

# Preliminary Official Statement Dated January 5, 2021

**NEW MONEY ISSUE: Book-Entry-Only**

**RATING: S&P Global Ratings: "AA+"**

In the opinion of Bond Counsel, assuming the accuracy of and compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), under existing statutes, interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax; the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the code; interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. (See Appendix B "Opinion of Bond Counsel and Tax Status" herein.)



## Town of Bloomfield, Connecticut

**\$9,730,000\***

### General Obligation Bonds, Issue of 2021

**(Bank Qualified)**

**Dated: Date of Delivery**

**Due: January 15, 2022-2041,  
As shown below:**

| Year | Principal* | Coupon | Yield | CUSIP <sup>1</sup> | Year | Principal* | Coupon | Yield | CUSIP <sup>1</sup> |
|------|------------|--------|-------|--------------------|------|------------|--------|-------|--------------------|
| 2022 | \$ 490,000 | ..%    | ..%   | 093851             | 2032 | \$ 485,000 | ..%    | ..%   | 093851             |
| 2023 | 490,000    | ..%    | ..%   | 093851             | 2033 | 485,000    | ..%    | ..%   | 093851             |
| 2024 | 490,000    | ..%    | ..%   | 093851             | 2034 | 485,000    | ..%    | ..%   | 093851             |
| 2025 | 490,000    | ..%    | ..%   | 093851             | 2035 | 485,000    | ..%    | ..%   | 093851             |
| 2026 | 490,000    | ..%    | ..%   | 093851             | 2036 | 485,000    | ..%    | ..%   | 093851             |
| 2027 | 490,000    | ..%    | ..%   | 093851             | 2037 | 485,000    | ..%    | ..%   | 093851             |
| 2028 | 485,000    | ..%    | ..%   | 093851             | 2038 | 485,000    | ..%    | ..%   | 093851             |
| 2029 | 485,000    | ..%    | ..%   | 093851             | 2039 | 485,000    | ..%    | ..%   | 093851             |
| 2030 | 485,000    | ..%    | ..%   | 093851             | 2040 | 485,000    | ..%    | ..%   | 093851             |
| 2031 | 485,000    | ..%    | ..%   | 093851             | 2041 | 485,000    | ..%    | ..%   | 093851             |

The Bonds will bear interest payable July 15, 2021 and semiannually thereafter on January 15 and July 15 in each year until maturity.

**The Bonds are subject to redemption prior to maturity as herein provided. See "Redemption Provisions" herein.**

**Electronic bids via PARITY® for the Bonds will be received until 11:30 a.m. (Eastern Time) on Tuesday, January 12, 2021, at the Office of Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460.**

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

The Bonds are issuable only as fully-registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the bondowner, as nominee of DTC, reference herein to the bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only Transfer System" herein.

The Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Bonds will be U.S. Bank National Association, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut 06103.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC in New York, New York on or about January 27, 2021.

\*Preliminary, subject to change.

<sup>1</sup> Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity 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.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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

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

Set forth in Appendix A – "2020 Financial Statements Excerpted from the Town's Comprehensive Annual Financial Report" hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Bond Counsel is not passing on and does not assume any responsibility for the accuracy or completeness of the statements made in this Official Statement, (other than matters expressly set forth as its opinion in Appendix B "Opinion of Bond Counsel and Tax Status" herein), and makes no representation that it has independently verified the same.

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## **Bond Issue Summary**

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

|   |   |
|---|---|
| <b>Date of Sale:</b>  | Tuesday, January 12, 2021 at 11:30 A.M. (Eastern Time).   |
| <b>Location of Sale:</b>  | Office of Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460.   |
| <b>Issuer:</b>  | Town of Bloomfield, Connecticut (the "Town").   |
| <b>Issue:</b>   | \$9,730,000* General Obligation Bonds, Issue of 2021 (the "Bonds").   |
| <b>Dated Date:</b>  | Date of Delivery  |
| <b>Principal and Interest Due:</b>                                    | Principal due serially January 15, 2022 through January 15, 2041. Interest due January 15 and July 15 in each year until maturity, commencing July 15, 2021.  |
| <b>Authorization and Purpose:</b>                                     | The Bond proceeds will be used to finance various general purpose projects.   |
| <b>Redemption:</b>  | The Bonds are subject to redemption prior to maturity. See "Redemption Provisions" herein.  |
| <b>Security:</b>  | The Bonds will be general obligations of the Town of Bloomfield, Connecticut, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.   |
| <b>Credit Rating:</b>   | The Bonds have been rated "AA+" by S&P Global Ratings.  |
| <b>Bond Insurance:</b>  | The Town does not expect to purchase a credit enhancement facility.   |
| <b>Basis of Award:</b>  | Lowest True Interest Cost (TIC), as of the dated date.  |
| <b>Tax Exemption:</b>   | See Appendix B - "Opinion of Bond Counsel and Tax Status".  |
| <b>Bank Qualification:</b>  | The Bonds <u>shall be</u> designated by the Town 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 of interest expense allocable to the Bonds.   |
| <b>Continuing Disclosure:</b>   | In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data, timely notice of the occurrence of certain events with respect to the Bonds and timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement. |
| <b>Registrar, Transfer Agent, Certifying Agent, and Paying Agent:</b> | U.S. Bank National Association, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford, Connecticut 06103.  |
| <b>Municipal Advisor:</b>   | Phoenix Advisors, LLC of Milford, Connecticut. Telephone (203) 283-1110.  |
| <b>Legal Opinion:</b>   | Day Pitney LLP, of Hartford, Connecticut.   |
| <b>Delivery and Payment:</b>  | It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about January 27, 2021. Delivery of the Bonds will be made against payment in Federal Funds.   |
| <b>Issuer Official:</b>   | Questions concerning the Official Statement should be addressed to Sharon G. Harris, Deputy Director of Finance, Town of Bloomfield, 800 Bloomfield Avenue, Bloomfield, CT 06002. Telephone: (860) 769-3536.  |

*\*Preliminary, subject to change.*

## **SECTION I – SECURITIES OFFERED**

### **Introduction**

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Bloomfield, Connecticut (the “Town”), in connection with the issuance and sale of \$9,730,000\* General Obligation Bonds, Issue of 2021 (the “Bonds”) of the Town.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated January 5, 2021 has been furnished to prospective bidders. Reference is made to the Notice of Sale, which is included as Appendix D for the terms and conditions of the bidding.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any 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. All quotations from and summaries and explanations of provisions of Statutes, Charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete, are subject to repeal or amendment, and are qualified in their entirety by reference to such laws and the original official documents. All references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

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

The presentation of information in this Official Statement is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town.

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

### **Municipal Advisor**

Phoenix Advisors, LLC, of Milford, Connecticut will serve as Municipal Advisor to the Town with respect to the issuance of the Bonds (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 Bonds, investors should consider carefully the information in this Official Statement and, in addition to those investment characteristics of fixed-rate municipal debt obligations, consider the following factor:

#### **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 as a result of the COVID-19 outbreak. The U.S. Centers for Disease Control and Prevention (CDC) has warned that some areas in the United States are experiencing community spread of COVID-19 and that widespread transmission of COVID-19 in the United States is likely to continue. The outbreak of the virus has affected travel, commerce and financial markets globally, and is widely expected to affect economic growth worldwide.

*\*Preliminary, subject to change.*

There can be no assurances that the ongoing impact of COVID-19 will not materially affect local, state, national, and global activity; increase public health emergency response costs; and materially adversely impact the financial condition of the Town. As the situation evolves, states, municipalities, businesses and individuals appear to have altered behaviors in manners that are having negative effects on global, national, state and local economies. The financial, stock and bond markets in the United States and globally have seen significant volatility attributed to COVID-19.

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

On March 10, 2020, the Connecticut Governor declared a state of emergency throughout the State of Connecticut as a result of the COVID-19 outbreak. State agencies have been directed to use all resources necessary to prepare for and respond to the outbreak. Initially, the Governor cancelled all public-school classes for all students, restricted social and recreational gatherings, 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 and required closure of all non-essential businesses and not-for-profit entities. Additionally, by executive order, the Governor instituted a 60-day residential rent moratorium and extended the date for adoptions of municipal budgets which fell on or before May 15, 2020 by up to 30 days. The Governor has ordered a phased re-opening of the state, and various activities are in various stages of resumption.

On April 1, 2020, the Connecticut Governor issued Executive Order No. 7S, which, among other things, calls for Connecticut municipalities, including the Town of Bloomfield, to offer to eligible taxpayers impacted by COVID-19 one or both of the following tax relief programs: a three (3) month Deferment Program or a three (3) month Low Interest Rate Program. Both programs are applicable to amounts payable or delinquent during the period from March 10, 2020 to and including July 1, 2020 and apply to taxes on real property, personal property or motor vehicles, and water, sewer and electric rates, charges and assessments. The Deferment Program provides for a three (3) month deferment from the time the amount becomes due and payable. However, financial institutions and mortgage servicers that hold property tax payments in escrow are required to continue to remit property taxes to the Town according to the regular timetable, so long as the borrower remains current on its mortgage or is in a mortgage forbearance or deferment program. The Low Interest Rate Program provides for a three percent (3%) cap on the interest rate due on the principal amount of delinquent payments. The low interest period runs for three (3) months from the date the payment is due and payable. With respect to payments delinquent on or prior to March 10, 2020, interest shall be capped at three percent (3%) for three (3) months from April 1, 2020. Following the three (3) month period, the interest rate may return to that previously established. Executive Order No. 7S required municipalities to select and implement one or both of the tax relief programs, and to notify the Secretary of the Office of Policy and Management no later than April 25, 2020, in which program or programs it is electing to participate.

The Town Council, at a meetings held on April 14, 2020 elected to participate in both the three-month deferment program and low interest rate programs. Under this program eligible taxpayers, businesses, nonprofits, and residents could apply for a three month deferment on any taxes on real property, personal property or motor vehicles, sewer and waste charges and assessments from the time such taxes first became due and payable during the period beginning April 1, 2020 to and including July 1, 2020. The low interest rate program provided a cap on the interest rate due on the principal amount of delinquent payments. Eligible taxpayers, businesses, nonprofits, and residents are defined as those that attest to or document to the Town that they have been significantly adversely affected by the COVID-19 pandemic.

Landlords were eligible for the three month deferment program only if Commensurate Forbearance was offered to their tenants; in accordance with OPM guidance, "Commensurate Forbearance", for purposes of this program, means either a) a deferral of 25% of rent (approximating the property tax portion of rent) for three (3) months after its due date; b) a deferral of one month's rent to be paid over the three (3) month period, or c) forbearance substantially similar to (a) or (b) as determined by the tax collector. Documentation includes, but is not limited to, proof that some tenants or lessees have received forbearance or that the landlord has actively communicated with tenants or lessees to offer forbearance.

The three-month deferment program did not apply to financial institutions, escrow agents, banks, or mortgage service agents. These parties were required to remit escrow payments to the Town for property Taxes irrespective of the Town's election of the three-month deferment program.

On December 16, 2020, Connecticut Governor issued Executive Order No. 9R which, among other things, extended the two Connecticut municipal tax relief programs created under Executive Order 7S. Executive Order No. 9R extends the application of both programs to payments due January 1, 2021. The Deferment Program is now extended to payments due January 1, 2021, and taxpayers are offered a grace period through and including April 1, 2021. The Low Interest Rate Program, with respect to payments delinquent on or prior to January 1, 2021, interest shall be capped at three percent (3%) for 90 days through and including March 31, 2021. Following the 90 day period, the interest rate may return to that previously established.

Executive Order No. 9R requires municipalities to notify the Secretary of the Office of Policy and Management no later than December 30, 2020 if they elect to change the program in which they participate. If no such notice is received, the municipality will be deemed to have adopted the same program as selected under Executive Order No. 7S.

On April 10, 2020, the Governor issued Executive Order 7X (“Order 7X”) requiring landlords to grant 60-day rent extensions to residential tenants for April (automatically) and May (by request due to loss of income). Landlords can satisfy the commensurate forbearance and income decline requirements for tax and other relief under Order 7S for residential properties simply by complying with Order 7X, and for the Deferment Program by confirming they will do so in an e-mail to the tax collector.

The potential long-term impact of the COVID-19 pandemic on the Town cannot be predicted at this time, the continued efforts to mitigate the spread of the outbreak and any prolonged effects on the national, State and local economy could have a materially adverse effect on the Town’s finances. All Town buildings were closed to the public as of March 17, 2020 and employees worked from home or staggered their shifts to avoid working in close proximity whenever possible. However, the Town continued to provide all basic and essential services. The Town also began conducting council and commission meetings remotely. On June 8, 2020 the Town brought all employees back to work at Town buildings instead of from home. The Town also opened the Town Hall building to the public on a limited capacity basis.

While the COVID-19 pandemic poses potential risk at any time, the outbreak to date has not had a materially adverse effect on the Town for Fiscal Year 2020. Currently, the Town’s finances and financial plans remain stable and the Town collected 110.80% of budgeted revenues as of June 30, 2020, including the collection of 101.04% of budgeted property taxes. As of September 11, 2020, the Town has not experienced any negative impact as a result of the three-month deferment or low interest rate programs called for by Executive Order No. 7S. As of that date the Town had received 106 program applications covering \$346,910.64 in taxes. As of this date, all but 14,130.75 has been collected. Based on tax collections through September 30, 2020, the Town has adequate available, unencumbered General Fund balance sufficient to meet interim cash flow needs.

#### **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 \$2 trillion of relief to industries and entities throughout the country, including state and local governments. Under the CARES Act, \$150 billion will be appropriated to states and other units of government for activities that are directly related to COVID-19; the amount paid to each state will be based on population with a minimum payment of \$1.25 billion. In addition, the CARES Act will provide \$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 March 28, 2020, President Trump approved the Connecticut Governor’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.

The extent to which COVID-19 impacts the Town’s operations and its financial condition will depend on future developments, which are uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information which may emerge concerning the severity of COVID-19 and the actions to contain COVID-19 or treat its impact, among others.

## **Description of the Bonds**

The Bonds will mature on January 15 in each of the years as set forth on the cover page hereof. The Bonds will be dated the date of delivery and bear interest at the rates per annum specified on the inside cover page, payable semiannually on January 15 and July 15 in each year until maturity, commencing July 15, 2021. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. Interest is payable to the registered owner as of the close of business on the last business day of June and December, in each year, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree. A book-entry system will be employed evidencing ownership of the Bonds in principal amounts of \$5,000 or any multiple 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".

## **Redemption Provisions**

The Bonds maturing on or before January 15, 2028 are not subject to redemption prior to maturity. The Bonds maturing on January 15, 2029 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after January 15, 2028, at any time, either in whole or in part, in such amounts and in such order of maturity (but by lot within a maturity) as the Town may determine, at the redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

| <u>Redemption Date</u>                | <u>Redemption Price</u> |
|---------------------------------------|-------------------------|
| January 15, 2028 and thereafter ..... | 100%                    |

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date to the registered owner of the Bonds at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. 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 Town 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 Town, so long as Cede & Co., as nominee of The Depository Trust Company ("DTC"), is the registered owner of the Bonds, will send any notice of redemption only to DTC (or successor securities depository) or its successor nominee. Any failure of DTC to advise any Direct Participant or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its contents or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds 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 interests held by Direct 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 Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interest 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 Town authorizing the issuance of the Bonds and will not be conducted by or the responsibility of the Town, the Registrar or Paying Agent.

## **Authorization and Purpose**

**Public Works Complex Renovations/Expansion:** Renovations to and expansion of the Town's Public Works Complex located at 21 Southwood Drive, contemplated to include renovations to the existing building for shops, maintenance and vehicle storage, an office/employee facility and vehicle maintenance addition, drainage and paving, increased vehicle and material storage, site security and safety measures, removal of underground fuel tanks, a new fueling facility and wash bay, the acquisition of land or easements therein, and related work, improvements, equipment and appurtenances.



## Use of Proceeds

| <b>Project</b>                                  | <b>Amount<br/>Authorized</b> | <b>Previously<br/>Bonded /<br/>Paydowns</b> | <b>Maturing<br/>Notes<br/>Due: 1/27/21</b> | <b>This Issue:<br/>The Bonds*</b> |
|---|------------------------------|---|--|-----------------------------------|
| Public Works Complex Renovations/Expansion .... | \$ 11,683,000                | \$ 1,700,000                                | \$ 9,730,000                               | \$ 9,730,000                      |
| <b>Total .....</b>                              | <b>\$ 11,683,000</b>         | <b>\$ 1,700,000</b>                         | <b>\$ 9,730,000</b>                        | <b>\$ 9,730,000</b>               |

*\*Preliminary, subject to change.*

## Book-Entry-Only Transfer System

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

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example,

Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and Interest on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town 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 at any time by giving reasonable notice to the Town or its Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

### ***DTC Practices***

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will 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.

