

FINAL OFFICIAL STATEMENT DATED OCTOBER 21, 2020

NEW ISSUE: Book-Entry-Only

RATINGS: Fitch Ratings: "AAA / F1+"

S&P Global Ratings: "AA+ / SP-1+"

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the City 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 Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax under the Code. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds and 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 Notes. (See "Tax Matters" herein.)



City of Milford, Connecticut \$22,560,000 General Obligation Bonds, Issue of 2020, Series B (the "Bonds")

Dated: Date of Delivery

Due: Serially, November 1, 2021 – 2040

As detailed on the inside cover:

Interest on the Bonds will be payable on May 1, 2021 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" herein.

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\$25,525,000 General Obligation Bond Anticipation Notes (the "Notes")

Dated: November 3, 2020

Due: November 2, 2021

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.

BNY Mellon Capital Markets, LLC

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 15, 2020.

The Bonds and the Notes will be general obligations of the City of Milford, Connecticut (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. (See "Security and Remedies" herein.)

The Bonds and Notes are offered for delivery when, as and if issued, subject to the approving opinions 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 3, 2020. The Registrar, Transfer Agent, Paying Agent, and Certifying Agent will be U.S. Bank National Association.

City of Milford, Connecticut
\$22,560,000
General Obligation Bonds, Issue of 2020, Series B
(the “Bonds”)

Dated: Date of Delivery

Due: Serially, November 1, 2021 – 2040
As detailed below:

Year	Principal	Coupon	Yield	CUSIP¹	Year	Principal	Coupon	Yield	CUSIP¹
2021	\$ 1,130,000	5.000%	0.280%	599382HD3	2031*	\$ 1,130,000	3.000%	1.410%	599382HP6
2022	1,125,000	5.000%	0.310%	599382HE1	2032*	1,130,000	3.000%	1.540%	599382HQ4
2023	1,125,000	5.000%	0.310%	599382HF8	2033*	1,130,000	2.000%	1.920%	599382HR2
2024	1,125,000	5.000%	0.320%	599382HG6	2034	1,130,000	2.000%	2.010%	599382HS0
2025	1,125,000	5.000%	0.420%	599382HH4	2035	1,130,000	2.000%	2.110%	599382HT8
2026	1,125,000	5.000%	0.580%	599382HJ0	2036	1,130,000	2.125%	2.210%	599382HU5
2027	1,125,000	5.000%	0.750%	599382HK7	2037	1,130,000	2.125%	2.250%	599382HV3
2028*	1,125,000	4.000%	0.890%	599382HL5	2038	1,130,000	2.125%	2.290%	599382HW1
2029*	1,125,000	4.000%	1.070%	599382HM3	2039	1,130,000	2.250%	2.330%	599382HX9
2030*	1,130,000	3.000%	1.270%	599382HN1	2040	1,130,000	2.250%	2.370%	599382HY7

* Yield calculated to the first optional call date of November 1, 2027; however any such redemption is at the option of the City.

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\$25,525,000
General Obligation Bond Anticipation Notes (the “Notes”)

Dated: November 3, 2020
Due: November 2, 2021
CUSIP:¹ 599382HZ4

Rate: 2.00%
Yield: 0.21%

BNY Mellon Capital Markets, LLC

¹ CUSIP ® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the registered owners of the applicable Bonds and Notes. The City is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to the correctness on the applicable Bonds and Notes or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds or Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and Notes.

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 Bonds and Notes will not be registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such Act. The Bonds and Notes have not been registered or qualified under the securities laws of any state. The Bonds and Notes have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

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 inside 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 21, 2020 at 11:30 A.M. (Eastern Time).
Location of Sale:	The office of Phoenix Advisors LLC, the City's Municipal Advisor, 53 River Street, Milford, Connecticut 06460. Telephone: 203-878-4945.
Issuer:	City of Milford, Connecticut (the "City").
Issue:	\$22,560,000 General Obligation Bonds, Issue of 2020, Series B (the "Bonds").
Dated Date:	Date of delivery.
Interest Due:	Interest due May 1, 2021 and semiannually thereafter on November 1 and May 1 in each year until maturity.
Principal Due:	Principal due serially November 1, 2021 through November 1, 2040 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 3, 2020 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, 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 "AAA" and "AA+" from Fitch Ratings and S&P Global 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 Matters" 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-1 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.
Municipal Advisor:	Phoenix Advisors, LLC of Milford, Connecticut will act as Municipal 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 3, 2020 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 Notes

The information in this Note Issue Summary and the inside 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 21, 2020 at 11:00 A.M. (Eastern Time).
Location of Sale:	The office of Phoenix Advisors LLC, the City's Municipal Advisor, 53 River Street, Milford, Connecticut 06460. Telephone: 203-878-4945.
Issuer:	City of Milford, Connecticut (the "City").
Issue:	\$25,525,000 General Obligation Bond Anticipation Notes (the "Notes").
Dated Date:	November 3, 2020.
Interest Due:	At maturity: November 2, 2021.
Principal Due:	At maturity: November 2, 2021.
Authorization and Purpose:	The Notes are being issued to finance various public improvement, school and sewer projects authorized by certain bond ordinances adopted by the City.
Redemption:	The Notes are not subject to redemption prior to maturity.
Security and Remedies:	The Notes will be general obligations of the City, and the City will pledge its full faith and credit to the payment of principal and interest on the Notes when due.
Credit Rating:	The City received a "F1+" and "SP-1+" from Fitch Ratings and S&P Global Ratings, respectively, on the 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 Matters" herein.
Bank Qualification:	The 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 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 Notes pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form set forth in Appendix C-2 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.
Municipal Advisor:	Phoenix Advisors, LLC of Milford, Connecticut will act as Municipal Advisor. Telephone (203) 878-4945.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about November 3, 2020 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 inside 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 \$22,560,000 General Obligation Bonds, Issue of 2020, Series B (the "Bonds") and its \$25,525,000 General Obligation Bond Anticipation Notes (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 15, 2020, have been furnished to prospective bidders. Reference is made to the respective Notices of Sale for the terms and conditions of the bidding.

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 Appendices C-1 and C-2 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.

Municipal Advisor

Phoenix Advisors, LLC, of Milford, Connecticut has served as Municipal Advisor to the City with respect to the issuance of the Bonds and the Notes (the "Municipal Advisor"). The Municipal 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 Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Global Health Emergency Risk

Consideration for Bondholders

In making an investment decision with respect to the Bonds, investors should consider carefully the information in this Official Statement, including the following.

The COVID-19 Outbreak

The outbreak of COVID-19, a respiratory virus caused by a new strain of coronavirus, has been declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency. The outbreak of the virus has affected travel, commerce and financial markets globally, and economic growth worldwide.

The ongoing impact of COVID-19 has materially affected local, state, national, and global activity; and increased public health emergency response costs. Many states and municipalities have begun and continue to take measures that are having negative effects on global and local economies. In addition, businesses and people appear to have altered behaviors in manners that are negatively affecting the economy. The financial, stock and bond markets in the United States and globally have seen significant volatility attributed to COVID-19.

While a potential risk, the outbreak did not have a materially adverse financial effect on the City in Fiscal Year 2020, nor does the City anticipate the outbreak to have a materially adverse financial effect on the City for Fiscal Year 2021. However, the continued spread of the virus and any prolonged effects on the national and State economy could have a materially adverse effect on the City's future finances and economy, including the City's credit ratings and ability to pay debt service on the Bonds in the future.

State and Local Efforts to Mitigate the Ongoing Impact of COVID-19

On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the "State") as a result of the COVID-19 outbreak. State agencies were directed to use all resources necessary to prepare for and respond to the outbreak and resulting emergency. Immediately after the outbreak, the Governor restricted social and recreational gatherings to no more than 5 people, suspended activity at the State Capitol and legislative office building, suspended non-exigent operations of the judicial branch, limited restaurants to take-out and delivery only, required all businesses and not-for-profit entities in the State to employ, to the maximum extent possible, any telecommuting or work from home procedures that they can safely employ, required closure of all non-essential businesses and not-for-profit entities and instituted a 60-day residential rent moratorium. The Governor also cancelled all public-school classes through the 2019-2020 school year.

On April 30, 2020, Governor Lamont announced a four-stage plan to reopen the State's economy (the "Reopening Plan"). Phase one of the Reopening Plan began on May 20, 2020 and allowed retailers, offices, outdoor restaurants and outdoor recreation facilities to open. Phase two of the Reopening Plan commenced on June 17, 2020 and permitted (but did not require) certain businesses to open under sector-specific rules. Those businesses included but were not limited to hotels, indoor dining, libraries, nail salons and tattoo parlors, and the sector-specific rules include detailed information and requirements about physical distancing, facility capacity, hygiene, sanitizing, signage, personal protective equipment, scheduling, and training. Additionally, at varying dates within phase two, educational and community services, such as selected youth sports, public libraries, day camps and summer schools, will be permitted to open.

During phase two of the Reopening Plan and to assist municipalities in addressing the 2020-2021 school year, the State of Connecticut Department of Education released "Adapt, Advance, Achieve: Connecticut's Plan to Learn and Grow Together" which is a comprehensive plan that will serve as a roadmap for school districts as they plan to reopen schools. This plan includes in person schooling for all ages with a structure that ensures safety protocols, provides for students' social-emotional well-being and mitigates any barriers to accessing equitable opportunities that increased during the COVID-19 pandemic. While school districts retain discretion in implementing approaches to reopening, the six guiding principles of Adapt, Advance and Achieve require school districts to develop their reopening plans with a certain amount of regional consistency. Understanding that health developments may influence decisions to transition to different instructional models, school districts are encouraged to be flexible in their planning with contingency plans in place for blended or remote learning for all grades. To date, the Milford school district began the school year with a hybrid learning model which model includes in-person and distance

learning for its students. However, the City cannot predict how or when this plan may change or the potential economic impact any such change will have on the City.

Phase three of the Reopening Plan commenced on October 8, 2020, which phase eases capacity restrictions on businesses and gatherings. Changes in this phase include increasing indoor capacity at restaurants, personal services, hair salons, barber shops, and libraries and increasing capacity at outdoor event venues (e.g. amphitheaters, race tracks, etc.). In addition, phase three expands the size of permitted indoor and outdoor private/social/recreational gatherings, graduations and religious gatherings.

Governor Lamont's Reopening Plan also includes stage four but entering that phase will depend upon the impact the prior phases have on communities and many other factors including, but not limited to, the continuing decline of new outbreaks of the virus and availability of personal protective equipment for hospital workers.

The continued spread of the virus and any prolonged effects on the national and State economy could have a materially adverse effect on the City's finances and economy. On March 16, 2020, the City declared a local state of emergency. This step allows the Mayor to exercise emergency powers as needed to help the community and better positioned the City to access emergency federal aid. Effective March 17, 2020, the Mayor closed City buildings to the public except by appointment only and they had been operating with limited staff performing essential services, and working remotely. On June 1, 2020, the City returned to full, in-person staffing in its offices and continued to perform most services.

The City does not anticipate the outbreak to have a materially adverse effect on the City for Fiscal Year 2021. Currently, the City's finances and financial plans remain stable. Approximately 52% of the City's annual revenues for Fiscal Year 2021 have already been received as of September 30, 2020, including the collection of approximately 55% of budgeted property taxes. Although the City cannot reasonably predict at this time the impact of COVID-19 on City revenues, the City believes that it has established sufficient liquidity to maintain operations without interruption, including making all debt service payments.

COVID-19 Outbreak – Municipal Tax Relief Programs

On April 1, 2020, in response to the COVID-19 emergency, Governor Ned Lamont issued Executive Order No. 7S ("Order 7S"), as amended by Executive Order No. 7W on April 9, 2020 ("Order 7W"), which creates two short-term tax relief programs and requires all towns, cities, and boroughs as well as their water pollution control authorities to adopt either or both of them by a vote of the legislative body. One program defers tax payments by three months for taxpayers based on a showing of need, while the other reduces the interest chargeable for all taxpayers in the municipality for three months. Additionally, the programs also apply to benefit assessments, including C-Pace assessments, under Section 16a-40g of the Connecticut General Statutes.

All municipalities were directed to notify the Secretary of the Office of Policy and Management ("OPM") no later than April 25, 2020 which program or programs it intended to elect. At a Special Board of Aldermen meeting held on April 6, 2020, the City's Board of Aldermen elected to participate in the "Deferment Program." The "Deferment Program" delays by three months payments due on any unescrowed taxes on real estate, motor vehicles, and personal property as well as unescrowed municipal utility charges if taxpayers, businesses, nonprofits and residents demonstrate significant economic impact caused by COVID-19 and/or demonstrate that they are assisting people who are experiencing significant economic impact caused by COVID-19. Landlords, or any taxpayer that rents or leases to any commercial, residential, or institutional tenant or lessee, in order to be eligible for the "Deferment Program" must provide documentation to the City that the parcel has or will suffer a significant income decline or that commensurate forbearance was offered to their tenants or lessees. This program applies to charges which would otherwise have been due from April 1 to July 1, 2020. Financial institutions and mortgage servicers that hold property tax payments in escrow are required to continue to remit property taxes to the City according to the regular timetable, so long as the borrower remains current on its mortgage or is in a mortgage forbearance or deferment program.

Applications for the "Deferment Program" were required to be submitted by July 1, 2020. In total, 36 taxpayers were approved for a total of \$160,430 in property taxes that will be deferred from a due date of July 1, 2020 to October 1, 2020. This is a 0.1% of the total current year taxes budgeted to be received during the fiscal year. This deferral will not have a material adverse effect on the City.

As of August 31, 2020, the City estimates that it received approximately \$97 million in taxes for Fiscal Year 2020-2021 which equates to roughly 101% of tax collections the City collected at this time in the prior Fiscal Year.

Government Response to COVID-19's Impact on the Economy

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Stabilization Act (the "CARES Act") that provides in excess of \$2 trillion of relief to industries and entities throughout the country, including state and local governments. Under the CARES Act, \$150 billion was appropriated to states and other units of government for activities that are directly related to COVID-19; the amount paid to each state is based on population with a minimum payment of \$1.25 billion. The State received approximately \$1.4 billion in such funding, and it has the discretion to provide those funds to local governments. In addition, the CARES Act provides \$454 billion to the Federal Reserve to purchase business, state or municipal securities in order to provide a level of liquidity to the municipal market. Other financial relief affecting states and local governments includes \$30.9 billion for education, \$10 billion for airports, \$25 billion for transit providers, and \$17 billion for housing, including \$5 billion for Community Development Block Grants for COVID-19 related services.

On April 24, 2020, President Trump signed into law the Paycheck Protection Program and Health Care Enhancement Act. The legislation included \$484 billion of additional funding to support small businesses, hospitals and to enhance COVID-19 testing. On June 5, 2020, President Trump signed into law the Paycheck Protection Flexibility Act, which legislation eases restrictions on how and when the money lent to small businesses must be spent in order to be forgiven.

On March 28, 2020, President Trump approved Governor Lamont's request for a disaster declaration for the State of Connecticut. Under the declaration, it is expected that federal funding will be made available to state, tribal and eligible local governments and certain private nonprofit organizations for emergency protective measures, including direct federal assistance, for all areas of Connecticut impacted by COVID-19. The impacted agencies and towns will be reimbursed for 75 percent of the costs associated with their response and emergency protective measures.

On June 4, 2020, Governor Lamont established the Connecticut Municipal Coronavirus Relief Fund Program which details a process by which Connecticut municipalities can receive reimbursements from the State using the Coronavirus Relief Fund to offset non-budgeted COVID-19 related expenditures that are incurred on or after March 1, 2020 through December 30, 2020. It is expected that the moneys from the Program can be used as the City's 25% local match against the 75% FEMA Disaster Declaration reimbursement. Under the Program, the City's maximum reimbursement for COVID-19 related expenditures through June 30, 2020 is \$661,234. The Program will be re-evaluated for expense reimbursements beyond June 30, 2020.

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, 2021 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.

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Optional Redemption for the Bonds

Bonds maturing on or before November 1, 2027 are not subject to redemption prior to maturity. The Bonds maturing on November 1, 2028 and thereafter are subject to redemption prior to maturity, at the election of the City, on or after November 1, 2027 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:

<i>Period During Which Redeemed</i>	<i>Redemption Prices</i>
November 1, 2027 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 Notes will be dated November 3, 2020 and will be due and payable as to both principal and interest at maturity, November 2, 2021. 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.

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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	This Issue:	
		The Notes Due: 11/2/2021	The Bonds
Various Public Improvements (Feb. 2013).....	\$ 7,533,000	\$ 20,000	\$ -
Various Public Improvements (Feb. 2014).....	8,717,500	550,000	32,000
Various Public Improvements (Feb. 2015).....	10,307,230	1,390,000	655,000
Various Public Improvements (Feb. 2016).....	12,889,500	730,000	10,000
Various Public Improvements (Jan. 2017).....	9,671,200	11,000	330,000
Various Public Improvements (Feb. 2018).....	6,875,000	320,000	485,000
Various Public Improvements (Feb. 2019).....	10,065,000	2,453,000	5,305,000
Various Public Improvements (Feb. 2020).....	13,889,130	7,831,000	2,938,000
Subtotal General Improvement.....	79,947,560	13,305,000	9,755,000
Various School Improvements (Feb. 2015).....	10,308,000	10,000	600,000
Various School Improvements (Jan. 2017).....	23,217,859	4,960,000	6,950,000
Various School Improvements (Feb. 2018).....	4,078,077	1,985,000	1,325,000
Various School Improvements (Feb. 2019).....	3,285,000	1,555,000	815,000
Various School Improvements (Feb. 2020).....	4,754,923	1,590,000	-
Subtotal Schools.....	45,643,859	10,100,000	9,690,000
Rock St & Welches Pt. Pump Stations (Feb 2015).....	7,061,061	-	370,000
Beaver Brook Wastewater Plant (Feb. 2016)	653,150	-	14,000
Viscount Drive Sanitary Sewer (Feb. 2018)	2,128,267	5,000	1,815,000
Housatonic Wastewater Facility (Feb. 2019).....	1,088,440	905,000	40,000
Sewer Force Main-Repair -Various (Feb. 2019).....	1,722,342	680,000	840,000
Gulf Pond Sanitary Pump Station Repairs (Feb. 2020).....	665,000	455,000	25,000
Lower Wepawaug Pond Sewer/Manhole Lining (Feb 2020).....	110,000	75,000	11,000
Subtotal Sewers.....	13,428,260	2,120,000	3,115,000
Totals.....	\$ 139,019,679	\$ 25,525,000	\$ 22,560,000

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 S&P Global Ratings 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 prepares, in accordance with State law, annual independent audited financial statements and files such annual report with the State Office of Policy and Management.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data with respect to the Bonds and notices of the occurrence of certain events with respect to the Bonds and Notes pursuant to a Continuing Disclosure Agreements to be executed by the City substantially in the forms set forth in Appendices C-1 and C-2, 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 “AAA” and “AA+” from Fitch Ratings and S&P Global Ratings, respectively, on the Bonds. Fitch revised the outlook to “negative” from “stable”. The Notes received ratings of “F1+” and “SP-1+” from Fitch Ratings and S&P Global 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 Municipal 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 Matters

Federal Taxes. In the opinion of Bond Counsel, under existing law, (i) interest on the Bonds and Notes is excluded from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

Bond Counsel's opinion with respect to the Bonds and 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 Notes in order that interest on the Bonds and Notes be and remain excluded from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds and Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds and Notes irrespective of the date on which such noncompliance occurs. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the Bonds and 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 the Bonds and Notes proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Bonds and 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 Notes.

Original Issue Discount. The initial public offering prices of certain maturities of the Bonds may be less than the stated principal amount (the “OID Bonds”). Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID 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 OID Bonds are expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the OID Bonds are sold. Under existing law, original issue discount on the OID 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 OID Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in an OID Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Bond and will be added to the owner's basis. 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 an OID Bond.

Prospective purchasers of OID Bonds 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 owners of OID Bonds purchasing such OID Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

Original Issue Premium. The initial public offering prices of certain maturities of the Bonds and Notes may be more than their stated principal amounts payable at maturity (the “OIP Bonds and Notes”). In general, an owner who purchases an OIP Bonds and Notes must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the OIP Bonds and Notes for federal income tax purposes. Prospective purchasers of OIP Bonds and Notes at a premium to its principal amount should consult their tax advisors regarding the amortization of premium and its effect upon basis.

Other Federal Tax Matters. Prospective purchasers of the Bonds and Notes should be aware that ownership of the Bonds and 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 Notes should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxes. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds and 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 Notes is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on an OID 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 and Notes 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 and Notes.

Changes in Federal and State Tax Law. Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds and Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Bonds and Notes will not have an adverse effect on the tax status of interest on the Bonds and Notes or the market value or marketability of the Bonds and Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds and Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Bonds and Notes should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds and Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds and Notes may be adversely affected and the ability of holders to sell their Bonds and Notes in the secondary market may be reduced. The Bonds and Notes are not subject to special mandatory redemption, and the interest rates on the Bonds and Notes are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds and Notes.

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

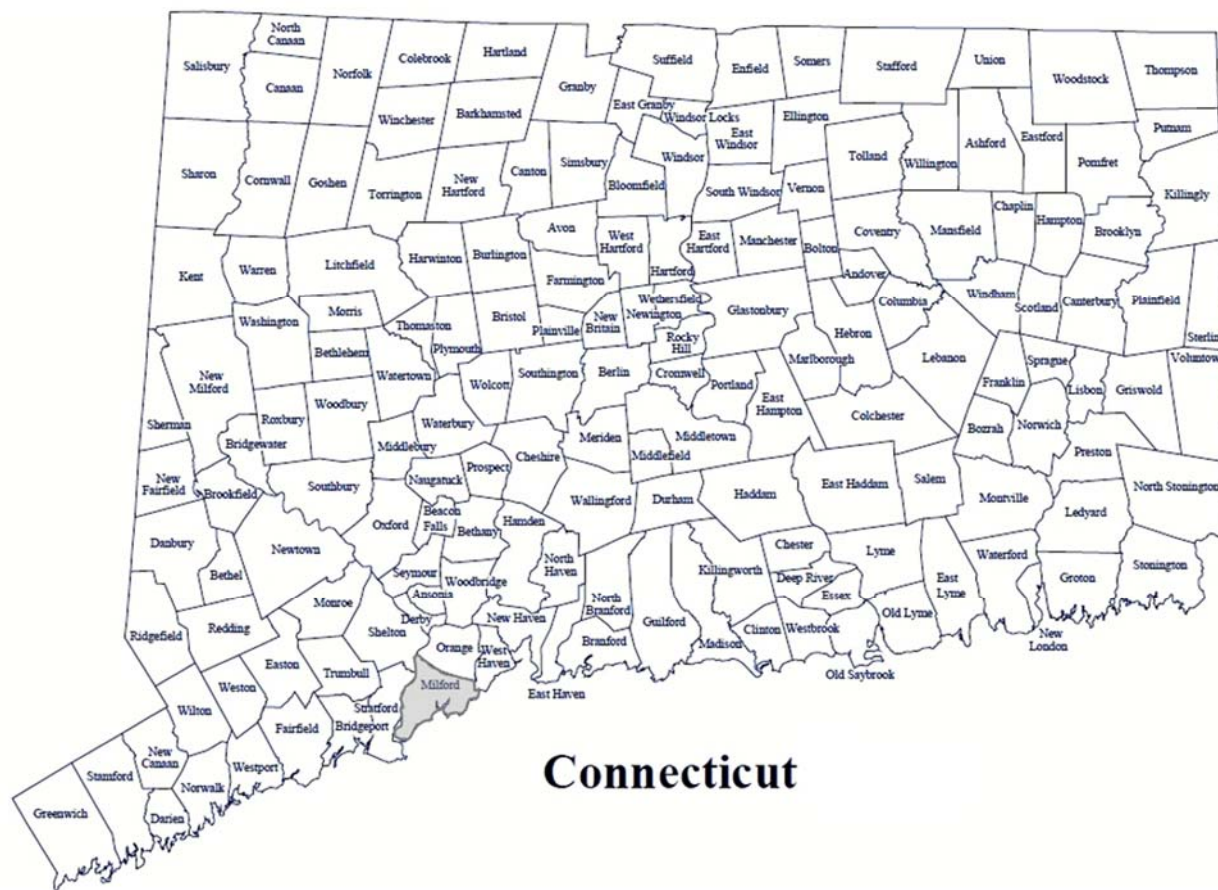
The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Bonds and Notes. Prospective owners of the Bonds and Notes, particularly those who may be subject to special rules, are advised to consult their own tax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

Legal Opinion

The legal opinions for the Bonds and the Notes will be rendered by Pullman & Comley, LLC in substantially the forms set forth in Appendices B-1 and B-2 to this Official Statement.

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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 twelve 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 \$8,650,000, federal grants in excess of \$41,000,000 and State grants in the amount of \$26,350,000.

