each six-month period from July 2005 through January 2009. Payments were \$1,875,000 for each six-month period from July 2009 through January 2011 and will be \$1,750,000 for each six-month period from July 2011 through January 2015. The MPC made the July 2013 and January 2014 payments and is up to date with all their payments.

The City also entered into a Water Access Agreement with the MPC. The MPC opted to terminate that agreement and the City began reimbursing the MPC a total of \$1,300,000 commencing in July 2009. This will be accomplished by reducing by \$325,000 the scheduled July payment disclosed above each year for four years from July 2009 through July 2012.

As a result of the Property Tax Payment Agreement, the Assessor issued a certificate of correction in June 2005 removing the \$183,073,530 from the Grand List of 2004. Since this occurred after the October 1, 2004 Grand List was signed, the reduction does not appear in any of the Grand List 2004 figures, including the Net Taxable Grand List (shown as \$3,999,996,598) in the Property Tax Levies and Collections. The Adjusted Annual Levy of \$122,782,000 does reflect the reduction.

On June 24, 2013, the City settled a tax appeal with the Connecticut Post Mall Limited Partnership. Under this settlement, the City lowered its real property assessment for the 2012 Grand List from \$147,529,970 to \$133,000,000. Additionally, the City adjusted its 2011 assessment to \$133,000,000. This resulted in a total credit due to the Partnership of \$752,764. By terms of the court-approved settlement, the credit will be given to the Partnership over two fiscal years in the form of a credit tax bill, which began in July 2013.

On June 28, 2010, the City entered into a Property Tax Payment Agreement with GenConn Devon LLC. The City accepted a 30-year payment schedule calling for annual payments in lieu of taxes to be made to the City through May 1, 2040. Payment amounts are as follows: 06/30/2010 - \$ 500,000; 05/01/2011 - \$2,500,000; 05/01/2012 - \$3,000,000; 05/01/2013 through 05/01/2040 - \$2,025,000. GenConn is up to date with all their payments.

There are various lawsuits and claims pending against the City's various Boards and Departments, none of which, individually or in the aggregate, is believed by counsel to be likely to result in a judgment or judgments which would seriously affect the City's financial position.

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 expenditures disallowed under the terms of the grant. Based on prior experience, City management believes that such disallowances, if any, will not be material.

CITY OF MILFORD, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
General Property Taxes and Assessments:				
Current taxes	\$ 163,317	\$ 163,317	\$ 164,851	\$ 1,534
Personal property audit	50	50	244	194
Prior year's levies	1,500	1,500	718	(782)
Flood and erosion assessments	74	74	72	(2)
Suspense collections	5	5	14	9
Total general property taxes and assessments	<u>164,946</u>	<u>164,946</u>	<u>165,899</u>	<u>953</u>
Fines, Forfeitures Penalties and Interest:				
Interest and liens	<u>1,300</u>	<u>1,300</u>	<u>1,058</u>	<u>(242)</u>
Federal, State and Local Governments:				
Other State grants	200	200	95	(105)
School transportation aid - State	9	9	253	244
Education cost sharing	11,234	11,234	11,260	26
State realty in lieu of tax	380	380	517	137
Pequot State Aid	327	327	395	68
Elderly tax credit	463	463	488	25
Total disability exemptions			6	6
PILOT - private exemptions	383	383	423	40
Veteran grants	160	160	148	(12)
School debt - interest	25	25	40	15
School debt - principal	273	273	273	-
Telephone access grant	110	110	110	-
Property tax relief	288	288		(288)
Municipal Video Corporate Trust Acct			75	75
Shellfish Taxes	2	2	2	-
State aid for health	112	112	99	(13)
OTB Wagering Share	75	75	82	7
Manufacture machinery, and equipment	662	662		(662)
Total federal, state and local government	<u>14,703</u>	<u>14,703</u>	<u>14,266</u>	<u>(437)</u>
Investment Income:				
Investments in idle funds	14	14	29	15
Rental of other property	47	47	46	(1)
Total investment income	<u>61</u>	<u>61</u>	<u>75</u>	<u>14</u>

(Continued on next page)

CITY OF MILFORD, CONNECTICUT

GENERAL FUND

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	<u>Budgeted Amounts</u>			<u>Variance -</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
Other Revenue:				
Rental of school property	\$ 8	\$ 8	\$ 13	\$ 5
PILOT - Water Authority	418	418	414	(4)
Power Plant Settlement	3,500	3,500	3,500	-
Genconn PT	2,025	2,025	2,025	-
Miscellaneous other revenues	4	4	40	36
Inland wetland fees	5	5	6	1
Total other revenue	<u>5,960</u>	<u>5,960</u>	<u>5,998</u>	<u>38</u>
Licenses, Permits and Other Charges:				
Devices and amusements	25	25	18	(7)
Vending permits	12	12	17	5
Disposal area licenses	45	45	49	4
Recording documents	402	402	375	(27)
Conveyance tax	482	482	548	66
General copying fees	62	62	74	12
Fire Department fees	2	2	1	(1)
Paramedic fees			23	23
Building inspection fees	625	625	590	(35)
Police fines and forfeits	55	55	25	(30)
Fingerprinting	18	18	10	(8)
False alarm fees	25	25	21	(4)
Fire Department false alarm fines	1	1		(1)
Street opening permits	7	7	8	1
Engineering fees	3	3	5	2
Residential waste fees	64	64	81	17
Health inspection fees	72	72	72	-
Planning and zoning fees	26	26	37	11
Zoning appeals fees	8	8	6	(2)
Recreation fees	44	44	50	6
Walnut Beach parking	13	13	16	3
Parking fines judicial	5	5	21	16
Vehicle violations judicial	16	16	27	11
Mobile fee	5	5	3	(2)
Sewer assessments	6	6	19	13
Animal shelter redemption	5	5	3	(2)
Dog Fund - City share	7	7	10	3

(Continued on next page)

CITY OF MILFORD, CONNECTICUT

GENERAL FUND

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	<u>Budgeted Amounts</u>			<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Licenses, Permits and Other Charges (continued):				
Sale of Other Property	\$	\$	\$ 24	\$ 24
Recycling revenues	35	35	116	81
PILOT - Federal payments	2	2	1	(1)
Sticker fees	1	1	1	-
Bingo permits share	1	1		(1)
Total licenses, permits and other charges	<u>2,074</u>	<u>2,074</u>	<u>2,251</u>	<u>177</u>
Total revenues	<u>189,044</u>	<u>189,044</u>	<u>189,547</u>	<u>503</u>
Other financing sources:				
Transfer in		1,307	1,307	-
Total other financing sources	<u>-</u>	<u>1,307</u>	<u>1,307</u>	<u>-</u>
Total Budgeted Revenues and Other Financing Sources	\$ <u>189,044</u>	\$ <u>190,351</u>	190,854	\$ <u>503</u>
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers'				
Retirement System for Town teachers are not budgeted			12,368	
Special education excess cost grant is reported gross for GAAP			1,125	
Encumbrances for purchases and commitments that were subsequently cancelled in the next fiscal year			(14)	
Nonbudgetary items and eliminations related to the Compensated Absences Fund			<u>21</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>204,354</u>	