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## ***Replacement Bonds***

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

## ***Security and Remedies***

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. The Town may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of the tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income.

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

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

The Town is subject to suit on its general obligation bonds and notes and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have power in appropriate proceedings to order a payment of a judgment on such debt from funds lawfully available therefor or, in the absence thereof, to order the Town 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 Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

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

## ***Qualification for Financial Institutions***

The Bonds shall be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

## **Rating**

The Bonds have been rated “AA+” by S&P Global Ratings (“S&P”). The Town furnished to the rating agency certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of the rating agency and an explanation of the significance of the rating may be obtained from such rating agency. There is no assurance that the rating will continue for any given period of time or that it will not be revised or withdrawn entirely if in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of the rating may have an effect on the market price of the Town’s bonds and notes, including the Bonds.

The Town expects to furnish the rating agency with certain information and materials that the agency may request. However, the Town may issue short-term or other debt for which a rating is not requested.

## **Availability of Continuing Information**

The Town of Bloomfield prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State of Connecticut, Office of Policy and Management. The Town provides, and will continue to provide, to Moody’s Investors Service and S&P ongoing disclosure in the form of the annual financial report, recommended and adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

The Town will enter into Continuing Disclosure Agreement (“Form of Continuing Disclosure Agreement” with respect to the Bonds, substantially in the form attached as Appendix C to this Official Statement, to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data with respect to the Bonds, (ii) timely notice of the occurrence of certain events with respect to the Bonds not later than ten (10) business days after such occurrence and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for the Bonds. 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 respective Continuing Disclosure Agreement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to SEC Rule 15c2-12(b)(5). In the past five years, the Town has not failed to comply in any material respect with its undertakings under such agreements.

## **Bond Insurance**

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

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## SECTION II – THE ISSUER



## Connecticut

### **Description of the Town**

The Town of Bloomfield was first settled in 1642 and incorporated in 1835, and was originally part of the Town of Windsor. The Town covers approximately 26.9 square miles and is north of and adjacent to the City of Hartford. Other neighboring towns include Avon, East Granby, Simsbury, West Hartford and Windsor.

Bloomfield is a suburban, residential community with a significant commercial tax base. Over the past four fiscal years, the Town has experienced robust construction activity. Some of the more recent developments include a new 690,000 square foot Trader Joe’s distribution center that was completed in 2018 and employs 685 people. Also, Heirloom Flats, a 212-unit market rate luxury apartment complex located in the Town center, was completed in FY 2018. These units are considered to be fully occupied as of fall 2018. Local merchants have seen a boost due to the vibrant growth in the Town center. Please refer to the “Economic Development” section for more information.

The Town is served by a number of state highways with nearby access to Interstates 91 and 84. Bradley International Airport, located eight miles north of the Town, provides air passenger and air freight facilities.

### **Form of Government**

Bloomfield is administered under the Council–Manager form of government. The Town Charter, which is the primary organizational document, was first adopted in 1959 and last revised in November of 2005. The nine-member Town Council is elected biennially for a term of two years and serves without compensation. Minority party representation of at least three council members is guaranteed. The Town Manager is appointed by the Council and serves as a full-time chief executive officer. The annual budget is adopted through a Town Meeting/Town Council/elector process. See “Budget Adoption Procedure” herein.

The Director of Finance is an appointee of the Town Manager and is responsible for the financial affairs of the Town, including supervision of the Assessor's office, Tax Collector's office, and the Deputy Finance Director. The Director of Finance also oversees Information Systems and Purchasing / Risk Management for the Town.

The Bloomfield Center and Blue Hills Fire Districts provide fire and rescue services. Funding for the Districts' operations comes primarily from a separate tax levy. The Districts receive no subsidy from the Town. The Town's share of The Metropolitan District sewer levy is included in the Town's General Fund budget. See "Fire" and "Sewer and Water" below.

### **Principal Municipal Officials**

| <b>Office</b>             | <b>Name</b>                        | <b>Manner of Selection</b> | <b>Length of Service</b> |
|---------------------------|------------------------------------|----------------------------|--------------------------|
| Mayor                     | Suzette DeBeatham-Brown            | Elected/2 years            | 3 years                  |
| Deputy Mayor              | David M. Mann                      | Elected/2 years            | 3 years                  |
| Councilor                 | Patrick DeLorenzo                  | Elected/2 years            | 7 years                  |
| Councilor                 | Kevin Gough                        | Elected/2 years            | 3 years                  |
| Councilor                 | Rickford Kirton                    | Elected/2 years            | 3 years                  |
| Councilor                 | Danielle Wong                      | Elected/2 years            | 1 year                   |
| Councilor                 | Stephanie Calhoun                  | Elected/2 years            | 1 year                   |
| Councilor                 | Joe Merritt                        | Elected/2 years            | 29 years                 |
| Councilor                 | C. Francis Politis                 | Elected/2 years            | 1 year                   |
| Interim Town Manager      | Philip K. Schenck, Jr.             | Appointed                  | < 1 year                 |
| Director of Finance       | Vacant                             | Appointed                  | -                        |
| Deputy Finance Director   | Sharon Gentles Harris <sup>1</sup> | Appointed                  | 2 years                  |
| Tax Collector             | Jean Kitchens                      | Appointed                  | 34 years                 |
| Town Clerk                | Marguerite Phillips                | Appointed                  | 28 years                 |
| Assessor                  | Todd Helems                        | Appointed                  | 3 years                  |
| Treasurer                 | Shawn Samuels                      | Appointed                  | 1 year                   |
| Town Attorney             | Marc N. Needelman                  | Appointed                  | 29 years                 |
| Superintendent of Schools | James Thompson, Jr.                | Appointed                  | 10 years                 |
| Purchasing & Risk Manager | Nancy Haynes <sup>1</sup>          | Appointed                  | 6 years                  |

<sup>1</sup> Sharon Gentles Harris and Nancy Haynes are both acting as Co-Interim Directors of Finance along with their current roles with the Town.

### **Summary of Municipal Services**

**Police** <sup>1</sup>: The Town police department provides 24-hour service and has an authorized staff of 48 sworn personnel, including 29 patrolmen, four detectives, the Chief of Police, three lieutenants, ten sergeants, and one captain. In addition, there is one EMS coordinator, one animal control officer, and seven dispatchers that assist the department in all emergency calls.

**Fire**: Fire protection is provided by two independent fire districts, the Bloomfield Center Fire District, covering the central and northern parts of Town, and the Blue Hills Fire District, covering eastern and southern sections of Bloomfield. Each District maintains three fire stations. Together, the Districts have approximately 70 volunteers providing full coverage to the Town. The Districts, each of which is administered by an elected three-member Board of Fire Commissioners, levy their own taxes and receive no direct funding from the Town.

**Emergency Medical Services**: The Bloomfield Volunteer Ambulance Corps, with approximately 60 volunteers, provides emergency medical services to Town residents.

**Public Works** <sup>2</sup>: Under the direction of the Director of Public Works, this department handles street and highway maintenance and construction; park grounds maintenance; maintenance of all school grounds and athletic fields; grounds keeping for all public buildings and public areas; and motor vehicle maintenance for all Town departments. Additional support is provided to the school system, leisure services department and building maintenance department. The department has 19 full-time field operations personnel as well as six employees performing vehicle maintenance and seven employees performing facilities maintenance.

<sup>1</sup> The Bloomfield Police Department received federal accreditation from the Commission on Accreditation for Law Enforcement Agencies ("CALEA") in November 2015 and was reaccredited in FY 2019. In October of 2017, the department also received state accreditation by the State of Connecticut.

<sup>2</sup> The Bloomfield Public Works Department received agency accreditation in January of 2017, being only the 3<sup>rd</sup> in New England to receive from the American Public Works Association and first in the State of Connecticut.

**Solid Waste Disposal:** The Town provides curbside solid waste and recyclables collections to residents. The Town entered into a long-term service contract (the “Service Contract”) with the Connecticut Resources Recovery Authority (“CRRRA”) for the disposal of solid waste through the Mid-Connecticut System (the “System”). The Service Contract became effective November 16, 2012, and runs through 2027. CRRRA has since been superseded by the Materials Innovation and Recycling Authority (“MIRA”).

The Connecticut General Assembly adopted, and on June 6, 2014 Governor Malloy signed, Public Act 14-94, which establishes MIRA as the successor authority to CRRRA. Pursuant to this legislation, MIRA will continue to provide solid waste materials management services, with a focus on the development of additional resource recovery, recycling, and processing enterprises on property owned by the CRRRA and the attendant redevelopment of the Connecticut Solid Waste System. The legislation provides generally that MIRA has assumed the rights and responsibilities of CRRRA, and that: (1) all orders or regulations of CRRRA remain in full force and effect as orders or regulations of MIRA, (2) MIRA is substituted for CRRRA in any outstanding legal proceedings, (3) contracts, rights of action or matters undertaken or commenced by CRRRA will now be undertaken and completed by MIRA under the same terms and conditions, (4) the officers and employees of CRRRA are the officers and employees of MIRA, and (5) all property of CRRRA is the property of MIRA.

Each municipality signing the Service Contract, including the Town, has agreed to cause to be delivered to the System all of the solid waste under the legal control of the municipality. MIRA is required to impose service payments at a uniform rate per ton for all municipalities, such that the aggregate of all such service payments received by MIRA shall be sufficient to pay for the net cost of operation of the System as defined in the Service Contract. Under the Service Contract, the Town has no obligation for a minimum tonnage commitment; however it must commit to a “flow control” provision which requires that all solid waste and residential recyclables generated within its borders be directed to the MIRA facility. A disposal fee of \$91.00/ton is in effect for Fiscal Year 2021.

MIRA is required to accept and dispose of solid waste in accordance with the Service Contract and with acceptable business standards. Each municipality retains the responsibility for the collections, disposal and treatment of solid waste that does not meet the requirements of MIRA or that it refuses or is unable to accept under the Service Contract.

Prior to the start of each contract year MIRA estimates (i) the service payments to be paid by each municipality for such contract year and (ii) the annual budget for the System and submits such information to each municipality. Each municipality is then required to make all provisions necessary to pay the service payments on a timely basis. The service payments remain in effect for the contract year with differences between the aggregate of all such service payments and the net cost of operation for each contract year being settled in the following contract year. A municipality is obligated to make service payments only if MIRA accepts solid waste delivered by the municipality.

All municipalities, including the Town, pledge their full faith and credit for the payment of all service payments and any delayed-payment charges and costs and expenses of MIRA and its representatives in collecting overdue service payments. To the extent that a municipality does not make provisions or appropriations necessary to provide for and authorize the payment by such municipality to MIRA of the payments required to be made by it under the Service Contract, the remaining municipalities, including the Town, must levy and collect such general or special taxes or cost sharing or other assessments as may be necessary to make such payments in full when due thereunder.

In May 2010, the Town became a member of the Central Connecticut Solid Waste Authority (“CCSWA”). CCSWA is a regional resource recovery authority established and operated under the provisions of Chapter 103b of the Connecticut General Statutes to jointly manage solid waste and recycling services on behalf of its member municipalities. As of January 2020, there were 8 member municipalities. Following a bidding process for solid waste disposal and recycling services undertaken by the CCSWA, master agreements for the member municipalities, including the Service Contract, were negotiated with MIRA. The Town continues to be a member of CCSWA, which is anticipated to continue its advocacy efforts on solid waste issues for its member municipalities.

**Sewer and Water:** The Metropolitan District Commission (the “MDC”), a regional water and sewer utility, provides water and sewer facilities for the Town. The Town pays the sewer user charge. The MDC assesses its eight member towns for residential sewer service annually using total tax revenues received in each town averaged over the previous three years in relation to the total of all of the member towns. The Town’s share in Fiscal Year 20-21 totaled \$4,074,650. The Town comprises approximately 7.5% of the total MDC sewer budget. Water consumers are invoiced directly by the MDC on a quarterly basis.

The member towns of the District have approved two referenda for a total of \$1.6 billion for the financing of improvements to address certain regulatory requirements to curtail sanitary sewer overflows and combined sewer overflows to local waterways and the Connecticut River, as well as excessive nutrient discharges. Specific projects are mandated in accordance with consent orders that have been entered into between the District and the U.S. Department of Justice, the U.S. Environmental Protection Agency and the State of Connecticut Department of Environmental Protection. Such projects are to be completed within 15 years.

**Public Health:** In 1996, the West Hartford–Bloomfield Health District was formed. The District provides services for reportable diseases, health education, nutritional services, maternal and child health (including a well child clinic), communicable and chronic disease control, environmental health issues and community nursing services. For Fiscal Year 20-21, the Town has been assessed to fund District services in the annual amount of \$277,373.

**Leisure Services:** The Town has actively pursued land acquisitions and now has over 1,800 acres of passive and recreational open space. The Leisure Services Department manages three seasonal semesters of recreational programs and maintains outdoor recreation facilities and open spaces, including the Town’s Olympic-size municipal pool. Support is also provided to non-profit recreation organizations that are involved in youth athletics and other community programs.

**Libraries:** The Town operates two libraries with 13 full-time and 23 part-time staff. They provide a full range of adult and children’s services.

### Principal Public Facilities

| Facility                            | Date Constructed | Additions and Renovations | Type of Construction | Planned Major Improvements   |
|-------------------------------------|------------------|---------------------------|----------------------|------------------------------|
| Town Hall .....                     | 1961             | 1973, 1995, 2014          | Masonry              | Chiller Replacement          |
| Human Services Center .....         | 2019             |                           | Masonry              | New Building Completed       |
| Police Facility .....               | 1991             | 2012, 2018                | Masonry              |                              |
| Public Works Facility .....         | 1966             | 2019                      | Masonry              | Building Renovations Ongoing |
| Prosser Library .....               | 1964             | -                         | Masonry              | New Building contemplated    |
| Wintonbury Library .....            | 1972             | 2015                      | Masonry              | -                            |
| Bloomfield Volunteer Ambulance .... | 1975             | 1981, 1999, 2012          | Masonry              | -                            |

Source: Town of Bloomfield, Department of Public Works.

### Educational System

The Town provides a kindergarten through grade twelve educational system. An elected seven-member Board of Education has the oversight responsibility for the system. The primary function of the Board is to establish policy, set curriculum, submit budget requests, ensure appropriated funds for education are properly expended, and plan for facilities, including construction and renovations. A full-time Board-appointed Superintendent is responsible for operations.

### School Facilities

| School  | Grades  | Date of Construction/     |  | Number of Classrooms | Enrollment 10/1/2020 <sup>2</sup> | Rated Capacity <sup>1</sup> |
|---|---------|---------------------------|--|----------------------|-----------------------------------|-----------------------------|
|   |         | Additions and Renovations |  |                      |                                   |                             |
| Bloomfield High .....                             | 9–12    | 1956 (2009)               |  | 55                   | 506                               | 1,012                       |
| Global Experience Magnet School ....              | 6–12    | 1987 (2012)               |  | 15                   | 192                               | 220                         |
| Carmen Arace Middle/<br>Intermediate School ..... | 5–8     | 1971 (2009)               |  | 70                   | 234                               | 1,072                       |
| Laurel Elementary .....                           | K–2     | 1963 (2012)               |  | 20                   | 319                               | 494                         |
| Metacomet Elementary .....                        | 3–4     | 1963 (2011)               |  | 20                   | 214                               | 358                         |
| Wintonbury Early Childhood<br>Magnet School ..... | Pre-K–K | 2009                      |  | 18                   | 309                               | 336                         |
| <b>Total</b> .....                                |         |                           |  | 198                  | 1,774                             | 3,492                       |

<sup>1</sup> Rated Capacity has been revised to reflect the rating based on the State Department of Education Space Standards.

<sup>2</sup> Does not include 8 students in an alternative learning program who are not schooled in a Bloomfield facility.



### School Enrollments

| <b>School<br/>Year</b> | <b>Grades<br/>Pre-K - 4</b> | <b>Grades<br/>5 - 6</b> | <b>Grades<br/>7 - 8</b> | <b>Grades<br/>9 - 12</b> | <b>Total<br/>Enrollment</b> |
|------------------------|-----------------------------|-------------------------|-------------------------|--------------------------|-----------------------------|
| <i>Historical</i>      |                             |                         |                         |                          |                             |
| 2011-2012              | 894                         | 263                     | 286                     | 708                      | 2,151                       |
| 2012-2013              | 894                         | 250                     | 291                     | 673                      | 2,108                       |
| 2013-2014              | 870                         | 250                     | 279                     | 688                      | 2,087                       |
| 2014-2015              | 914                         | 243                     | 282                     | 667                      | 2,106                       |
| 2015-2016              | 910                         | 251                     | 262                     | 644                      | 2,067                       |
| 2016-2017              | 941                         | 272                     | 267                     | 665                      | 2,145                       |
| 2017-2018              | 926                         | 278                     | 282                     | 650                      | 2,136                       |
| 2018-2019              | 940                         | 272                     | 298                     | 662                      | 2,172                       |
| 2019-2020              | 925                         | 272                     | 332                     | 663                      | 2,192                       |
| 2020-2021              | 845                         | 266                     | 345                     | 603                      | 2,059                       |
| <i>Projected</i>       |                             |                         |                         |                          |                             |
| 2021-2022              | 943                         | 272                     | 309                     | 658                      | 2,182                       |

Source: Town of Bloomfield, Bloomfield Board of Education.