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, acquired by Yale New Haven Health in 2019, 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 (15) 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	11/19-11/21	5th term	Attorney
Chairman, Board of Aldermen...	Philip J. Vetro	Elected	11/19-11/21	5th term	Home Imp. Contractor
Town/City Clerk.....	Karen Fortunati	Elected	11/19-11/21	1st term	Public Programs Manager/Author
Director of Finance.....	Peter A. Erodici, Jr.	Appointed	Indefinite	9 Years	Director of Finance
Treasurer	Marianne Klinga	Appointed	Indefinite	2 years	Tax Collector, City of Milford
Superintendent of Schools	Dr. Anna Cutaia	Appointed	Indefinite	2 years	Superintendent, RSD 14 (CT)
Deputy Superintendent of Ops...	James Richetelli	Appointed	Indefinite	9 Years	Mayor, City of Milford
Director of Public Health.....	Deepa D. Joseph, MPH	Appointed	Contract	5 Years	Community Health Coordinator / Deputy Director of Health
City Attorney.....	Jonathan D. Berchem	Appointed	N/A	9 Years	Attorney
Chairman, Board of Education..	Susan Glennon	Elected	11/19-11/21	5th term	Early Childhood Practioner

¹ Ms. Klinga worked in the Health Department with the City for 2 years prior to being appointed Tax Collector in February 2017. She began as Acting Treasurer in January 2019.

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. Anna Cutaia, Superintendent of Schools

Dr. Anna Cutaia holds the position of Superintendent of Schools in Milford. She began her appointment in Milford on August 1, 2018. She received her Bachelor of Arts degree from Mount St. Mary College in 1991, followed by a Master's degree in education from the University of Southern Mississippi in 1997. While working as an educator for several years, Dr. Cutaia continued her post-graduate studies and received her certificate in the Executive Leadership Program (2007) followed by a Doctorate in Education (2013), both from the University of Connecticut.

Dr. Cutaia's career path has touched every segment of the educational leadership spectrum. She started her career in Myrtle Beach, SC, where she served as a teacher (1991-1998), an assistant principal (1998-2000), and principal (2000-2003). In 2003, Dr. Cutaia moved to Connecticut and served as principal of Casimir Pulaski Elementary School in Meriden. During her early years in Connecticut, Dr. Cutaia also worked with the Connecticut State Department of Education (CSDE) as an educational consultant and as an adjunct professor at the University of Connecticut and Southern Connecticut State University. Dr. Cutaia served for six years as the Director of Elementary Education in the Fairfield Public School District. Prior to coming to Milford, she served as the Superintendent of Schools for Regional District 14 for four years, encompassing the communities of Bethlehem and Woodbury.

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 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.

After serving as Chairman of the audit committee for the GFOA of Connecticut for 3 years, Mr. Erodici became an officer, and was elected Second Vice President for the 2016-2017 term. For the 2017-2018 term, he was elected First Vice President and served as Chairman of the Program Committee. He was President of the GFOA of Connecticut for the 2018-2019 term, and served as Assistant Treasurer 2017 to 2020.

James Richetelli, Chief Operations Officer, Board of Education

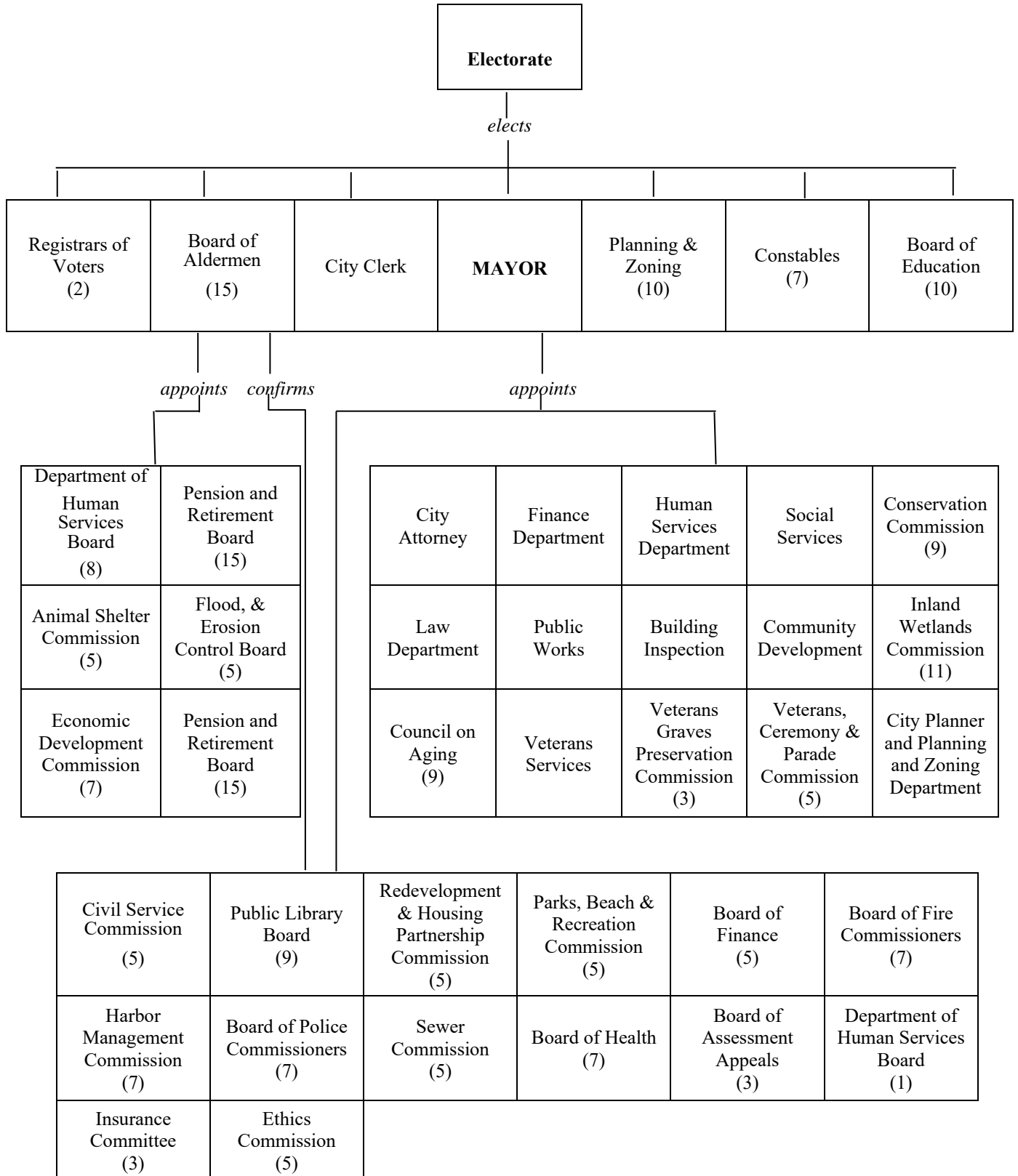
Mr. Richetelli graduated from Fordham University in 1983 with a Bachelor of Arts Degree. Prior to being appointed Chief Operations Officer in November 2011, he served as Mayor of the City of Milford for 10 years. Before that, Mr. Richetelli was employed in senior management positions in the manufacturing 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 (the “Milford PD”) is housed in a facility built in 1979. There are currently 116 sworn officers and 15 civilian personnel in the Milford PD. Presently, department services include the following divisions: Patrol, Detective, and Administrative. Specialized units in the Milford PD 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 Milford PD 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 Milford PD receives over 50,000 calls for service and/or complaints that are logged and tracked via a computer-aided dispatch system. The Milford PD 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 Milford PD 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 Milford PD 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 Milford PD 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 Milford PD’s community outreach program and has been very successful in addressing quality of life issues throughout the City.

Fire

The Milford Fire Department (the “Milford FD”) is made up of 112 fire personnel and four civilian staff. The Milford FD is led by Fire Chief Douglas A. Edo and two Assistant Chiefs, Assistant Chief of Administration/Fire Marshal Bernie L. Begley and Assistant Chief of Operations Anthony P. Fabrizi. Assistant Chief Begley oversees the fire investigation and code enforcement division as well as plan review and permitting. Assistant Chief Fabrizi provides oversight to the 911 emergency operations center for fire and EMS communications as well as the daily operations of the Milford FD, such as emergency responses, training and readiness.

Administrative staff, which includes two Battalion Chiefs and two Captains, have responsibilities that include planning for all the logistical situations for the Milford FD, formulating and executing long-term goals, and forecasting future budgeting to satisfy the needs of the Milford FD. They also help maintain the sustainable operations of the department by maintaining inventories of supplies, equipment, updating policies and procedures and coordinate training.

The Milford FD remains a Class 1 fire department though the Insurance Services Office (ISO). Only three departments in Connecticut and a total nationwide of under 400. All of its personnel are trained in not only fire suppression, but a multitude of skills, (including but not limited to) hazardous materials, confined space, rope rescues, all water emergency responses, scuba divers, high angle, trench collapse, vehicle and machinery extrication and much more.

The Marine Division is one of the Milford FD’s busiest and most successful ventures. Especially in the summer months, the Marine Division is responsible for several rescues in the local waters. The marine division consists of a 30 foot vessel docked in the harbor all season long, a rigid hull inflatable boat which we launch from the boat ramp, and a rapid response jet ski which gets launched right at Walnut Beach.

One of the most important components of the Milford FD is the fire prevention and investigation division. Commonly known as the "Fire Marshal's Office", it is under the direction of Assistant Chief / Fire Marshal Begley. Additionally, Anthony W. Fino is the Deputy Fire Marshal. A new fee structure was recently implemented more in-line with the typical fees throughout the surrounding communities. It cannot be understated the importance of inspection and code enforcement in this office and the tremendous workload involved to permit and inspect the many commercial and multi-family residential occupancies in our community.

The Emergency Medical Service or (EMS) division of the Milford FD believes that its number one focus is patient care, whether the patient is a resident or a visitor to Milford. EMS provides the best possible care from the point of the 911 call until transfer of care at the emergency room. The Milford FD is providing ambulance service to the City. This service gives the Milford FD oversight over the EMS system as well as a revenue stream to offset some of the cost to provide emergency service. The Milford FD currently supplements ambulance service through a service agreement with Nelson ambulance but the long term goal is to increase ambulance coverage to be the majority ambulance service provider.

The City is covered by four zones, or what we call First Due areas. The North, Central, East and West stations provide the City with an optimal response 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, Milford FD 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, is 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. These stations 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 North Fire 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.

The Milford FD is a system of procedures, equipment, and technology. This system is completed only by the dedicated men and women of the Milford FD, who work, train and prepare tirelessly to keep our community safe from the effects of all kinds of fires, disasters - manmade or natural, accidents and medical emergencies. All the men and women of the Milford FD are initially trained at the Connecticut State Fire Academy and receive thorough ongoing training in all disciplines of public safety response and preparedness every day on duty. All personnel are certified EMT's while some have advanced training as paramedics.

Public Works

The Public Works Department is comprised of seven divisions, has 138 positions, and currently employs 113 people. The department operates with an annual budget in excess of 18 million dollars, making it the largest personnel and budgetary agency with the exception of the Board of Education. The Office Division performs customer service, dispatch, clerical, reporting, accounting, payroll, and a number of other administrative duties. The remaining divisions are as follows:

Highway/Parks Division

The Highway/Parks Division is responsible for the repair and maintenance of all city streets, stormwater drainage, sidewalks, trees, parks/playgrounds, municipal buildings' grounds, beaches, tennis courts, ball fields, and greens. The division assists numerous civic organizations with various functions held throughout the year. The division is also tasked with responding to requests from the residents of Milford and assists the Fire and Police Departments as needed. The division was also instrumental in the construction and completion of the improvements at Walnut Beach and the City's dog park.

Building Maintenance Division

This division maintains all City buildings through a preventive maintenance program which runs the gamut from floor care to managing all of the heating, cooling, plumbing and electrical systems. The division handles all of the security, repairs, renovations and maintenance for 28 municipal buildings as well as all City parks, greens and recreational areas. Additionally, they maintain 32 traffic lights, 9 flashing lights, and pedestrian walk lights located throughout the City. The division is relied upon for operational support by most City departments for tasks such as the delivery and set up of chairs and/or tables for events.

Engineering Division

The division is overseeing the Cherry Street and Gulf Street Pavement Restoration Project (a DOT LOTCIP Project). The project is currently under construction with substantial completion scheduled for October 2020. The division has prepared plans for improvements to the traffic island at North Street, Boston Post Road, and Orange Avenue (presently under construction) and improvements to Eisenhower Park (North Street frontage), both of which have been approved by CT DOT. The division is coordinating with CT DOT on the replacement of the Flax Mill Lane Bridge with construction scheduled for completion by November 2020. The division provides engineering plan reviews and routinely interacts with local surveyors assisting them in properly completing (FEMA) elevation certificates (as required by FEMA to retain the City's participation in the CRS program).

Garage Division

The Garage Division utilizes the knowledge and experience of its employees to help keep the fleet running safely. The Garage Division is responsible for the repair and maintenance of 350-plus vehicles and pieces of equipment in the following departments: Police, Council on Aging, Highway, Parks, Solid Waste, Building Maintenance, Wastewater, and municipal office vehicles. The Garage Division is responsible for various types of vehicles and equipment such as: cars, light duty vans and trucks, trailers, dump trucks, backhoes, loaders, mowers and tractors. The division is also responsible for various types of specialty equipment including: street sweepers, bucket trucks, paving rollers, the asphalt recycling machine, wood chippers, stump grinders, the beach rake machine, catch basin vacuum truck, solid waste trucks and various snow fighting equipment. This highly skilled team also manages the fueling station and its DEEP compliance.

Solid Waste Division

The Solid Waste Division manages the Transfer Station and is responsible for the curbside collection of garbage, single stream recyclables, and bulky waste from residences. Additionally, the division is responsible for the removal of garbage and recyclables from public buildings and schools. It also is responsible for collecting garbage from our many beaches and recreational areas. The division continues to promote Milford's green initiative by providing a mattress recycling program at the Transfer Station. The Solid Waste Division also sponsors the annual RWA Household hazardous waste drop-off for Milford residents at 83 Ford Street in September. The division partners with Milford Academy collecting cans and bottles to provide funds for field trips and classroom experiences for their young adult programs. This division promotes recycling information throughout the year including at the Oyster Festival. The division began a new partnership with Simple Recycling which will be collecting textiles and other items from residents' homes in the next fiscal year. Those who live in condos and apartment buildings will be able to drop off their textiles and other items (listed on the www.simplerecycling.com website) at the Transfer Station.

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. GBRSW has a long-term disposal agreement with Wheelabrator Bridgeport, L.P. Milford's tipping fee per ton for fiscal year 2021 is \$64.69. When the City took over the direct transport of City trash to the Wheelabrator plant in 2020, it eliminated the monthly flat fee that had been paid to an outside vendor.

Recent year's fee structures are listed below:

<i>Current Contract</i>			
<i>Fiscal Year</i>	<i>Monthly Flat Fee</i>	<i>Hauling Fee (Per Ton)</i>	<i>Tipping Fee (Per Ton)</i>
2021	<i>run by City</i>	\$279 per haul	\$ 64.69
2020	<i>run by City</i>	17.50	63.58
2019	\$ 32,079.00	15.48	62.71
2018	32,079.00	15.48	62.71
2017	32,882.00	15.69	62.10

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

Sewers

Wastewater Division

The Wastewater Division consists of two treatment plants, the Housatonic Treatment Plant and the Beaverbrook Treatment Plant. The Housatonic Plant treats approximately 2 billion gallons of wastewater per year while the Beaverbrook Plant treats approximately 730 million gallons per year. Additionally, there are 43 pump stations and 260 miles of sewer lines, all maintained and operated by the division's employees. The Rock Street and Welch's Point Road pump stations have undergone major upgrades. The Sailors Lane generator replacement project and the Viscount Drive Force Main Replacement have been substantially completed.

The Wastewater Division has the ability to televise sewers for new acceptance and troubleshoot old ones. Approximately 3,000 feet of sewer line are treated for root control each year. Additionally, several hundred feet of sewer line are treated at the property lines each year.

Milford Redevelopment & Housing Partnership

The Milford Redevelopment & Housing Partnership located in the City 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). Budget permitting, the Milford Redevelopment Housing Partnership is authorized to issue up to 266 federal Section 8 Housing Choice Vouchers to support safe, decent and sanitary housing opportunities in the City.

Milford Council on Aging

The Milford Council on Aging/Milford Senior Center was founded in 1970 and is in its 49th 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 funding provided by the City of Milford. Membership is approximately 2,500, and the agency provides a wide range of services and programs for Milford residents aged 55 or better, including transportation, lunch programs, the Milford Food Bank, the Ahrens Respite Program, social services, a Meals-on-Wheels Program, insurance assistance and three notary publics. The Senior Center provides Sunday afternoon activities and many exercise classes including several yoga classes, an art class, meditation, and educational presentations. Several unique programs and classes offered are: Qi Gong, two choir groups, health fairs, a flu shot clinic, a low vision support group, travel, entertainment, a model train group, Wii bowling, pickle ball, book clubs, The Note-Ables band and other activities.

Milford Department of Human Services / Milford Youth & Family Services

The Milford Department of Human Services ("Human Services"), along with The Milford Youth and Family Services Department, has been providing services to the Milford Community since July of 1976. Human Services 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. Samples of services include assessment and evaluation, case management, food insecurity evaluations and referrals, outreach evaluations, fuel assistance, program development, 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 one state of the art splash pad, eight open space public parks, twenty playgrounds, twenty-five ball fields, two lighted multipurpose synthetic turf fields, ten multipurpose soccer/football facilities, twenty-five tennis courts, including twelve lighted courts, eight lighted pickle ball 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 semi-private “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 to 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, Milford Youth Lacrosse program and the Southern CT Stars Youth Hockey program. Milford is home to five yacht clubs and marinas, an indoor tennis facility, and a Bowlero bowling alley.

Business and Industry

Economic Development

The City of Milford’s Department of Economic and Community Development (“ECD”) takes an integrative and holistic approach to positioning Milford as a place to live, work, and play combining efforts with several departments and encompassing strategies through housing, community development, tourism, and business development. With the economy bouncing back and growth on the horizon, Milford is in a position to offer new business, current business, and its residents the amenities expected in a world class city. Our greatest assets are our beaches and proximity to rail, road and water. With the influx of small business and high homeownership it is clear that Milford is the place to be. The 2019 year brought significant transit-oriented development progress as we continue to capitalize on the train station conveniently located in our bustling downtown. The City purchased three properties located at 145 High Street, 0 Railroad Avenue and 44-46 River Street in 2014 through a state-sponsored grant. Subsequently, it received a transit-oriented development grant, which allowed the City to contract with BL Companies to perform a market analysis and conceptual site plan for the future of this site. After several informational sessions in 2017, wherein members of the community were welcome to participate and offer comments and suggestions, the City composed these collective ideas into a “Request for Qualifications” to attract development at the site. The Downtown High Street Development Committee then met with three potential development teams and ultimately chose to move forward with Metro Star Properties, which stood apart from its competitors with unmatched qualifications. Metro Star’s proposal consists of a mixed-use development to include fifty market rate apartments, an underground garage with 125 public parking spaces and almost 13,000 sq ft of commercial space. This project will be transformative for the downtown, enhance property values, and surely induce more development opportunities. We expect the project to break ground in 2020.

The City developed a series of marketing tools in the form of video and graphics to attract more residents and businesses. The City has just completed the last video of a three part series detailing Milford as a place to live, visit and do businesses. With the creation of a Tourism Task Force we have been able to create relationships with industry leaders to further attract visitors to our great City. In 2019, the City has launched the brand “Discover Milford CT” in order to attract visitors, promote events and provide quality of life information to residents and visitors. This brand has an accompanying website along with social. With a targeted marketing campaign running in New York City, we have seen the efforts through multiples press coverage in the New York Times highlighting Milford as an attractive place to visit and live. The City has also worked on attracting new business and tourist type amenities to the harbor and hope to bring some more exciting development in the area in 2020-2021.

The City continues to build relations through its Business Visitation program by solving the issues on the spot while celebrating great successes. The ECD continues to support new business by recommendation through permitting process or testifying on their behalf in public hearings. In addition, to the City has continued its Micro Enterprise Assistance program (MEAP) by offering small business grants of up to \$5,000 to support small business efforts in various ways such as relocation, marketing and equipment purchase. The City continues to work with owners at prime development locations to induce appropriate development and assist in the City permitting process.

Economic Development Data

The City of Milford had the highest recorded registration of businesses in over a decade which is a 4% increase in business starts from 2018 to 2019. The City continue to hold strong each year significantly outpacing all surrounding municipalities. The businesses range from small home businesses, to doctor's offices and construction. This data is most notable for its indicator of economic growth. Considering that general partnerships and sole proprietorship are not required to file, this number is likely significantly larger.

Milford's grand list continues to swell. Out of 169 municipalities, Milford is ranked ninth in the State of Connecticut and first in New Haven County. This growth has allowed Milford to cut taxes for five consecutive years furthering small business growth and creating household reductions such as mortgage and car taxes.

On the employment front, retail, manufacturing and health care remain the top industry employment in Milford. Of the top industry employers health care had the largest workforce growth. The latest unemployment figures from August 2020, show that Milford has a 7.7% unemployment rate compared to 8.2% in the State of Connecticut.

Business Growth

Over the last year, Milford's downtown saw a number of new businesses open. On the historic Milford Green, we have the opening Flipside Bar & Burger at 1 Schooner Lane along with Founder's House Pub & Patio at 117 Broad Street adding additional eateries to our vibrant downtown. Whisper's Lingerie repositioned itself to 8 Broad Street. Other new ventures include My Bar & Grille at 12 Broad Street and the relocation of H. Pearce Real Estate to 122 Broad Street. There are three prime downtown locations, 78 Broad Street, 3 River Street and 57 Daniel Street available as we work on marketing and filling with the business community and owners. Harbor Walk continues to attract a wide variety of shoppers to the boutique strip enhancing that area as a shopping destination. We have a number of micro apartments under construction on River Street as demand grows for transit-oriented living and a new mixed-use development planned for the former Smith Funeral Home property at 135 Broad Street.

The Devon section of the City is headed in the right direction with new restaurants, retail and a waterfront brewery. Dockside Brewery, joined us making this gateway to Milford another destination. The brewery is the third to join Milford also landing a spot on the CT Brew Trail for visitors far and wide. Perrella: Allstate Insurance opened at 193 Bridgeport Avenue. I Love Pho, a popular Vietnamese restaurant, opened at 367 Bridgeport Avenue along with Weirdo Wonderland at 225 Bridgeport Avenue bringing an eclectic vibe.

On Boston Post Road, The Connecticut Post Mall welcomed Muse Paint Bar, Guacamole, a local Mexican restaurant with success in Branford building a local rather than national feel to the mall. Also joining are Fotz Technologies, YWS Academy an affiliate of Yale University. Jersey Mike's, a welcomed sub shop, opened at a fully occupied 1599 BPR. Major redevelopment of long vacant land at 150 Boston Post Road brings Big Y to Milford. Directly adjacent, a recently constructed village with 168 apartments located directly across from Exit 36 off I-95 is a commuter's dream breeding new life into the area.

Our office sectors continue to lag behind in growth due to shift in space needs but we welcome a number of new businesses to Milford. A Stamford-based real estate investment firm, Stone Harbour Capital, has acquired the former Merritt Crossing office complex at 440 Wheelers Farms Road and plans a major investment for the space. WICC600- AM relocated from Bridgeport to 440 Wheeler's Farm Road along with WEBE 108- FM.

The industrial sector of Milford continues to be well occupied. On Old Gate Lane we saw Landmark Interiors of New York, custom interiors, and Milford Truck Accessories, LLC make their home. The former and longtime vacant Bennigan's transformed into Milford Sports Bar offering another eatery to the menu. On Pepe's Farm Road, Schultz Dental Group, supplier of dental supplies and equipment joined us. Meridith Baer Home (MBH) headquartered in California, has expanded into Milford with 56,000 square feet at 500 Bic Drive. Ephemeral Solutions, Inc. a biotech manufacturing laboratory, opened with 3,400 sq ft of space at 4 Oxford Road. AAA Northeast purchased the former Progressive Insurance at 302 Woodmont Road bringing 125 new jobs.

In 2019 Milford Hospital was acquired by Yale New Haven Health System ("YNHHS"), the location is now referred to as Bridgeport Hospital Milford Campus. Through the integration, Yale New Haven Health has developed the Milford campus into a center for gerontologic health, care for the aging population. YNHHS has made major investments in Milford Hospital infrastructure, including capital improvements and expansion of clinical service lines.

Employee Relations and Collective Bargaining Municipal Employees

	2020	2019	2018	2017	2016
General Government.....	462.00	534.00	539.00	538.00	539.00
Board of Education. ¹	1,017.16	1,033.16	1,038.13	1,039.70	1,069.25
Total.....	1,479.16	1,567.16	1,577.13	1,577.70	1,608.25

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	6/30/2020 ¹
International Firefighters Association, IAFF.....	109.00	6/30/2020 ¹
Milford Supervisors Association, NAGE.....	31.00	6/30/2019 ¹
Milford Employees Association.....	-	6/30/2019 ¹
Registered Professional Nurses Association.....	20.00	6/30/2019 ¹
Public Works Local 424, UPSEU.....	121.00	6/30/2019 ¹
Police Dispatchers Local 1303-454 AFSCME	6.00	6/30/2019 ¹
Dispatchers Local 4260 Prof Telecommunication Assoc., IAFF.....	7.00	6/30/2019 ¹
Milford City Hall Employees Association (3322 AFSCME).....	10.00	6/30/2019 ¹
Organized.....	418.00	
Non-Union.....	44.00	
Sub-Total.....	462.00	
Board of Education Unions		
Milford Education Association (Teachers).....	604.60	8/31/2023
Local 2018 Maintenance Workers, AFSCME.....	74.50	6/30/2022
Milford Association of Education Secretaries.....	46.71	6/30/2023
Milford Administrators Association (Principals/Administrators).....	33.30	6/30/2022
Local 217, Cafeteria Workers, Hotel and Bartenders Association.....	47.00	6/30/2022
Milford Federation of Paraprofessionals (Teacher's Aides).....	135.50	8/31/2023
Local 1303-453 Security Guards, AFSCME.....	5.00	6/30/2022
Organized.....	946.61	
Non-Union.....	70.55	
Sub-Total.....	1,017.16	
Total.....	1,479.16	

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 PreK-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 two private educational institutions. Lauralton Hall is a parochial girl's preparatory high school, grades 9-12, and St. Mary's R.C. elementary school, serving grades PreK-8.