CITY OF MILFORD, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	<u>Budgeted Amounts</u>		<u>Expenditures and Encumbrances</u>	<u>Uncommitted Balance</u>
	<u>Original</u>	<u>Amended</u>		
General Government:				
Board of Aldermen	\$ 6	\$ 6	\$ 4	\$ 2
Elections	75	75	74	1
Registrar of Voters	144	144	140	4
Milford Govt Access Television	16	16	15	1
Mayor's Office	264	263	260	3
General expenses	420	409	374	35
Community Development Department	112	112	97	15
City Clerk	358	363	356	7
Law Department	527	480	478	2
Ethics Commission	1	1		1
Probate Court	16	16	15	1
Board of Finance	1	1	1	-
Planning and Zoning Board	1,053	1,048	1,008	40
Board of Tax Review	3	3	2	1
Board of Zoning Appeals	15	15	6	9
Pension Board	4	4	4	-
Flood and Erosion Board		1	1	-
Tree Commission	1	1	1	-
Park and Recreation Commission	1	1	1	-
Conservation Commission	1	1	1	-
Flower memorial commission	6	6	3	3
Housatonic River Est Commission	1	1		1
Public library	1,074	1,074	1,024	50
Total general government	<u>4,099</u>	<u>4,041</u>	<u>3,865</u>	<u>176</u>
Administration:				
Finance Department	1,642	1,615	1,592	23
Data Processing Department	700	700	695	5
Personnel Department	282	282	250	32
Total administration	<u>2,624</u>	<u>2,597</u>	<u>2,537</u>	<u>60</u>
Public Safety:				
Police Department	11,222	11,222	10,934	288
Fire Department	11,057	11,055	10,808	247
Civil Preparedness	90	90	89	1
Animal Control	372	362	313	49
Lighting hydrant water	1,785	1,785	1,758	27
Total public safety	<u>24,526</u>	<u>24,514</u>	<u>23,902</u>	<u>612</u>

(Continued on next page)

CITY OF MILFORD, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	<u>Budgeted Amounts</u>		<u>Expenditures and Encumbrances</u>	<u>Uncommitted Balance</u>
	<u>Original</u>	<u>Amended</u>		
Public Services:				
Public Works Office	\$ 264	\$ 206	\$ 205	\$ 1
Highway-parks division	2,519	2,234	2,216	18
Building maintenance division	2,975	2,886	2,851	35
Engineering division	377	327	305	22
General garage division	1,271	1,391	1,388	3
Solid waste operations	4,427	4,800	4,689	111
Total public services	<u>11,833</u>	<u>11,844</u>	<u>11,654</u>	<u>190</u>
Board of Education:				
Private School textbooks	20	20	10	10
Educational audit fees	22	22	22	-
Employee benefits	1,113	1,113	1,050	63
Educational operations	88,843	88,543	88,543	-
Educational Contribution Health Insurance Fund	18,592	18,592	18,592	-
Educational School Nurses	1,262	1,396	1,323	73
Total board of education	<u>109,852</u>	<u>109,686</u>	<u>109,540</u>	<u>146</u>
Health and Welfare:				
Health Department	920	922	904	18
Recreation Department	792	790	739	51
Total health and welfare	<u>1,712</u>	<u>1,712</u>	<u>1,643</u>	<u>69</u>
General Charges:				
Employee benefits - general	19,761	19,682	19,154	528
Insurance and bonds	2,387	2,387	2,331	56
Claims and refunds	655	635	568	67
Benefits and salary reserve	78	(58)	(58)	-
Unallocated contingency	50	44		44
Total general charges	<u>22,931</u>	<u>22,690</u>	<u>21,995</u>	<u>695</u>
Grants to Agencies:				
Milford Council on Aging	1,345	1,345	1,343	2
Milford Fine Arts Council	68	68	68	-
CMED	95	95	95	-
Regional Mental Health Board	3	3	3	-
Borough of Woodmont	220	220	220	-
Milford Transit District	345	345	345	-
Milford Mental Health	350	350	350	-
Veterans' Graves	3	3	3	-
U.S. Coast Guard Auxiliary	10	10	10	-

(Continued on next page)

CITY OF MILFORD, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2014

(In Thousands)

	<u>Budgeted Amounts</u>		<u>Expenditures and Encumbrances</u>	<u>Uncommitted Balance</u>
	<u>Original</u>	<u>Amended</u>		
Grants to Agencies (continued):				
Milford Historical District Commission	\$ 1	\$ 1	\$ 1	\$ -
Milford Progress Inc	10	10	10	-
Milford Historic #2	1	1	1	-
Visiting Nurses Association	41	41	39	2
Cemetery Association	9	9	9	-
Boys and Girls Club	70	70	70	-
Homeless Shelter/CPAC	75	75	75	-
Total grants to agencies	<u>2,646</u>	<u>2,646</u>	<u>2,642</u>	<u>4</u>
Debt Service:				
Public Debt Service	9,392	9,392	8,825	567
School Debt	3,939	3,939	3,823	116
Total debt service	<u>13,331</u>	<u>13,331</u>	<u>12,648</u>	<u>683</u>
Other Financing Uses:				
Transfers out	<u>490</u>	<u>1,625</u>	<u>1,625</u>	<u>-</u>
Total	<u>\$ 194,044</u>	<u>\$ 194,686</u>	192,051	<u>\$ 2,635</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted	12,368
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes	(2,239)
Prior year encumbrances reported in the current year for financial reporting purposes	2,011
Special education excess cost grant is recorded gross for GAAP	1,125
Change in Board of Education's Summer Payroll originally charged to subsequent years budget for budgetary purposes	<u>64</u>

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

\$ 205,380

CITY OF MILFORD, CONNECTICUT

SCHEDULE OF CHANGES IN THE PENSION LIABILITY AND RELATED RATIOS

LAST FISCAL YEAR

(In Thousands)

	<u>2014</u>
Total pension liability:	
Service cost	\$ 7,087
Interest	27,046
Benefit payments, including refunds of member contributions	<u>(21,862)</u>
Net change in total pension liability	12,271
Total pension liability - beginning	<u>341,706</u>
Total pension liability - ending	<u>353,977</u>
Plan fiduciary net position:	
Contributions - employer	2,225
Contributions - member	2,169
Net investment income	44,193
Benefit payments, including refunds of member contributions	(21,862)
Administrative expense	(48)
Other	11
Net change in plan fiduciary net position	<u>26,688</u>
Plan fiduciary net position - beginning	<u>327,606</u>
Plan fiduciary net position - ending	<u>354,294</u>
Net Pension Asset - Ending	<u>\$ (317)</u>
Plan fiduciary net position as a percentage of the total pension asset	100.09%
Covered-employee payroll	\$ 42,773
Net pension asset as a percentage of covered-employee payroll	0.74%