### Municipal Employees

|                                       | <b>2020-21</b> | <b>2019-20</b> | <b>2018-19</b> | <b>2017-18</b> | <b>2016-17</b> |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| General Government .....              | 173            | 173            | 172            | 171            | 170            |
| Board of Education <sup>1</sup> ..... | 465            | 471            | 445            | 433            | 414            |
| <b>Total</b> .....                    | <b>638</b>     | <b>644</b>     | <b>617</b>     | <b>604</b>     | <b>584</b>     |

<sup>1</sup> Based upon full-time equivalents.

Source: Town of Bloomfield, Director of Finance / Bloomfield Board of Education.

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## Municipal Employees Bargaining Organizations

| <b>Employees</b>  | <b>Organization</b>  | <b>Positions Covered</b> | <b>Current Contract Expiration Date</b> |
|---|--|--------------------------|---|
| <b>General Government</b>   |  |                          |   |
| Police .....  | Fraternal Order of Police  | 49                       | 6/30/2019 <sup>1</sup>                  |
| Municipal Employees .....   | Teamsters Local 671  | 33                       | 6/30/2022                               |
| Town Hall Employees .....   | United Public Service Employees Union                                    | 29                       | 6/30/2019 <sup>2</sup>                  |
| <b>Board of Education</b>   |  |                          |   |
| Administrators .....  | Bloomfield Administrators Association                                    | 11                       | 6/30/2021                               |
| Teachers .....  | Bloomfield Education Association   | 269                      | 6/30/2022                               |
| Custodians, Special Education Drivers,<br>Maintenance and Cafeteria Workers ... | United Public Service Employees Union Unit 12                            | 140                      | 6/30/2019 <sup>2</sup>                  |
| Clerical, Secretarial, Paraprofessional .....                                   | Bloomfield Federation of Educational Personnel                           | 53                       | 6/30/2019 <sup>2</sup>                  |
| Nurses .....  | Bloomfield School Nurses Association                                     | 8                        | 6/30/2021                               |
| Technology .....  | United Public Service Employees Union Unit 33<br>(combined with Unit 12) | -                        | 6/30/2019                               |
|   | <b>Total .....</b>   | <b>592</b>               |   |

<sup>1</sup> In Arbitration.

<sup>2</sup> In Negotiations.

Source: Town of Bloomfield, Director of Finance / Bloomfield Board of Education.

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 certified teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, 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 considers 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.

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## **SECTION III – ECONOMIC AND DEMOGRAPHIC DATA SECTION**

### ***Economic Development***

The Town's economic development activity is headed by the Director of Planning. Beginning in June 2014, these efforts have also been aided by Goman & York Property Advisors, LLC. The addition of their resources is an effort to jumpstart the Town's economic development activities as the Town looks to implement the recently adopted Bloomfield Center Plan (described below) and other strategies adopted by the Town. These efforts, which are part of a larger development effort in the Town, work in a collaborative effort with the Town Planning and Zoning Commission and the Economic Development Commission to assist in promoting the stated economic development plan goals and objectives. These efforts include attracting and assisting commercial development, the creation of new jobs and providing technical assistance.

Fiscal year 2019-2020 saw a continuation of robust construction activity in Bloomfield with over \$1.7 million in permit revenues representing a construction value of approximately \$98 million. The Building Department issued 1,921 permits during fiscal year 2019-2020. Major developments that were completed in fiscal year 2020 include:

- ABB Electrification received permits to renovate a building at 45 Griffin Road South for a new product development center which will add 170 employees in Town. The company also plans to add 30 additional engineers over the next couple of years.
- A new 30,000 sq. ft. commercial building is also being built at 111 Phoenix Crossing which will be subdivided in to four tenant spaces.
- Otis Elevator also underwent a major renovation and consolidated its North American Service business operations in its Bloomfield facility.
- Niagara Bottling added a new processing line at a cost of over \$1.2 million.
- 1296 Blue Hills Ave - Back-East Brewery major expansion including an additional Tap Room and outside patio.
- 100 Poquonock Road - New Construction for a 48x72 commercial shop for a landscape company.
- 1350 Hall Blvd -Cigna University (Training Facility) 5000 sq. ft. addition
- 470 Cottage Grove Rd – Construction of 38 units of Specialty Housing.
- Multi-million dollar renovation and upgrade to the T-Mobile switching facility at 100 Filley Street.
- commercial kennel and dog care facility (Camp Bow-Wow) at 122 West Dudley Town Road.
- New convenience store with gasoline sales at 36 Tunxis Avenue in the Town Center.
- Building permits issued for 120 new duplex housing units in a 61 lot subdivision off Privilege Road. The first fifteen Certificates of Occupancy have been issued this fall.
- Construction continues on CIGNA's multi-phase \$90 million investment in World Headquarters campus in Bloomfield.
- Renovations for a new medical office/clinic and surgery center at 10 Jolley Drive (Former Syd Miller Property).
- A new Urgent Care Center has opened in the Town Center

Although it is difficult to predict that our robust levels of construction will continue into future years, there are other projects underway that will develop further in fiscal year 2020-21 and beyond. Included in these are a 38-unit specialty housing project which is finally under construction. Also under construction is a new K-8 CREC magnet school. Phases II & III of the Town Center apartment project are in the design and final approval phase. These two projects will add another 200 units of market-rate apartments to the Town Center. CIGNA also announced a multi-phase \$90 million investment in its World Headquarters campus in Bloomfield. The Town granted a phased seven-year 50% tax abatement to Cigna on any incremental increases in its tax assessments due to the new work. Work on Phase I improvements began this fiscal year. Also, in the short-term and, on the residential front, is a 61-lot subdivision that will add 122 units in duplex structures.

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## Population Trends and Densities

| <b>Year</b>       | <b>Actual<br/>Population<sup>1</sup></b> | <b>% Increase</b> | <b>Density<sup>2</sup></b> |
|-------------------|--|-------------------|----------------------------|
| 2018 <sup>3</sup> | 20,952                                   | 2.3%              | 778.9                      |
| 2010              | 20,486                                   | 4.6%              | 761.6                      |
| 2000              | 19,587                                   | 0.5%              | 728.1                      |
| 1990              | 19,483                                   | 4.7%              | 724.3                      |
| 1980              | 18,608                                   | 1.7%              | 691.7                      |
| 1970              | 18,301                                   | -                 | 680.3                      |

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

<sup>2</sup> Per square mile: 26.9 square miles.

<sup>3</sup> American Community Survey 2014-2018

## Age Distribution of the Population

| <b>Age</b>                   | <b>Town of Bloomfield</b> |                | <b>State of Connecticut</b> |                |
|------------------------------|---------------------------|----------------|-----------------------------|----------------|
|                              | <b>Number</b>             | <b>Percent</b> | <b>Number</b>               | <b>Percent</b> |
| Under 5 years .....          | 791                       | 3.8%           | 184,983                     | 5.2%           |
| 5 to 9 years .....           | 675                       | 3.2            | 201,006                     | 5.6%           |
| 10 to 14 years .....         | 853                       | 4.1            | 224,135                     | 6.3%           |
| 15 to 19 years .....         | 1,130                     | 5.4            | 247,182                     | 6.9%           |
| 20 to 24 years .....         | 1,120                     | 5.3            | 245,490                     | 6.9%           |
| 25 to 34 years .....         | 2,504                     | 12.0           | 439,848                     | 12.3%          |
| 35 to 44 years .....         | 1,959                     | 9.3            | 427,023                     | 11.9%          |
| 45 to 54 years .....         | 2,567                     | 12.3           | 522,138                     | 14.6%          |
| 55 to 59 years .....         | 1,973                     | 9.4            | 266,170                     | 7.4%           |
| 60 to 64 years .....         | 1,797                     | 8.6            | 235,949                     | 6.6%           |
| 65 to 74 years .....         | 2,545                     | 12.1           | 327,414                     | 9.1%           |
| 75 to 84 years .....         | 1,987                     | 9.5            | 170,979                     | 4.8%           |
| 85 years and over .....      | 1,051                     | 5.0            | 89,187                      | 2.5%           |
| <b>Total</b> .....           | 20,952                    | 100.0%         | 3,581,504                   | 100.0%         |
| <br>Median Age (Years) ..... | <br>50.7                  |                | <br>40.8                    |                |

Source: American Community Survey 2014-2018

### Income Distribution

| <b>Income</b>          | <b>Town of Bloomfield</b> |                | <b>State of Connecticut</b> |                |
|------------------------|---------------------------|----------------|-----------------------------|----------------|
|                        | <b>Families</b>           | <b>Percent</b> | <b>Families</b>             | <b>Percent</b> |
| \$ 0 - \$ 9,999.....   | 125                       | 2.3%           | 27,787                      | 3.1%           |
| 10,000 - 14,999.....   | 99                        | 1.8            | 16,143                      | 1.8%           |
| 15,000 - 24,999.....   | 112                       | 2.1            | 41,072                      | 4.6%           |
| 25,000 - 34,999.....   | 272                       | 5.0            | 52,218                      | 5.8%           |
| 35,000 - 49,999.....   | 324                       | 6.0            | 82,371                      | 9.2%           |
| 50,000 - 74,999.....   | 989                       | 18.2           | 134,356                     | 15.0%          |
| 75,000 - 99,999.....   | 910                       | 16.8           | 122,244                     | 13.6%          |
| 100,000 - 149,999..... | 1,350                     | 24.9           | 186,352                     | 20.8%          |
| 150,000 - 199,999..... | 670                       | 12.3           | 100,359                     | 11.2%          |
| 200,000 and over.....  | 577                       | 10.6           | 132,765                     | 14.8%          |
| <b>Total.....</b>      | <b>5,428</b>              | <b>100.0%</b>  | <b>895,667</b>              | <b>100.0%</b>  |

Source: American Community Survey 2014-2018

### Comparative Income Measures

|  | <b>Town of<br/>Bloomfield</b> | <b>State of<br/>Connecticut</b> |
|--|-------------------------------|---------------------------------|
| Per Capita Income, 2018 .....                | \$ 43,010                     | \$ 43,056                       |
| Per Capita Income, 2010 .....                | \$ 39,738                     | \$ 36,412                       |
| Median Family Income, 2018 .....             | \$ 94,459                     | \$ 97,310                       |
| Percent Below Poverty (Families), 2018 ..... | 5.10%                         | 7.00%                           |

Source: American Community Survey 2014-2018

### Educational Attainment (Years of School Completed – Age 25 and Over)

|   | <b>Town of Bloomfield</b> |                | <b>State of Connecticut</b> |                |
|---|---------------------------|----------------|-----------------------------|----------------|
|   | <b>Number</b>             | <b>Percent</b> | <b>Number</b>               | <b>Percent</b> |
| Less than 9th grade.....                  | 506                       | 3.1%           | 101,068                     | 4.1%           |
| 9th to 12th grade.....                    | 1,110                     | 6.8            | 134,758                     | 5.4            |
| High School graduate.....                 | 4,598                     | 28.1           | 670,519                     | 27.1           |
| Some college, no degree.....              | 2,913                     | 17.8           | 416,267                     | 16.8           |
| Associate's degree .....                  | 1,411                     | 8.6            | 190,869                     | 7.7            |
| Bachelor's degree.....                    | 3,038                     | 18.5           | 538,924                     | 21.7           |
| Graduate or professional degree.....      | 2,807                     | 17.1           | 426,303                     | 17.2           |
| <b>Total.....</b>                         | <b>16,383</b>             | <b>100.0%</b>  | <b>2,478,708</b>            | <b>100.0%</b>  |
| Total high school graduate or higher (%). |                           | 90.1%          |                             | 90.5%          |
| Total bachelor's degree or higher (%).    |                           | 35.7%          |                             | 38.9%          |

Source: American Community Survey 2014-2018

## Labor Force Data

| Period                | Percentage Unemployed |            |            |              |             |
|-----------------------|-----------------------|------------|------------|--------------|-------------|
|                       | Town of Bloomfield    |            | Town of    | Hartford     | State of    |
|                       | Employed              | Unemployed | Bloomfield | Labor Market | Connecticut |
| November 2020.....    | 11,103                | 1,007      | 8.3        | 7.5          | 7.7         |
| <b>Annual Average</b> |                       |            |            |              |             |
| 2019.....             | 11,514                | 470        | 3.9        | 3.8          | 3.7         |
| 2018.....             | 11,412                | 510        | 4.3        | 4.1          | 4.1         |
| 2017.....             | 10,933                | 626        | 5.4        | 4.8          | 4.7         |
| 2016.....             | 10,814                | 663        | 5.8        | 5.3          | 5.3         |
| 2015.....             | 10,732                | 725        | 6.3        | 5.6          | 5.6         |
| 2014.....             | 9,251                 | 785        | 7.8        | 6.7          | 6.7         |
| 2013.....             | 9,067                 | 914        | 10.1       | 7.9          | 7.9         |
| 2012.....             | 9,066                 | 1,007      | 10.0       | 8.4          | 8.3         |
| 2011.....             | 9,231                 | 1,034      | 10.1       | 8.9          | 8.8         |
| 2010.....             | 9,156                 | 1,108      | 10.8       | 9.0          | 9.0         |

Source: State of Connecticut, Department of Labor.

## Industry Classification

| Sector  | Town of Bloomfield |               | State of Connecticut |               |
|---|--------------------|---------------|----------------------|---------------|
|   | Number             | Percent       | Number               | Percent       |
| Agriculture, forestry, fishing and hunting,<br>and mining.....                    | 24                 | 0.2%          | 7,195                | 0.4%          |
| Construction.....   | 278                | 2.7           | 107,331              | 5.9           |
| Manufacturing.....  | 635                | 6.1           | 190,995              | 10.5          |
| Wholesale trade.....  | 253                | 2.4           | 44,714               | 2.5           |
| Retail trade.....   | 1046               | 10.1          | 191,939              | 10.6          |
| Transportation warehousing, and utilities...                                      | 561                | 5.4           | 72,806               | 4.0           |
| Information.....  | 166                | 1.6           | 41,839               | 2.3           |
| Finance, insurance, real estate, and leasing.                                     | 1432               | 13.8          | 164,607              | 9.1           |
| Professional, scientific, management,<br>administrative, and waste management.... | 844                | 8.1           | 207,632              | 11.5          |
| Education, health and social services.....  | 3,409              | 32.8          | 479,677              | 26.5          |
| Arts, entertainment, recreation,<br>accommodation and food services.....          | 740                | 7.1           | 150,852              | 8.3           |
| Other services (except public admin.).....  | 282                | 2.7           | 83,686               | 4.6           |
| Public Administration.....  | 710                | 6.8           | 67,172               | 3.7           |
| <b>Total Labor Force, Employed.....</b>   | <b>10,380</b>      | <b>100.0%</b> | <b>1,810,445</b>     | <b>100.0%</b> |

Source: American Community Survey 2014-2018

**Major Employers  
Full-Time Equivalents  
As of January 2021**

| <b>Employer</b>                         | <b>Nature of Business</b>     | <b>Approximate<br/>Number<br/>Employed</b> |
|---|-------------------------------|--|
| CIGNA <sup>1</sup> .....                | Financial Services            | 4,100                                      |
| Kaman Corporation (all divisions) ..... | Aerospace/Musical Instruments | 1,570                                      |
| World Class Distributions (TJ's) .....  | Warehouse Distribution        | 951  |
| Town of Bloomfield (incl BOE).....      | Municipality                  | 638  |
| Home Goods .....                        | Distribution Center           | 500  |
| Duncaster Retirement Community.....     | Retirement Community          | 470  |
| Jacobs Vehicle Systems .....            | Manufacturing                 | 450  |
| Hartford Healthcare at Home.....        | Healthcare                    | 450  |
| Seabury (all divisions).....            | Retirement Community          | 400  |
| Otis Elevator .....                     | Manufacturing/Service Center  | 350  |

<sup>1</sup> In July 2015 Anthem Inc. and CIGNA agreed to merge in a transaction that valued CIGNA at approximately \$50 billion. The merger did not receive approval from the United States Department of Justice. There is currently ongoing litigation between the two companies.