The Platt Vocational Technical School, a state facility, serves grades 9-12 in addition to post-graduate. 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 ¹	10/1/2020 Enrollment	Rated Capacity
Calf Pen Meadow.....	K-5	1955 (61)(96)	Brick & Cinder	29	246	460
J.F. Kennedy.....	PreK-5	1967 (97)	Brick & Cinder	29	297	460
Live Oaks.....	PreK-5	1961 (68)(92)	Brick & Cinder	26	274	450
Mathewson.....	K-5	1961 (69)(95)(97)(01)	Brick & Cinder	26	334	610
Meadowside.....	K-5	1955 (93)(20)	Brick & Cinder	29	281	460
Orange Avenue.....	PreK-5	1955 (61)(69)(92)(03)	Brick & Cinder	32	337	550
Orchard Hills.....	PreK-5	1961 (68)(92)(04)(20)	Brick & Cinder	32	289	500
Pumpkin Delight.....	PreK-5	1950 (56)(92)	Brick & Cinder	22	222	380
Harborside.....	6-8	1969 (92)(94)(98)(99)(20)	Brick & Cinder	36	427	620
West Shore.....	6-8	1950 (56)(72)(91)(94)(99)(17)	Brick & Cinder	40	454	600
East Shore.....	6-8	1952 (56)(68)(93)(94)(95)(99)(14)	Brick & Cinder	38	398	620
Joseph A. Foran.....	9-12	1973 (91)(99)(05)(10)	Brick & Cinder	76	816	1,300
Jonathan Law.....	9-12	1962 (91)(92)(99)(05)(10)	Brick & Cinder	67	838	1,200
The Academy (Alt.)....	9-12	1973 (06)(20)	Brick & Cinder	12	64	150
Sub-Total.....				494	5,277	8,360
Off-site: New Haven, Bridgeport and other Magnet Schools.....					181	
Total.....					5,458	

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

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

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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.

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 below:

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%	\$ 5,327,250	\$ 13,162,261
School Improvements 2008.....	1,440,000	33.00%	232,883	1,207,117
J. Law Phase III Construction 2009.....	4,050,000	33.00%	1,332,513	2,717,487
School Improvements 2010.....	9,640,000	33.00%	2,976,430	6,663,570
School Improvements 2011.....	5,630,000	33.00%	1,990,194	3,639,806
School Improvements 2012.....	12,002,883	55.00%	5,298,629	6,704,254
School Improvements 2013.....	9,449,948	55.00%	4,218,629	5,231,319
School Improvements 2014.....	3,456,229	41.00%	1,417,054	2,039,175
School Improvements 2015.....	10,308,000	41.00%	3,913,450	6,394,550
School Improvements 2016.....	6,599,500	41.00%	2,459,795	4,139,705
School Improvements 2017.....	23,779,989	41.00%	9,716,175	14,063,814
School Improvements 2018.....	3,828,000	41.00%	1,412,450	2,415,550
School Improvements 2019.....	4,785,000	41.00%	1,765,665	3,019,335
School Improvements 2020.....	5,005,000	41.00%	1,343,100	3,661,900
Total.....	\$ 118,464,060		\$43,404,217	\$ 75,059,843

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
<i>Historical</i>					
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	2,580	1,442	1,908	195	6,125
2016-17	2,457	1,417	1,825	193	5,892
2017-18	2,404	1,343	1,790	212	5,749
2018-19	2,299	1,322	1,776	226	5,623
2019-20	2,302	1,304	1,743	219	5,568
2020-21	2,280	1,279	1,718	225	5,502
<i>Projected¹</i>					
2021-22	2,231	1,251	1,652	225	5,359
2022-23	2,227	1,192	1,628	225	5,272
2023-24	2,191	1,175	1,606	225	5,197
2024-25	2,207	1,140	1,568	225	5,140
2025-26	2,182	1,168	1,507	225	5,082

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
2018 ²	54,047	2.4%	2,300

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

² U.S. Department of Commerce, Bureau of Census, American Community Survey, 2014-2018

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 years	2,724	5.0%	184,983	5.2%
5 to 9 years	2,163	4.0	201,006	5.6
10 to 14 years	2,768	5.1	224,135	6.3
15 to 19 years	2,869	5.3	247,182	6.9
20 to 24 years	2,483	4.6	245,490	6.9
25 to 34 years	7,290	13.5	439,848	12.3
35 to 44 years	6,486	12.0	427,023	11.9
45 to 54 years	8,280	15.3	522,138	14.6
55 to 59 years	4,841	9.0	266,170	7.4
60 to 64 years	4,153	7.7	235,949	6.6
65 to 74 years	5,812	10.8	327,414	9.1
75 to 84 years	2,784	5.2	170,979	4.8
85 years and over	1,394	2.6	89,187	2.5
Total.....	54,047	100.0%	3,581,504	100.0%
Median Age (Years).....	45.4		40.8	

Source: American Community Survey, 2014-2018

Income Distribution

Income	City of Milford		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	227	1.6%	26,021	2.9%
\$10,000 to \$14,999.....	92	0.7	16,472	1.8
\$15,000 to \$24,999.....	387	2.8	38,804	4.3
\$25,000 to \$34,999.....	397	2.8	50,215	5.6
\$35,000 to \$49,999.....	1,139	8.1	80,042	9.0
\$50,000 to \$74,999.....	1,783	12.7	127,676	14.3
\$75,000 to \$99,999.....	2,170	15.4	118,848	13.3
\$100,000 to \$149,999.....	3,788	26.9	186,154	20.8
\$150,000 to \$199,999.....	1,927	13.7	105,285	11.8
\$200,000 or more.....	2,148	15.3	143,423	16.1
Total.....	14,058	100.0%	892,940	100.0%

Source: American Community Survey, 2014-2018

Income Levels

	City of Milford	State of Connecticut
Per Capita Income, 2018 ¹	\$ 47,358	\$43,056
Per Capita Income, 2010.....	\$ 38,351	\$35,078
Median Family Income, 2018 ¹	\$113,143	\$97,310
Percent Below Poverty, 2010.....	3.1%	6.9%

¹ American Community Survey, 2013-2017

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.....	630	1.5%	101,068	4.1%
9th to 12th grade.....	1,387	3.4	134,758	5.4
High School graduate.....	10,781	26.3	670,519	27.1
Some college, no degree.....	7,741	18.9	416,267	16.8
Associate's degree	3,148	7.7	190,869	7.7
Bachelor's degree.....	10,162	24.8	538,924	21.7
Graduate or professional degree.....	7,191	17.5	426,303	17.2
Total.....	41,040	100.0%	2,478,708	100.0%
Total high school graduate or higher (%).....	95.1%		90.5%	
Total bachelor's degree or higher (%).....	42.3%		38.9%	

Source: American Community Survey, 2014-2018

Employment by Industry

	City of Milford		State of Connecticut	
Sector	Number	Percent	Number	Percent
Agriculture, forestry, fishing/hunting, & mining	64	0.2%	7,195	0.4%
Construction	1,662	5.7	107,331	5.9
Manufacturing	3,670	12.5	190,995	10.5
Wholesale trade	1,056	3.6	44,714	2.5
Retail trade	3,108	10.6	191,939	10.6
Transportation and warehousing, and utilities	1,108	3.8	72,806	4.0
Information	728	2.5	41,839	2.3
Finance, insurance, real estate, rental & leasing	2,222	7.6	164,607	9.1
Professional, scientific, management, administrative, and waste mgmt services	3,757	12.8	207,632	11.5
Education, health and social services	7,832	26.7	479,677	26.5
Arts, entertainment, recreation, accommodation and food services	1,670	5.7	150,852	8.3
Other services (except public administration)	1,333	4.5	83,686	4.6
Public Administration	1,117	3.8	67,172	3.7
Total Labor Force, Employed	29,327	100.0%	1,810,445	100.0%

Source: American Community Survey, 2014-2018

**Employment Data
By Place of Residence**

Period	City of Milford		Percentage Unemployed		
	Employed	Unemployed	City of Milford	Bridgeport Labor Market	State of Connecticut
September 2020	27,466	2,101	7.1	7.9	7.5
Annual Average					
2019	29,614	1,035	3.4	3.7	3.7
2018	29,314	1,145	3.8	4.1	4.1
2017	29,036	1,301	4.3	4.7	4.7
2016	28,562	1,402	4.7	5.2	5.3
2015	28,557	1,478	4.9	5.5	5.6
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

Note: Not seasonally adjusted.

Source: State of Connecticut, Department of Labor.

**Major Employers
As of October 2020**

Name	Business	Number of Employees
City of Milford Board of Education.....	Municipal School System	1,050
Schick (Edgewell Personal Care).....	Manufacturer-Razors	740
Subway World Headquarters.....	Corporate Headquarters - Food Franchiser	700
Bridgeport Hospital Milford Campus.....	Healthcare	519
City of Milford.....	Municipal Government	518
Inline Plastics Corp.....	Manufacturer-Healthcare	300
Walmart.....	Retail Department Store	270
Alinabal Holdings Corp.....	Manufacturer	250
Quadient, Inc.....	U.S. Corporate Headquarters - Manufacture	250
West River Rehab Center.....	Healthcare	220

Source: Office of Community Development, City of Milford and CT Department of Labor.

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Building Permits

FYE 6/30	Residential		Commercial		Multi-Family		Miscellaneous		Totals	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
2020	59	\$ 10,651,100	15	\$ 5,454,000	2	\$ 2,032,900	1,118	\$ 34,135,250	1,194	\$52,273,250
2019	60	9,721,200	11	8,981,600	21	20,677,700	1,264	32,699,931	1,356	72,080,431
2018	75	11,814,000	7	4,228,022	8	5,470,000	1,395	43,349,359	1,485	64,861,381
2017	54	11,165,324	8	8,316,386	1	45,000	1,244	47,456,715	1,307	66,983,425
2016	65	11,851,900	6	17,344,000	-	-	1,246	37,482,449	1,317	66,678,349
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

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.....	4,771	19.8%	337,795	22.3%
1940 to 1969.....	9,614	40.0	533,321	35.3
1970 to 1979.....	2,961	12.3	201,360	13.3
1980 to 1989.....	2,233	9.3	191,306	12.6
1990 to 1999.....	2,417	10.0	115,459	7.6
2000 or 2009.....	1,505	6.3	103,632	6.9
2010 or later.....	552	2.3	29,432	1.9
Total Housing Units.....	24,053	100.0%	1,512,305	100.0%
Percent Owner Occupied	75.1%		66.3%	

Source: American Community Survey, 2014-2018

Housing Inventory

Type	City of Milford		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	16,221	67.4%	892,608	59.0%
1-unit, attached.....	1,397	5.8	80,684	5.3
2 units.....	955	4.0	123,908	8.2
3 or 4 units.....	1,329	5.5	130,948	8.7
5 to 9 units.....	853	3.5	84,021	5.6
10 to 19 units.....	1,152	4.8	57,153	3.8
20 or more units.....	1,900	7.9	130,872	8.7
Mobile home.....	246	1.0	11,734	0.8
Boat, RV, van, etc.....	-	-	377	0.0
Total Inventory.....	24,053	100.0%	1,512,305	100.0%

Source: American Community Survey, 2014-2018

Owner-Occupied Housing Values

Specified Owner-Occupied Units	City of Milford		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	364	2.2%	21,254	2.3%
\$50,000 to \$99,999.....	173	1.0	29,211	3.2
\$100,000 to \$149,999.....	484	2.9	81,446	9.0
\$150,000 to \$199,999.....	1,258	7.6	139,715	15.4
\$200,000 to \$299,999.....	5,647	34.1	245,801	27.1
\$300,000 to \$499,999.....	6,831	41.2	240,706	26.5
\$500,000 to \$999,999.....	1,503	9.1	106,993	11.8
\$1,000,000 or more.....	318	1.9	42,008	4.6
Total.....	16,578	100.0%	907,134	100.0%
Median Sales Price.....	\$307,300		\$272,700	

Source: American Community Survey, 2014-2018

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IV. Tax Base Data

Property Tax

Assessments

The City revalued all real property as of October 1, 2016 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 10/1/16).

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 ("OPM"). 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.

Connecticut General Statutes Section 12-71e, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property and creates a cap on the local property tax mill rate for motor vehicles. The State of Connecticut's 2017-2019 biennium budget legislation amended that statute to provide that (1) for the assessment year October 1, 2016 (the Fiscal Year ending June 1, 2018), the mill rate for motor vehicles shall not exceed 39 mills, and (2) for the assessment year October 1, 2017 (the Fiscal Year ending June 30, 2019), and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 45 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps. The City's mill rate for motor vehicles for the assessment year commencing October 1, 2019 (the Fiscal Year ending June 30, 2021) is 27.68 mills.

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 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 5% of the prior year's total real estate tax assessed in the City of Milford. For Fiscal Year 2020-21 this limit is \$8,151,123. In Fiscal Year 2019-20, a total of \$676,246 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	Less	Net	Percent Growth
	Real Property (%)	Real Property (%)	Property (%)	Vehicle (%)	Taxable Grand List	Exemption ²	Taxable Grand List ³	
2019	67.6	19.3	7.0	6.1	\$6,814,627,566	\$ 156,084,503	\$6,658,543,063	1.24
2018	65.7	21.6	6.7	6.0	6,726,695,807	150,012,932	6,576,682,875	0.14
2017	67.3	20.0	6.8	5.9	6,724,998,449	157,830,070	6,567,168,379	0.42
2016 ⁴	67.1	20.1	7.0	5.8	6,711,964,828	172,233,139	6,539,731,689	1.84
2015	66.4	20.8	7.0	5.8	6,592,814,594	171,196,683	6,421,617,911	0.53
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 ⁴	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)

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 Revaluation.

Source: Assessor's Office, City of Milford.

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Exempt Property

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

Public	Assessed Value (10/1/19) ¹
State of Connecticut.....	\$ 110,704,730
City of Milford.....	283,500,290
United States of America.....	14,709,570
Sub-Total Public.....	\$ 408,914,590
Private	
Private Hospitals and Colleges.....	\$ 52,844,580
Scientific, Educational, Historical & Charitable.....	17,509,300
Cemeteries.....	3,081,430
Churches.....	44,329,700
Recreation Facilities.....	5,355,410
Veteran's Organizations.....	1,261,610
Volunteer Fire Companies and Miscellaneous.....	17,251,120
Sub-Total Private.....	\$ 141,633,150
Total Exempt Property.....	\$ 550,547,740
Percent Compared to Net Taxable Grand List.....	8.27%

¹ Based on the October 1, 2019 Net Taxable Grand List of \$6,658,543,063.

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 \$18,083,358. PILOTs (payments in lieu of taxes) have been (or will be) as noted below:

Year	Payments
2020-2021	\$ 500,547
2019-2020	491,961
2018-2019	477,477
2017-2018	464,129
2016-2017	461,243
2015-2016	441,679
2014-2015	426,985
2013-2014	414,281
2012-2013	399,901
2011-2012	436,182

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 6/30/2020
2019	2021	\$ 6,658,543	27.68	\$ 183,043	IN PROCESS		
2018	2020	6,576,683	27.71	182,934	98.8%	1.2%	1.2%
2017	2019	6,567,168	27.74	181,884	98.7%	1.3%	0.4%
2016 ¹	2018	6,539,732	27.79	181,702	98.8%	1.2%	0.2%
2015	2017	6,421,618	27.84	178,755	98.4%	1.6%	0.2%
2014	2016	6,387,606	27.88	178,307	98.0%	2.0%	0.1%
2013	2015	6,384,238	27.22	173,728	97.8%	2.2%	0.1%
2012	2014	6,418,236	26.28	168,390	97.7%	2.3%	0.1%
2011 ¹	2013	6,399,745	25.60	163,674	98.1%	1.9%	0.1%
2010	2012	5,410,069 ²	28.89	156,123	97.8%	2.2%	0.1%

¹ Revaluation.

² Does not include the assessment of GennConn in the grand list or adjusted annual levy from this point forward.

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

Property Tax Receivable

Fiscal Year Ending 6/30	Total Uncollected	Uncollected for Current Year of Levy
2020 ¹	\$ 5,228,541	\$ 2,260,772
2019	6,354,000	2,385,111
2018	6,521,000	2,133,056
2017	7,927,317	2,897,321
2016	9,175,828	3,553,899
2015	8,380,000	3,234,000

¹ Subject to audit.

Source: Tax Collector's Report, City of Milford Annual Audited Financial Statements, 2015-2019. Finance Department, 2020.

Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
Connecticut Post Mall.....	Connecticut Post Shopping Center	\$ 140,699,942	2.11%
Eversource Energy.....	Utility	106,053,298	1.59%
Milford Crossing Investors LLC.....	Retail	62,947,350	0.95%
Wolff.....	Office/Retail/Apartment	48,510,980	0.73%
Woodmont Road Owner LLC.....	Apartments	25,966,630	0.39%
Smith Real Estate	Office/Retail/Apartment	23,900,987	0.36%
Devon Power LLC.....	Utility	22,795,063	0.34%
Schick Manufacturing Inc.....	Manufacturing	22,613,752	0.34%
Crown Milford LLC.....	Office Park	22,077,252	0.33%
Iroquois Gas Transmission Sys LP...	Utility	19,695,967	0.30%
Total.....		\$ 495,261,221	7.44%

¹ Based on the October 1, 2019 Net Taxable Grand List of \$6,658,543,063.

Source: Assessor's Office, City of Milford

On December 2, 2014, the City 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.

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 Assessed 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 3, 2020
(Pro-Forma)

Long-Term Debt			Amount of Original Issue	Outstanding After This Issue	Fiscal Year of Final Maturity
Date	Purpose	Rate %			
11/12/13	General Purpose.....	3.00 - 4.00	3,055,000	1,034,000	2032
11/12/13	Schools.....	3.00 - 4.00	6,400,000	2,154,000	2032
11/12/13	Sewer.....	3.00 - 4.00	6,545,000	2,197,000	2032
11/10/14	General Purpose.....	2.00 - 5.00	3,740,000	2,600,000	2035
11/10/14	Schools.....	2.00 - 5.00	6,475,000	4,540,000	2035
11/10/14	Sewer.....	2.00 - 5.00	3,980,000	2,800,000	2035
12/17/14	General Purpose Refunding.....	2.00 - 5.00	3,416,000	2,360,000	2028
12/17/14	Schools Refunding.....	2.00 - 5.00	6,083,000	4,074,000	2028
12/17/14	Sewer Refunding.....	2.00 - 5.00	5,436,000	3,546,000	2028
11/09/15	General Purpose.....	2.00 - 5.00	2,555,000	1,905,000	2036
11/09/15	Schools.....	2.00 - 5.00	1,725,000	1,275,000	2036
11/09/15	Sewer.....	2.00 - 5.00	4,070,000	3,070,000	2036
03/03/16	General Purpose Refunding.....	3.00 - 5.00	3,822,000	3,291,000	2030
03/03/16	Schools Refunding.....	3.00 - 5.00	4,847,000	3,969,000	2030
03/03/16	Sewer Refunding.....	3.00 - 5.00	7,346,000	5,810,000	2030
11/07/16	General Purpose.....	2.00 - 5.00	6,497,000	5,200,000	2037
11/07/16	Schools.....	2.00 - 5.00	6,788,000	5,430,000	2037
11/07/16	Sewer.....	2.00 - 5.00	3,155,000	2,515,000	2037
11/06/17	General Purpose.....	3.00 - 5.00	9,345,000	7,935,000	2038
11/06/17	Schools.....	3.00 - 5.00	6,285,000	5,340,000	2038
11/06/17	Sewer.....	3.00 - 5.00	3,105,000	2,635,000	2038
12/22/17	General Purpose Refunding.....	3.00 - 5.00	3,186,000	3,186,000	2034
12/22/17	Schools Refunding.....	3.00 - 5.00	4,533,000	4,533,000	2034
12/22/17	Sewer Refunding.....	3.00 - 5.00	5,411,000	5,411,000	2034
11/05/18	General Purpose.....	3.00 - 5.00	13,065,000	11,755,000	2039
11/05/18	Schools	3.00 - 5.00	4,600,000	4,140,000	2039
11/05/18	Sewer	3.00 - 5.00	3,380,000	3,050,000	2039
11/04/19	General Purpose.....	2.00 - 5.00	6,690,000	6,360,000	2040
11/04/19	Schools	2.00 - 5.00	650,000	622,000	2040
11/04/19	Sewer	2.00 - 5.00	2,340,000	2,223,000	2040
11/02/20	General Purpose Refunding ³	3.00 - 5.00	7,884,000	7,884,000	2033
11/02/20	Schools Refunding ³	3.00 - 5.00	3,084,000	3,084,000	2033
11/02/20	Sewer Refunding ³	3.00 - 5.00	5,492,000	5,492,000	2033
Sub-Total.....			164,985,000	131,420,000	
<u>This Issue</u>					
11/03/20	General Purpose.....	2.00 - 5.00	9,755,000	9,755,000	2041
11/03/20	Schools	2.00 - 5.00	9,690,000	9,690,000	2041
11/03/20	Sewer	2.00 - 5.00	3,115,000	3,115,000	2041
Sub-Total.....			22,560,000	22,560,000	
Total All Bonds.....			187,545,000	153,980,000	
<u>Long-Term Note</u>					
09/30/06	Sewers – CWF 502D ²	2.00	2,409,308	677,976	2026
07/31/07	Sewers – CWF 111 ²	2.00	1,737,319	613,384	2027
05/31/10	Sewers – CWF 532-C-1 ²	2.00	42,260,238	20,030,232	2029
Sub-Total.....			46,406,865	21,321,592	
Total Long Term Debt.....			\$ 233,951,865	\$ 175,301,592	

¹ Excludes bonds previously refunded or bonds being refunded with this issue.

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.

³ These Refunding Bonds were priced on October 15, 2020 and are expected to close on November 2, 2020.

Short-Term Debt
As of November 3, 2020
(Pro-Forma)

Project	Total Amount of Authorization	The Notes Due: 11/2/2021
Various Public Improvements (Feb. 2013).....	\$ 7,533,000	\$ 20,000
Various Public Improvements (Feb. 2014).....	8,717,500	550,000
Various Public Improvements (Feb. 2015).....	10,307,230	1,390,000
Various Public Improvements (Feb. 2016).....	12,889,500	730,000
Various Public Improvements (Jan. 2017).....	9,671,200	11,000
Various Public Improvements (Feb. 2018).....	6,875,000	320,000
Various Public Improvements (Feb. 2019).....	10,065,000	2,453,000
Various Public Improvements (Feb. 2020).....	13,889,130	7,831,000
Subtotal General Improvement.....	79,947,560	13,305,000
Various School Improvements (Feb. 2015).....	10,308,000	10,000
Various School Improvements (Jan. 2017).....	23,217,859	4,960,000
Various School Improvements (Feb. 2018).....	4,078,077	1,985,000
Various School Improvements (Feb. 2019).....	3,285,000	1,555,000
Various School Improvements (Feb. 2020).....	4,754,923	1,590,000
Subtotal Schools.....	45,643,859	10,100,000
Viscount Drive Sanitary Sewer (Feb. 2018)	2,128,267	5,000
Housatonic Wastewater Facility (Feb. 2019).....	1,088,440	905,000
Sewer Force Main-Repair -Various (Feb. 2019).....	1,722,342	680,000
Gulf Pond Sanitary Pump Station Repairs (Feb. 2020).....	665,000	455,000
Lower Wepawaug Pond Sewer/Manhole Lining (Feb 2020)..	110,000	75,000
Subtotal Sewers.....	5,714,049	2,120,000
Totals.....	\$ 131,305,468	\$ 25,525,000

Capital Leases

On November 15, 2017, the City entered into a tax-exempt lease purchase agreement in the amount of \$1,603,515 for a microgrid generator. The maturity date of the lease is November 15, 2033.

Other Obligations

The City has no other obligations.