CITY OF MILFORD, CONNECTICUT

SCHEDULE OF EMPLOYER CONTRIBUTIONS

LAST 10 FISCAL YEARS

(In Thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Actuarially determined contribution	\$ 961	\$ 974	\$ 1,213	\$ 1,129	\$ -	\$ -	\$ -	\$ 342	\$ 324	\$ 2,225
Contributions in relation to the actuarially determined contribution	961	974	1,000	1,360	-	-	-	342	324	2,225
Contribution Deficiency (Excess)	\$ -	\$ -	\$ 213	\$ (231)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ N/A	\$ 35,892	\$ 38,610	\$ 39,663	\$ 40,141	\$ 40,550	\$ 40,622	\$ 41,597	\$ 43,010	\$ 42,773
Contributions as a percentage of covered-employee payroll	N/A	2.71%	2.59%	3.43%	0.00%	0.00%	0.00%	0.82%	0.75%	5.20%

Notes to Schedule

Valuation date: July, 1 2013

Measurement date: June 30, 2014

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	Aggregate Actuarial Cost
Amortization method	None
Remaining amortization period	N/A
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increases	Age related table
Investment rate of return	8.00%
Retirement age	Age related table

Mortality Based on the RP-2000 Fully Projected Mortality Table with male and female rates and separate table for employees and annuitants

CITY OF MILFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST FISCAL YEAR

2014

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

13.78%

Appendix B

Form of Opinions of Bond Counsel

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**FORM OF OPINION OF BOND COUNSEL
CITY OF MILFORD, CONNECTICUT
\$8,350,000 GENERAL OBLIGATION BONDS, ISSUE OF 2015**

November __, 2015

City of Milford
City Hall
110 River Street
Milford, Connecticut 06460

We have acted as Bond Counsel to the City of Milford, Connecticut (the “City”) in connection with the issuance by the City of its \$8,350,000 General Obligation Bonds, Issue of 2015, dated November __, 2015 (the “Bonds”). In such capacity, we have examined a record of proceedings of the City authorizing the Bonds, a Tax Compliance Agreement of the City dated November __, 2015 (the “Agreement”), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Bonds are duly certified by U.S. Bank National Association, they will be valid and legally binding general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the City and was duly authorized by the City.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be excluded from gross income under Section 103 of the Code. In the Agreement, the City has made covenants and representations designed to assure compliance with such requirements of the Code. The City has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to ensure that interest on the Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

In rendering the below opinions regarding the federal treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and

reasonable expectations, and certifications of fact contained in the Agreement, and (ii) continuing compliance by the City with the covenants set forth in the Agreement as to such tax matters.

In our opinion, under existing law, interest on the Bonds is not included in gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, with respect to certain corporations (as defined for federal income tax purposes) subject to the federal alternative minimum tax, such interest is taken into account in computing the federal alternative minimum tax. We express no opinion regarding other federal income tax consequences caused by the ownership or disposition of, or receipt of interest on the Bonds.

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

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated October __, 2015 and other offering material relating to the Bonds.

We have not undertaken to advise whether any events after the date of issuance of the Bonds, including the adoption of federal tax legislation, may affect the tax status of interest on the Bonds.

Although we have rendered an opinion that interest on the Bonds is not included in gross income for federal income tax purposes, federal income tax liability may otherwise be affected by the ownership or disposition of the Bonds. We express no opinion regarding any tax consequence caused by ownership or disposition of, or receipt of interest income on, the Bonds not specifically described herein.

Respectfully,

PULLMAN & COMLEY, LLC

**FORM OF OPINION OF BOND COUNSEL
CITY OF MILFORD, CONNECTICUT
\$13,360,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES, LOT A**

November __, 2015

City of Milford
City Hall
110 River Street
Milford, Connecticut 06460

We have acted as Bond Counsel to the City of Milford, Connecticut (the “City”) in connection with the issuance by the City of its \$13,360,000 General Obligation Bond Anticipation Notes, Lot A, dated November __, 2015 (the “Lot A Notes”). In such capacity, we have examined a record of proceedings of the City authorizing the Lot A Notes, a Tax Compliance Agreement of the City dated November __, 2015 (the “Agreement”), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Lot A Notes are duly certified by U.S. Bank National Association, they will be valid and legally binding general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the City and was duly authorized by the City.

The rights of the holders of the Lot A Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Lot A Notes in order that interest on the Lot A Notes be excluded from gross income under Section 103 of the Code. In the Agreement, the City has made covenants and representations designed to assure compliance with such requirements of the Code. The City has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Lot A Notes to ensure that interest on the Lot A Notes shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Lot A Notes, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Lot A Notes.

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

In our opinion, under existing law, interest on the Lot A Notes is not included in gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, with respect to certain corporations (as defined for federal income tax purposes) subject to the federal alternative minimum tax, such interest is taken into account in computing the federal alternative minimum tax. We express no opinion regarding other federal income tax consequences caused by the ownership or disposition of, or receipt of interest on the Lot A Notes.

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

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated October __, 2015 and other offering material relating to the Lot A Notes.

We have not undertaken to advise whether any events after the date of issuance of the Lot A Notes, including the adoption of federal tax legislation, may affect the tax status of interest on the Lot A Notes.

Although we have rendered an opinion that interest on the Lot A Notes is not included in gross income for federal income tax purposes, federal income tax liability may otherwise be affected by the ownership or disposition of the Lot A Notes. We express no opinion regarding any tax consequence caused by ownership or disposition of, or receipt of interest income on, the Lot A Notes not specifically described herein.

Respectfully,

PULLMAN & COMLEY, LLC

**FORM OF OPINION OF BOND COUNSEL
CITY OF MILFORD, CONNECTICUT
\$2,580,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES, LOT B**

November __, 2015

City of Milford
City Hall
110 River Street
Milford, Connecticut 06460

We have acted as Bond Counsel to the City of Milford, Connecticut (the “City”) in connection with the issuance by the City of its \$2,580,000 General Obligation Bond Anticipation Notes, Lot B, dated November __, 2015 (the “Lot B Notes”). In such capacity, we have examined a record of proceedings of the City authorizing the Lot B Notes, a Tax Compliance Agreement of the City dated November __, 2015 (the “Agreement”), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Lot B Notes are duly certified by U.S. Bank National Association, they will be valid and legally binding general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the City and was duly authorized by the City.