Source: Town of Bloomfield, Director of Planning.

**Number and Value of Building Permits**

| <b>Fiscal Year<br/>Ending 6/30</b> | <b>Residential</b> |                    | <b>Commercial/Industrial</b> |                    | <b>Other Construction</b> |                    | <b>Total</b> |                    |
|------------------------------------|--------------------|--------------------|------------------------------|--------------------|---------------------------|--------------------|--------------|--------------------|
|                                    | <b>No.</b>         | <b>Value (000)</b> | <b>No.</b>                   | <b>Value (000)</b> | <b>No.</b>                | <b>Value (000)</b> | <b>No.</b>   | <b>Value (000)</b> |
| 2020                               | 512                | \$ 11,736          | 1,383                        | \$ 86,352          | 26                        | \$ 36              | 1,921        | \$ 98,124          |
| 2019                               | 14                 | 2,040              | 3                            | 33,191             | 1,927                     | 39,431             | 1,944        | 74,662             |
| 2018                               | 52                 | 5,720              | 5                            | 30,378             | 526                       | 26,309             | 583          | 62,407             |
| 2017                               | 227                | 25,678             | 8                            | 33,376             | 964                       | 39,268             | 1,199        | 98,322             |
| 2016                               | 227                | 65,359             | 4                            | 31,210             | 1,747                     | 74,741             | 1,978        | 171,310            |
| 2015                               | 19                 | 2,609              | 2                            | 746                | 509                       | 30,051             | 530          | 33,406             |
| 2014                               | 87                 | 10,039             | -                            | -                  | 272                       | 7,918              | 359          | 17,957             |
| 2013                               | 31                 | 5,223              | 1                            | 237                | 320                       | 10,882             | 352          | 16,342             |
| 2012                               | 23                 | 4,024              | 3                            | 2,049              | 394                       | 15,725             | 420          | 21,798             |
| 2011                               | 24                 | 4,428              | 1                            | 1,610              | 336                       | 23,444             | 361          | 29,482             |

Source: Town of Bloomfield, Director of Planning.

**Land Use Breakdown**

| <b>Land Use Category</b> | <b>Total</b>   |                |
|--------------------------|----------------|----------------|
|                          | <b>Acreage</b> | <b>% Total</b> |
| Developed .....          | 11,575         | 58.1           |
| Vacant .....             | 2,938          | 14.7           |
| Open Space .....         | 5,413          | 27.2           |
| <b>Total Area .....</b>  | <b>19,926</b>  | <b>100.0</b>   |

Source: Town of Bloomfield, Director of Planning.

### Age Distribution of Housing

| <b>Year Built</b>               | <b>Town of Bloomfield</b> |                | <b>State of Connecticut</b> |                |
|---------------------------------|---------------------------|----------------|-----------------------------|----------------|
|                                 | <b>Units</b>              | <b>Percent</b> | <b>Units</b>                | <b>Percent</b> |
| 1939 or earlier.....            | 572                       | 6.3%           | 337,795                     | 22.3%          |
| 1940 to 1969.....               | 4,284                     | 47.0           | 533,321                     | 35.3           |
| 1970 to 1979.....               | 1,473                     | 16.2           | 201,360                     | 13.3           |
| 1980 to 1989.....               | 1,362                     | 14.9           | 191,306                     | 12.6           |
| 1990 to 1999.....               | 594                       | 6.5            | 115,459                     | 7.6            |
| 2000 or 2009.....               | 720                       | 7.9            | 103,632                     | 6.9            |
| 2010 or later.....              | 113                       | 1.2            | 29,432                      | 1.9            |
| <b>Total Housing Units.....</b> | <b>9,118</b>              | <b>100.0%</b>  | <b>1,512,305</b>            | <b>100.0%</b>  |

Source: American Community Survey 2014-2018

### Housing Units by Type of Structure

| <b>Housing Units</b>        | <b>Town of Bloomfield</b> |                | <b>State of Connecticut</b> |                |
|-----------------------------|---------------------------|----------------|-----------------------------|----------------|
|                             | <b>Units</b>              | <b>Percent</b> | <b>Units</b>                | <b>Percent</b> |
| 1-unit, detached.....       | 6,127                     | 67.2%          | 892,608                     | 59.0%          |
| 1-unit, attached.....       | 543                       | 6.0            | 80,684                      | 5.3            |
| 2 units.....                | 230                       | 2.5            | 123,908                     | 8.2            |
| 3 or 4 units.....           | 673                       | 7.4            | 130,948                     | 8.7            |
| 5 to 9 units.....           | 448                       | 4.9            | 84,021                      | 5.6            |
| 10 to 19 units.....         | 289                       | 3.2            | 57,153                      | 3.8            |
| 20 or more units.....       | 775                       | 8.5            | 130,872                     | 8.7            |
| Mobile home.....            | 33                        | 0.4            | 11,734                      | 0.8            |
| Boat, RV, van, etc.....     | -                         | -              | 377                         | 0.0            |
| <b>Total Inventory.....</b> | <b>9,118</b>              | <b>100.0%</b>  | <b>1,512,305</b>            | <b>100.0%</b>  |

Source: American Community Survey 2014-2018

### Owner-Occupied Housing Units

| <b>Specified Owner-Occupied Units</b> | <b>Town of Bloomfield</b> |                | <b>State of Connecticut</b> |                |
|---------------------------------------|---------------------------|----------------|-----------------------------|----------------|
|                                       | <b>Number</b>             | <b>Percent</b> | <b>Number</b>               | <b>Percent</b> |
| Less than \$50,000.....               | 86                        | 1.4%           | 21,254                      | 2.3%           |
| \$50,000 to \$99,000.....             | 287                       | 4.6            | 29,211                      | 3.2            |
| \$100,000 to \$149,999.....           | 753                       | 12.1           | 81,446                      | 9.0            |
| \$150,000 to \$199,000.....           | 1,495                     | 24.0           | 139,715                     | 15.4           |
| \$200,000 to \$299,999.....           | 2,211                     | 35.4           | 245,801                     | 27.1           |
| \$300,000 to \$499,999.....           | 1,205                     | 19.3           | 240,706                     | 26.5           |
| \$500,000 to \$999,999.....           | 164                       | 2.6            | 106,993                     | 11.8           |
| \$1,000,000 or more.....              | 39                        | 0.6            | 42,008                      | 4.6            |
| <b>Total.....</b>                     | <b>6,240</b>              | <b>100.0%</b>  | <b>907,134</b>              | <b>100.0%</b>  |
| <b>Median Value.....</b>              | <b>\$216,800</b>          |                | <b>\$272,700</b>            |                |

Source: American Community Survey 2014-2018



## **SECTION IV – TAX BASE DATA**

### ***Property Tax - Assessments***

Pursuant to Section 12-62 of the Connecticut General Statutes, as amended, the Town must complete a revaluation every five years and a revaluation by physical inspection every 10 years. The Town of Bloomfield last completed a physical revaluation on the October 1, 2019 Grand List and a revaluation by statistical inspection on the October 1, 2014 Grand List. A statistical revaluation is scheduled for October 1, 2024.

The maintenance of an equitable tax base by locating and appraising all real and personal property within the Town for inclusion on the grand list is the responsibility of the Assessor's Office. The grand list represents the total assessed values for all taxable and tax-exempt real estate and taxable personal property and motor vehicles located within the Town on October 1. Assessments for real estate are computed at 70% of the estimated market value at the time of the last general revaluation, while assessments for motor vehicles and personal property are computed at 70% of the current fair market value. Each year a Board of Assessment Appeals determines whether taxpayer petitions for assessment reductions on the current grand list are warranted.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. Upon issuance of a certification of completion, a physical inspection is conducted and a new fair market value is determined with the aid of schedules developed at the time of the last revaluation. All value adjustments are reviewed to determine equity with similar properties and estimate changes to existing income streams.

All personal property (furniture, fixtures, equipment, machinery, supplies, non-registered motor vehicles, and leased equipment) is revalued annually. Random audits are conducted periodically.

Motor vehicle registration lists are furnished to the Town by the State Department of Motor Vehicles. The Office of Policy and Management has determined that the average retail values represented by the National Automobile Dealers Association pricing guides must be utilized in preparation of the grand lists. These values are applied uniformly and equitably to all vehicles in the Town; a myriad of exemptions is then applied to qualifying applicants. The same process is applied to the Supplemental Motor Vehicle list, which represents new or replacement vehicles which were registered after the October 1 assessment date, but before the following July. Bills for this supplemental list are issued the following January, eighteen months after the grand list date.

Motor Vehicle Property Tax Cap: Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. For the assessment year October 1, 2018 (the fiscal year ending June 30, 2020), 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 town or city 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 Town's mill rate for motor vehicles for fiscal year ending June 30, 2021 is 35.01 mills.

For the fiscal year ending June 30, 2020, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 45 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 45 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 45 mills.

### ***Tax Levy and Collection***

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Real estate tax bills are payable in two installments on July 1 and January 1 following the levy date. Personal property and motor vehicle bills are due in one installment on July 1. Motor vehicle supplemental tax bills are payable on January 1. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. 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 four times a year, with interest charged at the rate of one and one-half percent per month in accordance with Connecticut General Statutes ("CGS"), with a minimum charge of \$2. 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. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years when in the opinion of the Tax Collector they are uncollectable, at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense fifteen years after the due date in accordance with CGS.

As of June 30, 2020, the Town's collection rate was 98.94%, which is an increase from the prior year collection rate of 98.39% and a surplus of the budgeted collection rate of 98.50%.

**Taxable Grand List  
(\$ in thousands)**

| <b>Grand List of 10/1</b> | <b>Residential Real Property (%)</b> | <b>Commercial &amp; Industrial Real Property (%)</b> | <b>Motor Vehicle (%)</b> | <b>Other Personal Property (%)</b> | <b>Gross Taxable Grand List</b> | <b>Less Exemptions</b> | <b>Net Taxable Grand List</b> | <b>Percent Growth</b> |
|---------------------------|--------------------------------------|--|--------------------------|------------------------------------|---------------------------------|------------------------|-------------------------------|-----------------------|
| 2019 <sup>1</sup>         | 47.2                                 | 26.2   | 7.0                      | 19.6                               | \$ 2,620,404                    | \$ 242,957             | \$ 2,377,447                  | 10.3%                 |
| 2018                      | 43.3                                 | 30.1   | 7.3                      | 19.4                               | 2,381,897                       | 226,814                | 2,155,083                     | 0.0                   |
| 2017                      | 44.2                                 | 29.4   | 7.0                      | 19.5                               | 2,312,711                       | 198,936                | 2,113,775                     | 4.7                   |
| 2016                      | 46.5                                 | 29.1   | 7.2                      | 17.2                               | 2,179,247                       | 160,835                | 2,018,412                     | -1.0                  |
| 2015                      | 47.0                                 | 27.6   | 7.0                      | 18.4                               | 2,160,579                       | 122,437                | 2,038,142                     | 0.2                   |
| 2014 <sup>1</sup>         | 46.9                                 | 27.6   | 7.0                      | 18.5                               | 2,155,132                       | 121,147                | 2,033,985                     | -1.6                  |
| 2013                      | 54.1                                 | 22.1   | 7.3                      | 16.5                               | 2,177,300                       | 110,143                | 2,067,157                     | 1.7                   |
| 2012                      | 52.1                                 | 26.0   | 7.0                      | 14.9                               | 2,135,509                       | 103,800                | 2,031,709                     | 2.6                   |
| 2011                      | 56.9                                 | 27.8   | 6.9                      | 9.4                                | 2,082,288                       | 101,687                | 1,980,601                     | 1.3                   |
| 2010                      | 58.6                                 | 21.7   | 6.9                      | 12.8                               | 2,050,319                       | 95,487                 | 1,954,832                     | -1.8                  |

<sup>1</sup> Revaluation.

Source: Town of Bloomfield, Assessor.

**Tax Collections**

| <b>Grand List of 10/1</b> | <b>Fiscal Year Ending</b> | <b>Net Taxable Grand List</b> | <b>Mill Rate</b> | <b>Tax Levy</b> | <b>Percent of Annual Levy Collected at End of Fiscal Year</b> | <b>Uncollected</b>  |   |
|---------------------------|---------------------------|-------------------------------|------------------|-----------------|---|---|---|
|                           |                           |                               |                  |                 |   | <b>Percent of Annual Levy Uncollected at End of Fiscal Year</b> | <b>Percent of Annual Levy Uncollected As of 6/30/20</b> |
| 2019 <sup>1</sup>         | 2021 <sup>2</sup>         | \$ 2,375,417                  | 35.01            | \$ 82,966,554   |   | <i>IN COLLECTION</i>  |   |
| 2018                      | 2020                      | 2,155,083                     | 37.46            | 81,971,889      | 98.94%  | 1.06%   | 1.06%   |
| 2017                      | 2019                      | 2,113,775                     | 37.52            | 78,358,765      | 98.39%  | 1.61%   | 0.19%   |
| 2016                      | 2018                      | 2,018,412                     | 37.56            | 75,036,478      | 98.54%  | 1.46%   | 0.17%   |
| 2015                      | 2017                      | 2,038,142                     | 36.65            | 74,364,504      | 98.65%  | 1.35%   | 0.01%   |
| 2014 <sup>1</sup>         | 2016                      | 2,033,985                     | 36.00            | 73,188,820      | 98.71%  | 1.29%   | 0.01%   |
| 2013                      | 2015                      | 2,067,157                     | 34.84            | 72,246,279      | 98.60%  | 1.40%   | 0.00%   |
| 2012                      | 2014                      | 2,031,709                     | 34.85            | 71,075,964      | 98.52%  | 1.48%   | 0.00%   |
| 2011                      | 2013                      | 1,980,601                     | 34.55            | 68,561,240      | 98.41%  | 1.59%   | 0.00%   |
| 2010                      | 2012                      | 1,954,832                     | 33.70            | 65,281,933      | 98.66%  | 1.34%   | 0.00%   |

<sup>1</sup> Revaluation.

<sup>2</sup> Subject to audit.

Source: Town of Bloomfield, Tax Collector's Office.

**Major Taxpayers  
As of 10/1/19**

| <b>Name</b>                              | <b>Nature of Business</b> | <b>Taxable<br/>Valuation</b> | <b>Percent of<br/>Net Taxable<br/>Grand List <sup>1</sup></b> |
|--|---------------------------|------------------------------|---|
| Eversource .....                         | Utility                   | \$ 95,615,790                | 4.02%   |
| HG Conn Realty Corp. ....                | Shopping Center           | 41,585,260                   | 1.75%   |
| AMCAP Copaco LLC .....                   | Commercial Real Estate    | 40,748,911                   | 1.71%   |
| Trader Joes East Inc .....               | Warehouse Distribution    | 39,223,400                   | 1.65%   |
| Connecticut General Life Insurance ..... | Insurance                 | 38,103,590                   | 1.60%   |
| Church Home of Hartford Inc. ....        | Retirement Facility       | 35,438,520                   | 1.49%   |
| Duncaster Inc. ....                      | Assisted Living           | 33,422,980                   | 1.41%   |
| Metropolitan Life Insurance .....        | Insurance                 | 31,867,500                   | 1.34%   |
| WE Hawthorne LLC .....                   | Residential Real Estate   | 26,707,660                   | 1.12%   |
| CIGNA Health + Life Insurance Co. ....   | Insurance                 | 18,269,800                   | 0.77%   |
| <b>Total</b> .....                       |                           | <b>\$ 400,983,411</b>        | <b>16.87%</b>   |

<sup>1</sup> Based on a October 1, 2019 Net Taxable Grand List of \$2,377,447,000.

Source: Town of Bloomfield, Assessor.