Annual Bonded Debt Maturity Schedule ¹
As of November 3, 2020
(Pro-Forma)

Year Ended	Principal ³	Interest ³	Total ³	This Issue - Pro-Forma				Total	Cumulative Principal Retired
				General Purpose	Schools	Sewer	Total This Issue		
2021 ²	\$ -	\$ 2,193,847	\$ 2,193,847	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
2022	9,795,000	5,261,157	15,056,157	485,000	485,000	160,000	1,130,000	10,925,000	7.1%
2023	10,930,000	4,396,144	15,326,144	485,000	485,000	155,000	1,125,000	12,055,000	14.9%
2024	10,645,000	3,885,575	14,530,575	485,000	485,000	155,000	1,125,000	11,770,000	22.6%
2025	10,305,000	3,395,669	13,700,669	485,000	485,000	155,000	1,125,000	11,430,000	30.0%
2026	10,135,000	2,955,338	13,090,338	485,000	485,000	155,000	1,125,000	11,260,000	37.3%
2027	9,830,000	2,562,675	12,392,675	485,000	485,000	155,000	1,125,000	10,955,000	44.4%
2028	9,525,000	2,197,731	11,722,731	485,000	485,000	155,000	1,125,000	10,650,000	51.3%
2029	9,225,000	1,867,800	11,092,800	485,000	485,000	155,000	1,125,000	10,350,000	58.1%
2030	8,540,000	1,562,569	10,102,569	485,000	485,000	155,000	1,125,000	9,665,000	64.3%
2031	7,820,000	1,271,269	9,091,269	490,000	485,000	155,000	1,130,000	8,950,000	70.1%
2032	7,165,000	1,012,641	8,177,641	490,000	485,000	155,000	1,130,000	8,295,000	75.5%
2033	6,385,000	790,488	7,175,488	490,000	485,000	155,000	1,130,000	7,515,000	80.4%
2034	5,220,000	603,634	5,823,634	490,000	485,000	155,000	1,130,000	6,350,000	84.5%
2035	4,420,000	449,881	4,869,881	490,000	485,000	155,000	1,130,000	5,550,000	88.1%
2036	3,700,000	318,809	4,018,809	490,000	485,000	155,000	1,130,000	4,830,000	91.3%
2037	3,285,000	205,347	3,490,347	490,000	485,000	155,000	1,130,000	4,415,000	94.1%
2038	2,470,000	110,291	2,580,291	490,000	485,000	155,000	1,130,000	3,600,000	96.5%
2039	1,540,000	41,106	1,581,106	490,000	485,000	155,000	1,130,000	2,670,000	98.2%
2040	485,000	6,669	491,669	490,000	480,000	160,000	1,130,000	1,615,000	99.3%
2041	-	-	-	490,000	480,000	160,000	1,130,000	1,130,000	100.0%
Total.....	\$ 131,420,000	\$ 35,088,639	\$ 166,508,639	\$ 9,755,000	\$ 9,690,000	\$ 3,115,000	\$ 22,560,000	\$ 153,980,000	

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

² Excludes \$11,580,000 in principal payments and \$2,448,197 in interest payments from July 1, 2020 through November 2, 2020.

³ Includes Refunding Bonds priced on October 15, 2020 that are expected to close on November 2, 2020.

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:

Debt Outstanding	
Jurisdiction	As of 11/3/20
Borough of Woodmont	None
Laurel Beach Association	None

Source: Treasurers of the above listed organizations.

Debt Statement ¹
As of November 3, 2020
(Pro-Forma)

Long-Term Debt Outstanding: ²

General Purpose (Includes this issue).....	\$ 63,265,000
Schools (Includes this issue).....	48,851,000
Sewers (Includes this issue).....	41,864,000
State of Connecticut Clean Water Fund PLO.....	21,321,592
Total Long-Term Debt.....	175,301,592

Short-Term Debt:

Bond Anticipation Notes (This Issue - Due 11/02/21).....	25,525,000
Total Short-Term Debt.....	25,525,000
Total Overall Debt.....	200,826,592
Less: School Construction Grants Receivable (As of June 30, 2020)	-
Total Overall Net Debt.....	\$200,826,592

¹ Excludes capital leases.

² Includes Refunding Bonds priced on October 15, 2020 that are expected to close on November 2, 2020.

Current Debt Ratios
As of November 3, 2020
(Pro-Forma)

Population (2018) ¹	54,047
Net Taxable Grand List (10/1/19)	\$ 6,658,543,063
Estimated Full Value	\$ 9,512,204,376
Equalized Grand List (10/1/18) ²	\$ 9,943,726,239
Money Income per Capita (2018) ¹	\$ 47,358

	Total Overall Debt	Total Overall Net Debt
Per Capita.....	\$3,715.78	\$3,715.78
Ratio to Net Taxable Grand List.....	3.02%	3.02%
Ratio to Estimated Full Value.....	2.11%	2.11%
Ratio to Equalized Grand List.....	2.02%	2.02%
Debt per Capita to Money Income per Capita.....	7.85%	7.85%

¹ U.S. Department of Commerce, Bureau of Census, American Community Survey, 2014-2018.

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. Subject to the provisions of Public Act No. 17-147, 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 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 authorized but unissued amount has been reduced to \$2,460,740 reflecting the Clean Water Fund grant and loan proceeds received.

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 3, 2020
(Pro Forma)

Total Tax Collections (including interest and lien fees)

Received by the Treasurer for the year ended June 30, 2020 (unaudited)..... \$ 184,277,000

Reimbursement For Revenue Loss:

Tax relief for elderly -

Base for Debt Limitation Computation..... \$ 184,277,000

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base.....	\$ 414,623,250	-	-	-	-
4 1/2 times base.....	-	\$ 829,246,500	-	-	-
3 3/4 times base.....	-	-	\$ 691,038,750	-	-
3 1/4 times base.....	-	-	-	\$ 598,900,250	-
3 times base.....	-	-	-	-	\$ 552,831,000
Total Debt Limitation	\$ 414,623,250	\$ 829,246,500	\$ 691,038,750	\$ 598,900,250	\$ 552,831,000

Indebtedness:¹

Bonds Outstanding.....	53,510,000	39,161,000	38,749,000	-	-
Bonds – This Issue.....	9,755,000	9,690,000	3,115,000	-	-
Notes – This Issue.....	13,305,000	10,100,000	2,120,000	-	-
CWF Project Loan Obligation (PLO)....	-	-	21,321,592	-	-
Debt Authorized But Unissued.....	23,138,372	14,680,826	8,902,665	-	-
Total Indebtedness	99,708,372	73,631,826	74,208,257	-	-

Less:

State School Grants Receivable	-	-	-	-	-
Total Net Indebtedness	99,708,372	73,631,826	74,208,257	-	-

DEBT LIMITATION IN EXCESS

OF OUTSTANDING INDEBTEDNESS.... \$ 314,914,878 \$ 755,614,674 \$ 616,830,493 \$ 598,900,250 \$ 552,831,000

¹ Includes Refunding Bonds priced on October 15, 2020 that are expected to close on November 2, 2020.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$1,289,939,000.

**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 3, 2020
(Pro Forma)**

Project	This Issue:									
	Total Amount of Authorization	Bonds Issued	Statutory Paydown	Grants	Notes Due 11/3/2020	The Notes		Authorized But Unissued		
						Due: 11/2/2021	The Bonds	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	802,000	-	-	-	-	-	93,000	-	-
Milford Academy Renovations.....	2,650,000	2,593,500	2,250	-	-	-	-	54,250	-	-
Various Public Improvements (Feb. 2004).....	2,483,065	2,406,765	-	-	-	-	-	76,300	-	-
Various Public Improvements (Nov. 2004).....	3,347,500	3,175,200	-	68,053	-	-	-	104,247	-	-
Various Public Improvements (Mar. 2005).....	1,134,500	1,112,200	150	-	-	-	-	22,150	-	-
Road Resurfacing.....	715,000	704,000	-	-	-	-	-	11,000	-	-
Various Public Improvements (Feb. 2007).....	4,620,300	3,984,185	-	361,092	-	-	-	275,023	-	-
Various Public Improvements (Apr. 2008).....	3,715,559	3,343,450	-	-	-	-	-	372,109	-	-
Various Public Improvements (Feb. 2010).....	6,292,000	5,843,600	-	12,725	-	-	-	435,675	-	-
Various Public Improvements (Feb. 2011).....	6,588,000	5,712,500	-	-	-	-	-	875,500	-	-
Various Public Improvements (Apr. 2011).....	1,685,000	1,432,000	-	-	-	-	-	253,000	-	-
Eastside Firehouse.....	4,950,000	4,398,000	-	-	-	-	-	552,000	-	-
Woodmont Beach FEMA (Mar. 2012).....	534,000	123,000	-	402,112	-	-	-	8,888	-	-
Various Public Improvements (Feb. 2012).....	6,088,600	2,696,000	-	614,291	-	-	-	2,778,309	-	-
Various Public Improvements (Feb. 2013).....	7,533,000	6,651,000	-	-	-	20,000	-	862,000	-	-
Various Public Improvements (Feb. 2014).....	8,717,500	5,220,000	-	209,050	465,000	550,000	32,000	2,706,450	-	-
Various Public Improvements (Feb. 2015).....	10,307,230	4,236,000	-	1,168,849	1,331,000	1,390,000	655,000	2,857,381	-	-
Various Public Improvements (Feb. 2016).....	12,889,500	7,646,000	-	772,013	730,000	730,000	10,000	3,731,487	-	-
Various Public Improvements (Jan. 2017).....	9,671,200	8,508,000	-	-	336,000	11,000	330,000	822,200	-	-
April 2017 Gulf Street Road Construction.....	3,300,000	-	-	2,488,920	-	-	-	811,080	-	-
Naugatuck Ave Drainage Imp Phase 2 (Sep. 2015).....	3,759,266	1,168,039	-	2,591,228	640,000	-	-	-	-	-
Various Public Improvements (Feb. 2018).....	6,875,000	5,067,500	-	-	535,000	320,000	485,000	1,002,500	-	-
Various Public Improvements (Feb. 2019).....	10,065,000	967,000	-	223,344	3,978,000	2,453,000	5,305,000	1,116,656	-	-
Various Public Improvements (Feb. 2020).....	13,889,130	-	-	-	-	7,831,000	2,938,000	3,120,130	-	-
General Public Improvements.....	1,775,538	1,751,800	-	-	-	-	-	23,738	-	-
Subtotal General Improvement.....	\$ 137,160,888	\$ 82,048,439	\$ 2,400	\$ 8,911,678	\$ 8,015,000	\$ 13,305,000	\$ 9,755,000	\$ 23,138,372	\$ -	\$ -
Various School Improvements (Feb. 2007).....	18,489,511	12,591,600	-	5,327,250	-	-	-	570,661	-	-
Various School Improvements (Apr. 2008).....	1,440,000	1,197,300	-	232,883	-	-	-	9,817	-	-
J. Law Phase III Construction (Aug. 2009).....	4,050,000	2,500,000	-	1,332,513	-	-	-	217,487	-	-
Various School Improvements (Feb. 2010).....	9,640,000	6,121,400	-	2,976,430	-	-	-	542,170	-	-
Various School Improvements (Feb. 2012).....	12,002,883	5,770,000	-	5,298,629	-	-	-	934,254	-	-
Various School Improvements (Feb. 2013).....	9,449,948	4,552,000	-	4,218,629	-	-	-	679,319	-	-
Various School Improvements (Feb. 2014).....	3,456,229	2,367,000	-	828,379	-	-	-	260,850	-	-
Various School Improvements (Feb. 2015).....	10,308,000	4,961,200	-	1,761,771	585,700	10,000	600,000	2,975,029	-	-
Various School Improvements (Feb. 2016).....	6,599,500	2,358,000	-	1,666,327	-	-	-	2,575,173	-	-
Various School Improvements (Jan. 2017).....	23,217,859	8,695,500	-	1,244,294	10,955,000	4,960,000	6,950,000	1,368,065	-	-
Various School Improvements (Feb. 2018).....	4,078,077	300,000	-	-	1,310,300	1,985,000	1,325,000	468,077	-	-
Various School Improvements (Feb. 2019).....	3,285,000	-	-	-	804,000	1,555,000	815,000	915,000	-	-
Various School Improvements (Feb. 2020).....	4,754,923	-	-	-	-	1,590,000	-	3,164,923	-	-
Subtotal Schools.....	\$ 110,771,930	\$ 51,414,000	\$ -	\$ 24,887,104	\$ 13,635,000	\$ 10,100,000	\$ 9,690,000	\$ -	\$ 14,680,826	\$ -
Wastewater Facilities Upgrade ¹	33,150,940	30,690,200	-	-	-	-	-	-	-	2,460,740
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	3,230,800	-	-	-	-	-	-	-	1,394,200
Sewers XVI.....	275,000	253,000	-	-	-	-	-	-	-	22,000
Sewers XVII.....	2,319,155	2,232,000	-	-	-	-	-	-	-	87,155
Sewers XVIII.....	4,034,679	3,680,000	-	-	-	-	-	-	-	354,679
Sewers XIX.....	187,000	172,000	-	-	-	-	-	-	-	15,000
Rock St & Welches Pt. Pump Stations (Feb 2015).....	7,061,061	6,265,000	-	-	180,000	-	370,000	-	-	426,061
Sewer Darina Place (Feb. 2015).....	550,000	431,000	-	-	-	-	-	-	-	119,000
Indian River Interceptor Phase 3 (Feb. 2015).....	1,869,321	1,668,000	-	-	-	-	-	-	-	201,321
Edgefield and Seabreeze Ave. Reconstruction (Feb. 2016)....	1,302,610	1,058,000	-	-	-	-	-	-	-	244,610
Beaver Brook Wastewater Plant (Feb. 2016).....	653,150	580,000	-	-	30,000	-	14,000	-	-	59,150
Edgefield Ave - Seabreeze Ave Sewer (Feb. 2016).....	455,000	296,000	-	-	-	-	-	-	-	159,000
Viscount Drive Sanitary Sewer (Feb. 2018).....	2,128,267	163,000	-	-	1,355,000	5,000	1,815,000	-	-	145,267
Housatonic Wastewater Facility (Feb. 2019).....	1,088,440	15,000	-	-	200,000	905,000	40,000	-	-	128,440
Sewer Force Main-Repair - Various (Feb. 2019).....	1,722,342	57,000	-	-	200,000	680,000	840,000	-	-	145,342
Gulf Pond Sanitary Pump Station Repairs (Feb. 2020).....	665,000	-	-	-	-	455,000	25,000	-	-	185,000
Lower Wepawaug Pond Sewer/Manhole Lining (Feb 2020)....	110,000	-	-	-	-	75,000	11,000	-	-	24,000
Subtotal Sewers.....	\$ 77,205,465	\$ 63,067,800	\$ -	\$ -	\$ 1,965,000	\$ 2,120,000	\$ 3,115,000	\$ -	\$ -	\$ 8,902,665
Totals.....	\$ 325,138,283	\$ 196,530,239	\$ 2,400	\$ 33,798,783	\$ 23,635,000	\$ 25,525,000	\$ 22,560,000	\$ 23,138,372	\$ 14,680,826	\$ 8,902,665

¹ The City has 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

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

Long-Term Debt	2020 ¹	2019	2018	2017	2016
Bonds.....	\$ 145,760,000	\$ 147,570,000	\$ 136,695,000	\$ 129,150,000	\$ 121,805,000
Clean Water Fund.....	22,106,500	24,456,000	26,707,715	28,940,274	31,128,661
Sub-Total.....	167,866,500	172,026,000	163,402,715	158,090,274	152,933,661
Short-Term Debt					
Bond Anticipation Notes...	23,635,000	23,280,000	23,795,000	24,875,000	15,675,000
Grand Total.....	\$ 191,501,500	\$ 195,306,000	\$ 187,197,715	\$ 182,965,274	\$ 168,608,661

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 ¹ (000s)	Ratio of Net Long-Term Debt to Assessed Value (%)	Ratio of Net Long-Term Debt to Estimated Full Value (%)	Population ²	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income ³ (%)
2020 ⁴	\$ 6,576,683	\$ 9,395,261	\$ 167,866	2.55%	1.79%	54,047	\$ 3,105.94	6.56%
2019	6,567,168	9,381,669	172,026	2.62%	1.83%	54,047	3,182.90	6.72%
2018	6,539,732	9,342,474	163,403	2.50%	1.75%	54,047	3,023.34	6.38%
2017	6,421,618	9,173,740	158,090	2.46%	1.72%	54,047	2,925.05	6.18%
2016	6,387,606	9,125,151	152,934	2.39%	1.68%	54,047	2,829.65	5.98%

¹ 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.

² U.S. Department of Commerce, Bureau of Census (2010).

³ Money Income per Capita: Census 2014-18 ACS data: \$38,351 used for all calculations.

⁴ Subject to audit.

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	Total Debt Service	Total General Fund Expenditures ¹	Ratio of General Fund Debt Service To Total General Fund Expenditures (%)
2020 ²	\$ 17,324	\$ 213,304	8.12%
2019	15,937	217,159	7.34%
2018	15,342	224,418	6.84%
2017	14,153	220,783	6.41%
2016	13,466	210,587	6.39%
2015	13,839	204,729	6.76%
2014	12,648	205,380	6.16%
2013	11,939	198,431	6.02%
2012	12,013	195,785	6.14%
2011	10,926	182,808	5.98%

¹ GAAP basis of accounting. Includes Transfers out.

² Budgetary basis of accounting; subject to audit

Capital Improvement Program
(in thousands)

Proposed Projects	Fiscal 2019-20	Fiscal 2020-21	Fiscal 2021-22	Fiscal 2022-23	Fiscal 2023-24	Total
Education.....	\$ 7,950	\$ 13,750	\$ 11,550	\$ 13,100	\$ 8,675	\$ 55,025
Sewers	1,430	2,808	3,025	1,210	2,723	11,196
Fire	-	675	600	45	-	1,320
Police.....	-	30,000	-	-	-	30,000
Roads/Drainage.....	3,220	3,220	3,120	3,120	3,120	15,800
Bridges.....	3,162	-	-	-	-	3,162
Buildings.....	400	3,220	1,080	-	1,671	6,371
Erosion/Flood Control...	500	500	400	400	400	2,200
Recreation.....	3,150	375	225	10,000	100	13,850
Total.....	\$ 19,812	\$ 54,548	\$ 20,000	\$ 27,875	\$ 16,689	\$ 138,924
Proposed Funding						
Pay-As-You-Go.....	\$ 3,220	\$ 3,895	\$ 3,720	\$ 3,165	\$ -	\$ 14,000
Bonds.....	14,072	45,266	12,463	21,123	15,027	107,951
Grants.....	2,520	5,387	3,817	3,587	1,662	16,973
Total.....	\$ 19,812	\$ 54,548	\$ 20,000	\$ 27,875	\$ 16,689	\$ 138,924

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. |

Connecticut General Statutes Section 4-66l, as amended ("Section 4-66l"), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in Fiscal Year 2018, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more of the rate of inflation, whichever is greater (the "expenditure cap"). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality's adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-66l requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded.

Under Section 4-66l, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures or payments on unfunded pension liabilities.

Annual Audit

The City, 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 OPM, which also receives a copy of the audit report. For the Fiscal Year ended June 30, 2019, 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 2019-20, the self-insured retention was \$600,000. The coverage in excess of the self-insured retention was provided by Safety National Casualty Corporation. For Fiscal Year 2019-20, all coverages and the excess insurance remained the same compared to 2018-19. The Board of Education Workers' Compensation insurance is carried through Connecticut Interlocal Risk Management Agency (CIRMA).

Pensions

The City 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.

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The City has actuarial reports prepared annually. The most recent actuarial report was prepared as of July 1, 2019. Based upon that report, the actuarial value of assets and actuarial accrued liabilities (in thousands) is below.

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)
7/1/2019	\$ 352,897	\$ 426,525	\$ (73,628)	82.7%	\$ 47,644	154.5%
7/1/2018	353,021	412,230	(59,209)	85.6%	49,449	119.7%
7/1/2017	348,934	400,007	(51,073)	87.2%	47,748	107.0%
7/1/2016	350,067	391,583	(41,516)	89.4%	45,923	90.4%
7/1/2015	360,192	377,578	(17,386)	95.4%	44,587	39.0%

Schedule of Employer Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Amount Contributed	Percentage Contributed
6/30/2021 ¹	\$12,787,000	\$ 9,101,000	71.2%
6/30/2020 ¹	11,396,000	7,914,000	69.4%
6/30/2019	10,554,000	6,881,000	65.2%
6/30/2018	9,519,000	5,984,000	62.9%
6/30/2017	7,351,000	5,203,000	70.8%
6/30/2016	6,348,000	4,525,000	71.3%
6/30/2015	5,871,000	3,925,000	66.9%
6/30/2014	2,225,000	2,225,000	100.0%
6/30/2013	324,000	324,000	100.0%
6/30/2012	342,000	342,000	100.0%

¹ Subject to audit.

For valuation purposes, the City's actuary calculates an actuarial value of assets that smooths fluctuations of value over a five year period. As of June 30, 2020, the City's Pension Plan held assets with an estimated fair market value totaling \$344,228,500. 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.

GASB Statement No. 68

The City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement and No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligations as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). In accordance with the statement, the City has reported the Net Pension Liability is \$72,163,000 as of June 30, 2019.

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, 2018 of \$118.4 million.
- The Actuarially Determined Employer Contribution (ADEC) for Fiscal Year ending 2015 was \$12.5 million, for Fiscal Year ending 2016 was \$12.1 million, for Fiscal Year ending 2017 was \$12.3 million, for Fiscal Year 2018 was \$15.7 million, for Fiscal Year 2019 was \$16.0 million and for Fiscal Year 2020 was \$12.0 million.
- The Fiscal Year ending 2019 estimated “Pay as you go” cost that is an offset to the cash cost of funding the ADEC was \$8 million.
- The net OPEB Liability for the City for the Fiscal Year ending 2019 decreased by \$18 million, after adjustments.
- The City has made annual contributions from Fiscal Year 2007-2019. For Fiscal Year 2019, the contribution was \$500,000. These contributions have been deposited in an OPEB Trust which had a value of \$9.6 million as of August 31, 2019. For Fiscal Years ending 2020 & 2021, the City budgeted an OPEB contribution of \$500,000 and has made payment to the Trust.
- Since the plan is not fully funded, the Net OPEB Liability as of June 30, 2019 is \$160.42 million.

Board of Education (BOE)

- The BOE has an actuarial accrued liability as of its last valuation on July 1, 2018 of \$164.5 million.
- The Actuarially Determined Employer Contribution (ADEC) for Fiscal Year ending 2015 was \$14.8 million, for Fiscal Year ending 2016 was \$13.7 million, for Fiscal Year ending 2017 was \$13.9 million, for Fiscal Year ending 2018 was \$15.9 million, for Fiscal Year ending 2019 was \$16.2 million and for Fiscal Year 2020 was \$12.9 million.
- The Fiscal Year ending 2019 “Pay as you go” cost that is an offset to the cash cost of funding the ADEC was \$6 million.
- The total OPEB Liability for the BOE for the Fiscal Year ending 2019 decreased by \$25 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 \$53,895 as of June 30, 2020. 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 Total OPEB Liability as of June 30, 2019 is \$176.86 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 or U.S. 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 6/30/2019	Actual 6/30/2018	Actual 6/30/2017	Actual 6/30/2016	Actual 6/30/2015
Assets:					
Cash and cash equivalents	\$ 52,959	\$ 44,415	\$ 47,829	\$ 44,218	\$ 39,201
Investments	3,102	3,061	3,118	118	117
Receivables, net.....	11,439	11,953	12,246	13,613	13,574
Due from other funds	1	8,930	827	2,397	1,572
Prepaid items and other assets	21	21	21	21	21
Advances to other funds	-	-	-	-	-
Total Assets	67,522	68,380	64,041	60,367	54,485
Liabilities, Equity, & Other Credits:					
<u>Current Liabilities</u>					
Accounts and other payables.....	12,301	11,587	11,287	12,463	11,998
Other Liabilities	-	-	-	-	-
Due to other governments	899	808	931	826	677
Due to other funds	-	630	1,602	2,932	915
Unearned Revenues	70	113	86	93	590
Total Liabilities	13,270	13,138	13,906	16,314	14,180
<u>Deferred Inflow of Resources</u>					
Unavailable Revenue	10,633	11,419	10,997	12,410	12,215
Advance Property Tax Collections	1,051	-	-	-	-
Advance Sewer Collections	-	494	2,381	1,770	2,982
Total Deferred Inflow of Resources	11,684	11,913	13,378	14,180	15,197
<u>Equity & Other Credits</u>					
Nonspendable	21	21	21	21	21
Committed	1,283	1,368	1,383	1,090	1,055
Assigned	14,262	11,700	9,748	8,094	7,696
Unassigned.....	27,002	30,240	25,605	20,668	16,336
Total Equity & Other Credits	42,568	43,329	36,757	29,873	25,108
Total Liabilities, Equity & Other Credits ...	\$ 67,522	\$ 68,380	\$ 64,041	\$ 60,367	\$ 54,485

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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 6/30/2021	Estimated Actual ¹ 6/30/2020	Actual 6/30/2019	Actual 6/30/2018	Actual 6/30/2017	Actual 6/30/2016
Revenues:						
Property Taxes & Assessments.....	\$ 181,953	\$ 182,643	\$ 180,714	\$ 181,284	\$ 179,444	\$ 177,034
Fines, Forfeitures, Penalties & Interest.....	1,900	1,634	1,244	1,732	1,624	1,244
Intergovernmental.....	11,904	12,161	20,345	33,542	34,484	25,086
Charges for Services.....	-	-	4,709	4,444	3,566	3,727
Investment Income.....	850	1,262	1,263	806	356	191
Other.....	21,071	21,161	7,267	7,259	7,413	7,362
Total.....	\$ 217,678	\$ 218,861	\$ 215,542	\$ 229,067	\$ 226,887	\$ 214,644
Expenditures:						
General Government.....	\$ 4,516	\$ 3,939	\$ 4,222	\$ 4,147	\$ 4,212	\$ 3,951
Administration.....	3,351	3,059	3,102	2,747	2,772	2,493
Public Safety.....	28,271	27,317	27,688	26,464	25,662	25,376
Public Services.....	11,998	11,272	11,887	11,621	11,742	11,832
Education.....	118,113	117,584	122,831	133,893	131,763	124,576
Health & Welfare.....	1,805	1,625	1,713	1,573	1,725	1,640
General Charges.....	28,511	26,793	25,997	25,112	24,697	23,832
Grants to Agencies.....	3,124	3,101	2,651	2,628	2,611	2,606
Debt Service.....	17,989	17,324	15,937	15,342	14,153	13,466
Total.....	\$ 217,678	\$ 212,014	\$ 216,028	\$ 223,527	\$ 219,337	\$ 209,772
Excess (Deficiency) of Revenues						
Over Expenditures.....	\$ -	\$ 6,847	\$ (486)	\$ 5,540	\$ 7,550	\$ 4,872
Other Financing Sources (Uses):						
Premium on Bond Issuance.....	N/A	-	806	1,802	736	396
Premium on Bond Anticipation Notes	N/A	-	-	-	-	160
Proceeds from Advanced Refunding.....	N/A	-	-	13,130	-	16,015
Premium on Refunding Bonds.....	N/A	-	-	1,939	-	2,835
Payment to Refunding bond escrow agent.....	N/A	-	-	(14,948)	-	(18,698)
Sale of Capital Assets.....	N/A	-	-	-	-	-
Operating transfers in.....	N/A	-	50	-	44	-
Operating transfers out.....	N/A	(1,290)	(1,131)	(891)	(1,446)	(815)
Net Other Financing Sources (Uses).....	\$ -	\$ (1,290)	\$ (275)	\$ 1,032	\$ (666)	\$ (107)
Excess (Deficiency) Of Revenues And Other						
Financing Sources Over Expenditures and						
Other Financing Uses.....	-	5,557	(761)	6,572	6,884	4,765
Fund Equity, Beginning of Year.....	N/A	N/A	43,329	36,757	29,873	25,108
Residual Equity Transfer.....	-	-	-	-	-	-
Fund Equity, End of Year.....	N/A	N/A	\$ 42,568	\$ 43,329	\$ 36,757	\$ 29,873

¹ Budgetary basis of accounting; subject to audit.