The rights of the holders of the Lot B Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Lot B Notes in order that interest on the Lot B Notes be excluded from gross income under Section 103 of the Code. In the Agreement, the City has made covenants and representations designed to assure compliance with such requirements of the Code. The City has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Lot B Notes to ensure that interest on the Lot B Notes shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Lot B Notes, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Lot B Notes.

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

In our opinion, under existing law, interest on the Lot B Notes is not included in gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, with respect to certain corporations (as defined for federal income tax purposes) subject to the federal alternative minimum tax, such interest is taken into account in computing the federal alternative minimum tax. We express no opinion regarding other federal income tax consequences caused by the ownership or disposition of, or receipt of interest on the Lot B Notes.

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

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated October __, 2015 and other offering material relating to the Lot B Notes.

We have not undertaken to advise whether any events after the date of issuance of the Lot B Notes, including the adoption of federal tax legislation, may affect the tax status of interest on the Lot B Notes.

Although we have rendered an opinion that interest on the Lot B Notes is not included in gross income for federal income tax purposes, federal income tax liability may otherwise be affected by the ownership or disposition of the Lot B Notes. We express no opinion regarding any tax consequence caused by ownership or disposition of, or receipt of interest income on, the Lot B Notes not specifically described herein.

Respectfully,

PULLMAN & COMLEY, LLC

Appendix C

Continuing Disclosure Agreements

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**FORM OF
CONTINUING DISCLOSURE AGREEMENT FOR BONDS
BY THE CITY OF MILFORD, CONNECTICUT**

**In Connection With The Issuance and Sale of
\$8,350,000 City of Milford, Connecticut
General Obligation Bonds, Issue of 2015**

This Continuing Disclosure Agreement (“Agreement”) is made as of November __, 2015, by the City of Milford, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$8,350,000 General Obligation Bonds, Issue of 2015, dated November __, 2015 (the “Bonds”).

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

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Section 2 of this Agreement.

“EMMA” means the Electronic Municipal Market Access System as described in the 1934 Act Release #59062 and maintained by the Municipal Securities Rulemaking Board for the purposes of the Rule and as further described in Section 13 hereof.

“Final Official Statement” means the official statement of the Issuer dated October __, 2015 prepared in connection with the issuance of the Bonds.

“Fiscal Year End” shall mean the last day of the Issuer’s fiscal year, currently June 30.

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

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

“Rule” means rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Reports.

(a) The Issuer shall provide or cause to be provided to the MSRB, in accordance with the provisions of the Rule and of this Agreement, the following annual financial information and operating data regarding the Issuer:

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

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

- (A) the amounts of the gross and net taxable grand list;
- (B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;
- (C) the percentage and amount of the annual property tax levy collected and uncollected;
- (D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;
- (E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);
- (F) the total direct debt, total net direct debt and total overall net debt of the Issuer per capita;
- (G) the ratios of total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list;
- (H) a statement of statutory debt limitations and debt margins; and
- (I) the funding status of the Issuer's pension benefit obligations.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents provided to the MSRB, including official statements of the Issuer which will be available from the MSRB's internet web site or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

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

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

months after the close of such preceding Fiscal Year End. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information when available.

Section 4. Event Notices.

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event:

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers, or their failure to perform;
- (v) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
- (vi) tender offers;
- (vii) bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;
- (viii) Bond defeasances; and
- (ix) rating changes.

(b) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event, if material:

- (i) non-payment related defaults;
- (ii) modifications to rights of Bondholders;
- (iii) Bond calls;
- (iv) release, substitution, or sale of property securing repayment of the Bonds;
- (v) consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms; and

(vi) appointment of a successor or additional trustee, or the change in the name of the trustee.

Section 5. Notice of Failure. The Issuer agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of any failure by the Issuer to provide the annual financial information described in Section 2(a) of this Agreement on or before the date set forth in Section 3 hereof.

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

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

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

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

Section 10. Indemnification. The Issuer agrees to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any such liabilities due to any such person's malicious, wanton, or willful act. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

Section 11. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. The present address of the Issuer is City of Milford, Finance Department, 70 W. River Street, Milford, Connecticut 06460, Attn: Director of Finance. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a

right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Bonds.

Section 12. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

Section 13. Method of Filing. To the extent filings are required to be made to the MSRB under this Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

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

CITY OF MILFORD, CONNECTICUT

By: _____
Benjamin G. Blake, Mayor

By: _____
Libera C. Nosal, City Treasurer

By: _____
Peter A. Erodici, Jr., Director of Finance

**FORM OF
CONTINUING DISCLOSURE AGREEMENT FOR NOTES
BY THE CITY OF MILFORD, CONNECTICUT**

**In Connection With The Issuance and Sale of City of Milford, Connecticut
\$13,360,000 General Obligation Bond Anticipation Notes, Lot A
and
\$2,580,000 General Obligation Bond Anticipation Notes, Lot B
Dated November ___, 2015**

This Continuing Disclosure Agreement (“Agreement”) is made as of November ___, 2015, by the City of Milford, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$13,360,000 General Obligation Bond Anticipation Notes, Lot A, and its \$2,580,000 General Obligation Bond Anticipation Notes, Lot B, each dated November ___, 2015 (collectively, the “Notes”).

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

“EMMA” means the Electronic Municipal Market Access System as described in the 1934 Act Release #59062 and maintained by the Municipal Securities Rulemaking Board for the purposes of the Rule and as further described in Section 10 hereof.

“Final Official Statement” means the official statement of the Issuer dated October ___, 2015 prepared in connection with the issuance of the Notes.

“Listed Events” shall mean any of the events listed in Section 2 of this Agreement.

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

“Rule” means rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Event Notices.

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Notes, notice of the occurrence of such event:

- (i) principal and interest payment delinquencies;

- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers, or their failure to perform;
- (v) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Notes, or other events affecting the tax status of the Notes;
- (vi) tender offers;
- (vii) bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;
- (viii) Note defeasances; and
- (ix) rating changes.

(b) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Notes, notice of the occurrence of such event, if material:

- (i) non-payment related defaults;
- (ii) modifications to rights of Note holders;
- (iii) Note calls;
- (iv) release, substitution, or sale of property securing repayment of the Notes;
- (v) consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms; and
- (vi) appointment of a successor or additional trustee, or the change in the name of the trustee.

Section 3. Termination of Reporting Obligation. The Issuer's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Notes.

Section 4. Agent. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 5. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Notes and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking in account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

Section 6. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communications, or including any other information in any annual report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any annual report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future annual report or notice of occurrence of a Listed Event.

Section 7. Indemnification. The Issuer agrees to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any such liabilities due to any such person's malicious, wanton, or willful act. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

Section 8. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Notes of such failure. The present address of the Issuer is City of Milford, Finance Department, 70 W. River Street, Milford, Connecticut 06460, Attn: Director of Finance. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Notes.