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## SECTION V – DEBT SECTION

### Debt Summary Pro Forma As of January 27, 2021 Outstanding Bonded Debt <sup>1</sup>

| <b>Date</b>                          | <b>Purpose</b>                   | <b>Interest Rate %</b> | <b>Original Issue</b> | <b>Outstanding <sup>1</sup></b> | <b>Fiscal Year of Maturity</b> |
|--------------------------------------|----------------------------------|------------------------|-----------------------|---------------------------------|--------------------------------|
| 10/20/10                             | Refunding - General Purpose .... | 1.50–5.00              | \$ 8,359,700          | \$ 1,140,600                    | 2023                           |
| 10/20/10                             | Refunding - Schools .....        | 1.50–5.00              | 3,180,800             | 342,100                         | 2023                           |
| 10/20/10                             | Refunding - Sewer .....          | 1.50–5.00              | 859,500               | 147,300                         | 2023                           |
| 02/12/13                             | Refunding - Schools .....        | 1.50–4.00              | 10,240,000            | 5,670,000                       | 2028                           |
| 10/31/14                             | Schools .....                    | 2.00–3.125             | 5,000,000             | 3,500,000                       | 2035                           |
| 11/30/16                             | Refunding - Schools .....        | 2.00–4.00              | 8,745,000             | 8,680,000                       | 2028                           |
| 08/03/17                             | Refunding - Schools .....        | 3.00–5.00              | 13,050,000            | 11,445,000                      | 2032                           |
| 01/29/19                             | General Purpose .....            | 2.00–5.00              | 12,000,000            | 10,800,000                      | 2039                           |
| 01/28/20                             | General Purpose .....            | 2.00–5.00              | 12,000,000            | 11,400,000                      | 2040                           |
| <b>Total Bonds Outstanding .....</b> |                                  |                        | <b>\$ 73,435,000</b>  | <b>\$ 53,125,000</b>            |                                |
| <b>This Issue</b>                    |                                  |                        |                       |                                 |                                |
| 01/27/21                             | General Purpose .....            | <i>tbd</i>             | \$ 9,730,000          | \$ 9,730,000                    | 2040                           |
| <b>Total Bonds This Issue .....</b>  |                                  |                        | <b>9,730,000</b>      | <b>9,730,000</b>                |                                |
| <b>Grand Total .....</b>             |                                  |                        | <b>\$ 83,165,000</b>  | <b>\$ 62,855,000</b>            |                                |

<sup>1</sup> Excludes capital leases.

### Outstanding Short-Term Debt As of January 27, 2021

As of January 27, 2021, the Town does not have any outstanding short-term debt.

### Other Commitments

During fiscal year 2015, the Town entered into a \$570,250 15-year lease-purchase agreement with Bank of America to fund equipment and projects through a company called Ameresco. These projects and related equipment are intended to improve energy efficiency in the Town’s buildings and ultimately reduce utility costs. The projects have now been completed and the Town will budget for the lease payments through 2030. The related energy improvements have saved the Town approximately \$118,950.

In 1993, the Town of Bloomfield entered into an agreement with the Town of Windsor that defines the terms of closure costs for a joint sanitary landfill stating that the two towns shall contribute equally, on an annual basis, for all costs of closure, post-closure and monitoring expenses until all Federal and State requirements are met. The landfill serves the Towns of Bloomfield and Windsor. The agreement establishes the terms and conditions of operating the landfill. For closure costs, the agreement states “The two towns shall contribute equally, on an annual basis, for said purposes and shall be equally responsible for closure, post-closure, and monitoring expenses until all Federal and State requirements are met”. The Town of Windsor is responsible for the funding, accounting and financial reporting for the landfill on behalf of both towns. The post closure cost will be covered by the landfill’s funds. If those funds run out, and only if they do, then the Town of Windsor and the Town of Bloomfield will split the costs. Should this occur, the current estimate of the Town of Bloomfield’s portion of post-closure costs is \$16.6 million. However, it is anticipated that no additional amount will be required from the Towns for closure of the landfill. As of July 1, 2014 the Windsor-Bloomfield landfill was officially closed to outside haulers. All commercial haulers were notified prior to that date to dispose of their waste at other locations. Residents now bring their waste to the Transfer Station at the site. It is estimated that closure and capping work will continue through Fiscal Year 2021 and the post-closure period will begin once the closure has been completed.

*\*Preliminary, subject to change.*

**Overlapping Debt  
Pro Forma  
As of January 27, 2021**

The Town is a member of the Metropolitan District Commission (the “District”), a special district created by the Connecticut General Assembly in 1929 as a quasi-municipal corporation of the State of Connecticut under Act No. 511 of the 1929 Special Acts of the State of Connecticut, as amended, to provide, as authorized, complete, adequate, and modern systems of water supply, sewerage collection, and disposal facilities for its eight member municipalities. The member municipalities incorporated in the District are the City of Hartford and the Towns of Bloomfield, East Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, and Windsor. The District also provides sewerage disposal facilities and supplies water under special agreements to certain towns, or areas therein, that are not members of the District. As of January 27, 2021, the District has \$900,703,344 of outstanding debt. The Town is responsible for 7.54%, which totals \$67,913,032.

The member towns of the District have approved two referenda for a total of \$1.6 billion for the financing of improvements to address certain regulatory requirements to curtail sanitary sewer overflows and combined sewer overflows to local waterways and the Connecticut River, as well as excessive nutrient discharges. Specific projects are mandated in accordance with consent orders that have been entered into between the District and the U.S. Department of Justice, the U.S. Environmental Protection Agency and the State of Connecticut Department of Environmental Protection. Such projects are to be completed within 15 years.

**Underlying Debt  
Pro Forma  
As of January 27, 2021**

Fire protection for the Town is provided by two independent Districts: the Bloomfield Center Fire District, covering the central and northern parts of the Town, and the Blue Hills Fire District, covering eastern and southern sections of the Town. The Districts levy their own taxes and receive no direct funding from the Town. As of June 30, 2020 the Blue Hills Fire District had a total of \$1,613,501 debt outstanding for its new fire house. The Bloomfield Center Fire District has no debt outstanding.

**THE TOWN OF BLOOMFIELD HAS NEVER DEFAULTED IN THE PAYMENT OF ITS  
DEBT OBLIGATIONS EITHER AS TO PRINCIPAL OR INTEREST**

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**Bonded Debt Maturity Schedule  
Pro Forma  
As of January 27, 2021**

| <b>Fiscal Year</b> | <b>Principal</b>     | <b>Interest</b>      | <b>Total</b>         | <b>This Issue:<br/>The Bonds*</b> | <b>Total Principal</b> | <b>Cumulative<br/>Principal<br/>Retired</b> |
|--------------------|----------------------|----------------------|----------------------|-----------------------------------|------------------------|---|
| 2021 <sup>1</sup>  | \$ -                 | \$ 624,775           | \$ 624,775           | \$ -                              | \$ -                   | 0.0%  |
| 2022               | 5,290,000            | 1,899,375            | 7,189,375            | 490,000                           | 5,780,000              | 9.2%  |
| 2023               | 4,705,000            | 1,682,575            | 6,387,575            | 490,000                           | 5,195,000              | 17.5%                                       |
| 2024               | 4,175,000            | 1,489,375            | 5,664,375            | 490,000                           | 4,665,000              | 24.9%                                       |
| 2025               | 4,170,000            | 1,306,275            | 5,476,275            | 490,000                           | 4,660,000              | 32.3%                                       |
| 2026               | 4,180,000            | 1,140,975            | 5,320,975            | 490,000                           | 4,670,000              | 39.7%                                       |
| 2027               | 4,175,000            | 980,700              | 5,155,700            | 490,000                           | 4,665,000              | 47.1%                                       |
| 2028               | 4,175,000            | 824,638              | 4,999,638            | 485,000                           | 4,660,000              | 54.6%                                       |
| 2029               | 3,425,000            | 672,700              | 4,097,700            | 485,000                           | 3,910,000              | 60.8%                                       |
| 2030               | 3,440,000            | 534,025              | 3,974,025            | 485,000                           | 3,925,000              | 67.0%                                       |
| 2031               | 3,445,000            | 410,825              | 3,855,825            | 485,000                           | 3,930,000              | 73.3%                                       |
| 2032               | 2,195,000            | 312,525              | 2,507,525            | 485,000                           | 2,680,000              | 77.5%                                       |
| 2033               | 1,450,000            | 260,125              | 1,710,125            | 485,000                           | 1,935,000              | 80.6%                                       |
| 2034               | 1,450,000            | 222,469              | 1,672,469            | 485,000                           | 1,935,000              | 83.7%                                       |
| 2035               | 1,450,000            | 183,906              | 1,633,906            | 485,000                           | 1,935,000              | 86.8%                                       |
| 2036               | 1,200,000            | 149,250              | 1,349,250            | 485,000                           | 1,685,000              | 89.5%                                       |
| 2037               | 1,200,000            | 117,000              | 1,317,000            | 485,000                           | 1,685,000              | 92.1%                                       |
| 2038               | 1,200,000            | 84,000               | 1,284,000            | 485,000                           | 1,685,000              | 94.8%                                       |
| 2039               | 1,200,000            | 50,250               | 1,250,250            | 485,000                           | 1,685,000              | 97.5%                                       |
| 2040               | 600,000              | 15,000               | 615,000              | 485,000                           | 1,085,000              | 99.2%                                       |
| 2041               | -                    | -                    | -                    | 485,000                           | 485,000                | 100.0%                                      |
| <b>Total .....</b> | <b>\$ 53,125,000</b> | <b>\$ 12,960,763</b> | <b>\$ 66,085,763</b> | <b>\$ 9,730,000</b>               | <b>\$ 62,855,000</b>   |   |

<sup>1</sup> Excludes \$5,270,000 in principal and \$1,484,198 in interest payments made from July 1, 2020 through January 27, 2021.

**Current Debt Statement <sup>1</sup>  
Pro Forma  
As of January 27, 2021**

**Long-Term Debt Outstanding:**

|  |                   |
|--|-------------------|
| General Purpose (Includes This Issue)* ..... | \$ 33,070,600     |
| Schools .....                                | 29,637,100        |
| Sewers .....                                 | 147,300           |
| <b>Total Long-Term Debt</b> .....            | <b>62,855,000</b> |

**Short-Term Debt:**

|                                    |          |
|------------------------------------|----------|
| Bond Anticipation Notes .....      | -        |
| <b>Total Short-Term Debt</b> ..... | <b>-</b> |

**Total Direct Debt** ..... 62,855,000

**Overlapping Debt** (Metropolitan District Commission) ..... 67,913,032

**Underlying Debt** (Fire Districts) ..... 1,613,501

**Total Overall Debt** ..... 132,381,533

Less: State of Connecticut School Grants Receivable (6/30/20) <sup>2</sup> ..... -

**Total Overall Net Debt** ..... **\$ 132,381,533**

<sup>1</sup> Excludes capital leases.

<sup>2</sup> For school building projects approved prior to July 1, 1996, the State of Connecticut will reimburse the Town for eligible principal and interest costs over the life of outstanding bonds. Amount shown is for principal only. See "School Projects" herein.

\*Preliminary, subject to change.

**Current Debt Ratios\***  
**Pro Forma**  
**As of January 27, 2021**

|  |    |               |
|--|----|---------------|
| Population <sup>1</sup> .....                              |    | 20,952        |
| Net Taxable Grand List (10/1/2019) .....                   | \$ | 2,377,447,000 |
| Estimated Full Value (Net Taxable Grand List/70%) .....    | \$ | 3,396,352,857 |
| Equalized Net Taxable Grand List (2018) <sup>2</sup> ..... | \$ | 3,671,060,628 |
| Income per Capita (2018) <sup>1</sup> .....                | \$ | 43,010        |

|  | <b>Total<br/>Direct Debt<br/>\$62,855,000</b> | <b>Total Overall<br/>Debt / Total<br/>Overall Net Debt<br/>\$132,381,533</b> |
|--|---|--|
| Debt Per Capita .....  | \$ 2,999.95                                   | \$ 6,318.32  |
| Ratio to Net Taxable Grand List .....                            | 2.64%   | 5.57%  |
| Ratio to Estimated Full Value (Net Taxable Grand List/70%) ..... | 1.85%   | 3.90%  |
| Ratio to Equalized Net Taxable Grand List .....                  | 1.71%   | 3.61%  |
| Debt per Capita to Income per Capita (2018) .....                | 6.98%   | 14.69%   |

<sup>1</sup> U.S. Bureau of the Census, 2014-2018 American Community Survey.

<sup>2</sup> State of Connecticut, Office of Policy and Management.

*\*Preliminary, subject to change.*

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**Statement of Statutory Debt Limitation  
Pro Forma  
As of January 27, 2021**

|   |                      |
|---|----------------------|
| Total tax collections for the year ended June 30, 2020 (including interest and lien fees) ..... | \$ 80,409,757        |
| Fire Districts .....  | 3,620,074            |
| Reimbursement for revenue loss on:  |                      |
| Aid to elderly tax relief .....   | -                    |
| <b>Base</b> .....   | <b>\$ 84,029,831</b> |

| <b>Debt Limitation:</b>           | <b>General<br/>Purposes</b> | <b>Schools</b>        | <b>Sewers</b>         | <b>Urban<br/>Renewal</b> | <b>Unfunded<br/>Past<br/>Pension</b> |
|-----------------------------------|-----------------------------|-----------------------|-----------------------|--------------------------|--------------------------------------|
| 2 1/4 times base.....             | \$ 189,067,120              | -                     | -                     | -                        | -                                    |
| 4 1/2 times base.....             | -                           | \$ 378,134,240        | -                     | -                        | -                                    |
| 3 3/4 times base.....             | -                           | -                     | \$ 315,111,866        | -                        | -                                    |
| 3 1/4 times base.....             | -                           | -                     | -                     | \$ 273,096,951           | -                                    |
| 3 times base.....                 | -                           | -                     | -                     | -                        | \$ 252,089,493                       |
| <b>Total Debt Limitation.....</b> | <b>\$ 189,067,120</b>       | <b>\$ 378,134,240</b> | <b>\$ 315,111,866</b> | <b>\$ 273,096,951</b>    | <b>\$ 252,089,493</b>                |

**Indebtedness:**<sup>1</sup>

Outstanding Debt:

|                                    |                      |                      |                   |             |             |
|------------------------------------|----------------------|----------------------|-------------------|-------------|-------------|
| Bonds Payable.....                 | \$ 23,340,600        | \$ 29,637,100        | \$ 147,300        | -           | -           |
| Bonds (This Issue)*.....           | 9,730,000            | -                    | -                 | -           | -           |
| Authorized But Unissued Debt ..... | 253,000              | 9,035,753            | -                 | -           | -           |
| <b>Total Direct Debt.....</b>      | <b>\$ 33,323,600</b> | <b>\$ 38,672,853</b> | <b>\$ 147,300</b> | <b>\$ -</b> | <b>\$ -</b> |

Overlapping Debt:

|  |                   |                   |                   |          |          |
|--|-------------------|-------------------|-------------------|----------|----------|
| The Metropolitan District .....        | -                 | -                 | 67,913,032        | -        | -        |
| Underlying Debt (Fire Districts) ..... | 1,613,501         | -                 | -                 | -        | -        |
| <b>Total Outstanding Net Debt.....</b> | <b>34,937,101</b> | <b>38,672,853</b> | <b>68,060,332</b> | <b>-</b> | <b>-</b> |

**DEBT LIMITATION IN EXCESS**

|                             |                       |                       |                       |                       |                       |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>OF INDEBTEDNESS.....</b> | <b>\$ 154,130,019</b> | <b>\$ 339,461,387</b> | <b>\$ 247,051,534</b> | <b>\$ 273,096,951</b> | <b>\$ 252,089,493</b> |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|

<sup>1</sup> Excludes capital leases.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$588,208,817.

**Authorized but Unissued Debt  
As of January 27, 2021**

| <b>Project</b>                                   | <b>Amount<br/>Authorized</b> | <b>Previously<br/>Bonded /<br/>Paydowns</b> | <b>Grants<br/>Received</b> | <b>Maturing<br/>Notes<br/>Due: 1/27/21</b> | <b>This Issue:<br/>The Bonds*</b> | <b>Original Issue<br/>Premium<br/>Applied<sup>1</sup></b> | <b>Authorized<br/>but Unissued<br/>Debt</b> |
|--|------------------------------|---|----------------------------|--|-----------------------------------|---|---|
| School Renovations and Additions .....           | \$ 94,600,000                | \$ 60,000,000                               | \$ 25,479,850              | \$ -                                       | \$ -                              | \$ 84,397   | \$ 9,035,753                                |
| Public Works Complex Renovations/Expansion ..... | 11,683,000                   | 1,700,000                                   | -                          | 9,730,000                                  | 9,730,000                         | -   | 253,000                                     |
| <b>Total .....</b>                               | <b>\$ 106,283,000</b>        | <b>\$ 61,700,000</b>                        | <b>\$ 25,479,850</b>       | <b>\$ 9,730,000</b>                        | <b>\$ 9,730,000</b>               | <b>\$ 84,397</b>  | <b>\$ 9,288,753</b>                         |

<sup>1</sup> From \$25,000,000 General Obligation Bonds, 2010 Series A.

\*Preliminary, subject to change.