Analysis of General Fund Equity

	Adopted Budget ¹ 6/30/2021	Estimated Actual ¹ 6/30/2020	Actual 6/30/2019	Actual 6/30/2018	Actual 6/30/2017	Actual 6/30/2016
Nonspendable.....	N/A	\$ 21	\$ 21	\$ 21	\$ 21	\$ 21
Committed.....	N/A	1,359	1,283	1,368	1,383	1,090
Assigned for Encumbrances.....	N/A	3,013	4,176	4,643	4,031	4,208
Assigned for Subsequent Year's Budget.....	N/A	9,000	9,300	5,300	5,000	3,500
Assigned for Debt Service.....	N/A	800	786	1,757	717	386
Assigned for Other Purposes.....	N/A	-	-	-	-	-
Unassigned.....	N/A	23,240	27,002	30,240	25,605	20,668
Total Fund Equity.....	N/A	\$ 37,433	\$ 42,568	\$ 43,329	\$ 36,757	\$ 29,873

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 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 Appendices C-1 and C-2.
5. The approving opinions of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, Connecticut.
6. The City has prepared an Official Statement for the Bonds and the Notes which is dated October 21, 2020. 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 Municipal 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 Municipal 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 and Notes 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/ *Marianne Klinga*

Marianne Klinga, *City Treasurer*

Dated as of October 21, 2020

Appendix A

2019 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, 2019. 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 Board of Finance
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, 2019, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Milford, Connecticut, as of June 30, 2019 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, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Milford, Connecticut, as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated February 25, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2018 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2018 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2019 on our consideration of the City of Milford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Milford, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Milford, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 21, 2019

**CITY OF MILFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

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, 2019. This is the seventeenth 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 \$65.5 million as a result of this year's operations, \$17.2 million, and a special item related to the write down of capital assets, \$48.3 million. The operating net position decrease was attributable to a combination of lower operating grants and contributions along with increased costs for public safety, sewer, and debt service.
- During the year, the City had expenses that were \$17 million more than the \$241 million generated in tax and other revenues for governmental programs.
- Total cost of all of the City's programs was \$259 million with no new programs added this year.
- The General Fund reported a total fund balance this year of \$43 million and unassigned fund balance of \$27 million.
- The general fund ended the year with a budgetary surplus of approximately \$4 million. This was attributable to actual expenditures lower than the budgeted amount and higher than expected tax collections and other revenues.

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, deferred outflows of resources, liabilities and deferred inflows of resources 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 plus deferred outflows of resources and liabilities plus deferred inflows of resources, 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 \$(173) million to \$(239) 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	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 120,572	\$ 109,423	\$ 575	\$ 540	\$ 121,147	\$ 109,963
Capital assets	360,156	408,859	2,247	3,351	362,403	412,210
Total assets	<u>480,728</u>	<u>518,282</u>	<u>2,822</u>	<u>3,891</u>	<u>483,550</u>	<u>522,173</u>
Deferred outflows of resources	<u>7,608</u>	<u>13,700</u>			<u>7,608</u>	<u>13,700</u>
Long-term debt outstanding	615,876	641,399			615,876	641,399
Other liabilities	47,344	46,861	34	25	47,378	46,886
Total liabilities	<u>663,220</u>	<u>688,260</u>	<u>34</u>	<u>25</u>	<u>663,254</u>	<u>688,285</u>
Deferred inflows of resources	<u>66,537</u>	<u>20,769</u>			<u>66,537</u>	<u>20,769</u>
Net position:						
Net investments in capital assets	158,106	215,426	2,247	3,351	160,353	218,777
Unrestricted	<u>(399,527)</u>	<u>(392,473)</u>	<u>541</u>	<u>515</u>	<u>(398,986)</u>	<u>(391,958)</u>
Total Net Position	<u>\$ (241,421)</u>	<u>\$ (177,047)</u>	<u>\$ 2,788</u>	<u>\$ 3,866</u>	<u>\$ (238,633)</u>	<u>\$ (173,181)</u>

Net position of the City's governmental activities decreased 36.4% (\$177) million compared to \$(241.4) 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 \$399.5 million at the end of this year. Key reasons for this change in net position are the increase in the OPEB obligation for the City and Board of Education as well as pension obligations for the City.

There was a 27.9% decrease (\$2.8 million compared to \$3.9 million in the net position of business-type activities from 2018 to 2019.

Table 2
CHANGES IN NET POSITION
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 11,629	\$ 11,491	\$ 331	\$ 349	\$ 11,960	\$ 11,840
Operating grants and contributions	23,621	39,562			23,621	39,562
Capital grants and contributions	4,568	6,149			4,568	6,149
General revenues:						
Property taxes	189,182	191,359			189,182	191,359
Grants and contributions not restricted to specific purposes	2,247	9,340			2,247	9,340
Unrestricted investment earnings	1,692	1,045	4	3	1,696	1,048
Other general revenues	8,435	136			8,435	136
Total revenues	<u>241,374</u>	<u>259,082</u>	<u>335</u>	<u>352</u>	<u>241,709</u>	<u>259,434</u>
Expenses:						
General government	19,328	20,608			19,328	20,608
Administration	3,814	3,206			3,814	3,206
Public safety	44,567	40,256			44,567	40,256
Public services	18,639	23,876			18,639	23,876
Education	157,377	173,258			157,377	173,258
Health and welfare	3,319	2,449			3,319	2,449
Sewer	6,285	5,116			6,285	5,116
Interest on long-term debt	5,230	5,087			5,230	5,087
Milford Golf Course			67	69	67	69
Harbor management			240	256	240	256
Total program expenses	<u>258,559</u>	<u>273,856</u>	<u>307</u>	<u>325</u>	<u>258,866</u>	<u>274,181</u>
Change in net position before transfers	(17,185)	(14,774)	28	27	(17,157)	(14,747)
Transfers in (out)	<u>24</u>	<u>35</u>	<u>(24)</u>	<u>(35)</u>	<u>-</u>	<u>-</u>
Special item - write down of capital assets	<u>(47,213)</u>		<u>(1,082)</u>		<u>(48,295)</u>	
Change in Net Position	(64,374)	(14,739)	(1,078)	(8)	(65,452)	(14,747)
Beginning Net Position	<u>(177,047)</u>	<u>(162,308)</u>	<u>3,866</u>	<u>3,874</u>	<u>(173,181)</u>	<u>(158,434)</u>
Ending Net Position	<u>\$ (241,421)</u>	<u>\$ (177,047)</u>	<u>\$ 2,788</u>	<u>\$ 3,866</u>	<u>\$ (238,633)</u>	<u>\$ (173,181)</u>

The City's total revenues were \$241 million. The total cost of all programs and services was \$259 million. Our analysis below separately considers the operations of governmental and business-type activities.

Governmental Activities

The City's revenues decreased by \$18 million from 2018. Most of the decrease is attributable to lower operating grants and contributions. In particular, the State's teacher's pension contribution was \$3 million lower than last year. In addition, there was a decrease in the Teacher's Retirement Board OPEB liability which reduced grant revenue by \$11 million.

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	
	2019	2018	2019	2018
Public safety	\$ 44,567	\$ 40,256	\$ 38,599	\$ 35,266
Public services	18,639	23,876	16,022	19,755
Education	157,377	173,258	131,636	129,295
All others	37,976	36,466	32,484	32,398
Totals	\$ <u>258,559</u>	\$ <u>273,856</u>	\$ <u>218,741</u>	\$ <u>216,714</u>

Business-Type Activities

Revenues of the City's business-type activities (see Table 2) decreased by 4.8% (\$335 thousand in 2019 compared to \$352 thousand in 2018) and expenses decreased by 5.2% (\$305 thousand in 2019 versus \$325 thousand in 2018). This was primarily due to a decline of \$16 thousand in mooring fee revenue in the Harbor Management fund and reflects the fluctuations in types of dock usage at the marina.

City Funds Financial Analysis

Governmental Funds

As the City completed the year, its major governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of 28.5 million, which is an increase of \$9.2 million over last year's major fund balance of \$19.3 million. The general fund maintained a similar level of fund balance compared to the prior year since the City maintained \$1.2 million in its compensated absences fund. It also generated a budgetary surplus of \$4 million which offset a \$9.3 million use of fund balance to maintain a stable and slightly lower mill rate. The City kept expenses at a moderate level which led to savings; and building inspection fee, conveyance fee, and EMS fee revenue continued to grow or remain stable reflecting the City's growing economy and grand list. Further, the City issued bonds and notes and received increased grant revenues which helped to increase the fund balances in the capital nonrecurring fund as well as the school facilities fund. The non major governmental funds ended the year with a total fund balance of \$20.7 million as the City continues to earn sufficient special revenues primarily in the form of grants and program revenues to cover expenditures in those funds.

Proprietary Funds

The Internal Service Funds' net position decreased \$246 thousand primarily due to higher than expected health insurance costs. The Enterprise Funds' net position increased from last year by \$4 thousand mainly due to a reduction of expenses at the Golf Course.

General Fund Budgetary Highlights

- General Property Taxes and Assessments - property tax and assessment revenue was greater than budgeted by \$1.4 million due to a higher collection rate than was used in the budget and collection of delinquent taxes.
- State aid revenue was more than budgeted by \$276 thousand. This was mainly due to Special Education grant revenue coming in higher than budget. Investment Income - revenues from the investment of idle funds were more than budgeted by \$676 thousand due to slightly higher interest rates and more money on deposit in the Connecticut Short Term Investment Fund.
- Other Revenue was \$237 thousand greater than budget due to an increase in miscellaneous other revenues.
- Licenses, Permits and Other Charges were \$984 thousand above budget mainly due to higher than anticipated conveyance taxes, paramedic fees, building inspection fees, police and fire fees and residential waste fee revenue. 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 continued monitoring of new hiring, overtime, and purchase requisitions, which resulted in an overall budget surplus of \$1.3 million on the expenditure side.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2019 the City's governmental activities had \$360 million invested in a broad range of capital assets, including land, buildings, park and recreation facilities, vehicles and equipment, roads, and water and sewer lines - Table 4. This amount represents a net decrease (including additions, deductions and special item write downs) of \$48.7 million over last year.

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 47.8	\$ 49.7	\$ 1.7	\$ 1.7	\$ 49.5	\$ 51.4
Construction in progress	46.5	40.6			46.5	40.6
Buildings and improvements	193.1	234.9	0.6	1.5	193.7	236.4
Machinery and equipment	11.2	15.8	0.0	0.1	11.2	16.0
Infrastructure	61.5	67.8			61.5	67.8
Totals	<u>\$ 360.2</u>	<u>\$ 408.9</u>	<u>\$ 2.2</u>	<u>\$ 3.4</u>	<u>\$ 362.4</u>	<u>\$ 412.2</u>

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

Sewer Facility Improvements - Edgefield Avenue	\$	1,054
Police Equipment and Vehicles		412
Public Works Equipment and Vehicles		991
Fire Department Equipment and Vehicles		728
Beaverbrook Boardwalk		500
Parking Kiosks and Related Equipment		81
North Street Park Properties - CIP		743
Parsons Roof and Facilities Upgrade - CIP		361
Recreational Sites Improvements - CIP		792
Various Flood and Erosion Control Projects - CIP		553
Library Roof and Facilities Upgrade - CIP		171
West Shore Middle School Additions - CIP		1,802
Marina Landing Harbor Improvements- CIP		395
Gulf Street and Cherry Street Pavement Restoration Project - CIP		151
Sewer Facilities Improvements Rock Street and Welchs Point Rd- CIP		<u>1,888</u>
	\$	<u><u>10,622</u></u>

The City's fiscal-year 2019-2020 capital plan has \$49 million of capital projects planned. School building renovations are estimated at \$15 million, and public service projects at \$32million and Sewer projects at \$1 million. However, an estimated \$30 million new police station is still in the planning stages and will not be completed in FY20. Of the total estimated \$49 million, it is expected to finance \$42 million with bonds and \$6 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, 2019, the City had \$195 million in bonds and notes outstanding versus \$187 million last year - an increase of 4% - 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	
	2019	2018
General obligation bonds (backed by the City)	\$ 147,570	\$ 136,695
Bond anticipation notes (backed by the City)	23,280	23,795
Long-term note payable	<u>24,456</u>	<u>26,734</u>
Totals	\$ <u><u>195,306</u></u>	\$ <u><u>187,224</u></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 2019 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 improved from 3.7% to 3.2%. In comparison, the figures for the State of Connecticut also have remained relatively stable at 3.6%.

These indicators were taken into account when adopting the General Fund budget for 2019-2020. The adopted budget for FY 2020 is \$216.5 million, an increase of 3% over the final 2019 budget of \$210 million. No new programs or initiatives were added to the 2020 budget. State grants were assumed to fund 6% of the 2020 budget similar to 6% of the 2019 budget.

If estimates are realized, the City's June 30, 2020 budgetary General Fund balance is expected to be \$9.3 million lower than the June 30, 2019 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 2019-2020 results will improve due to increased usage of the golf course and 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.

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Basic Financial Statements

CITY OF MILFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2019
(In Thousands)

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 103,587	\$ 551	\$ 104,138
Investments	3,102		3,102
Receivables, net	13,834	24	13,858
Inventory	28		28
Prepaid items and other assets	21		21
Capital assets:			
Capital assets not being depreciated	94,350	1,681	96,031
Capital assets being depreciated, net	265,806	566	266,372
Total assets	480,728	2,822	483,550
Deferred Outflows of Resources:			
Deferred charge on refunding	3,641		3,641
Deferred outflows related to pensions	3,876		3,876
Deferred outflows related to OPEB	91		91
Total deferred outflows of resources	7,608	-	7,608
Liabilities:			
Accounts and other payables	18,185	34	18,219
Unearned revenue	4,962		4,962
Due to other governments	917		917
Bond anticipation notes payable	23,280		23,280
Noncurrent liabilities:			
Due within one year	15,449		15,449
Due in more than one year	600,427		600,427
Total liabilities	663,220	34	663,254
Deferred Inflows of Resources:			
Advance property tax collection	1,051		1,051
Advance sewer collections	49		49
Deferred inflows related to pensions	3,852		3,852
Deferred inflows related to OPEB	61,585		61,585
Total deferred inflows of resources	66,537	-	66,537
Net Position:			
Net investments in capital assets	158,106	2,247	160,353
Unrestricted	(399,527)	541	(398,986)
Total Net Position	\$ (241,421)	\$ 2,788	\$ (238,633)

The accompanying notes are an integral part of the financial statements

**CITY OF MILFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(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	\$ 19,328	\$ 2,137	\$	1,819	\$ (15,372)	\$	\$ (15,372)
Administration	3,814				(3,814)		(3,814)
Public safety	44,567	5,113	34	821	(38,599)		(38,599)
Public services	18,639	1,084		1,533	(16,022)		(16,022)
Education	157,377	2,334	23,012	395	(131,636)		(131,636)
Health and welfare	3,319	834	516		(1,969)		(1,969)
Sewer	6,285	127	59		(6,099)		(6,099)
Interest on long-term debt	5,230				(5,230)		(5,230)
Total governmental activities	258,559	11,629	23,621	4,568	(218,741)	-	(218,741)
Business-type activities:							
Nonmajor Enterprise Funds:							
Milford Golf Course	67	90				23	23
Harbor Management	240	241				1	1
Total business-type activities	307	331	-	-	-	24	24
Total	258,866	11,960	23,621	4,568	(218,741)	24	(218,717)
General revenues:							
Property taxes					189,182		189,182
Grants and contributions not restricted to specific programs					2,247		2,247
Unrestricted investment earnings					1,692	4	1,696
Other general revenues					8,435		8,435
Transfers					24	(24)	-
Total general revenues and transfers					201,580	(20)	201,560
Special item - write down of capital assets					(47,213)	(1,082)	(48,295)
Change in Net Position					(64,374)	(1,078)	(65,452)
Net Position at Beginning of Year					(177,047)	3,866	(173,181)
Net Position at End of Year					\$ (241,421)	\$ 2,788	\$ (238,633)

The accompanying notes are an integral part of the financial statements

CITY OF MILFORD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019
(In Thousands)

	<u>General</u>	<u>Capital Nonrecurring Fund</u>	<u>School Facilities Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 52,959	\$ 9,198	\$ 2,607	\$ 19,321	\$ 84,085
Investments	3,102				3,102
Receivables, net	11,439	951		1,286	13,676
Due from other funds	1			5	6
Inventories				28	28
Prepaid items and other assets	21				21
Total Assets	<u>\$ 67,522</u>	<u>\$ 10,149</u>	<u>\$ 2,607</u>	<u>\$ 20,640</u>	<u>\$ 100,918</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts and other payables	\$ 12,301	\$ 1,441	\$ 59	\$ 1,849	\$ 15,650
Other liabilities		217	954	349	1,520
Due to other governments	899	18			917
Due to other funds		6			6
Unearned revenue	70	4,878		14	4,962
Bond anticipation notes payable		6,370	12,850	4,060	23,280
Total liabilities	<u>13,270</u>	<u>12,930</u>	<u>13,863</u>	<u>6,272</u>	<u>46,335</u>
Deferred inflows of resources:					
Unavailable revenue - property taxes	4,884				4,884
Unavailable revenue - property taxes interest	5,732				5,732
Unavailable revenue - special assessments	17			161	178
Advance sewer collections				49	49
Advance property tax collections	1,051				1,051
Total deferred inflows of resources	<u>11,684</u>	<u>-</u>	<u>-</u>	<u>210</u>	<u>11,894</u>
Fund balances:					
Nonspendable	21			28	49
Restricted				776	776
Committed	1,283			15,851	17,134
Assigned	14,262				14,262
Unassigned	27,002	(2,781)	(11,256)	(2,497)	10,468
Total fund balances	<u>42,568</u>	<u>(2,781)</u>	<u>(11,256)</u>	<u>14,158</u>	<u>42,689</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 67,522</u>	<u>\$ 10,149</u>	<u>\$ 2,607</u>	<u>\$ 20,640</u>	<u>\$ 100,918</u>

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CITY OF MILFORD, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019
(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	\$ 42,689
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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	\$ 575,781	
Less accumulated depreciation	<u>(215,625)</u>	
Net capital assets		360,156

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

Property tax receivables greater than 60 days	4,884
Interest receivable on property taxes	5,732
Assessments receivable	178
Interest receivable on assessments	116
Deferred outflows related to pensions	3,876
Deferred outflows related to OPEB	91

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.

13,029

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

Bonds and notes payable	(172,184)
Accrued interest payable	(930)
Compensated absences	(17,599)
Bond premium	(10,227)
Net pension liability	(72,163)
Total/Net OPEB liability	(337,273)
Deferred inflows related to pensions	(3,852)
Deferred inflows related to OPEB	(61,585)
Deferred charges on refunding	<u>3,641</u>

Net Position of Governmental Activities (Exhibit I)	<u><u>\$ (241,421)</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, 2019
(In Thousands)

	<u>General</u>	<u>Capital Nonrecurring Fund</u>	<u>School Facilities Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes and assessments	\$ 180,714	\$	\$	\$ 7,967	\$ 188,681
Fines, forfeitures, penalties and interest	1,244			36	1,280
Intergovernmental	20,345	2,354	395	7,282	30,376
Charges for services	4,709	250		6,628	11,587
Investment income	1,263	163		266	1,692
Other	7,267			1,224	8,491
Total revenues	<u>215,542</u>	<u>2,767</u>	<u>395</u>	<u>23,403</u>	<u>242,107</u>
Expenditures:					
Current:					
General government	4,222			1,275	5,497
Administration	3,102				3,102
Public safety	27,688			2,813	30,501
Public services	11,887			818	12,705
Education	122,831			7,949	130,780
Health and welfare	1,713			1,472	3,185
Sewer				6,284	6,284
General charges	25,997				25,997
Grants to agencies	2,651				2,651
Capital outlay		9,393	2,232	2,398	14,023
Debt service	15,937			2,095	18,032
Total expenditures	<u>216,028</u>	<u>9,393</u>	<u>2,232</u>	<u>25,104</u>	<u>252,757</u>
Deficiency of revenues over expenditures	<u>(486)</u>	<u>(6,626)</u>	<u>(1,837)</u>	<u>(1,701)</u>	<u>(10,650)</u>
Other financing sources (uses):					
Issuance of bonds and notes		13,065	4,600	3,622	21,287
Premium on bond issuance	806				806
Transfers in	50	791		444	1,285
Transfers out	(1,131)			(130)	(1,261)
Total other financing sources (uses)	<u>(275)</u>	<u>13,856</u>	<u>4,600</u>	<u>3,936</u>	<u>22,117</u>
Net Change in Fund Balances	(761)	7,230	2,763	2,235	11,467
Fund Balances at Beginning of Year	<u>43,329</u>	<u>(10,011)</u>	<u>(14,019)</u>	<u>11,923</u>	<u>31,222</u>
Fund Balances at End of Year	<u>\$ 42,568</u>	<u>\$ (2,781)</u>	<u>\$ (11,256)</u>	<u>\$ 14,158</u>	<u>\$ 42,689</u>

(Continued on next page)

CITY OF MILFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

(In Thousands)

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 11,467
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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	10,674
Depreciation expense	(12,164)
Special item - write down of capital assets	(47,213)

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

Property tax receivable - accrual basis change	(629)
Property tax interest and lien revenue - accrual basis change	(150)
Sewer assessment receivable and interest - accrual basis change	25
Sewer assessment interest receivable - accrual change	18
Deferred outflows related to pension	(5,674)
Deferred outflows related to OPEB	(14)

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	12,532
Premium on bonds issued	(806)
Issuance of bonds and notes	(21,287)

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	467
Accrued interest	(75)
Amortization of bond premium	833
Total/Net OPEB liability	42,880
Net pension liability	(9,420)
Deferred inflows related to pension	445
Deferred inflows related to OPEB	(45,633)
Deferred charges on refunding	(404)

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.