Section 9. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

Section 10. Method of Filing. To the extent filings are required to be made to the MSRB under this Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

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

CITY OF MILFORD, CONNECTICUT

By: _____
Benjamin G. Blake, Mayor

By: _____
Libera C. Nosal, City Treasurer

By: _____
Peter A. Erodici, Jr., Director of Finance

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Appendix D

Notices of Sale

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NOTICE OF SALE

CITY OF MILFORD, CONNECTICUT
\$8,350,000 GENERAL OBLIGATION BONDS, ISSUE OF 2015
(the “Bonds”)

ELECTRONIC BIDS via **PARITY®** will be received by the **CITY OF MILFORD, CONNECTICUT** (the “City”) at the Office of the Mayor, City Hall, 110 River Street, Milford, Connecticut 06460, until **12:00 NOON (Eastern Time), WEDNESDAY**

OCTOBER 28, 2015

(the “Bid Date”) for the purchase of all (but not less than all) of \$8,350,000 General Obligation Bonds, Issue of 2015, of the City (the “Bonds”), when issued, at not less than par, which mature on November 1 in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2016	\$420,000	2026	\$415,000
2017	\$420,000	2027	\$415,000
2018	\$420,000	2028	\$415,000
2019	\$420,000	2029	\$415,000
2020	\$420,000	2030	\$415,000
2021	\$420,000	2031	\$415,000
2022	\$420,000	2032	\$415,000
2023	\$420,000	2033	\$415,000
2024	\$420,000	2034	\$415,000
2025	\$420,000	2035	\$415,000

The Issue

The full faith and credit of the City will be pledged for the prompt payment of the principal of, redemption premium, if any, and interest on the Bonds. The Bonds will be general obligations of the City payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limit as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended. The Bonds will be dated their date of delivery, with interest payable on May 1, 2016 and semiannually thereafter on each November 1 and May 1 in each year until maturity, or earlier redemption. The information in this Notice of Sale is only a brief summary of certain provisions of the Bonds. For further information about the Bonds, reference is hereby made to the Preliminary Official Statement, dated October 21, 2015.

Optional Redemption

The Bonds maturing on November 1, 2024 and thereafter are subject to redemption prior to maturity, at the option of the City, on or after November 1, 2023, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the City may determine at the following redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) plus interest accrued and unpaid to the redemption date:

Redemption Period

November 1, 2023 and thereafter

Redemption Price

100%

The City, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption.

Ratings

The City has applied to Moody's Investors Service, Standard & Poor's Corporation and Fitch Ratings for assignment of their municipal bond ratings to the Bonds. The assigned ratings may be obtained from the respective rating agency or will be posted through the facilities of **PARITY**[®] prior to sale.

Official Statement and Continuing Disclosure Agreement

The City has prepared a Preliminary Official Statement for the Bonds which is dated October 21, 2015, which is deemed final as of its date for purposes of SEC Rule 15c2-12(b)(1), except for omissions permitted thereby, but is subject to revision or amendment. The City will make available to the winning purchaser 100 copies of the Official Statement at the City's expense. The copies of the Official Statement will be made available to the winning purchaser at delivery of the Bonds or by the seventh business day after the day bids on the Bonds are received. If the City's financial advisor is provided with the necessary information from the winning purchaser by noon of the date following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, and any corrections. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

The purchaser agrees to promptly file a final Official Statement with the Municipal Securities Rulemaking Board and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

The City will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C-1 to the Official Statement (the "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data including audited financial statements, (ii) notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and (iii) timely notice of a failure by the City to provide the required annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Electronic Proposals Bidding Procedure

Electronic bids for the purchase of the Bonds must be submitted electronically via **PARITY**[®], in accordance with this Notice of Sale, until 12:00 Noon (Eastern Time) on Wednesday, October 28, 2015,

but no bid will be received after the time for receiving bids specified herein. To the extent any instructions or directions set forth in **PARITY**[®] shall conflict with information in this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**[®], including any fee charged, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone: (212) 849-5021. Any prospective bidder must be a subscriber of i-Deal LLC's BiDCOMP competitive bidding system. The City neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

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

For the purpose of the electronic bidding process, the time maintained on **PARITY**[®] shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the City, as described under "Award, Delivery and Payment" below, represented by the rate or rates of interest and the bid price specified in their respective bids. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

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

Bid Requirements

Each proposal for the purchase of the Bonds must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and shall specify in a multiple of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%) the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than three percent (3%). Interest shall be

computed on the basis of twelve 30 day months and a 360 day year. No bid for less than par will be considered.

Award, Delivery and Payment

Unless all bids are rejected, the Bonds will be awarded to the bidder whose bid will result in the lowest true interest cost ("TIC") to the City. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to November 9, 2015, the anticipated date of delivery of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. In the event that two or more bidders offer bids at the same lowest TIC, the City will determine by lot which of such bidders will be awarded the Bonds. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost computed and rounded to four decimal places. Such statement shall not be considered as a part of the proposal. The purchase price must be paid in Federal Funds.

Promptly upon verbal notification that a bidder's proposal may be accepted, the bidder shall confirm to the City the reoffering prices of all the Bonds of each maturity.

Bids will be finally accepted or rejected promptly after opening and not later than 3:00 p.m. (Eastern Time) on the Bid Date in accordance with the provisions herein.

Simultaneously with or before delivery of the Bonds, the purchaser shall furnish to the City a certificate acceptable to Bond Counsel for the City to the effect that the purchaser has either purchased the Bonds at the prices shown on such certificate for investment and not with a view toward distribution or resale and not in the capacity of a bond house, broker or other intermediary or has made a bona fide public offering of the Bonds to the public (i) at initial offering prices not greater than, or yields not lower than, the respective prices or yields shown on the certificate, and (ii) a substantial amount of each maturity of the Bonds was sold to the final purchasers thereof (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not greater than or yields not lower than, such offering prices or yields. Bond Counsel advises that (i) such certificates must be made on the best knowledge, information and belief of the purchaser, (ii) the sale to the public of 10% or more of each maturity of the Bonds at prices not greater than or yields not lower than, the initial offering prices or yields would be sufficient for the purpose of certifying as to the sale of a substantial amount of the Bonds and (iii) reliance on other facts as a basis for such certification would require evaluation by Bond Counsel to assure compliance with the statutory requirement.

At or prior to the delivery of the Bonds the successful bidder shall be furnished, without cost, with the approving opinion of Pullman & Comley, LLC, of Bridgeport, Connecticut, Bond Counsel, substantially in the form set out in Appendix B-1 to the Official Statement. The successful bidder will also be furnished with a receipt of payment for the Bonds, a Signature and No Litigation Certificate dated as of the date of delivery of the Bonds, stating that there is no litigation pending, or to the knowledge of the signers thereof, threatened, affecting the validity of the Bonds or the power of the City to levy and collect taxes to pay them. A copy of the final Official Statement prepared for this Bond issue will also be furnished together with a certificate of City Officials relating to the accuracy and completeness of the Official Statement.