### Principal Amount of Outstanding Debt

|                                | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Long-Term Debt</b>          |                      |                      |                      |                      |                      |
| Bonded Debt <sup>1</sup> ..... | \$ 58,395,000        | \$ 50,900,000        | \$ 42,830,000        | \$ 48,230,000        | \$ 52,515,000        |
| <b>Short-Term Debt</b>         |                      |                      |                      |                      |                      |
| Bond Anticipation Notes .....  | 9,730,000            | 7,000,000            | -                    | -                    | -                    |
| <b>Totals</b> .....            | <b>\$ 68,125,000</b> | <b>\$ 57,900,000</b> | <b>\$ 42,830,000</b> | <b>\$ 48,230,000</b> | <b>\$ 52,515,000</b> |

<sup>1</sup> Excludes capital leases.

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

| Fiscal Year | Net Assessed Value (000s) | Estimated Full Value (000s) | Net Long-Term Debt <sup>1</sup> | Ratio of Net Long-Term Debt to Net Assessed Value | Ratio of Net Long-Term Debt to Estimated Full Value | Population <sup>2</sup> | Net Long-Term Debt Per Capita | Ratio of Net Long-Term Debt Per Capita to Per Capita Income <sup>3</sup> |
|-------------|---------------------------|-----------------------------|---------------------------------|---|---|-------------------------|-------------------------------|--|
|             |                           |                             |                                 | Value   | Full Value  |                         |                               | Per Capita   |
| 2020        | \$ 2,155,083              | \$ 3,078,690                | \$ 58,395,000                   | 27.10%  | 18.97%  | 20,952                  | \$ 2,787.08                   | 6.48%  |
| 2019        | 2,113,775                 | 3,019,679                   | 50,900,000                      | 24.08%  | 16.86%  | 20,952                  | 2,429.36                      | 5.65%  |
| 2018        | 2,018,412                 | 2,883,446                   | 42,830,000                      | 21.22%  | 14.85%  | 20,952                  | 2,044.20                      | 4.75%  |
| 2017        | 2,038,142                 | 2,911,631                   | 48,230,000                      | 23.66%  | 16.56%  | 20,952                  | 2,301.93                      | 5.35%  |
| 2016        | 2,033,985                 | 2,905,693                   | 52,515,000                      | 25.82%  | 18.07%  | 20,952                  | 2,506.44                      | 5.83%  |

<sup>1</sup> Amounts rounded. Excludes capital leases.

<sup>2</sup> U.S. Department of Commerce, Bureau of the Census, 2014-2018.

<sup>3</sup> U.S. Census Bureau, 2014-2018 American Community Survey. Income per Capita of \$43,010.

### Comparison of Annual Debt Service to General Fund Expenditures

| Fiscal Year Ended 6/30 | Total General Fund Debt Service | Total General Fund Expenditures | Ratio of General Fund Debt Service To Total General Fund Expenditures |
|------------------------|---------------------------------|---------------------------------|---|
| 2021 <sup>1</sup>      | \$ 7,806,892                    | \$ 94,638,913                   | 8.25%   |
| 2020                   | 6,586,187                       | 94,905,576                      | 6.94%   |
| 2019                   | 5,687,779                       | 92,803,594                      | 6.13%   |
| 2018                   | 5,808,960                       | 92,010,683                      | 6.31%   |
| 2017                   | 6,205,214                       | 91,485,730                      | 6.78%   |
| 2016                   | 6,198,138                       | 88,252,903                      | 7.02%   |
| 2015                   | 6,087,159                       | 86,455,317                      | 7.04%   |
| 2014                   | 5,955,928                       | 84,685,486                      | 7.03%   |
| 2013                   | 6,509,608                       | 80,780,377                      | 8.06%   |
| 2012                   | 5,486,120                       | 80,638,489                      | 6.80%   |

<sup>1</sup> Budgeted. Subject to audit.

## **Authority to Incur Debt**

The Town has the power to incur indebtedness as provided by the Connecticut General Statutes and the Town Charter. The issuance of bonds and notes is authorized by the Town Council or if in an amount in excess of 1% of the annual budget, the voters of the Town at referendum following approval by the Town Council. Bonds and notes may be issued to meet certain emergency appropriations as provided in the Connecticut General Statutes.

## **Temporary Financing**

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

Temporary notes must be permanently funded no later than ten years from their initial borrowing date, except for sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the sewer 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 original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15<sup>th</sup> of the total amount of the notes issued by funds derived from certain sources of payment specified by statute. 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).

## **Investment Practices**

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

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits will not be returned. The Town 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.

## **SECTION VI – FINANCIAL SECTION**

### ***Fiscal Year***

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

### ***Basis of Accounting***

The Town's accounting policies are summarized in Appendix A – “2020 Financial Statements, Notes to Financial Statements, Note 1.”

### ***Budget Adoption Procedure***

No later than the second Monday in March the Town Manager presents to the Town Council a budget consisting of:

- a) a budget message outlining the financial policy of the Town and describing in connection therewith the important features of the budget plan;
- b) estimates of revenue;
- c) itemized estimates of expenditures and the Town Manager's recommendation of the amount to be appropriated for the ensuing fiscal year for all items. The Chairman of the Board of Education has the same duties and follows the same form and procedure with respect to the budget of the Board of Education as provided in the Town Charter for departmental estimates; and
- d) a presentation by the Town Manager of a program for proposed capital projects for the ensuing fiscal year and for the four fiscal years thereafter. The Town Manager recommends to the Town Council those projects to be undertaken during the ensuing fiscal year and the method of financing the same.

The Town Council holds one or more public hearings not later than thirty (30) days before the annual budget meeting at which any elector or taxpayer has the opportunity to be heard regarding appropriations for the ensuing fiscal year. Following the receipt of the estimates from the Town Manager and the Chairman of the Board of Education and the holding of such public hearing or hearings, the Town Council prepares a budget and renders the same to the annual budget meeting of the Town held on the third Tuesday of April. Modifications to the budget are adopted by a majority vote of those attending and entitled to vote. Should the Town Meeting fail to adopt a budget, the budget presented at the third meeting will be the budget deemed finally adopted.

Within ten days after the annual budget meeting, the Town Council fixes the tax rate in mills which is levied on the taxable property in the Town for the ensuing fiscal year. Upon approval of the Town Meeting, the Town Council may levy annually at the same time as the regular annual taxes for Town expenses are levied a tax not to exceed two mills to be assessed upon the taxable property of the Town for the benefit of a “Capital and Non-Recurring Expenditures Fund” to be used solely to pay the cost of capital improvements for which the Town is authorized to issue bonds. The Town Council is empowered to transfer to this fund any portion of the general fund cash surplus not otherwise appropriated. Appropriations for construction or for other permanent improvements, from whatever source derived, do not lapse until the purpose for which the appropriation was made is accomplished or abandoned, provided that any project is deemed to have been abandoned if after three fiscal years, there has been no expenditure from or encumbrance of the appropriation.

### ***Annual Audit***

The Town of Bloomfield, pursuant to local ordinance and provisions of the Connecticut General Statutes, is required to undergo an annual audit by an independent public accountant. The auditor, appointed by the Town Council, is required to conduct the audit under the guidelines outlined by the State of Connecticut Office of Policy and Management, which also receives a copy of the audit report. For the fiscal year ended June 30, 2020, the financial statements of the various funds of the Town were audited by Blum Shapiro, LLC.

## **Five-Year Capital Improvement Plan**

The Town prepares a five-year Capital Improvement Plan that includes a schedule of proposed capital expenditures and their sources of financing. A capital item is defined as a non-recurring expense of \$25,000 or more with a useful life of at least 7 years. The Town's five-year "2021-25 Capital Improvement Plan" totals \$66.2 million.

| <b>Uses</b>                  | <b>Fiscal Year</b>  |                     |                      |                     |                      | <b>Total</b>         |
|------------------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|
|                              | <b>2021</b>         | <b>2022</b>         | <b>2023</b>          | <b>2024</b>         | <b>2025</b>          |                      |
| Public Works.....            | \$ 3,071,056        | \$ 3,296,268        | \$ 3,346,836         | \$ 2,964,801        | \$ 4,118,205         | \$ 16,797,166        |
| Police Department .....      | 194,000             | -                   | -                    | -                   | -                    | 194,000              |
| Senior Services .....        | 140,000             | -                   | 113,739              | 116,535             | 158,144              | 528,418              |
| Leisure Services .....       | 656,500             | 1,475,500           | 1,313,500            | 996,500             | 391,500              | 4,833,500            |
| Library .....                | -                   | -                   | 25,632,596           | -                   | -                    | 25,632,596           |
| Finance.....                 | 35,000              | 35,000              | 35,000               | 35,000              | 350,000              | 490,000              |
| Information Technology ..... | -                   | 85,000              | 83,600               | 70,000              | 60,000               | 298,600              |
| Engineering .....            | 395,000             | 640,000             | 8,445,000            | 490,000             | 4,135,000            | 14,105,000           |
| BOE.....                     | 486,270             | 710,500             | 776,500              | 555,500             | 841,500              | 3,370,270            |
| <b>Total.....</b>            | <b>\$ 4,977,826</b> | <b>\$ 6,242,268</b> | <b>\$ 39,746,771</b> | <b>\$ 5,228,336</b> | <b>\$ 10,054,349</b> | <b>\$ 66,249,550</b> |
| <b>Sources</b>               |                     |                     |                      |                     |                      |                      |
| General Fund.....            | \$ 3,151,479        | \$ 2,000,000        | \$ 2,000,000         | \$ 2,000,000        | \$ 2,000,000         | \$ 11,151,479        |
| Bonding.....                 | -                   | -                   | 25,632,596           | -                   | -                    | 25,632,596           |
| Grants/Other.....            | 1,826,347           | 4,242,268           | 12,114,175           | 3,228,336           | 8,054,349            | 29,465,475           |
| <b>Total.....</b>            | <b>\$ 4,977,826</b> | <b>\$ 6,242,268</b> | <b>\$ 39,746,771</b> | <b>\$ 5,228,336</b> | <b>\$ 10,054,349</b> | <b>\$ 66,249,550</b> |

### **Pension Plans**

The Town is the administrator of two single-employer, defined benefit, public employee retirement systems (PERS) - The Town of Bloomfield Retirement Income Plan and The Town of Bloomfield Police Retirement Income Plan. Both plans are considered to be part of the Town of Bloomfield, Connecticut's financial reporting entity and are included in the Town's financial reports as Pension Trust Funds. Separate, stand-alone financial statements are not issued for these plans.

Management of the plans rests with the Plans' Administrators, which consists of three members including the Town Manager, Finance Director and Director of Human Resources.

The Town of Bloomfield Retirement Income Plan covers all full-time employees except participants in the International City Management Association (ICMA) program, teachers, police officers and non-Board of Education employees hired after June 30, 2003. The Plan provides retirement benefits as well as death and disability benefits. Employees are eligible to participate in the plan upon attaining the age of 18. All benefits vest after 10 years of service. Employees who retire at or after the point when age plus years of service equals 75 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% of final earnings times credited service. Final earnings are the highest of the average of the three highest consecutive calendar year salaries multiplied by years of service. Employees are eligible to retire at age 55 with 15 years of service or at age 62 with 10 years of service. The benefit is not reduced for early retirement if previous conditions were met. Benefits and contributions are established by contract and may be amended through union negotiation for those employees covered by a collective bargaining agreement, or by the Town for those employees not so covered.

### **Town Retirement Income Plan**

| <b>Fiscal Year</b> | <b>Actuarially Determined Employer</b> |                            |                            | <b>Percentage of ADEC Contributed</b> | <b>Net Pension Obligation (Asset)</b> |
|--------------------|--|----------------------------|----------------------------|---------------------------------------|---------------------------------------|
|                    | <b>Contribution (ADEC)</b>             | <b>Annual Contribution</b> | <b>Annual Contribution</b> |                                       |                                       |
| 2021 <sup>1</sup>  | \$ 3,315,486                           | \$ 3,315,486               | \$ 3,315,486               | 100.0%                                | \$ -                                  |
| 2020               | 3,391,810                              | 3,391,810                  | 3,391,810                  | 100.0                                 | -                                     |
| 2019               | 3,085,827                              | 3,085,827                  | 3,085,827                  | 100.0                                 | -                                     |
| 2018               | 2,930,717                              | 2,930,717                  | 2,930,717                  | 100.0                                 | -                                     |
| 2017               | 2,597,773                              | 2,597,743                  | 2,597,743                  | 100.0                                 | 30                                    |
| 2016               | 2,571,995                              | 2,572,003                  | 2,572,003                  | 100.0                                 | (8)                                   |
| 2015               | 2,629,169                              | 2,629,167                  | 2,629,167                  | 100.0                                 | 2                                     |
| 2014               | 2,477,043                              | 2,477,045                  | 2,477,045                  | 100.0                                 | (2)                                   |
| 2013               | 2,152,730                              | 2,168,937                  | 2,168,937                  | 100.8                                 | (16,207)                              |
| 2012               | 1,926,516                              | 1,956,542                  | 1,956,542                  | 101.6                                 | (30,026)                              |

<sup>1</sup> Budgeted.

The Town of Bloomfield Police Retirement Income Plan covers all full-time police employees hired before January 1, 2002, except those such employees covered by the ICMA program. The plan provides retirement benefits as well as death and disability benefits. Employees classified as a police officer or dispatcher whose customary employment is 30 hours or more per week hired before January 1, 2002 are eligible to participate. All benefits vest after 10 years of service. Employees who retire after 25 years of credited service as police officers are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 1/2% of final earnings multiplied by years of credited service (maximum 30 years). Final earnings are the employee's average earnings over the 3 highest consecutive calendar years of employment or the final 36 months of employment. Employees with 10 years of service may retire within 10 years of normal retirement and receive a reduced retirement benefit. Benefits and contributions are established by the Town and may be amended by the Town.

### **Police Retirement Income Plan**

| <b>Fiscal Year</b> | <b>Actuarially Determined Employer</b> |                            |                            | <b>Percentage of ADEC Contributed</b> | <b>Net Pension Obligation (Asset)</b> |
|--------------------|--|----------------------------|----------------------------|---------------------------------------|---------------------------------------|
|                    | <b>Contribution (ADEC)</b>             | <b>Annual Contribution</b> | <b>Annual Contribution</b> |                                       |                                       |
| 2021 <sup>1</sup>  | \$ 2,023,800                           | \$ 2,023,800               | \$ 2,023,800               | 100.0%                                | \$ -                                  |
| 2020               | 2,105,665                              | 2,105,665                  | 2,105,665                  | 100.0                                 | -                                     |
| 2019               | 2,095,770                              | 2,096,000                  | 2,096,000                  | 100.0                                 | (230)                                 |
| 2018               | 2,092,998                              | 2,092,998                  | 2,092,998                  | 100.0                                 | -                                     |
| 2017               | 2,048,807                              | 2,048,807                  | 2,048,807                  | 100.0                                 | -                                     |
| 2016               | 2,051,665                              | 2,051,670                  | 2,051,670                  | 100.0                                 | (5)                                   |
| 2015               | 2,073,888                              | 2,073,888                  | 2,073,888                  | 100.0                                 | -                                     |
| 2014               | 1,882,291                              | 1,882,292                  | 1,882,292                  | 100.0                                 | (1)                                   |
| 2013               | 1,671,613                              | 1,671,000                  | 1,671,000                  | 100.0                                 | 613                                   |
| 2012               | 1,485,520                              | 1,485,522                  | 1,485,522                  | 100.0                                 | (2)                                   |

<sup>1</sup> Budgeted.

The Town is the administrator of a single-employer, defined contribution pension plan, the Town of Bloomfield Employee Benefit Plan. The plan covers public safety employees working more than 20 hours a week, hired on or after January 1, 2002, and other Town employees, excluding Board of Education employees, working more than 20 hours a week hired on or after July 1, 2003. The employer match is 10% and the employee share is 7%. The Town also provides an optional 457 plan to its employees.

Teachers participate in a contributory defined benefit plan established under Chapter 167a of the Connecticut General Statutes and administered by the Connecticut State Teachers' Retirement Board. All certified teachers are eligible to participate in the plan and are required to contribute 7.25% of annual earnings. The Town is not required to and does not contribute to the plan.

Governmental Accounting Standards Board Statement No. 67 ("GASB 67") requires a determination of the Total Pension Liability ("TPL") for a plan using the Entry Age Normal actuarial funding method. The Net Pension Liability ("NPL") is then set equal to the TPL minus the plan's Fiduciary Net Position ("FNP") which, generally, is the market value of assets in the plan as of the measurement date. Among the assumptions needed for the liability calculation is a Single Equivalent Interest Rate ("SEIR"). To determine the SEIR, the FNP must be projected into the future for as long as there are anticipated benefits payable to the membership and beneficiaries of the system on the measurement date. If the FNP of the plan is not expected to be depleted at any point in the future, the plan may use its long-term expected rate of return as the SEIR. If, on the other hand, the FNP of the plan is expected to be depleted, then the SEIR is the single rate of interest that will generate a present value of benefits equal to the sum of (i) the present value of all benefits through the date of depletion at a discount rate equal to the long-term expected rate of return, plus (ii) the present value of benefits after the date of depletion discounted at a rate based on 20-year, tax-exempt, general obligation municipal bonds, with an average credit rating of AA/Aa or higher.