(246)

Change in Net Position of Governmental Activities (Exhibit II)	\$ <u>(64,374)</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, 2019
(In Thousands)

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service
Assets:		
Current:		
Cash and cash equivalents	\$ 551	\$ 19,502
Receivables, net	24	42
Total current assets	<u>575</u>	<u>19,544</u>
Noncurrent assets:		
Capital assets:		
Not being depreciated	1,681	
Being depreciated, net	566	
Total noncurrent assets	<u>2,247</u>	<u>-</u>
Total assets	<u>2,822</u>	<u>19,544</u>
Liabilities:		
Current:		
Accounts payable and accrued liabilities	34	85
Risk management claims		413
Total current liabilities	<u>34</u>	<u>498</u>
Noncurrent:		
Risk management claims		6,017
Total liabilities	<u>34</u>	<u>6,515</u>
Net Position:		
Invested in capital assets	2,247	
Unrestricted	<u>541</u>	<u>13,029</u>
Total Net Position	<u>\$ 2,788</u>	<u>\$ 13,029</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, 2019
(In Thousands)

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service
Operating revenues:		
Employer contributions	\$	\$ 32,619
Charges for services	331	6,378
Other		2,008
Total operating revenues	<u>331</u>	<u>41,005</u>
Operating expenses:		
Salaries	122	
Operations and supplies	110	
Insurance	53	
Depreciation	22	
Insurance premiums and claims expense		41,251
Total operating expenses	<u>307</u>	<u>41,251</u>
Operating income (loss)	24	(246)
Nonoperating revenue:		
Interest income	<u>4</u>	
Income (loss) before capital contributions and transfers	<u>28</u>	<u>(246)</u>
Capital contributions and transfers:		
Transfers out	<u>(24)</u>	
Total capital contributions and transfers	<u>(24)</u>	
Special item - write down of capital assets	<u>(1,082)</u>	
Change in Net Position	(1,078)	(246)
Total Net Position at Beginning of Year	<u>3,866</u>	<u>13,275</u>
Total Net Position at End of Year	<u>\$ 2,788</u>	<u>\$ 13,029</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, 2019
(In Thousands)

	Business-Type Activities	Governmental Activities
	Nonmajor Enterprise Funds	Internal Service
Cash flows from operating activities:		
Cash received from contributions and charges for services	\$ 355	\$ 41,241
Cash paid to employees	(122)	
Cash paid to vendors	(180)	
Cash payments for claims paid		(42,028)
Net cash provided by (used in) operating activities	<u>53</u>	<u>(787)</u>
Cash flows to/from noncapital financing activities:		
Transfers to/from other funds	<u>(24)</u>	
Cash flows from investing activities:		
Interest and dividends received	<u>4</u>	
Net increase (decrease) in cash and cash equivalents	33	(787)
Cash and Cash Equivalents at Beginning of Year	<u>518</u>	<u>20,289</u>
Cash and Cash Equivalents at End of Year	<u>\$ 551</u>	<u>\$ 19,502</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 24	\$ (246)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	22	
(Increase) decrease in accounts receivable	(24)	(42)
(Increase) decrease in due from other funds	24	278
Increase (decrease) in accounts payable and accrued liabilities	9	(777)
Increase (decrease) in due to other funds	<u>(2)</u>	
Net Cash Provided by (Used in) Operating Activities	<u>\$ 53</u>	<u>\$ (787)</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, 2019
(In Thousands)

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets:		
Cash and cash equivalents	\$ <u>9,299</u>	\$ <u>1,440</u>
Investments:		
Certificate of deposits		68
Corporate bonds	7,162	
U.S. government securities	4,784	
U.S. government agencies	8,718	
Marketable equity securities	113,202	
Alternative investments	146,915	
Exchange traded funds	708	
Mutual funds	69,406	
Total investments	<u>350,895</u>	<u>68</u>
Receivables	<u>8</u>	<u>6</u>
Total assets	<u>360,202</u>	\$ <u><u>1,514</u></u>
Liabilities:		
Accounts and other payables	430	\$
Due to employees and students	<u> </u>	<u>1,514</u>
Total liabilities	<u>430</u>	\$ <u><u>1,514</u></u>
Net Position:		
Restricted for Pension and OPEB Benefits	\$ <u><u>359,772</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, 2019

(In Thousands)

	Pension and Other Employee Benefit Trust Funds
Additions:	
Contributions:	
Plan members	\$ 2,893
Employer-current year	14,800
Total contributions	<u>17,693</u>
Miscellaneous	<u>32</u>
Investment income:	
Net change in fair value of investments	20,295
Interest and dividends	2,340
Total investment income	<u>22,635</u>
Less investment expense	<u>3,209</u>
Net investment income	<u>19,426</u>
Total additions	<u>37,151</u>
Deductions:	
Benefit payments and withdrawals	34,168
Administration	57
Total deductions	<u>34,225</u>
Change in Net Position	2,926
Net Position at Beginning of Year	<u>356,846</u>
Net Position at End of Year	<u>\$ 359,772</u>

The accompanying notes are an integral part of the financial statements

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made. 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, other post-employment benefit obligations, pension obligations and certain claims payable are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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 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 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.

Additionally, the City reports the following fund types:

The Enterprise Funds account for the operations that are financed through user charges. The nonmajor Enterprise Funds include the Milford Golf Course and the Harbor Management.

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 and Other Employee Benefit Trust Funds account for the activities of the Milford Retirement System, which accumulates resources for pension benefit payments to qualified City employees, and account for and accumulate resources for other post-employment benefits due to City's retirees.

The Agency Funds account for monies from various self-funding school activity programs, inland/wetland bonds and planning and zoning bonds.

The pension and other employee benefit trust funds use the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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 \$1,473 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 using the consumption method 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 acquisition 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	40
Infrastructure	15-50
Motor vehicles	5-15
Office and other equipment	5-10

(In Thousands)

H. Deferred Outflows/Inflows of Resources

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

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Bond issuance costs, 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. Net Pension Liability

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

L. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

M. Net OPEB Liability

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

N. 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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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. The Board of Aldermen is required to vote upon and approve a resolution to establish, modify or rescind a fund balance commitment.

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.

O. Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

(In Thousands)

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. Additional appropriations of \$490 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.
- The City reports on-behalf contributions made by the State of Connecticut to the Connecticut State Teachers' Retirement System and OPEB 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.
- Nonbudgetary items and eliminations related to the Compensated Absences Fund.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

B. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2019:

	<u>Amount</u>
Major:	
Capital Nonrecurring Fund	\$ 2,781
School Facilities Fund	11,256
Nonmajor:	
Sanitary Sewer Fund	2,497

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.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(In Thousands)

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*, \$29,187 of the City's bank balance of \$38,884 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 25,930
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>3,257</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 29,187</u>

Cash Equivalents

At June 30, 2019, the City's cash equivalents amounted to \$81,939. 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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Investments

As of June 30, 2019, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
		<u>Less Than 1</u>	<u>1 - 10</u>	<u>More Than 10</u>
Interest-bearing investments:				
U.S. Government Agencies	\$ 8,718	\$	\$ 807	\$ 7,911
U.S. Government Securities	4,784	241	1,709	2,834
Corporate bonds	7,162		5,230	1,932
Certificates of deposit *	<u>3,170</u>		<u>3,170</u>	
Total	23,834	\$ <u>241</u>	\$ <u>10,916</u>	\$ <u>12,677</u>
Other investments:				
Equities	113,202			
Exchange Traded Funds	708			
Alternative investments	146,915			
Mutual funds	<u>69,406</u>			
Total Investments	\$ <u>354,065</u>			

*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.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(In Thousands)

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. Presented below is the average rating of investments in debt securities.

<u>Average Rating</u>	<u>Corporate Bonds</u>	<u>U.S. Government Securities</u>	<u>U.S. Government Agencies</u>	<u>Certificate of Deposit</u>
Aaa	\$	\$	4,784	\$ 679
Aa2	227			
Aa3			328	
A1			260	
A2	518			
A3	473			
Baa1	797			
Baa2	1,659			
Baa3	1,651			
Ba1	124			
Ba2	207			
Ba3	511			
B1	556			
B2	187			
Unrated	252		7,451	3,170
	<u>\$ 7,162</u>	<u>\$ 4,784</u>	<u>\$ 8,718</u>	<u>\$ 3,170</u>

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, 2019, 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.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(In Thousands)

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2019:

	June 30, 2019	Fair Value Measurement		
		Level 1	Level 2	Level 3
Investments by fair value level:				
U.S. Government agencies	\$ 8,718	\$ 8,718	\$	\$
U.S. Government securities	4,784	4,784		
Corporate bonds	7,162	7,162		
Equity securities	113,202	113,202		
Alternative investments	47,925		47,925	
Exchange Traded Funds	708	708		
Mutual funds	69,406	69,406		
Total investments by fair value level	251,905	\$ 203,980	\$ 47,925	\$ -
Investments measured at net asset value (NAV):				
Alternative Investments	98,990			
Certificates of deposit	3,170			
Total Investments	\$ 354,065			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Alternative investments classified in Level 2 do not have prices quoted in active markets, however a fair value can be determined based on other data values or market prices.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Equity Hedge Funds	\$ 11,836		Annually	60 days
Equity Hedge Funds	27,404		Quarterly	60 days
Equity Hedge Funds	4,596		Monthly	185 days
Equity Hedge Funds	12,621		Quarterly	Various
Equity Hedge Funds	14,923	2,175	Various	Various
Equity Hedge Funds	<u>27,610</u>		N/A	

Total Investments Valued at NAV \$ 98,990

Equity Hedge Funds

This type includes investments in hedge funds that invest both long and short primarily in U.S. common stocks. Management of each hedge fund has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position. The fair values of the investments in this type have been determined using the NAV per share of the investments.

4. RECEIVABLES

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

	<u>General</u>	<u>Capital Nonrecurring Fund</u>	<u>Nonmajor and Aggregate Remaining Funds</u>	<u>Total</u>
Receivables:				
Taxes and interest	\$ 12,723	\$	\$	\$ 12,723
Accounts	168		745	913
Special assessments	21			21
Intergovernmental		951	607	1,558
Pension - accrued income			8	8
Planning and zoning bonds			6	6
Gross receivables	<u>12,912</u>	<u>951</u>	<u>1,366</u>	<u>15,229</u>
Less allowance for uncollectibles:	<u>(1,473)</u>			<u>(1,473)</u>
Net Total Receivables	\$ <u>11,439</u>	\$ <u>951</u>	\$ <u>1,366</u>	\$ <u>13,756</u>

The above table does not include interest on sewer assessments of \$116.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(In Thousands)

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments/ Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 49,734	\$ 456	\$	\$ (2,366)	\$ 47,824
Construction in progress	40,567	7,523		(1,564)	46,526
Total capital assets not being depreciated	<u>90,301</u>	<u>7,979</u>	<u>-</u>	<u>(3,930)</u>	<u>94,350</u>
Capital assets being depreciated:					
Buildings and improvements	297,359	350		(12,620)	285,089
Improvements other than buildings	13,054	49		1,290	14,393
Machinery and equipment	47,604	2,296	(1,628)	(1,391)	46,881
Infrastructure	117,083			17,985	135,068
Total capital assets being depreciated	<u>475,100</u>	<u>2,695</u>	<u>(1,628)</u>	<u>5,264</u>	<u>481,431</u>
Less accumulated depreciation for:					
Buildings and improvements	(73,422)	(7,142)		(19,911)	(100,475)
Improvements other than buildings	(2,092)	(881)		(2,893)	(5,866)
Machinery and equipment	(31,784)	(2,271)	1,628	(3,281)	(35,708)
Infrastructure	(49,244)	(1,870)		(22,462)	(73,576)
Total accumulated depreciation	<u>(156,542)</u>	<u>(12,164)</u>	<u>1,628</u>	<u>(48,547)</u>	<u>(215,625)</u>
Total capital assets being depreciated, net	<u>318,558</u>	<u>(9,469)</u>	<u>-</u>	<u>(43,283)</u>	<u>265,806</u>
Governmental Activities Capital Assets, Net	<u>\$ 408,859</u>	<u>\$ (1,490)</u>	<u>\$ -</u>	<u>\$ (47,213)</u>	<u>\$ 360,156</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 1,654	\$	\$	\$ 27	\$ 1,681
Capital assets being depreciated:					
Buildings and system	873			(26)	847
Improvements other than buildings	1,230			4	1,234
Machinery and equipment	693			(5)	688
Total capital assets being depreciated	<u>2,796</u>	<u>-</u>	<u>-</u>	<u>(27)</u>	<u>2,769</u>
Less accumulated depreciation for:					
Buildings and system	(371)	(17)		77	(311)
Improvements other than buildings	(184)	(5)		(1,015)	(1,204)
Machinery and equipment	(544)			(144)	(688)
Total accumulated depreciation	<u>(1,099)</u>	<u>(22)</u>	<u>-</u>	<u>(1,082)</u>	<u>(2,203)</u>
Total capital assets being depreciated, net	<u>1,697</u>	<u>(22)</u>	<u>-</u>	<u>(1,109)</u>	<u>566</u>
Business-Type Activities Capital Assets, Net	<u>\$ 3,351</u>	<u>\$ (22)</u>	<u>\$ -</u>	<u>\$ (1,109)</u>	<u>\$ 2,247</u>

Special item - During fiscal year ending June 30, 2019, the City wrote-down the value of several capital assets by adjusting the accumulated depreciation and salvage value. That change is reflected in the Adjustment/Transfers column.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 428
Administration	
Public safety	1,500
Public service	5,106
Education	4,163
Health and welfare	967
Grants to agencies	
	<u> </u>
Total Depreciation Expense - Governmental Activities	\$ <u>12,164</u>
Business-type activities:	
Milford Golf Course	\$ 21
Harbor Management	1
	<u> </u>
Total Depreciation Expense - Business-Type Activities	\$ <u>22</u>

Construction Commitments

The City has active construction projects as of June 30, 2019. At year end, the projects unexpended authorization available to fund commitments with contractors is as follows:

<u>Program</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Encumbered</u>	<u>Balance June 30, 2019</u>
General Capital Improvement	\$ 123,272	\$ 89,331	\$ 6,442	\$ 27,499
Education Capital Improvement	113,459	94,111	1,988	17,360
Sanitary Sewers and Wastewater Facilities	<u>135,992</u>	<u>122,629</u>	<u>526</u>	<u>12,837</u>
Total	\$ <u>372,723</u>	\$ <u>306,071</u>	\$ <u>8,956</u>	\$ <u>57,696</u>

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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. Interfund receivables and payables generally represent temporary balances arising from reimbursement type transactions. At June 30, 2019, the amounts due to and from other funds were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Nonrecurring	\$ 1
Nonmajor Governmental	Capital Nonrecurring	<u>5</u>
Total		<u>\$ 6</u>

Interfund transfers:

	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Nonrecurring</u>	<u>Nonmajor Governmental</u>	<u>Transfers Out</u>
Transfers out:				
General Fund	\$	\$ 687	\$ 444	\$ 1,131
Harbor Management		24		24
Nonmajor Governmental	<u>50</u>	<u>80</u>		<u>130</u>
Total	<u>\$ 50</u>	<u>\$ 791</u>	<u>\$ 444</u>	<u>\$ 1,285</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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

7. LONG-TERM DEBT

A summary of the long-term indebtedness transactions for the current fiscal year follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 136,695	\$ 21,045	\$ 10,170	\$ 147,570	\$ 11,490
Bond premium	10,254	806	833	10,227	
Total bonds payable	146,949	21,851	11,003	157,797	11,490
Clean water serial notes payable	26,734		2,278	24,456	2,324
Long-term note payable		242	84	158	78
Claims and judgments	6,754	41,250	41,574	6,430	413
Compensated absences	18,066	707	1,174	17,599	1,144
Net pension liability	62,743	9,420		72,163	
Net OPEB liability - City	178,189		17,772	160,417	
Total OPEB liability - BOE	201,964		25,108	176,856	
Total Governmental Activities Long-Term Liabilities	<u>\$ 641,399</u>	<u>\$ 73,470</u>	<u>\$ 98,993</u>	<u>\$ 615,876</u>	<u>\$ 15,449</u>

For the governmental activities, compensated absences, net pension liability, OEPB liabilities are generally liquidated by the General Fund.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(In Thousands)

General Obligation Bonds

Bonds payable at June 30, 2019 amounted to \$147,570 with interest rates ranging from 2.5% to 5.0% on bonds maturing at various dates through the year 2039. A schedule of government bonds outstanding at June 30, 2019 is presented below:

Description	Date of Issue	Interest Rate (%)	Original Issue	Outstanding June 30, 2019
General purpose:				
2010 - Refunding - General Purpose	02/02/10	3.50-4.00%	\$ 5,346	\$ 1,204
2011 - Refunding - General Purpose	11/01/11	4.00%	2,221	275
2012 - Refunding - General Purpose	02/27/12	2.13-4.00%	4,912	2,811
2012 - Refunding - General Purpose	11/02/12	2.00-4.00%	9,270	6,180
2012 - Refunding - General Purpose	12/13/12	2.00-5.00%	6,384	3,056
2013 - Refunding - General Purpose	11/12/13	3.00-4.00%	1,940	1,296
2014 - General Purpose	11/10/14	2.13-5.00%	3,740	2,980
2014 - Refunding - General Purpose	12/17/14	4.00-5.00%	3,416	3,118
2015 - General Purpose	11/09/15	2.00-5.00%	2,555	2,165
2016 - Refunding - General Purpose	03/03/16	3.00-5.00%	3,822	3,686
2016 - General Purpose	11/07/16	2.00-5.00%	6,497	5,850
2017 - General Purpose	11/06/17	3.00-5.00%	9,345	8,875
2017 - Refunding - General Purpose	12/22/17	3.00-5.00%	3,186	3,186
2018 - General Purpose	11/05/18	3.00-5.00%	13,065	13,065
Total general purpose				<u>57,747</u>
School:				
2010 - Refunding - Schools	02/02/10	3.50-4.00%	3,825	692
2011 - Refunding - Schools	11/01/11	4.00%	2,044	256
2012 - Refunding - Schools	02/27/12	2.13-4.00%	3,179	1,685
2012 - Refunding - Schools	11/02/12	2.00-4.00%	1,804	1,201
2012 - Refunding - Schools	12/13/12	2.00-5.00%	5,032	2,244
2013 - Refunding - Schools	11/12/13	3.00-4.00%	4,096	2,714
2014 - Schools	11/10/14	2.13-5.00%	6,475	5,180
2014 - Refunding - Schools	12/17/14	4.00-5.00	6,083	5,439
2015 - Schools	11/09/15	2.00-5.00%	1,725	1,455
2016 - Refunding - Schools	03/03/16	3.00-5.00%	4,847	4,538
2016 - Schools	11/07/16	2.00-5.00%	6,788	6,110
2017 - Schools	11/06/17	3.00-5.00%	6,285	5,970
2017 - Refunding - Schools	12/22/17	3.00-5.00%	4,533	4,533
2018 - Schools	11/05/18	3.00-5.00%	4,600	4,600
Total schools				<u>46,617</u>
Sewer:				
2010 - Refunding - Sewer	02/02/10	3.50-4.00%	1,379	244
2011 - Refunding - Sewer	11/01/11	4.00%	1,885	235
2012 - Refunding -Sewer	02/27/12	2.13-4.00%	674	264
2012 - Refunding - Sewer	11/02/12	2.00-4.00%	9,976	6,649
2012 - Refunding - Sewer	12/13/12	2.00-5.00%	2,629	305
2013 - Refunding - Sewer	11/12/13	3.00-4.00%	4,204	2,775
2014 - Sewer	11/10/14	2.13-5.00%	3,980	3,200
2014 - Refunding - Sewer	12/17/14	4.00-5.00	5,436	4,783
2015 - Sewer	11/09/15	2.00-5.00%	4,070	3,470
2016 - Refunding - Sewer	03/03/16	3.00-5.00%	7,346	6,711
2016 - Sewer	11/07/16	2.00-5.00%	3,155	2,835
2017 - Sewer	11/06/17	3.00-5.00%	3,105	2,945
2017 - Refunding - Sewer	12/22/17	3.00-5.00%	5,411	5,410
2018 - Sewer	11/05/18	3.00-5.00%	3,380	3,380
Total sewer				<u>43,206</u>
Total			\$	<u>147,570</u>

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(In Thousands)

Principal and interest payments for bonds payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 11,490	\$ 5,344	\$ 16,834
2021	11,105	4,868	15,973
2022	10,930	4,371	15,301
2023	10,815	3,875	14,690
2024	10,395	3,422	13,817
2025-2029	47,095	11,653	58,748
2030-2034	32,750	4,699	37,449
2035-2039	12,990	898	13,888
Total	\$ 147,570	\$ 39,130	\$ 186,700

Clean Water Serial Notes 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>
2020	\$ 2,324	\$ 466	\$ 2,790
2021	2,370	420	2,790
2022	2,418	373	2,791
2023	2,467	324	2,791
2024	2,519	273	2,792
2025-2029	12,358	614	12,972
Total	\$ 24,456	\$ 2,470	\$ 26,926

Long-Term Note Payable

The City has a long-term note payable for a new ambulance. The interest rate is 3.79% and the note is payable through October 2, 2020. The principal and interest payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 78	\$ 6	\$ 84
2021	80	3	83
Total	\$ 158	\$ 9	\$ 167

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Prior Year Defeasance of Debt

In prior years, the City had defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The outstanding balance of the defeased bonds as of June 30, 2019 is \$16,735 and the escrow balance is \$17,082.

Bond Anticipation Notes

Bond anticipation notes, which serve as temporary financing for certain capital projects, were outstanding at June 30, 2019.

	<u>Amount</u>
Notes payable, July 1, 2018	\$ 23,795
Notes issued	23,280
Notes retired	<u>(23,795)</u>
Notes Payable, June 30, 2019	\$ <u>23,280</u>

During the year, the City issued \$23,280 in notes dated November 5, 2018, which matures on November 4, 2019. The note carries an interest rate of 3.00%. These notes serve as temporary financing for various school, public improvements, and sewer projects.

Capital Lease

The City has entered into a multi-year capital lease for a micro grid generation system to power certain critical facilities within the City. Although the lease is dated November 2017, the assets aren't expected to arrive in the City until fiscal year 2020. At that time, the related capital lease financing will be recorded in the accompanying financial statements.

Other Obligations

At June 30, 2019, 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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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	\$ 413,105	\$ 92,163	\$ 320,942
Schools	826,209	65,645	760,564
Sewers	688,508	79,605	608,903
Urban renewal	596,707		596,707
Pension deficit	550,806		550,806

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation (\$1,285,214). The authorized/unissued debt has been reduced by grant proceeds of \$32,074 relative to general purpose and school construction projects.

The indebtedness reflected above includes long-term debt outstanding in addition to the amount of bonds authorized and unissued of \$65,229 against which bond anticipation notes are issued and outstanding.

8. RISK MANAGEMENT (AMOUNTS NOT ROUNDED UNLESS NOTED)

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 FY2019, 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 City and Board of Education did not have any claims that exceeded insurance coverage in the past three years.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(In Thousands)

The claims liability reported in the Internal Service Fund at June 30, 2019 is based on GASB Statement No. 10, which requires that a liability for estimated claims incurred but not reported be recorded.

<i>In thousands</i>		Liability July 1,	Current Year Claims	Claim Payments	Liability June 30,
6/30/2018	\$	195	\$ 1,374	\$ 1,382	\$ 187
6/30/2019		187	1,096	1,171	112

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 \$600,000. The City and Board of Education did not have any claims that exceeded insurance coverage in the past three years.

The General Fund and/or the Property and Casualty Self Insurance Fund will be used to cover any uninsured risks of loss.

Changes in the claims liability for the years ended June 30, 2019 and 2018 were as follows:

<i>In thousands</i>		Liability July 1,	Current Year Claims	Claim Payments	Liability June 30,
6/30/2018	\$	3,065	\$ 2,412	\$ 1,556	\$ 3,921
6/30/2019		3,921	1,068	1,476	3,513

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, 2019, 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. The City and Board of Education did not have any claims that exceeded insurance coverage in the past three years.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Changes in the claims liability for the years ended June 30, 2019 and 2018 were as follows:

<i>In thousands</i>		Liability July 1,	Current Year Claims	Claim Payments		Liability June 30,
6/30/2018	\$	2,580	\$ 38,001	\$ 37,935	\$	2,646
6/30/2019		2,646	39,086	38,927		2,805

9. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. City of Milford Retirement System

The City 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.

Plan Descriptions and Benefits Provided

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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Membership in the plan consisted of the following at July 1, 2018:

	City of Milford Retirement System
Retirees and beneficiaries receiving benefits	798
Terminated employees entitled to benefits but not yet receiving them	26
Active plan members	676
Total	<u>1,500</u>

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 fair 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 (not rounded).

Funding Policy

General City members are required to contribute 2.25% of annual compensation up to \$4,200 (not rounded) plus 5% of compensation in excess of \$4,200 (not rounded) (4% of compensation in excess of \$4,200 (not rounded) for MEA and MSA members and non-represented members with 15 or more years of service). Fire employees hired on or before January 31, 2015 shall contribute 8% of annual salary; upon reaching 15 years of service, the contribution requirement is 7% and at the 25-year contribution is 6%. Fire employees hired on or after February 1, 2015 shall contribute 10%. Police employees hired prior to February 2, 1995 are required to contribute 5% of annual salary; at 20 years of service contribution is 4.5%. Police employees hired on or after February 2, 1995 but prior to November 22, 2014 are required to contribute 8%. Police employees hired on or after November 22, 2014 are required to contribute 10%. 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.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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, 2019:

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. Large Cap Equity	25.00%
U.S. 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, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.53%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Net Pension Liability

The components of the net pension liability at June 30, 2019, were as follows:

Total pension liability	\$	424,026
Plan fiduciary net position		<u>351,863</u>
Net Pension Liability	\$	<u><u>72,163</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension		82.98%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2018 and measurement date of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	Age related table
Investment rate of return	7.50%
Cost of living adjustments:	
Post-retirement benefit increases	None, except for Police hired after April 6, 1989 - 3%/annum

Mortality rates were based on RP-2014 adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2018. The actuarial method used for calculating the total pension liability was the Entry Age Normal cost method.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2004 to June 30, 2011.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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, 2019 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	4.75%
U.S. 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 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2018	\$ 412,569	\$ 349,826	\$ 62,743
Changes for the year:			
Service cost	8,322		8,322
Interest on total pension liability	30,582		30,582
Changes in benefit terms	509		509
Differences between expected and actual experience	(136)		(136)
Changes in assumptions	(1,071)		(1,071)
Employer contributions		6,881	(6,881)
Member contributions		2,893	(2,893)
Net investment income		19,037	(19,037)
Benefit payments, including refund to employee contributions	(26,749)	(26,749)	-
Administrative expenses		(57)	57
Other changes		32	(32)
Net changes	11,457	2,037	9,420
Balances as of June 30, 2019	\$ 424,026	\$ 351,863	\$ 72,163

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

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City Net Pension Liability	\$ 119,575	\$ 72,163	\$ 32,348

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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

For the year ended June 30, 2019, the City recognized pension expense of \$21,530. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5	\$ 1,653
Changes of assumptions	2,535	2,199
Net difference between projected and actual earnings on pension plan investments	<u>1,336</u>	<u></u>
Total	<u>\$ 3,876</u>	<u>\$ 3,852</u>

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

Year Ending June 30

2020	\$ 3,974
2021	(3,647)
2022	(1,410)
2023	1,107

B. 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, 2019 were \$459.

C. Connecticut State Teachers' Retirement System - Pension

Plan Description

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Benefit Provisions

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

Normal Retirement

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

Early Retirement

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

Disability Retirement

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

Contributions

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

Employer (School Districts)

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

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

Employees

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

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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

At June 30, 2019, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	<u>164,985</u>
Total	\$ <u><u>164,985</u></u>

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

For the year ended June 30, 2019, the City recognized pension expense and revenue of \$18,517 in Exhibit II.