The Bonds will NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for Federal income tax purposes of a portion of interest expense allocable to tax exempt obligations.

The City will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the City's costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or "Blue Sky" laws and the preparation of any surveys or memoranda in connection with such sale. The City shall have no responsibility for such clearance, exemption or preparation.

The Bonds will be delivered to The Depository Trust Company, New York, New York ("DTC") or its agent via Fast Automated Securities Transfer ("FAST") on or about November 9, 2015 against payment in immediately available Federal Funds. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder or bidders to obtain CUSIP numbers for the Bonds prior to delivery, and the City will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the winning bidder or bidders to obtain such numbers and to supply them to the City in a timely manner. The City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Right to Reject Bids; Waiver

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

Postponement; Change of Terms

The City reserves the right to alter any terms of the Bonds or this Notice of Sale and to postpone, from time to time, the date or time established for the receipt of the bids.

Book-Entry-Only Form

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to DTC, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in the principal amount of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the City or its agent to DTC or its nominee as registered owner of the Bonds. Principal, redemption premium, if any, and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal, redemption premium, if any, and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The City will not be responsible or liable for payments by DTC to its Participants or by DTC Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the City fails to identify another qualified securities depository to replace DTC, or (b) the City determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the

City will authenticate and deliver replacement Bonds in the form of fully registered Bond certificates directly to the Beneficial Owners of the Bonds or their nominees. (The record dates for the Bonds will be the close of business on the fifteenth day of October and April in each year, or the preceding business day if such fifteenth day is not a business day.)

Additional Information

For more information regarding the Bonds and the City, reference is made to the Official Statement. Copies of the Official Statement may be obtained from Mr. Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, CT 06460, Tel. (203) 878-4945.

BENJAMIN G. BLAKE
Mayor

LIBERA C. NOSAL
City Treasurer

PETER A. ERODICI, JR.
Director of Finance

October 21, 2015

NOTICE OF SALE
\$13,360,000
CITY OF MILFORD, CONNECTICUT
GENERAL OBLIGATION BOND ANTICIPATION NOTES, LOT A
BOOK-ENTRY ONLY

SEALED PROPOSALS, TELEPHONE BIDS and ELECTRONIC BIDS via **PARITY®** (as described herein) will be received by the **CITY OF MILFORD, CONNECTICUT** (the “City”) at the Office of the Mayor, City Hall, 110 River Street, Milford, Connecticut 06460, until **11:00 A.M. (Eastern Time), WEDNESDAY,**

OCTOBER 28, 2015

for the purchase of \$13,360,000 City of Milford, Connecticut General Obligation Bond Anticipation Notes, Lot A (the “Notes”). Sealed proposals will be received at the Office of the Mayor, City Hall, 110 River Street, Milford, Connecticut 06460 (See “Sealed Proposal Procedures”). Telephone bids will be received by an authorized agent of Phoenix Advisors, LLC, the City’s financial advisor (See “Telephone Bidding Procedures”). Electronic bids must be submitted via **PARITY®** (See “Electronic Bidding Procedures”).

The Notes

The Notes are expected to be dated November 9, 2015 and will mature and be payable to the registered owner on May 9, 2016 as further described in the Preliminary Official Statement for the Notes dated October 21, 2015 (the “Preliminary Official Statement”). The Notes will bear interest (which interest shall be computed on a 360-day year, 30-day month basis) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

Registration

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$1,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the City or its agent in same-day funds to DTC or its nominee as registered owner of the Notes. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Financial institutions desiring to submit a bid to purchase the Notes for the purpose of investment (“Direct Placement Bidders”) may submit bids as set forth herein. In the event a Direct Placement Bidder

is awarded the Notes, the Notes will be issued without CUSIP identification. A Direct Placement Bidder, if awarded the Notes, must execute a letter addressed to the City acknowledging, among other things, that (1) the purchaser has knowledge and experience in financial and business affairs and that it is capable of evaluating the merits and risks of the purchase of the Note; (2) the purchaser is acquiring the Bond as a vehicle for making a commercial loan and without a present view to the distribution thereof (subject, nevertheless, to any requirement of law that the disposition of its property at all times be under its control) within the meaning of the Federal securities laws; (3) the purchaser is acquiring the Note solely for its own account and no other undisclosed person now has any direct or indirect ownership or interest therein.

Nature of Obligation

The full faith and credit of the City will be pledged for the prompt payment of the principal of and the interest on the Notes when due. The Notes will be general obligations of the City payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

The Notes **SHALL NOT** be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Code for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY**[®]. Subscription to i-Deal LLC's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY**[®] shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. By submitting a bid for the Notes via **PARITY**[®], the bidder represents and warrants to the City that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the City will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice of Sale. **The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY[®], or the inaccuracies of any information, including bid information or worksheets supplied by PARITY[®], the use of PARITY[®] facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

If any provisions of this Notice of Sale shall conflict with information provided by **PARITY**[®] as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY**[®], including any fee charged, may be obtained from **PARITY**[®], 1359 Broadway, 36th Street, 2nd Floor, New York, NY 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: www.parity@i-deal.com).

For purposes of the sealed proposal process, the telephone bidding process and the electronic bidding process, the time as maintained by **PARITY**[®] shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the City, as described under “Bid Specifications/Basis of Award” below, and in the written form of Proposal for Notes. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and form of Proposal for Notes.

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

Sealed Proposal Procedures

Bids will be accepted in written form on the form of Proposal for Notes attached hereto, at the place and time indicated above. Bids must be enclosed in sealed envelopes marked “Proposal for Notes” and addressed to The Honorable Benjamin G. Blake, Mayor, City of Milford, Connecticut, 110 River Street, Milford, Connecticut 06460.

Telephone Bidding Procedures

Telephone bids will be received until 11:00 A.M. (Eastern Time) by an authorized agent of Phoenix Advisors, LLC, the City’s financial advisor. All telephone bids must be made to (203) 783-3201 and be completed by 11:00 A.M. (Eastern Time) on Wednesday, October 28, 2015.

Bidders shall recognize that a bid by telephone means that the bidder accepts the terms and conditions of this Notice of Sale and agrees to be bound by such and, further, such bidder recognizes and accepts the risk that its telephone bid may not be received by the City or may be received later than the time specified as the result of a failure in communications including, but not limited to, a failure in telephonic communications, or the inability to reach the City by the time required. A bid received after the time specified, as determined in the City’s sole discretion, will not be reviewed or honored by the City.