The Town of Bloomfield has received from its actuarial firm Hooker & Holcombe reports prepared as of June 30, 2020 containing information to assist the Town in meeting the requirements of GASB 67. These reports indicated the following results as of June 30, 2020 in accordance with GASB 67:

|   | <b>Town Retirement    Police Retirement</b> |                    |                |
|---|---|--------------------|----------------|
|   | <b>Income Plan</b>                          | <b>Income Plan</b> | <b>Total</b>   |
| Total Pension Liability at June 30, 2020..... | \$ 74,594,600                               | \$ 44,047,785      | \$ 118,642,385 |
| Plan Fiduciary Net Position.....              | 53,589,785                                  | 25,988,217         | 79,578,002     |
| Net Pension (Asset) Liability.....            | \$ 21,004,815                               | \$ 18,059,568      | \$ 39,064,383  |
| Plan Fiduciary Net Position as % of           |   |                    |                |
| Total Pension Liability.....                  | 71.84%                                      | 59.00%             | 67.07%         |

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

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

|  | <b>1% Decrease</b> | <b>Current</b>  | <b>1% Increase</b> |
|--|--------------------|-----------------|--------------------|
|  | <b>(5.75)</b>      | <b>Discount</b> | <b>(7.75)</b>      |
|  | <b>(5.75)</b>      | <b>(6.75)</b>   | <b>(7.75)</b>      |
| Town Retirement Income Plan - Net Pension Liability.....   | \$ 21,004,815      | \$ 28,335,681   | \$ 14,773,966      |
| Police Retirement Income Plan - Net Pension Liability..... | \$ 18,059,568      | \$ 22,350,284   | \$ 14,430,775      |

## Other Post-Employment Benefits

### Plan Description

The Town administers one single-employer, post retirement healthcare plan for the Town, Police and Board of Education, the Town of Bloomfield Other Post Employment Benefits (OPEB) Plan. The other post employment benefit plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the OPEB Trust fund. The Town does not issue a separate stand-alone financial statement for this program.

The Town plan provides for medical, dental and life insurance benefits for all eligible Town, Police and Board of Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations. Administration costs are financed from investment earnings.

The Town contracts with a financial advisor and actuary who assist in monitoring the plan. Meetings are held at least quarterly with the Town Manager, Finance Director and investment advisor to review the plan. The Town Manager and the Finance Director also periodically provide information regarding the post-employment benefits plan to the Finance Subcommittee of the Town Council. The full Town Council would be consulted in the event of any major plan change.

### Funding Policy

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town's total plan contribution was \$2,827,338.

Retiree contributions are dependent on the covered group. There are no employee contributions for the Town, Police or Board of Education employees, with the exception of some retirees who pay for spousal coverage. Teachers are required to pay 100% of the costs.

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

|                   |            |
|-------------------|------------|
| Active Employees  | 537        |
| Retired Employees | <u>215</u> |
| Total             | 752        |

### Net OPEB Liability of the Town

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

|   |    |                   |
|---|----|-------------------|
| Total OPEB Liability .....  | \$ | 98,129,187        |
| Plan Fiduciary Net Position .....                                 |    | <u>10,679,124</u> |
| Town Net OPEB Liability .....                                     | \$ | 87,450,063        |
| Plan Fiduciary Net Position<br>as % of Total OPEB Liability ..... |    | 10.88%            |

In addition to providing pension benefits, the Town provides certain health care and life insurance benefits ("OPEB") for retired employees and dependents. Substantially all of the Town's employees may be eligible for these benefits if they retire from the Town. The Town recognizes the cost of providing these benefits by expensing the annual premiums for retirees 65 years and older and paying the claims through a self-insurance plan for retirees and dependents under 65 years of age.

On September 22, 2014 the Bloomfield Town Council approved the establishment of an OPEB Trust Fund (the Trust). The creation of the Trust fund allows for a 7.50% discount rate which would lower the unfunded liability (based on the 2012 Valuation) from \$94.6 million to approximately \$57.5 million and reduce the estimated annual required contribution to about \$4.4 million per year. As a condition of the Trust, the Town plans to phase-in the fully required annual required contribution over a ten-year period. For employees hired prior to July 2016, the Town deducts from all active public safety and other employees (except for certified teachers and administrators) 1.5% and 1.25%, respectively, of gross earnings towards the cost of these retiree health benefits. Police officers defined benefit members contribute 1%, non-defined benefit members either contribute 2.5%, 3.5% or 4% depending on hire date. Other employee defined benefit members contribute 1.25%, non-defined benefit members either contribute 1.25%, 2.5%, 3.0% or 3.5%

The most recent valuation as of July 1, 2018 as completed by the Town's actuarial firm, Hooker & Holcombe, Inc., determined that the Town had an actuarial accrued liability of \$82,627,579 with respect to the plan and an actuarial value of assets of \$8,209,637 resulting in an unfunded actuarial accrued liability of \$74,417,942. Based on a 6.75% (down from 7.5%) annual investment return assumption and a 30-year amortization period, using the Projected Unit Credit Actuarial Cost Method, the report determined the Town's actuarially determined employer contribution payable ("ADEC") to the plan (after allowing for employee contributions) for fiscal year 2020 as \$9,232,146 of which \$4,443,349 is expected benefit payments (EBP), with the net (ADEC-EBP) of \$4,788,797.

Beginning in fiscal year 2016, the Town and Board of Education implemented a 10-Year ADEC phase-in plan. Due to the resulting size of the contribution and, other budgetary constraints, the phase-in plan was amended in 2017. The Town is now on a 9 year ADEC phase-in plan and budgeted to fund 40% of the ADEC less EBP for fiscal year 2020. At the 40% funding level, a total contribution of \$1,915,519 has been budgeted (in addition to pay-as-you go claims) during fiscal year 2020. This percentage will grow by 10% each year through 2027. The Town will need to re-evaluate the level of funding every year in light of other budgetary constraints.

Also, the Town has made structural changes in its bargaining unit contracts such as increasing employee share of contributions for new employees and adding a High Deductible Health Plan (HDHP). With this option now being offered to future retirees, the OPEB liability has started to decrease. The Town will continue to address this liability in future bargaining contracts.

### Schedule of Employer Contributions

| <b>Fiscal Year</b> | <b>Actuarially Determined Employee Contribution (ADEC)</b> | <b>Actual Contribution</b> | <b>Percentage of OPEB Contributed</b> |
|--------------------|--|----------------------------|---------------------------------------|
| 2020               | \$ 9,232,146   | \$ 2,827,338               | 30.6%                                 |
| 2019               | 9,667,922  | 3,857,912                  | 39.9%                                 |
| 2018               | 9,394,000  | 3,132,615                  | 33.3%                                 |
| 2017               | 8,247,357  | 2,911,267                  | 35.3%                                 |
| 2016               | 8,016,863  | 3,475,807                  | 43.4%                                 |
| 2015               | 10,681,456   | 5,175,867                  | 48.5%                                 |
| 2014               | 10,476,981   | 2,131,871                  | 20.3%                                 |
| 2013               | 9,059,394  | 1,606,090                  | 17.7%                                 |
| 2012               | 8,889,935  | 1,668,436                  | 18.8%                                 |
| 2011               | 8,726,992  | 1,635,647                  | 18.7%                                 |

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current discount rate:

|                                      | <b>1% Decrease (5.75)</b> | <b>Current Discount Rate (6.75)</b> | <b>1% Increase (7.75)</b> |
|--------------------------------------|---------------------------|-------------------------------------|---------------------------|
| Town Plan's Net OPEB Liability ..... | \$ 100,375,271            | \$ 87,450,063                       | \$ 76,867,197             |

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.50%) or 1 percentage point higher (8.00% decreasing to 5.50%) than the current healthcare cost trend rates:

|                                      | <b>1% Decrease (6.00% decreasing to 3.50%)</b> | <b>Trend Rates (7.00% decreasing to 4.50%)</b> | <b>1% Increase (8.00% decreasing to 5.50%)</b> |
|--------------------------------------|--|--|--|
| Town Plan's Net OPEB Liability ..... | \$ 75,828,813                                  | \$ 87,450,063                                  | \$ 101,796,349                                 |



## Comparative Balance Sheets – General Fund

| <b>Assets</b>  | <i>Actual</i><br><b>6/30/2020</b> | <i>Actual</i><br><b>6/30/2019</b> | <i>Actual</i><br><b>6/30/2018</b> | <i>Actual</i><br><b>6/30/2017</b> | <i>Actual</i><br><b>6/30/2016</b> |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Cash and Cash Equivalents.....   | \$ 39,544,999                     | \$ 37,956,606                     | \$ 34,124,838                     | \$ 31,001,656                     | \$ 32,802,882                     |
| Receivables:   |                                   |                                   |                                   |                                   |                                   |
| Property Taxes Receivable.....   | 1,549,311                         | 1,862,140                         | 1,703,605                         | 1,853,061                         | 1,467,440                         |
| Intergovernmental.....   | -                                 | -                                 | 1,073                             | 1,013                             | -                                 |
| Accounts Receivable.....   | 261,159                           | 670,366                           | 534,477                           | 461,327                           | 220,622                           |
| Due to Other Funds.....  | 8,296,413                         | 8,488,342                         | 6,474,137                         | 5,161,621                         | 2,210,671                         |
| Other Assets.....  | -                                 | 7,878                             | 391,200                           | 104,250                           | -                                 |
| <b>Total Assets.....</b>   | <b>\$ 49,651,882</b>              | <b>\$ 48,985,332</b>              | <b>\$ 43,229,330</b>              | <b>\$ 38,582,928</b>              | <b>\$ 36,701,615</b>              |
| <b><u>Liabilities and Fund Balance</u></b>                                     |                                   |                                   |                                   |                                   |                                   |
| <i>Liabilities</i>   |                                   |                                   |                                   |                                   |                                   |
| Accounts Payable.....  | \$ 2,517,059                      | \$ 1,833,761                      | \$ 1,443,172                      | \$ 1,612,416                      | \$ 1,323,865                      |
| Accrued Liabilities.....   | 870,604                           | 1,337,690                         | 565,328                           | 552,512                           | 592,695                           |
| Due to Other Funds.....  | 15,621,683                        | 13,321,277                        | 16,221,496                        | 12,630,138                        | 10,214,275                        |
| Unearned Revenue.....  | -                                 | 94,830                            | 10,978                            | 34,713                            | 22,824                            |
| Deferred Revenue.....  | 38,888                            | -                                 | -                                 | -                                 | -                                 |
| <b>Total Liabilities.....</b>  | <b>\$ 19,048,234</b>              | <b>\$ 16,587,558</b>              | <b>\$ 18,240,974</b>              | <b>\$ 14,829,779</b>              | <b>\$ 12,153,659</b>              |
| <b><u>Deferred Inflows of Resources</u></b>                                    |                                   |                                   |                                   |                                   |                                   |
| Unavailable Revenue - Property Taxes.....                                      | \$ 1,350,676                      | \$ 1,665,949                      | \$ 1,494,860                      | \$ 1,305,432                      | \$ 1,305,432                      |
| Advance Property Tax Collections.....  | 2,589,582                         | 8,042,358                         | -                                 | 5,091,412                         | 5,091,412                         |
| <b>Total Deferred Inflows of Resources.....</b>                                | <b>\$ 3,940,258</b>               | <b>\$ 9,708,307</b>               | <b>\$ 1,494,860</b>               | <b>\$ 6,396,844</b>               | <b>\$ 6,396,844</b>               |
| <b><u>Fund Balances</u></b>  |                                   |                                   |                                   |                                   |                                   |
| Nonspendable.....  | \$ -                              | \$ 7,878                          | \$ 391,200                        | \$ -                              | \$ -                              |
| Restricted.....  | -                                 | -                                 | -                                 | -                                 | -                                 |
| Committed.....   | -                                 | -                                 | -                                 | -                                 | -                                 |
| Assigned.....  | 4,156,461                         | 3,925,697                         | 2,596,901                         | 1,551,424                         | 1,551,424                         |
| Unassigned.....  | 22,506,929                        | 18,755,892                        | 18,356,965                        | 16,599,688                        | 16,599,688                        |
| <b>Total Fund Balance.....</b>   | <b>\$ 26,663,390</b>              | <b>\$ 22,689,467</b>              | <b>\$ 21,345,066</b>              | <b>\$ 18,151,112</b>              | <b>\$ 18,151,112</b>              |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance.....</b> |                                   |                                   |                                   |                                   |                                   |
|  | <b>\$ 49,651,882</b>              | <b>\$ 48,985,332</b>              | <b>\$ 41,080,900</b>              | <b>\$ 39,377,735</b>              | <b>\$ 36,701,615</b>              |
| Operating revenues.....  | \$ 97,815,737                     | \$ 93,812,311                     | \$ 93,534,049                     | \$ 92,637,988                     | \$ 89,140,280                     |
| Fund balance as percent of operating revenues.....                             | 27.3%                             | 24.2%                             | 22.8%                             | 19.6%                             | 20.4%                             |
| Unreserved/unassigned fund balance as percent of operating revenues.....       | 23.0%                             | 20.0%                             | 19.6%                             | 17.9%                             | 18.6%                             |

## General Fund Revenues and Expenditures

The General Fund revenues, expenditures, and changes in fund balance for the fiscal years ended June 30, 2016 through 2020 have been derived from audited financial statements. The adopted budget for Fiscal Year 2020–21. The Town’s independent accountants have not examined, reviewed or compiled any of the estimates presented below or expressed any conclusion or provided any other form of assurance with respect to such estimates, and accordingly, assume no responsibility for them. The financial information presented herein is the responsibility of the Town of Bloomfield’s management (Appendix A – “2020 Financial Statements” was taken from the Comprehensive Annual Financial Report of the Town of Bloomfield for the Fiscal Year ended June 30, 2020 and June 30, 2021).