Actuarial Assumptions

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

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increased rates (5% for females and 8% for males) over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

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

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

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

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(In Thousands)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. equities	21.00%	5.80%
Developed non-U.S. equities	18.00%	6.60%
Emerging markets (non-U.S.)	9.00%	8.30%
Core fixed income	7.00%	1.30%
Inflation linked bond fund	3.00%	1.00%
Emerging market bond	5.00%	3.70%
High yield bonds	5.00%	3.90%
Real estate	7.00%	5.10%
Private equity	11.00%	7.60%
Alternative investments	8.00%	4.10%
Liquidity fund	6.00%	0.40%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Other Information

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

(In Thousands)

10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description and Benefits Provided

City Plan

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 (amounts not rounded):

Pre-65:	
General City	\$14,510 per year
Fire	\$14,157 per year
Police	\$14,157 per year
Post-65:	
BC 65 Low Option	\$1,578 per year
Plan 82	\$2,797 per year
Medicare Part B:	
Actives	\$1,626 per year
Retirees	\$1,626 per year

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Board of Education Plan

The Board of Education provides certain post-retirement benefits to retirees through negotiated contracts. The Board of Education does not have a trust fund for the OPEB plan. 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. Effective September 1, 2014, Board of Education pays the premium for insurance obtained through the Teachers' Retirement Board for the participant only. No coverage is offered to spouses. Coverage may be obtained through the Teachers' Retirement Board or other sources.

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 or age plus service equals 79 at retirement. (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. If employee was hired on or after December 31, 2011, retiree and spouse pay full premium until age 65. If hired on or after September 1, 2015, post 65 coverage is for retired employees only.

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. For administrators hired on July 1, 2010 or later who retire before age 65, retiree and spouse pay the full premium minus the Teachers' Retirement Board subsidy until age 65. At age 65, there is no cost to the retiree or spouse for medical insurance. Effective July 1, 2016, the Board of Education pays the premium for insurance obtained through the Teachers' Retirement Board for the retiree and spouse. Retirement date on or after July 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 (figures not rounded) 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.

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(In Thousands)

Health care costs are as follows (amounts not rounded):

Pre-65 (for current active members who retire):	<u>As of July 1, 2018:</u>
Board of Ed-Café	\$14,403 per year
Board of Ed-Cust	\$13,449 per year
Board of Ed-Sec	\$14,068 per year
Board of Ed-Para	\$12,800 per year
Administrators	\$12,800 per year
Teachers	\$14,403 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):	<u>As of 1/1/19:</u>
Plan 82 only	\$1,022 per year
Hi Option with Plan 82 and Major Medical (\$50,000)	\$5,092 per year
Hi Option with Plan 82 and Major Medical (\$250,000)	\$5,228 per year
Hi Option with Plan 82 and No Rx	\$2,376 per year
Plan F with Rx	\$8,376 per year
Medicare Part B:	
Retirees	\$1,626 per year
Post-65 (for current retirees who are under 65):	
Based on plan selected - Dental plan	\$585 per year

B. Membership

Membership in the plan consisted of the following at July 1, 2018:

	Board of Education Retiree Medical Benefit Plan	City of Milford Retiree Medical Benefit Plan	Total
Number of retirees and eligible surviving spouses	663	576	1,239
Number of active participants	974	490	1,464
Total Participants	1,637	1,066	2,703

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(In Thousands)

Investments

Investment Policy

The City's Retiree Healthcare Trust's (OPEB Trust) policy in regard to the allocation of invested assets is established and may be amended by the Retiree Healthcare Trust by a majority vote of its members. It is the policy of the Board of Trustees for the Retiree Healthcare Trust to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of asset classes or mutual funds. The Retiree Healthcare Trust's investment policy 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, 2019:

Asset Class	Target Allocation
U.S. Large Cap Equity	25.00%
U.S. Mid/Small Cap Equity	17.00%
International Developed Equity	10.00%
International Emerging Market Equity	8.00%
Core Fixed Income	10.00%
High Yield Fixed Income	5.00%
International Fixed Income	5.00%
Inflation Adjusted Fixed Income	5.00%
Cash	3.00%
Commodities	2.00%
Other (REITs, Alternative Assets, etc.)	10.00%
	<u>100.00%</u>

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 5.23%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the City - City Plan

The City's net OPEB liability was measured as of June 30, 2019. The components of the net OPEB liability of the Town at June 30, 2019 were as follows:

	City of Milford Retiree Medical Benefit Plan
Total OPEB liability	\$ 168,326
Plan fiduciary net position	<u>7,909</u>
Net OPEB Liability	<u>\$ 160,417</u>
Plan fiduciary net position as a percentage of the total OPEB liability	4.70%

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Total OPEB Liability of the City - Board of Education Plan

The City's total OPEB liability of \$176,856 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

Actuarial Assumptions - City Plan

The total OPEB liability at June 30, 2019 was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	Age related table
Investment rate of return	4.33%
Healthcare cost trend rates	7.00% for 2018, decreasing 0.5% per year to an ultimate rate of 4.75% for 2023 and later years

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

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2004 - June 30, 2011.

Retirement Assumptions

City Plan

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.

Actuarial Assumptions and Other Inputs - Board of Education Plan

The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.75%
Salary increases	2.75%, average, including inflation
Discount rate	3.51%
Healthcare cost trend rates	7.00% for 2018, decreasing 0.5% per year to an ultimate rate of 4.75% for 2023 and later years
Retirees' share of benefit-related costs	Varies based on union and hire date - ranges from 50% to 100%

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

The discount rate was based on the 20-year AA municipal bond index fund.

Mortality rates were based on RP-2014 to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018.

A full actuarial experience study has not been completed.

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.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2019 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	4.75%
U.S. 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%
Inflation Adjusted Fixed Income	0.25%
Cash	0.25%
Commodities	5.25%
Other (REITs, Alternative Assets, etc.)	5.00%

Discount Rate - City Plan

The discount rate used to measure the total OPEB liability was 4.33%, up from 4.10% in the prior year. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Change in the Net OPEB Liability - City Plan

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of July 1, 2018	\$ 185,209	\$ 7,020	\$ 178,189
Changes for the year:			
Service cost	6,430		6,430
Interest on total OPEB liability	7,707		7,707
Differences between expected and actual experience	(8,085)		(8,085)
Changes in assumptions	(15,516)		(15,516)
Employer contributions		7,919	(7,919)
Net investment income (loss)		389	(389)
Benefit payments, including refund to employee contributions	(7,419)	(7,419)	-
Net changes	(16,883)	889	(17,772)
Balances as of June 30, 2019	\$ 168,326	\$ 7,909	\$ 160,417

Change in the Total OPEB Liability - Board of Education Plan

	Total OPEB Liability (a)
Balances as of July 1, 2018	\$ 201,964
Changes for the year:	
Service cost	5,849
Interest on total OPEB liability	7,930
Differences between expected and actual experience	(8,936)
Changes in assumptions	(24,067)
Employee contributions	(5,884)
Net changes	(25,108)
Balances as of June 30, 2019	\$ 176,856

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(In Thousands)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (3.33%)	Current Discount Rate (4.33%)	1% Increase (5.33%)
City Plan - Net OPEB Liability	\$ <u>181,653</u>	\$ <u>160,417</u>	\$ <u>142,882</u>
	1% Decrease (2.51%)	Current Discount Rate (3.51%)	1% Increase (4.51%)
BOE Plan - Total OPEB Liability	\$ <u>204,826</u>	\$ <u>176,856</u>	\$ <u>154,333</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease (6.00% Decreasing to 3.75%)	Healthcare Cost Trend Rates (7.00% Decreasing to 4.75%)	1% Increase (8.00% Decreasing to 5.75%)
City Plan - Net OPEB Liability	\$ <u>139,641</u>	\$ <u>160,417</u>	\$ <u>186,215</u>
BOE Plan - Total OPEB Liability	\$ <u>152,510</u>	\$ <u>176,856</u>	\$ <u>209,309</u>

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$15,983, of which \$8,076 was reported for the City plan and \$7,907 was reported for the BOE plan. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>BOE</u>		<u>City</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 91	\$ 7,791	\$ -	\$ 7,048	\$ 91	\$ 14,839
Changes of assumptions		27,817		18,720		46,537
Net difference between projected and actual earnings on pension plan investments				209		209
Total	<u>\$ 91</u>	<u>\$ 35,608</u>	<u>\$ -</u>	<u>\$ 25,977</u>	<u>\$ 91</u>	<u>\$ 61,585</u>

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

<u>Year Ending June 30</u>	<u>BOE</u>	<u>City</u>	<u>Total</u>
2020	\$ (5,285)	\$ (5,762)	\$ (11,047)
2021	(5,285)	(5,762)	(11,047)
2022	(5,285)	(5,762)	(11,047)
2023	(5,285)	(5,717)	(11,002)
2024	(5,285)	(2,974)	(8,259)
Thereafter	(9,092)		(9,092)

11. OTHER POSTEMPLOYMENT BENEFITS - CONNECTICUT STATE TEACHERS RETIREMENT PLAN

A. Plan Description

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

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

B. Benefit Provisions (amounts not rounded)

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

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

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

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

Survivor Health Care Coverage (amounts not rounded)

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

C. Eligibility

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

Credited Service

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

Normal Retirement

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

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

Early Retirement

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

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

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

Termination of Employment

Ten or more years of Credited Service.

D. Contributions (amounts not rounded)

State of Connecticut

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

Employer (School Districts)

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

Employees

Each member is required to contribute 1.25% of their annual salary up to \$500,000. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

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

At June 30, 2019, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net OPEB liability, the related State support and the total portion of the net OPEB liability that was associated with the City was as follows:

City's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the City		<u>32,982</u>
Total	\$	<u><u>32,982</u></u>

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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

For the year ended June 30, 2019, the City recognized OPEB expense and revenue of \$(10,956) in Exhibit II.

F. Actuarial Assumptions

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

Inflation	2.75%
Health care costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2019

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) over age 80. For disabled retirees, mortality rates were based on the RPH-2014 Disabled Mortality Table projected to 2020 using the BB improvement scale.

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

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.27%).

G. Discount Rate

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

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

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

I. Other Information

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

12. PENSION AND OPEB TRUST FUNDS COMBINING SCHEDULES

Combining Schedule of Net Position - Trust Funds

	Pension Trust Funds	City OPEB Trust Fund	Total
Assets:			
Cash and cash equivalents	\$ 9,274	\$ 25	\$ 9,299
Investments:			
Corporate bonds	7,162		7,162
U.S. government securities	4,784		4,784
U.S. government agencies	8,718		8,718
Marketable equity securities	113,202		113,202
Alternative investments	146,915		146,915
Exchange traded funds		708	708
Mutual funds	62,230	7,176	69,406
Total investments	343,011	7,884	350,895
Receivables	8		8
Total assets	352,293	7,909	360,202
Liabilities:			
Accounts and other payables	430		430
Net Position:			
Restricted for Retirement Benefits	\$ 351,863	\$ 7,909	\$ 359,772

CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(In Thousands)

Combining Schedules of Changes in Net Position - Trust Funds

	Pension Trust Funds	CITY OPEB Trust Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Additions:			
Contributions:			
Plan members	\$ 2,893	\$	\$ 2,893
Employer-current year	<u>6,881</u>	<u>7,919</u>	<u>14,800</u>
Total contributions	<u>9,774</u>	<u>7,919</u>	<u>17,693</u>
Miscellaneous	<u>32</u>	<u> </u>	<u>32</u>
Investment income:			
Net change in fair value of investments	20,148	147	20,295
Interest and dividends	<u>2,076</u>	<u>264</u>	<u>2,340</u>
Total investment income	<u>22,224</u>	<u>411</u>	<u>22,635</u>
Less investment expense	<u>3,187</u>	<u>22</u>	<u>3,209</u>
Net investment income	<u>19,037</u>	<u>389</u>	<u>19,426</u>
Total additions	<u>28,843</u>	<u>8,308</u>	<u>37,151</u>
Deductions:			
Benefit payments and withdrawals	26,749	7,419	34,168
Administration	<u>57</u>	<u> </u>	<u>57</u>
Total deductions	<u>26,806</u>	<u>7,419</u>	<u>34,225</u>
Net Change	2,037	889	2,926
Net Position at Beginning of Year	<u>349,826</u>	<u>7,020</u>	<u>356,846</u>
Net Position at End of Year	<u>\$ 351,863</u>	<u>\$ 7,909</u>	<u>\$ 359,772</u>

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

13. FUND BALANCE

Significant encumbrances at June 30, 2019 are contained in the table below in both the assigned and committed categories of the General Fund.

	General Fund	Capital Nonrecurring Fund	School Facilities Fund	Nonmajor Governmental Funds	Total
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$ 28	\$ 28
Prepays	21				21
Restricted for:					
Grants				585	585
School Renovations				191	191
Committed to:					
Compensated absences	1,283				1,283
Sewer operations				5,691	5,691
General government				5,621	5,621
Education				1,368	1,368
Debt service				3,142	3,142
Community development				29	29
Assigned to:					
Subsequent year's budget	9,300				9,300
Debt service	786				786
Encumbrances:					
General government	149				149
Public safety	215				215
Public services	506				506
Health and welfare	34				34
Education	3,272				3,272
Unassigned	<u>27,002</u>	<u>(2,781)</u>	<u>(11,256)</u>	<u>(2,497)</u>	<u>10,468</u>
Total Fund Balances	\$ <u>42,568</u>	\$ <u>(2,781)</u>	\$ <u>(11,256)</u>	\$ <u>14,158</u>	\$ <u>42,689</u>

Major encumbrances are reported in the assigned fund balance of the General Fund of \$4,176.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

14. COMMITMENTS AND CONTINGENCIES (amounts not rounded)

On December 2, 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 27.22mills. MPC is up to date with all of its payments.

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: June 30, 2010 - \$ 500,000; May 1, 2011 - \$2,500,000; May 1, 2012 - \$3,000,000; May 1, 2013 through May 1, 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.

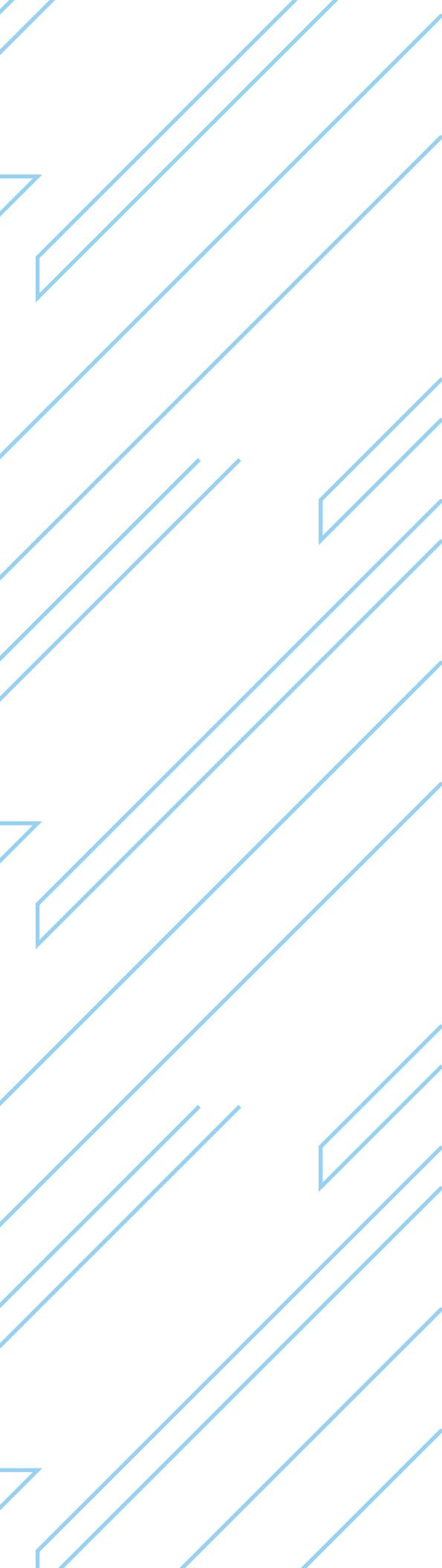
15. SUBSEQUENT EVENTS

On October 23, 2019, the City issued \$9,680 of general obligation bonds with an interest rate varying from 2.00% to 5.00% and maturity date November 1, 2039. In addition, the City issued \$23,635 of bond anticipation notes dated November 4, 2019 maturing November 3, 2020. The bond anticipation notes carry an interest rate of 2.50%.

**CITY OF MILFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

(In Thousands)

The City entered into an Energy Services Agreement (ESA) with a third party that requires the City to purchase 100% of the electricity output of a fuel cell for twenty (20) years following the fuel cell's commencement of operations date (anticipated in the first half of 2020). The ESA also requires the City to purchase natural gas to power the fuel cell throughout the ESA term. The City expects to achieve savings (as compared to costs incurred prior to the fuel cell's commencement of operations date) in each year of the term of the ESA and estimates total savings of over \$3.2 million over the twenty (20) year term. If the fuel cell runs at ninety-five percent (95%) capacity, in the first full year of operations, the City will be required to purchase approximately \$539,000 of electricity output and approximately \$308,000 of natural gas to power the fuel cell power plant.



Required Supplementary Information

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, 2019

(In Thousands)

	Budgeted Amounts		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
General Property Taxes and Assessments:				
Current taxes	\$ 177,221	\$ 177,221	\$ 179,631	\$ 2,410
Prior year's levies	2,086	2,086	1,060	(1,026)
Suspense collections	15	15	23	8
Total general property taxes and assessments	<u>179,322</u>	<u>179,322</u>	<u>180,714</u>	<u>1,392</u>
Fines, Forfeitures Penalties and Interest:				
Interest and liens	<u>1,525</u>	<u>1,525</u>	<u>1,244</u>	<u>(281)</u>
Federal, State and Local Governments:				
Education cost sharing	10,069	10,069	10,054	(15)
State realty in lieu of tax	282	282	282	-
Pequot State Aid	237	237	237	-
Miscellaneous State Revenue	1,130	1,130	1,130	-
Total disability exemptions			6	6
PILOT - private exemptions	286	286	286	-
Veteran grants	137	137	126	(11)
School debt - principal	17	17	16	(1)
Telephone access grant	110	110	89	(21)
Shellfish Taxes	2	2	2	-
State aid for health	48	48	72	24
OTB Wagering Share	90	90	88	(2)
Additional Special Education	100	100	396	296
Total federal, state and local government	<u>12,508</u>	<u>12,508</u>	<u>12,784</u>	<u>276</u>
Investment Income:				
Investments in idle funds	500	500	1,176	676
Rental of other property	50	50	55	5
Total investment income	<u>550</u>	<u>550</u>	<u>1,231</u>	<u>681</u>
Other Revenue:				
Rental of school property	12	12	26	14
Tuition from others			8	8
PILOT - Water Authority	480	480	477	(3)
Power Plant Settlement	4,700	4,700	4,700	-
Genconn PT	2,025	2,025	2,025	-
Miscellaneous other revenues	30	30	249	219
Inland wetland fees	5	5	4	(1)
Total other revenue	<u>7,252</u>	<u>7,252</u>	<u>7,489</u>	<u>237</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, 2019
(In Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Licenses, Permits and Other Charges:				
Devices and amusements	\$ 18	\$ 18	\$ 14	\$ (4)
Vending permits	15	15	27	12
Disposal area licenses	50	50	68	18
Recording documents	400	400	324	(76)
Conveyance tax	900	900	1,077	177
General copying fees	75	75	73	(2)
Fire Department fees	1	1	70	69
Paramedic fees	800	800	895	95
Building inspection fees	800	800	1,245	445
Fingerprinting	7	7	9	2
Police fines and forfeits	20	20	72	52
False alarm fees	20	20	26	6
Street opening permits	21	21	32	11
Engineering fees	10	10	10	-
Residential waste fees	190	190	304	114
Health inspection fees	76	76	94	18
Planning and zoning fees	30	30	41	11
Zoning appeals fees	7	7	15	8
Recreation fees	58	58	44	(14)
Walnut Beach parking	65	65	123	58
Parking fines judicial	6	6	21	15
Vehicle violations judicial	20	20	23	3
Mobile fee	3	3	4	1
Sewer assessments	11	11	28	17
Animal shelter redemption	5	5	4	(1)
Dog Fund - City share	8	8	11	3
Sale of Other Property			10	10
Recycling revenues	120	120	55	(65)
PILOT - Federal payments	1	1	1	-
Hunting and angling fees			1	1
Sticker fees			1	1
Bingo permits share	1	1		(1)
Total licenses, permits and other charges	<u>3,738</u>	<u>3,738</u>	<u>4,722</u>	<u>984</u>
Total revenues	204,895	204,895	208,184	3,289
Other financing sources:				
Use of fund balance	<u>5,300</u>	<u>5,790</u>		<u>(5,790)</u>
Total other financing sources	<u>5,300</u>	<u>5,790</u>	<u>-</u>	<u>(5,790)</u>
Total Budgeted Revenues and Other Financing Sources	\$ <u>210,195</u>	\$ <u>210,685</u>	208,184	\$ <u>(2,501)</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, 2019**

(In Thousands)

Budgetary revenues are different than GAAP revenues because:

State of Connecticut "on-behalf" contributions to the Connecticut State Teachers'

Retirement System for City teachers are not budgeted:

Pension	18,517
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OPEB	(10,956)
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Premium on bonds issued	806
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Nonbudgetary items and eliminations related to the Compensated Absences Fund	81
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Encumbrances for purchases and commitments that were subsequently cancelled in the next fiscal year	<u>(234)</u>
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Total Revenues and Other Financing Sources as Reported on the Statement of
Revenues, Expenditures and Changes in Fund Balances - Governmental Funds -
Exhibit IV

\$ <u>216,398</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, 2019
(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	\$ 6	\$ -
Elections	105	135	118	17
Registrar of Voters	166	170	164	6
Milford Govt Access Television	25	25	21	4
Mayor's Office	294	294	288	6
General expenses	368	368	346	22
Community Development Department	124	124	124	-
City Clerk	402	402	391	11
Law Department	651	651	568	83
Ethics Commission	1	1		1
Probate Court	17	17	16	1
Board of Finance	1	1	1	-
Planning and Zoning Board	1,066	1,066	957	109
Board of Zoning Appeals	12	12	7	5
Pension Board	4	4	3	1
Flood and Erosion Board	1	1	1	-
Tree Commission	2	2	1	1
Park and Recreation Commission	1	1	1	-
Conservation Commission	1	1		1
Flower memorial commission	6	6	4	2
Open Space	66	68	68	-
Public library	1,172	1,135	1,128	7
Total general government	<u>4,491</u>	<u>4,490</u>	<u>4,213</u>	<u>277</u>
Administration:				
Finance Department	1,898	1,898	1,818	80
Data Processing Department	1,015	1,055	1,046	9
Personnel Department	235	277	265	12
Total administration	<u>3,148</u>	<u>3,230</u>	<u>3,129</u>	<u>101</u>
Public Safety:				
Police Department	13,312	13,261	13,044	217
Fire Department	12,017	12,435	12,322	113
Civil Preparedness	103	103	98	5
Animal Control	337	337	316	21
Lighting hydrant water	1,902	1,939	1,910	29
Total public safety	<u>27,671</u>	<u>28,075</u>	<u>27,690</u>	<u>385</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, 2019

(In Thousands)

	Budgeted Amounts		Expenditures and	Uncommitted
	Original	Amended	Encumbrances	Balance
Public Services:				
Public Works Office	\$ 390	\$ 395	\$ 385	\$ 10
Highway-parks division	2,750	2,485	2,479	6
Building maintenance division	3,083	3,008	2,923	85
Engineering division	399	411	405	6
General garage division	1,369	1,509	1,471	38
Solid waste operations	4,198	4,401	4,397	4
Total public services	12,189	12,209	12,060	149
Board of Education:				
Private School textbooks	20	20	20	-
Educational audit fees	22	22	22	-
Employee benefits	1,200	1,193	1,059	134
Educational operations	93,315	93,315	93,315	-
Educational Contribution Health Insurance Fund	19,266	19,266	19,266	-
Educational School Nurses	1,316	1,311	1,301	10
Total board of education	115,139	115,127	114,983	144
Health and Welfare:				
Health Department	920	920	910	10
Recreation Department	864	816	800	16
Total health and welfare	1,784	1,736	1,710	26
General Charges:				
Employee benefits - general	23,681	23,681	23,655	26
Insurance and bonds	1,784	1,784	1,769	15
Claims and refunds	615	511	375	136
Benefits and salary reserve	126	64	64	-
Unallocated contingency	20			-
Total general charges	26,226	26,040	25,863	177
Grants to Agencies:				
Milford Council on Aging	1,369	1,369	1,363	6
Milford Fine Arts Council	70	70	70	-
CMED	77	77	61	16
Regional Mental Health Board	3	3	3	-
Borough of Woodmont	233	233	233	-
Milford Transit District	345	345	345	-
Milford Mental Health	380	380	380	-
Veterans' Graves	3	3	3	-
U.S. Coast Guard Auxiliary	9	9	9	-