Bid Specifications/Basis of Award

Proposals for the purchase of the Notes must be in the form of the proposal for purchase attached hereto or, if submitted electronically, in accordance with the requirements prescribed herein. A proposal may be for all or any part of the Notes but any proposal for a part must be for \$100,000, or a whole multiple thereof, except one such proposal for a part may include the odd \$60,000, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. Unless all

bids are rejected, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost, computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. As between proposals resulting in the same lowest net interest cost to the City, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the City reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the City with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, carried to six decimal places. The purchase price must be paid in Federal Funds.

The City reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The City further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including internet difficulties. The City will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement.

Closing Documents and Legal Opinion

The Notes will be certified by U. S. Bank National Association, of Hartford, Connecticut. The legality of the Notes will be passed upon by Pullman & Comley LLC, Bond Counsel, Bridgeport and Hartford, Connecticut, and the winning bidder(s) will be furnished, without cost, with such opinion, substantially in the form set out in Appendix B-2 to the Official Statement. Each winning bidder(s) will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a copy of the final Official Statement prepared for this sale, a certificate signed by the appropriate officials of the City relating to the accuracy and completeness of information contained in the final Official Statement and an executed continuing disclosure agreement.

In rendering the legal opinion, Pullman & Comley LLC will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the City for the benefit of the owners of the Notes, and further, will assume compliance by the City with the covenants and procedures set forth in such Tax Regulatory Agreement.

Settlement of the Notes

It shall be the responsibility of the winning bidder or bidders to certify to the City before the delivery of the Notes a certificate as to the issue price of the Notes within the meaning of the Code.

The Notes will be available for delivery on or about November 9, 2015. The deposit of the Notes with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder or bidders to obtain CUSIP numbers for the Notes prior to delivery, and the City will not be responsible for any delay occasioned by the failure of the winning bidder or bidders to obtain such numbers and to supply them to the City in a timely manner. The City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

The Preliminary Official Statement is in a form "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1). Each winning bidder will be furnished 10 copies of the final Official Statement prepared for the Notes at the City's expense. Additional copies may be obtained by a winning bidder(s) at its own expense by arrangement with the printer. The copies of the Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the

City's financial advisor. If the City's financial advisor is provided with the necessary information from the winning bidder(s) by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, and the name of the managing underwriter.

Continuing Disclosure

The City will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide timely notice of the occurrence of certain events with respect to the Notes. The winning bidder's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for the Notes.

Related Information

For more information regarding the Notes and the City, reference is made to the Preliminary Official Statement. Bid forms and copies of the Preliminary Official Statement may be obtained from the undersigned, or from Mr. Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, CT 06460, Tel. (203) 878-4945.

BENJAMIN G. BLAKE
Mayor

LIBERA C. NOSAL
City Treasurer

PETER A. ERODICI, JR.
Director of Finance

October 21, 2015

(See attached for form of Proposal for Notes)

PROPOSAL FOR NOTES

October __, 2015

BENJAMIN G. BLAKE, Mayor
LIBERA C. NOSAL, City Treasurer
PETER A. ERODICI, JR., Director of Finance
City of Milford, Connecticut
City Hall
110 River Street
Milford, CT 06460

Subject to the provisions of the Notice of Sale dated October 21, 2015, which Notice is made a part of this proposal, we offer to purchase the principal amount of the \$13,360,000 City of Milford, Connecticut General Obligation Bond Anticipation Notes, Lot A, specified below at the stated interest rate (provided not less than \$100,000 of principal amount per interest rate is bid and the total of all principal amounts bid does not exceed \$13,360,000) plus the premium specified below, if any, and to pay therefor par plus the premium specified below, if any, on the date of delivery. We further provide our computation of net interest cost as to each bid, carried to six decimals, and made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

Principal amount	_____	Principal amount	_____
Interest rate	_____	Interest rate	_____
Premium	_____	Premium	_____
Net Interest Cost	_____ %	Net Interest Cost	_____ %
	(Six Decimals)		(Six Decimals)
Principal amount	_____	Principal amount	_____
Interest rate	_____	Interest rate	_____
Premium	_____	Premium	_____
Net Interest Cost	_____ %	Net Interest Cost	_____ %
	(Six Decimals)		(Six Decimals)

The undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of the Notes in Federal Funds on the date of the Notes or as soon thereafter (but not later than 30 days thereafter) as such Notes may be prepared and ready for delivery by the City.

(Name of Bidder)

(Authorized Signature)

(Mailing Address)

(Telephone Number)

NOTICE OF SALE
\$2,580,000
CITY OF MILFORD, CONNECTICUT
GENERAL OBLIGATION BOND ANTICIPATION NOTES, LOT B
BOOK-ENTRY ONLY

SEALED PROPOSALS, TELEPHONE BIDS and ELECTRONIC BIDS via **PARITY®** (as described herein) will be received by the **CITY OF MILFORD, CONNECTICUT** (the “City”) at the Office of the Mayor, City Hall, 110 River Street, Milford, Connecticut 06460, until **11:30 A.M. (Eastern Time), WEDNESDAY,**

OCTOBER 28, 2015

for the purchase of \$2,580,000 City of Milford, Connecticut General Obligation Bond Anticipation Notes, Lot B (the “Notes”). Sealed proposals will be received at the Office of the Mayor, City Hall, 110 River Street, Milford, Connecticut 06460 (See “Sealed Proposal Procedures”). Telephone bids will be received by an authorized agent of Phoenix Advisors, LLC, the City’s financial advisor (See “Telephone Bidding Procedures”). Electronic bids must be submitted via **PARITY®** (See “Electronic Bidding Procedures”).

The Notes

The Notes are expected to be dated November 9, 2015 and will mature and be payable to the registered owner on November 7, 2016 as further described in the Preliminary Official Statement for the Notes dated October 21, 2015 (the “Preliminary Official Statement”). The Notes will bear interest (which interest shall be computed on a 360-day year, 30-day month basis) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

Registration

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$1,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the City or its agent in same-day funds to DTC or its nominee as registered owner of the Notes. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Financial institutions desiring to submit a bid to purchase the Notes for the purpose of investment (“Direct Placement Bidders”) may submit bids as set forth herein. In the event a Direct Placement Bidder is awarded the Notes, the Notes will be issued without CUSIP identification. A Direct Placement Bidder,

if awarded the Notes, must execute a letter addressed to the City acknowledging, among other things, that (1) the purchaser has knowledge and experience in financial and business affairs and that it is capable of evaluating the merits and risks of the purchase of the Note; (2) the purchaser is acquiring the Bond as a vehicle for making a commercial loan and without a present view to the distribution thereof (subject, nevertheless, to any requirement of law that the disposition of its property at all times be under its control) within the meaning of the Federal securities laws; (3) the purchaser is acquiring the Note solely for its own account and no other undisclosed person now has any direct or indirect ownership or interest therein.