(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, 2019

(In Thousands)

	Budgeted Amounts		Expenditures and Encumbrances	Uncommitted Balance
	Original	Amended		
Grants to Agencies (continued):				
Milford Historical District Commission	\$ 1	\$ 1	\$ 1	\$ -
Milford Progress Inc	8	8	8	-
Milford Historic #2	1	1	1	-
Historic Preservation	1	1	1	-
Visiting Nurses Association	12	12	1	11
Cemetery Association	9	9	9	-
Boys and Girls Club	75	75	75	-
Homeless Shelter/CPAC	85	85	85	-
Literacy Volunteers	5	5	5	-
Total grants to agencies	<u>2,686</u>	<u>2,686</u>	<u>2,653</u>	<u>33</u>
Debt Service:				
Public Debt Service	11,195	10,973	10,973	-
School Debt	5,231	5,194	4,957	237
Total debt service	<u>16,426</u>	<u>16,167</u>	<u>15,930</u>	<u>237</u>
Other Financing Uses:				
Transfers out	<u>435</u>	<u>925</u>	<u>1,131</u>	<u>(206)</u>
Total	<u>\$ 210,195</u>	<u>\$ 210,685</u>	209,362	<u>\$ 1,323</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut "on-behalf" contributions to the Connecticut State Teachers'

Retirement System for City teachers are not budgeted:

Pension

18,517

OPEB

(10,956)

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

(3,074)

Prior year encumbrances reported in the current year for financial reporting purposes

3,307

Change in Board of Education's Summer Payroll originally charged to subsequent years budget for budgetary purposes

(164)

Nonbudgetary items and eliminations related to the Compensated Absences Fund

167

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

\$ 217,159

CITY OF MILFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS*
(In Thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total pension liability:						
Service cost	\$ 7,087	\$ 7,299	\$ 7,809	\$ 7,979	\$ 8,023	\$ 8,322
Interest	27,046	27,998	28,604	29,924	29,952	30,582
Changes of benefits terms		(1,759)				509
Differences between expected and actual experience		(908)	(2,281)	14	(1,654)	(136)
Changes of assumptions		9,513	7,100	248	(2,253)	(1,071)
Benefit payments, including refunds of member contributions	<u>(21,862)</u>	<u>(23,057)</u>	<u>(24,025)</u>	<u>(24,717)</u>	<u>(25,217)</u>	<u>(26,749)</u>
Net change in total pension liability	<u>12,271</u>	<u>19,086</u>	<u>17,207</u>	<u>13,448</u>	<u>8,851</u>	<u>11,457</u>
Total pension liability - beginning	<u>341,706</u>	<u>353,977</u>	<u>373,063</u>	<u>390,270</u>	<u>403,718</u>	<u>412,569</u>
Total pension liability - ending	<u>353,977</u>	<u>373,063</u>	<u>390,270</u>	<u>403,718</u>	<u>412,569</u>	<u>424,026</u>
Plan fiduciary net position:						
Contributions - employer	2,225	3,925	4,525	5,203	5,984	6,881
Contributions - member	2,169	2,332	2,672	2,736	2,788	2,893
Net investment income (loss)	44,193	(2,192)	(3,210)	35,184	32,666	19,037
Benefit payments, including refunds of member contributions	<u>(21,862)</u>	<u>(23,057)</u>	<u>(24,025)</u>	<u>(24,717)</u>	<u>(25,217)</u>	<u>(26,749)</u>
Administrative expense	<u>(48)</u>	<u>(76)</u>	<u>(143)</u>	<u>(47)</u>	<u>(56)</u>	<u>(57)</u>
Other	<u>11</u>	<u>20</u>	<u>47</u>	<u>23</u>	<u>167</u>	<u>32</u>
Net change in plan fiduciary net position	<u>26,688</u>	<u>(19,048)</u>	<u>(20,134)</u>	<u>18,382</u>	<u>16,332</u>	<u>2,037</u>
Plan fiduciary net position - beginning	<u>327,606</u>	<u>354,294</u>	<u>335,246</u>	<u>315,112</u>	<u>333,494</u>	<u>349,826</u>
Plan fiduciary net position - ending	<u>354,294</u>	<u>335,246</u>	<u>315,112</u>	<u>333,494</u>	<u>349,826</u>	<u>351,863</u>
Net Pension Liability (Asset) - Ending	<u>\$ (317)</u>	<u>\$ 37,817</u>	<u>\$ 75,158</u>	<u>\$ 70,224</u>	<u>\$ 62,743</u>	<u>\$ 72,163</u>
Plan fiduciary net position as a percentage of the total pension asset	100.09%	89.86%	80.74%	82.61%	84.79%	82.98%
Covered payroll	\$ 42,773	\$ 43,811	\$ 43,811	\$ 45,923	\$ 47,748	\$ 49,449
Net pension (asset) liability as a percentage of covered payroll	-0.74%	86.32%	171.55%	152.92%	131.40%	145.93%

*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**CITY OF MILFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS**
(In Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Contributions in relation to the actuarially determined contribution			342	324	2,225	5,871	6,348	7,351	9,519	10,554
			342	324	2,225	3,925	4,525	5,203	5,984	6,881
Contribution Deficiency	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Covered payroll	\$	40,550	\$	40,622	\$	41,597	\$	43,010	\$	44,587
Contributions as a percentage of covered payroll	0.00%	0.00%	0.82%	0.75%	5.20%	8.96%	10.15%	11.33%	12.53%	13.92%

Notes to Schedule

Valuation date:

July, 1 2018

Measurement date:

June 30, 2019

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Method, level percentage of salary

Amortization method None

Remaining amortization period N/A

Asset valuation method 5-year smoothed market

Inflation 2.75%

Salary increases Age related table

Investment rate of return 7.50%

Retirement age Age related table

Mortality Non-Disabled - Based on RP-2014 adjusted to 2006 Total Dataset Mortality Table, projected to the valuation date with Scale MP-2018

Disabled - Based on RP-2014 adjusted to 2006 Disabled Mortality Table, projected to the valuation date with Scale MP-2018

**CITY OF MILFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
LAST SIX FISCAL YEARS***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	13.78%	-0.62%	-0.99%	11.37%	10.00%	5.53%

*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

CITY OF MILFORD, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST FIVE FISCAL YEARS*
(In Thousands)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the City	<u>131,584</u>	<u>142,361</u>	<u>180,837</u>	<u>171,408</u>	<u>164,985</u>
Total	<u>\$ 131,584</u>	<u>\$ 142,361</u>	<u>\$ 180,837</u>	<u>\$ 171,408</u>	<u>\$ 164,985</u>
City's covered payroll	\$ 49,466	\$ 49,287	\$ 49,376	\$ 49,316	\$ 49,972
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.51%	59.50%	52.26%	55.93%	57.69%

Notes to Schedule

Changes in benefit terms	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary.
Changes of assumptions	During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	17.6 years
Asset valuation method	4-year smoothed market
Investment rate of return	8.00%, net of investment related expense

*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

CITY OF MILFORD, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
CITY OPEB PLAN
LAST THREE FISCAL YEARS*

(In Thousands)

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total OPEB liability:			
Service cost	\$ 5,653	\$ 6,568	\$ 6,430
Interest	7,351	7,150	7,707
Differences between expected and actual experience	(1,017)	(596)	(8,085)
Changes of assumptions	11,890	(8,754)	(15,516)
Benefit payments	<u>(6,664)</u>	<u>(7,468)</u>	<u>(7,419)</u>
Net change in total OPEB liability	17,213	(3,100)	(16,883)
Total OPEB liability - beginning	<u>171,096</u>	<u>188,309</u>	<u>185,209</u>
Total OPEB liability - ending	<u>188,309</u>	<u>185,209</u>	<u>168,326</u>
Plan fiduciary net position:			
Contributions - employer	7,164	7,968	7,919
Contributions - member			
Net investment income (loss)	564	463	389
Benefit payments	(6,664)	(7,468)	(7,419)
Administrative expense			
Other		1	
Net change in plan fiduciary net position	<u>1,064</u>	<u>964</u>	<u>889</u>
Plan fiduciary net position - beginning	<u>4,992</u>	<u>6,056</u>	<u>7,020</u>
Plan fiduciary net position - ending	<u>6,056</u>	<u>7,020</u>	<u>7,909</u>
Net OPEB Liability - Ending	<u>\$ 182,253</u>	<u>\$ 178,189</u>	<u>\$ 160,417</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.22%	3.79%	4.70%
Covered payroll	\$ 38,282	\$ 39,335	\$ 39,225
Net OPEB liability as a percentage of covered payroll	476.08%	453.00%	408.97%

*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**CITY OF MILFORD, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CITY OPEB PLAN**

LAST TEN FISCAL YEARS

(In Thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution (1)	\$ 14,070	\$ 14,774	\$ 14,081	\$ 14,785	\$ 12,248	\$ 12,455	\$ 12,103	\$ 12,321	\$ 15,745	\$ 16,033
Contributions in relation to the actuarially determined contribution	4,976	5,078	8,112	6,424	6,407	6,498	7,086	7,164	7,968	7,919
Contribution Deficiency	\$ 9,094	\$ 9,696	\$ 5,969	\$ 8,361	\$ 5,841	\$ 5,957	\$ 5,017	\$ 5,157	\$ 7,777	\$ 8,114
Covered payroll	\$ 32,996	\$ 33,986	\$ 34,856	\$ 35,901	\$ 35,442	\$ 36,506	\$ 37,258	\$ 38,282	\$ 39,335	\$ 39,225
Contributions as a percentage of covered payroll	27.56%	28.53%	17.12%	23.29%	16.48%	16.32%	13.47%	13.47%	19.77%	20.69%

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

Notes to Schedule

Valuation date:

July, 1 2018

Measurement date:

June 30, 2019

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Healthcare cost trend rates	7.00% initial, decreasing 0.5% per year to an ultimate rate of 4.75%
Salary increases	Age related table
Investment rate of return	4.33%: Prior: 4.10%
Retirement age	In the 2018 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience

Mortality

City: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018.
Fire and Police: RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2018.

**CITY OF MILFORD, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
CITY OPEB PLAN
LAST THREE FISCAL YEARS***

	<u>2017</u>	<u>2018</u>	<u>2019</u>
Annual money-weighted rate of return, net of investment expense	10.44%	7.16%	5.23%

*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

CITY OF MILFORD, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
BOE OPEB PLAN
LAST TWO FISCAL YEARS*

(In Thousands)

	<u>2018</u>	<u>2019</u>
Total OPEB liability:		
Service cost	\$ 5,946	\$ 5,849
Interest	7,395	7,930
Differences between expected and actual experience	120	(8,936)
Changes of assumptions	(8,972)	(24,067)
Benefit payments	<u>(6,223)</u>	<u>(5,884)</u>
Net change in total OPEB liability	(1,734)	(25,108)
Total OPEB liability - beginning	<u>203,698</u>	<u>201,964</u>
Total OPEB Liability - Ending	<u>\$ 201,964</u>	<u>176,856</u>
Covered payroll	\$ 65,131	\$ 64,617
Net OPEB liability as a percentage of covered payroll	310.09%	273.70%

*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

CITY OF MILFORD, CONNECTICUT
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST TWO FISCAL YEARS*
(In Thousands)

	<u>2018</u>	<u>2019</u>
City's proportion of the net OPEB liability	0.00%	0.00%
City's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the City	<u>44,119</u>	<u>32,982</u>
Total	<u>\$ 44,119</u>	<u>\$ 32,982</u>
City's covered payroll	\$ 49,316	\$ 49,972
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%

Notes to Schedule

Changes in benefit terms	Effective July 1, 2018, Medicare Advantage Plan was added to available options, changed the base plan to the Medicare Advantage Plan for the purposes of determining retiree subsidies and/or cost sharing amounts, and introduced a two-year waiting period for re-enrollment in a System-sponsored Plan for those who cancel their coverage or choose not to enroll after the effective date.
Changes of assumptions	<p>The expected rate of return on assets was changed from 2.75% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments.</p> <p>Based on the procedure described in GASB 75, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2018 was updated to equal the Municipal Bond Index Rate as of June 30, 2018. The System selected the 3.87% discount rate used to measure the Total OPEB Liability as of the June 30, 2018 measurement date.</p> <p>Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on July 1, 2018.</p> <p>The assumed age-related annual percentage increases in expected annual per capita health care claim costs were updated to better reflect the expected differences between the Medicare Supplement and Medicare Advantage Plan amounts as part of the plan change that became effective on July 1, 2018.</p> <p>Long-term health care cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods.</p> <p>The percentage of retired members who are not currently participating in the Plan, but are expected to elect coverage for themselves and their spouses under a System-sponsored health care plan option in the future, was updated to better reflect anticipated plan experience.</p> <p>The percentages of participating retirees who are expected to enroll in the Medicare Supplement Plan and the Medicare Advantage Plan options, as well as the portion who are expected to migrate to the Medicare Advantage Plan over the next several years, were updated to better reflect anticipated plan experience after the plan change that became effective on July 1, 2018.</p> <p>The post-disability mortality table was updated to extend the period of projected mortality improvements from 2017 to 2020. This change was made to better reflect anticipated post-disablement plan experience.</p> <p>The percentages of deferred, vested members who will become ineligible for future health care benefits because they are expected to withdraw their contributions from the System was updated to better reflect anticipated plan experience.</p>
Actuarial cost method	Entry age normal (level percent of pay)
Amortization method	Level percent of pay over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	4.25%, net of investment related expense including price inflation

*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

Appendix B-1

Form of Opinion of Bond Counsel for Bonds

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**FORM OF OPINION OF BOND COUNSEL
CITY OF MILFORD, CONNECTICUT
\$22,560,000 GENERAL OBLIGATION BONDS, ISSUE OF 2020, SERIES B**

November 3, 2020

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 \$22,560,000 General Obligation Bonds, Issue of 2020, Series B, dated November 3, 2020 (the “Bonds”). In such capacity, we have examined a record of proceedings of the City authorizing the Bonds, a Tax Regulatory Agreement of the City dated November 3, 2020 (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 excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating 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 21, 2020 and other offering material relating to the Bonds.

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. 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.

Respectfully,

PULLMAN & COMLEY, LLC

Appendix B-2

Form of Opinion of Bond Counsel for Notes

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**FORM OF OPINION OF BOND COUNSEL
CITY OF MILFORD, CONNECTICUT
\$25,525,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES**

November 3, 2020

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 \$25,525,000 General Obligation Bond Anticipation Notes, dated November 3, 2020 (the “Notes”). In such capacity, we have examined a record of proceedings of the City authorizing the Notes, a Tax Regulatory Agreement of the City dated November 3, 2020 (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 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 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 Notes in order that interest on the 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 Notes to ensure that interest on the Notes shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Notes.

In rendering the below opinions regarding the federal treatment of interest on the 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 Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating 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 Notes.

We are further of the opinion that, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and 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 Notes.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated October 21, 2020 and other offering material relating to the Notes.

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. We have not undertaken to advise whether any events after the date of issuance of the Notes, including the adoption of federal tax legislation, may affect the tax status of interest on the Notes.

Respectfully,

PULLMAN & COMLEY, LLC

Appendix C-1

Form of Continuing Disclosure Agreement for Bonds

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

**In Connection With The Issuance and Sale of
\$22,560,000 City of Milford, Connecticut
General Obligation Bonds, Issue of 2020, Series B**

This Continuing Disclosure Agreement (“Agreement”) is made as of November 3, 2020, by the City of Milford, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$22,560,000 General Obligation Bonds, Issue of 2020, Series B dated November 3, 2020 (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 21, 2020 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;

Note to clause (a)(vii): For the purposes of the event identified in clause (a)(vii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

- (viii) Bond defeasances;
- (ix) rating changes; and
- (x) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(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;
- (vi) appointment of a successor or additional trustee, or the change in the name of the trustee; and
- (vii) incurrence of a financial obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders.

Note to clauses (a)(x) and (b)(vii): For purposes of the events identified in clauses (a)(x) and (b)(vii), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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: _____
Marianne Klinga, City Treasurer

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

Appendix C-2

Form of Continuing Disclosure Agreement for Notes

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

**In Connection With The Issuance and Sale of
\$25,525,000 City of Milford, Connecticut
General Obligation Bond Anticipation Notes**

This Continuing Disclosure Agreement (“Agreement”) is made as of November 3, 2020, by the City of Milford, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$25,525,000 General Obligation Bond Anticipation Notes dated November 3, 2020 (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 21, 2020 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;

Note to clause (a)(vii): For the purposes of the event identified in clause (a)(vii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(viii) Note defeasances;

(ix) rating changes; and

(x) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties.

(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 Noteholders;

(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;

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

(vii) incurrence of a financial obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders.

Note to clauses (a)(x) and (b)(vii): For purposes of the events identified in clauses(a)(x) and (b)(vii), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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: _____
Marianne Klinga, City Treasurer

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

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Appendix D-1

Notice of Sale for Bonds

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NOTICE OF SALE

CITY OF MILFORD, CONNECTICUT
\$22,560,000 GENERAL OBLIGATION BONDS, ISSUE OF 2020, SERIES B
(the “Bonds”)

ELECTRONIC BIDS via **PARITY®** will be received by the **CITY OF MILFORD, CONNECTICUT** (the “City”) at the office of Phoenix Advisors, the City’s Municipal Advisor, 53 River Street, Milford, Connecticut 06460, until **11:30 A.M. (Eastern Time), WEDNESDAY**

OCTOBER 21, 2020

(the “Bid Date”) for the purchase of all (but not less than all) of \$22,560,000 General Obligation Bonds, Issue of 2020, Series B, 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>
2021	\$1,130,000	2031	\$1,130,000
2022	\$1,125,000	2032	\$1,130,000
2023	\$1,125,000	2033	\$1,130,000
2024	\$1,125,000	2034	\$1,130,000
2025	\$1,125,000	2035	\$1,130,000
2026	\$1,125,000	2036	\$1,130,000
2027	\$1,125,000	2037	\$1,130,000
2028	\$1,125,000	2038	\$1,130,000
2029	\$1,125,000	2039	\$1,130,000
2030	\$1,130,000	2040	\$1,130,000

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, 2021 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 15, 2020.

The Bonds **SHALL 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.

Optional Redemption

The Bonds maturing on November 1, 2028 and thereafter are subject to redemption prior to maturity, at the election of the City, on or after November 1, 2027, 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:

<u>Redemption Period</u>	<u>Redemption Price</u>
November 1, 2027 and thereafter	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 received ratings “AA+” and “AAA” from S&P Global Ratings and Fitch Ratings, respectively, on 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 15, 2020, 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 7th business day after the day bids on the Bonds are received. If the City’s municipal 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 municipal 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 11:30 A.M. (Eastern Time) on Wednesday, October 21, 2020, 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. If two or more equal bids are received, the Director of Finance will determine by lot which bid, if any, shall be accepted and that determination shall be final. The purchase price must be paid in immediately available Federal Funds.

For the purpose of determining the winning bidder, the true interest cost to the City will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds from their respective payment dates to the date of delivery, results in an amount equal to the purchase price for the Bonds. It is requested that each proposal be accompanied by a statement of the true interest cost percentage computed and rounded to six decimal places. Such statement shall not be considered as a part of the proposal.

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.

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 an executed copy of the Continuing Disclosure Agreement for the Bonds, 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 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 3, 2020 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 Phoenix Advisors, LLC to obtain CUSIP numbers for the Bonds prior to delivery, and Phoenix Advisors, LLC will provide the CUSIP Service Bureau with the final details of the sale, including the identity of the winning bidder or bidders. The City will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of Phoenix Advisors, LLC 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 bids or proposals and to reject any bid or proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any bid or 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.

Establishment of Issue Price

In order to provide the City with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the City at or prior to the delivery of the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the City.

The City intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Rule”) because:

- (1) The City shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. Acceptance by the City of a bid pursuant to this Notice of Sale shall constitute a written contract between the City and the winning bidder.

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

In the event that the Competitive Sale Rule is not satisfied, the City shall so advise the successful bidder in writing on the sale date. The City may treat the first price at which 10% of a maturity of the Bonds (the "Actual Sale Rule") is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis. The successful bidder shall advise the City if any maturity of the Bonds satisfies the Actual Sale Rule as of the Bid Date.

Thereafter until the Actual Sale Rule has been satisfied as to each maturity of the Bonds, the successful bidder agrees to promptly report to the City the prices at which the unsold Bonds of each maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until the Actual Sale Rule has been satisfied for each maturity or until all Bonds of that maturity have been sold.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public.

Sales of any Bonds to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (1) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (2) *Related Party* generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

- (3) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

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

MARIANNE KLINGA
City Treasurer

PETER A. ERODICI, JR.
Director of Finance

October 15, 2020

Appendix D-2

Notice of Sale for Notes

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NOTICE OF SALE

\$25,525,000

**CITY OF MILFORD, CONNECTICUT
GENERAL OBLIGATION BOND ANTICIPATION NOTES
BOOK-ENTRY ONLY**

SEALED PROPOSALS, TELEPHONIC BIDS and ELECTRONIC BIDS via **PARITY**[®] (as described herein) will be received by the **CITY OF MILFORD, CONNECTICUT** (the “City”) at the office of Phoenix Advisors, the City’s Municipal Advisor, 53 River Street, Milford, Connecticut 06460, until **11:00 A.M. (Eastern Time), WEDNESDAY,**

OCTOBER 21, 2020

for the purchase of \$25,525,000 City of Milford, Connecticut General Obligation Bond Anticipation Notes (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 municipal 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 3, 2020 and will mature and be payable to the registered owner on November 2, 2021 as further described in the Preliminary Official Statement for the Notes dated October 15, 2020 (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.

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 Notes. 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 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 information in this Notice of Sale is only a brief summary of certain provisions of the Notes. For further information about the Notes, reference is hereby made to the Preliminary Official Statement, dated October 15, 2020.

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

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.

Ratings

The City has received ratings “SP-1+” and “F1+” from S&P Global Ratings and Fitch Ratings, respectively, on the Notes. 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 Notes which is dated October 15, 2020, 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 10 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 Notes or by the 7th business day after the day bids on the Notes are received. If the City’s municipal advisor is provided with the necessary information from the winning purchaser by noon of the date following the day bids on the Notes are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rate, ratings, yield or reoffering price, the name of the managing underwriter, and any corrections. The purchaser shall arrange with the municipal 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 Notes to the ultimate purchasers.

The City will enter into a Continuing Disclosure Agreement with respect to the Notes, substantially in the form attached as Appendix C-2 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), notice of the occurrence of certain events with respect to the Notes within ten (10) business days of such event. 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.

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 municipal advisor. All telephone bids must be made to (203) 878-4945 and be completed by 11:00 A.M. (Eastern Time) on Wednesday, October 21, 2020.

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 \$25,000, 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.

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 Notes or this Notice of Sale and to postpone, from time to time, the date or time established for the receipt of the bids.

Settlement of the Notes

The Notes will be available for delivery on or about November 3, 2020. 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 Phoenix Advisors, LLC to obtain CUSIP numbers for the Notes prior to delivery, and Phoenix Advisors, LLC will provide the CUSIP Service Bureau with the final details of the sale, including the identity of the winning bidder or bidders. The City will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of Phoenix Advisors, LLC 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 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.

Establishment of Issue Price

In order to provide the City with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), relating to the exclusion of interest on the Notes from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the City at or prior to the delivery of the Notes an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public (the "Initial Offering Price") or the actual sales price or prices of the Notes, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. However, such certificate may indicate that the winning bidder has purchased the Notes for its own account in a capacity other than as an Underwriter, and currently has no intent to reoffer the Notes for sale to the Public (as defined below). For purposes of this "Establishment of Issue Price" section, Bond Counsel may act on behalf of the City.

The City intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "Competitive Sale Rule") because:

- (1) the City shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest net interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid. Acceptance by the City of a bid pursuant to this Notice of Sale shall constitute a written contract between the City and the winning bidder.

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

In the event that the Competitive Sale Rule is not satisfied, the City shall so advise the successful bidder in writing on the sale date. The City may treat the first price at which 10% of the Notes (the "Actual Sale Rule") are sold to the Public as the issue price of the Notes. The successful bidder shall advise the City if the Notes satisfy the Actual Sale Rule as of the date and time of the award of the Notes.

If the Competitive Sale Rule is not satisfied, then until the Actual Sale Rule is satisfied for the Notes, the winning bidder agrees to promptly report to the City and Bond Counsel the prices at which the unsold Notes have been sold to the Public. This reporting obligation shall continue, whether or not the Closing Date has occurred, until the Actual Sale Rule is satisfied for the Notes.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to report the prices at which it sells to the Public the unsold Notes allotted to it until it is notified by the winning bidder that the Actual Sales Rule has been satisfied as to the Notes, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the Public the unsold Notes allotted to it until it is notified by the winning bidder or such Underwriter that the Actual Sales Rule has been satisfied as to the Notes, if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (1) *"Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (1) *"Related Party"* generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (2) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

Additional Information

For more information regarding the Notes 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

MARIANNE KLINGA
City Treasurer

PETER A. ERODICI, JR.
Director of Finance

October 15, 2020

(See attached for form of Proposal for Notes)

PROPOSAL FOR NOTES

October __, 2020

BENJAMIN G. BLAKE, Mayor
MARIANNE KLINGA, 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 15, 2020, which Notice is made a part of this proposal, we offer to purchase the principal amount of the \$25,525,000 City of Milford, Connecticut General Obligation Bond Anticipation Notes, 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 \$25,525,000) 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)