Nature of Obligation

The full faith and credit of the City will be pledged for the prompt payment of the principal of and the interest on the Notes when due. The Notes will be general obligations of the City payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts.

Bank Qualification

The Notes **SHALL NOT** be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Code for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY**[®]. Subscription to i-Deal LLC's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY**[®] shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. By submitting a bid for the Notes via **PARITY**[®], the bidder represents and warrants to the City that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the City will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice of Sale. **The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY[®], or the inaccuracies of any information, including bid information or worksheets supplied by PARITY[®], the use of PARITY[®] facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

If any provisions of this Notice of Sale shall conflict with information provided by **PARITY**[®] as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY**[®], including any fee charged, may be obtained from **PARITY**[®], 1359 Broadway, 36th Street, 2nd Floor, New York, NY 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: www.parity@i-deal.com).

For purposes of the sealed proposal process, the telephone bidding process and the electronic bidding process, the time as maintained by **PARITY**[®] shall constitute the official time. For information

purposes only, bidders are requested to state in their bids the net interest cost to the City, as described under “Bid Specifications/Basis of Award” below, and in the written form of Proposal for Notes. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and form of Proposal for Notes.

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

Sealed Proposal Procedures

Bids will be accepted in written form on the form of Proposal for Notes attached hereto, at the place and time indicated above. Bids must be enclosed in sealed envelopes marked “Proposal for Notes” and addressed to The Honorable Benjamin G. Blake, Mayor, City of Milford, Connecticut, 110 River Street, Milford, Connecticut 06460.

Telephone Bidding Procedures

Telephone bids will be received until 11:30 A.M. (Eastern Time) by an authorized agent of Phoenix Advisors, LLC, the City’s financial advisor. All telephone bids must be made to (203) 783-3201 and be completed by 11:30 A.M. (Eastern Time) on Wednesday, October 28, 2015.

Bidders shall recognize that a bid by telephone means that the bidder accepts the terms and conditions of this Notice of Sale and agrees to be bound by such and, further, such bidder recognizes and accepts the risk that its telephone bid may not be received by the City or may be received later than the time specified as the result of a failure in communications including, but not limited to, a failure in telephonic communications, or the inability to reach the City by the time required. A bid received after the time specified, as determined in the City’s sole discretion, will not be reviewed or honored by the City.

Bid Specifications/Basis of Award

Proposals for the purchase of the Notes must be in the form of the proposal for purchase attached hereto or, if submitted electronically, in accordance with the requirements prescribed herein. A proposal may be for all or any part of the Notes but any proposal for a part must be for \$100,000, or a whole multiple thereof, except one such proposal for a part may include the odd \$80,000, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost, computed as to each interest rate stated by adding the total interest which will be

paid at such rate and deducting therefrom the premium offered, if any. As between proposals resulting in the same lowest net interest cost to the City, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the City reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the City with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, carried to six decimal places. The purchase price must be paid in Federal Funds.

The City reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The City further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including internet difficulties. The City will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement.

Closing Documents and Legal Opinion

The Notes will be certified by U. S. Bank National Association, of Hartford, Connecticut. The legality of the Notes will be passed upon by Pullman & Comley LLC, Bond Counsel, Bridgeport and Hartford, Connecticut, and the winning bidder(s) will be furnished, without cost, with such opinion, substantially in the form set out in Appendix B-3 to the Official Statement. Each winning bidder(s) will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a copy of the final Official Statement prepared for this sale, a certificate signed by the appropriate officials of the City relating to the accuracy and completeness of information contained in the final Official Statement and an executed continuing disclosure agreement.

In rendering the legal opinion, Pullman & Comley LLC will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the City for the benefit of the owners of the Notes, and further, will assume compliance by the City with the covenants and procedures set forth in such Tax Regulatory Agreement.

Settlement of the Notes

It shall be the responsibility of the winning bidder or bidders to certify to the City before the delivery of the Notes a certificate as to the issue price of the Notes within the meaning of the Code.

The Notes will be available for delivery on or about November 9, 2015. The deposit of the Notes with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder or bidders to obtain CUSIP numbers for the Notes prior to delivery, and the City will not be responsible for any delay occasioned by the failure of the winning bidder or bidders to obtain such numbers and to supply them to the City in a timely manner. The City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

The Preliminary Official Statement is in a form "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1). Each winning bidder will be furnished 10 copies of the final Official Statement prepared for the Notes at the City's expense. Additional copies may be obtained by a winning bidder(s) at its own expense by arrangement with the printer. The copies of the Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the City's financial advisor. If the City's financial advisor is provided with the necessary information from the winning bidder(s) by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final

Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, and the name of the managing underwriter.

Continuing Disclosure

The City will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide timely notice of the occurrence of certain events with respect to the Notes. The winning bidder's obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for the Notes.

Related Information

For more information regarding the Notes and the City, reference is made to the Preliminary Official Statement. Bid forms and copies of the Preliminary Official Statement may be obtained from the undersigned, or from Mr. Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, CT 06460, Tel. (203) 878-4945.

BENJAMIN G. BLAKE
Mayor

LIBERA C. NOSAL
City Treasurer

PETER A. ERODICI, JR.
Director of Finance

October 21, 2015

(See attached for form of Proposal for Notes)

PROPOSAL FOR NOTES

October __, 2015

BENJAMIN G. BLAKE, Mayor
LIBERA C. NOSAL, City Treasurer
PETER A. ERODICI, JR., Director of Finance
City of Milford, Connecticut
City Hall
110 River Street
Milford, CT 06460

Subject to the provisions of the Notice of Sale dated October 21, 2015, which Notice is made a part of this proposal, we offer to purchase the principal amount of the \$2,580,000 City of Milford, Connecticut General Obligation Bond Anticipation Notes, Lot B, specified below at the stated interest rate (provided not less than \$100,000 of principal amount per interest rate is bid and the total of all principal amounts bid does not exceed \$2,580,000) plus the premium specified below, if any, and to pay therefor par plus the premium specified below, if any, on the date of delivery. We further provide our computation of net interest cost as to each bid, carried to six decimals, and made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

Principal amount	_____	Principal amount	_____
Interest rate	_____	Interest rate	_____
Premium	_____	Premium	_____
Net Interest Cost	_____ %	Net Interest Cost	_____ %
	(Six Decimals)		(Six Decimals)
Principal amount	_____	Principal amount	_____
Interest rate	_____	Interest rate	_____
Premium	_____	Premium	_____
Net Interest Cost	_____ %	Net Interest Cost	_____ %
	(Six Decimals)		(Six Decimals)

The undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of the Notes in Federal Funds on the date of the Notes or as soon thereafter (but not later than 30 days thereafter) as such Notes may be prepared and ready for delivery by the City.

(Name of Bidder)

(Authorized Signature)

(Mailing Address)

(Telephone Number)