|  | <b>Adopted<br/>Budget<br/>2021 <sup>1</sup></b> | <b>Actual<br/>2020</b> | <b>Actual<br/>2019</b> | <b>Actual<br/>2018</b> | <b>Actual<br/>2017</b> | <b>Actual<br/>2016</b> |
|--|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Revenues:</b>   |   |                        |                        |                        |                        |                        |
| Property Taxes .....   | \$ 80,432,940                                   | \$ 81,834,237          | \$ 80,621,613          | \$ 76,396,187          | \$ 74,698,743          | \$ 73,563,398          |
| Intergovernmental Revenues .....   | 6,519,510                                       | 12,099,989             | 9,237,517              | 13,984,068             | 14,366,350             | 11,091,620             |
| Charges for Services .....   | 1,996,700                                       | 2,966,976              | 3,008,250              | 2,538,033              | 3,281,387              | 4,265,991              |
| Interest Income .....  | 1,109,763                                       | 568,007                | 684,288                | 376,677                | 157,151                | 89,745                 |
| Other .....  | 920,000   | 346,528                | 260,643                | 239,084                | 134,357                | 129,526                |
| <b>Total Revenues</b> .....  | <b>90,978,913</b>                               | <b>97,815,737</b>      | <b>93,812,311</b>      | <b>93,534,049</b>      | <b>92,637,988</b>      | <b>89,140,280</b>      |
| <b>Expenditures:</b>   |   |                        |                        |                        |                        |                        |
| Administration .....   | 4,353,516                                       | 3,424,267              | 3,252,096              | 3,158,722              | 3,140,515              | 3,082,450              |
| Boards and Agencies .....  | 209,807   | 135,745                | 163,835                | 161,084                | 154,092                | 138,231                |
| Planning & Development .....   | 1,583,590                                       | 1,236,104              | 1,194,451              | 1,105,552              | 992,584                | 978,180                |
| Public Safety .....  | 10,505,194                                      | 7,653,249              | 7,760,470              | 7,304,494              | 7,505,124              | 7,471,347              |
| Public Works .....   | 5,693,719                                       | 3,191,310              | 3,106,586              | 3,091,766              | 3,067,339              | 2,895,926              |
| Leisure Services .....   | 875,119   | 806,755                | 798,191                | 728,656                | 724,178                | 730,653                |
| Public Libraries .....   | 2,129,020                                       | 1,719,406              | 1,733,695              | 1,621,318              | 1,580,730              | 1,524,108              |
| Human Services .....   | 2,156,057                                       | 1,681,886              | 1,620,017              | 1,558,112              | 1,465,096              | 1,427,964              |
| Facilities .....   | 560,327   | 1,747,651              | 1,590,269              | 1,640,342              | 1,461,766              | 1,561,150              |
| Fixed Charges .....  | 13,362,561                                      | 17,784,106             | 17,767,465             | 16,168,272             | 16,005,256             | 15,915,492             |
| Miscellaneous .....  | 239,000   | 252,341                | 207,429                | 150,137                | 73,839                 | 170,017                |
| Education .....  | 45,164,111                                      | 48,686,569             | 46,334,201             | 48,305,312             | 47,763,637             | 43,740,001             |
| Debt Service .....   | 7,806,892                                       | 6,586,187              | 5,687,779              | 5,808,960              | 6,205,214              | 6,198,138              |
| <b>Total Expenditures</b> .....  | <b>94,638,913</b>                               | <b>94,905,576</b>      | <b>91,216,484</b>      | <b>90,802,727</b>      | <b>90,139,370</b>      | <b>85,833,657</b>      |
| <b>Excess (Deficiency) of Revenues<br/>Over Expenditures</b> .....   | <b>(3,660,000)</b>                              | <b>2,910,161</b>       | <b>2,595,827</b>       | <b>2,731,322</b>       | <b>2,498,618</b>       | <b>3,306,623</b>       |
| <b>Other Financing Sources (Uses):</b>   |   |                        |                        |                        |                        |                        |
| Premium on Bond .....  | -   | -                      | -                      | 2,202,019              | -                      | -                      |
| Premium on BAN .....   | -   | -                      | 41,906                 | -                      | -                      | -                      |
| Premium on Bond Issuance .....   | -   | -                      | 143,778                | -                      | -                      | -                      |
| Issuance of Refunding Bonds .....  | -   | -                      | -                      | 13,050,000             | 8,745,000              | -                      |
| Payment to Refunded Bond Escrow Agent .....  | -   | -                      | -                      | (15,109,225)           | (9,815,139)            | -                      |
| Premium on Refunding Bond Issuance .....   | -   | -                      | -                      | -                      | 1,195,675              | -                      |
| Premium on Bond Insurance .....  | -   | 888,762                | -                      | -                      | -                      | -                      |
| Operating Transfers In .....   | 175,000   | 175,000                | 150,000                | 125,000                | 125,000                | 100,000                |
| Operating Transfers Out .....  | -   | -                      | (1,587,110)            | (1,207,956)            | (1,346,360)            | (2,419,246)            |
| <b>Net Other Financing Sources (Uses)</b> .....  | <b>175,000</b>                                  | <b>1,063,762</b>       | <b>(1,251,426)</b>     | <b>(940,162)</b>       | <b>(1,095,824)</b>     | <b>(2,319,246)</b>     |
| <b>Excess (Deficiency) of Revenues and<br/>Other Financing Sources Over<br/>Exps. and Other Financing Uses</b> ..... | <b>(3,485,000)</b>                              | <b>3,973,923</b>       | <b>1,344,401</b>       | <b>1,791,160</b>       | <b>1,402,794</b>       | <b>987,377</b>         |
| <b>Fund Balance, July 1</b> .....  | <b>\$ 26,663,390</b>                            | <b>\$ 22,689,467</b>   | <b>\$ 21,345,066</b>   | <b>\$ 19,553,906</b>   | <b>\$ 18,151,112</b>   | <b>\$ 17,163,735</b>   |
| <b>Residual Equity Transfers</b> .....   | <b>-</b>  | <b>-</b>               | <b>-</b>               | <b>-</b>               | <b>-</b>               | <b>-</b>               |
| <b>Fund Balance, End of Year</b> .....   | <b>\$ 23,178,390</b>                            | <b>\$ 26,663,390</b>   | <b>\$ 22,689,467</b>   | <b>\$ 21,345,066</b>   | <b>\$ 19,553,906</b>   | <b>\$ 18,151,112</b>   |

<sup>1</sup> Budgeted.

Municipal Budget Expenditures Cap: Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded. The 2019-2021 biennium budget legislation does not provide for the municipal revenue sharing grant in fiscal years ending June 30, 2020 and June 30, 2021, but will resume such funding following July 1, 2021.

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## **VII – ADDITIONAL INFORMATION**

### ***Litigation***

Following consultation with the Town Attorney, and other attorneys providing legal services to the Town, Town officials advise that the Town of Bloomfield, Connecticut, its officers, employees, boards and commissions are named defendants in a number of lawsuits. With regard to these pending lawsuits it is the Town officials' opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town that would materially adversely affect its financial position.

### ***Documents Furnished at Delivery***

The winning bidder will be furnished the following documents when the Bonds are delivered:

1. Signature and No Litigation Certificates stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town, signed by the Interim Town Manager, the Treasurer, and the Co-Interim Directors of Finance, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time the bids were awarded for the Bonds, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of 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 Town from that set forth in or contemplated by the Official Statement.
3. Receipts for the purchase price of the Bonds.
4. The approving opinion of Day Pitney LLP, Bond Counsel, of Hartford, Connecticut.
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C to this Official Statement.
6. The Town of Bloomfield has prepared an Official Statement for the Bonds which is dated January \_\_, 2021. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(1), but it is subject to revision or amendment. The Town will make available to the winning bidder of the Bonds twenty-five (25) copies of the final Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning bidder at the office of the Town's Municipal Advisor no later than seven business days of the bid opening. If the Town's Municipal Advisor is provided with the necessary information from the winning bidder by noon of the day following the day bids on the Bonds are received, the copies of the final Official Statement will include an additional cover page and other pages indicating the interest rates, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, and any changes on the Securities. The winning bidder shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement to the winning bidder.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at offices of U.S. Bank National Association, and may be examined upon reasonable request.

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**Concluding Statement**

This Official Statement is submitted only in connection with the sale of the Bonds by the Town of Bloomfield, Connecticut and may not be reproduced or used in whole or in part for any other purpose.

The following officials, in their capacity as officers of the Town, and in the name and on behalf of the Town, do hereby certify in connection with this issue that they have examined this Official Statement, and to the best of their knowledge and belief, the description and statements relating to the Town and its finances were true and correct in all material respects and do 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.

**TOWN OF BLOOMFIELD, CONNECTICUT**

By: \_\_\_\_\_  
PHILIP K SCHENCK, JR., *Interim Town Manager*

By: \_\_\_\_\_  
SHAWN SAMUELS, *Treasurer*

By: \_\_\_\_\_  
SHARON GENTLES-HARRIS, *Co-Interim Director of Finance*

By: \_\_\_\_\_  
NANCY HAYNES, *Co-Interim Director of Finance*

Dated: January \_\_, 2021

## ***Appendix A***

### ***2020 Financial Statements Excerpted from the Town's Comprehensive Annual Financial Report***

The following includes the General Purpose Financial Statements of the Town of Bloomfield, Connecticut for the fiscal year ended June 30, 2020. The supplemental data that was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Barry Bernabe, Managing Director, Phoenix Advisors LLC, 53 River Street, Suite 1, Milford, Connecticut 06460. Telephone (203) 283-1110

## **Independent Auditors' Report**

To the Members of the Bloomfield Town Council  
Town of Bloomfield, 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 Town of Bloomfield, Connecticut, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Bloomfield, 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 Town of Bloomfield, Connecticut, as of June 30, 2020 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, who 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 Town of Bloomfield, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2020 on our consideration of the Town of Bloomfield, 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 Town of Bloomfield, 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 Town of Bloomfield, Connecticut's internal control over financial reporting and compliance.

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

West Hartford, Connecticut  
December 31, 2020

**TOWN OF BLOOMFIELD, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2020**

As management of the Town of Bloomfield, we offer readers of the Town of Bloomfield's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the introductory section of this report.

**Financial Highlights**

This discussion and analysis is intended to serve as an introduction to the Town of Bloomfield's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$31.4 million (*net position*). Of this amount, \$22.6 million was attributable to Governmental Activities and \$8.7 million to Business-Type Activities.
- The Town's total net position decreased by around \$.4 million from the prior year. This is primarily due to the reduced spending due to Covid closures for Town activities.
- Net position of our governmental activities decreased by \$46 thousand while the net position on the business-type activities decreased by about \$334,000.
- At the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$33.1 million, an increase of \$6.0 million over the prior year. This increase is reflected in the Nonrecurring Capital Projects fund which decreased by \$.1 million in FY 2020. The building projects are well underway, with the Human Services building completed in the spring of 2020. There was one bond issuance in FY 2020 to issue permanent financing for a portion of the building projects, but the expenditures outpaced the permanent financing schedule by year end. The General Fund saw growth in the fund balance of \$3.97 million which was due to higher than anticipated revenue and lower than anticipated costs in FY 2020. The Miscellaneous Grants Fund fund balance increased by \$2.3 million due to the timing of revenue recognition and expenditures. The Nonmajor Governmental Funds fund balance decreased from \$1.6 million to \$1.2 million at the end of FY 2020 which was attributed to an decrease in revenue received exceeded by the decrease in expenditures which were much lower than prior year.
- The General Fund had a total fund balance of \$26.7 million, an increase of \$3.97 million over the prior year. Of the \$26.7 million, \$4.16 million was assigned (which included \$2.51 million assigned as revenue for the 2020-21 fiscal year, \$600 thousand assigned for future debt service payments, \$560 thousand to assist with future capital expenditures, \$256 thousand in PY encumbrances), \$8 thousand was nonspendable fund balance for prepaid expenses, leaving an unassigned total of \$23.0 million. The unassigned General Fund balance increased by \$2.36 million over the prior year and represents 25.5% of the fiscal year 2019-2020 General Fund budget, which is above the 15-20% goal established by the Fund Balance Policy. There was no committed fund balance in the General Fund at year-end.
- The property tax collection rate as of June 30, 2020 was 98.66%, a slight increase of .23% from the prior year, and just over the 98.5% that the Town assumed in its 2019-2020 budget.

- The Town of Bloomfield’s outstanding bonded debt at June 30, 2020 is \$58.4 million. There was a bond anticipation note of \$9 million to temporarily assist in offsetting the increasing expenditures of the projects.
- The Town’s total capital assets, which total \$207 million (net of depreciation) increased by \$9.2 million during the current fiscal year due to a portion of the building projects being added to the Town capital assets and the addition of the police dispatch system. Fiscal year 2019-2020 was the fourth full year of depreciation on the assets related to the major school renovations.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town’s finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include administration, planning and development, public safety, public works, leisure services, public libraries, human services and education. The business-type activities of the Town include the operations of the Wintonbury Hills Golf Course.

The government-wide financial statements can be found on Exhibits I and II of this report.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

#### ***Governmental Funds***

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

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

The Town maintains 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Nonrecurring Capital Projects Fund, and the Miscellaneous Grants Fund, which are considered to be major funds. Data from the other 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget (RSI-1 and RSI-2).

The basic governmental fund financial statements can be found on Exhibits III and IV.

### **Overview of the Basic Financial Statements (continued)**

#### ***Proprietary Funds***

The Town maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for the operations of the Wintonbury Hills Golf Course. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions.

The Town uses an internal service fund to account for its employees' self-insured medical benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides information for the Wintonbury Hills Golf Course operations, which is considered to be a major fund of the Town.

The basic proprietary fund financial statements can be found on Exhibits V, VI, and VII.

#### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Exhibits VIII and IX.

### **Notes to The Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found following the basic financial statements.

## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found immediately following the notes to the financial statements.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. At June 30, 2020, the Town of Bloomfield's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$31.4 million.

### **NET POSITION (THOUSANDS)**

|  | Governmental<br>Activities |                  | Business-type<br>Activities |                 | Total            |                  |
|--|----------------------------|------------------|-----------------------------|-----------------|------------------|------------------|
|  | 2020                       | 2019             | 2020                        | 2019            | 2020             | 2019             |
| Current assets and other assets                    | \$ 60,187                  | \$ 57,427        | \$ 435                      | \$ 457          | \$ 60,622        | \$ 57,884        |
| Capital assets, net of<br>accumulated depreciation | 198,217                    | 188,711          | 8,508                       | 8,771           | 206,725          | 197,482          |
| Total assets                                       | <u>258,404</u>             | <u>246,138</u>   | <u>8,943</u>                | <u>9,228</u>    | <u>267,347</u>   | <u>255,366</u>   |
| Deferred outflows of resources                     | <u>7,532</u>               | <u>5,600</u>     |                             |                 | <u>7,532</u>     | <u>5,600</u>     |
| Current liabilities                                | 17,590                     | 14,871           | 216                         | 166             | 17,806           | 15,037           |
| Noncurrent liabilities                             | 213,280                    | 196,464          |                             |                 | 213,280          | 196,464          |
| Total liabilities                                  | <u>230,870</u>             | <u>211,335</u>   | <u>216</u>                  | <u>166</u>      | <u>231,086</u>   | <u>211,501</u>   |
| Deferred inflows of resources                      | <u>12,437</u>              | <u>17,727</u>    |                             |                 | <u>12,437</u>    | <u>17,727</u>    |
| Net Position:                                      |                            |                  |                             |                 |                  |                  |
| Net investment in capital assets                   | 125,217                    | 128,523          | 8,508                       | 8,771           | 133,725          | 137,294          |
| Restricted   | 7,449                      |                  |                             |                 | 7,449            | -                |
| Unrestricted                                       | <u>(110,036)</u>           | <u>(105,848)</u> | <u>219</u>                  | <u>290</u>      | <u>(109,817)</u> | <u>(105,558)</u> |
| Total Net Position                                 | <u>\$ 22,630</u>           | <u>\$ 22,675</u> | <u>\$ 8,727</u>             | <u>\$ 9,061</u> | <u>\$ 31,357</u> | <u>\$ 31,736</u> |

By far the largest portion of the Town's net position (\$134 million) is its investment in capital assets (e.g., land, construction in progress, buildings, land improvements, furniture and equipment, and infrastructure), less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is (\$109.8) million.

- The Town's net position total of \$31.4 million decreased by \$.4 million during the current fiscal year. Of the net position total, \$22.6 million is attributable to the government activities category and \$8.7 million for business-type activities.

## **Governmental Activities**

Governmental activities decreased the Town's net position by \$46 thousand.

## **Business-Type Activities**

The net position of business-type activities, which is entirely comprised of the operations of the Wintonbury Hills Golf Course, decreased by \$334 thousand.

## **Revenues**

Governmental activities revenues totaled \$117.5 million for fiscal year 2020. This represents an increase of \$6.66 million from the prior year, with almost all of the increase was due to higher revenue collected and increased grants. Property taxes are the largest revenue source for the Town and represent 69.2% of total revenues. Operating grants and contributions total \$24.5 million or 20.8% of revenue of which the major portion is attributable to education grants, including the on-behalf teachers' retirement contribution (has an offsetting expense). Capital grants and contributions totaled \$4.9 million or 4.2% of governmental revenues. Charges for services totaled \$5.25 million, or 4.5% of total revenues.

The most significant variances from the prior year as outlined in the "Changes in Net Position" schedule are as follows:

- Charges for services, which total \$5.25 million, decreased by \$573,000 thousand over the prior year. This was mainly driven by a normal amount of real estate conveyance revenue. Police private duty fees were also up about \$250 thousand from the prior year which was driven by major construction jobs in the area.
- Operating grants and contributions decreased \$5.3 million as a result of a decrease in the on-behalf teachers' retirement contribution of \$1.5 million and an offset to the contribution of \$3.1 million to recognize State of Connecticut OPEB revenue received.
- Capital grants and contributions, which total \$4.9 million, increased by \$1.6 million due primarily to public work construction grant.
- Property taxes, which comprise 69% of total revenue, or \$81.3 million, increased by \$382 thousand due primarily to the increase in the tax levy for the 2019-2020 fiscal year as well as higher-than-anticipated collections.
- Unrestricted investment earnings decreased by \$170 thousand as a result of uncertainty in the market.

## **Expenses**

Governmental expenses totaled \$117.5 million for the 2020 fiscal year, an increase of \$3 million over the prior year. The largest category of expenses related to Education, which represents \$69.7 million or 59.3% of total expenses. This is an increase of \$3.8 million from the prior year because this figure includes the implementation of new accounting software and the increase cost of PPE. The driver for this is a result of a \$1.5 million decrease in the expense and the expenditure was offset this year by revenue received as contributions to the State OPEB fund of \$1.1 million.

Public safety expenses comprise the next largest expense category at \$14.4 million or 12.3% of total expenses, a decrease of \$2.7 million. This is primarily due to the actuarial results of the OPEB liability for FY 2019 increasing when compared to prior year expectations and therefore creating an increase in deferred outflows. An increase in the compensated absences liability for this department also contributed to this increase. Public Works is the third largest category of expenses and amounted to \$12.9 million or 11% of total expenses, an increase of \$3.2 million from the prior year due to an increase in deferred outflows. Contributions to the pension and medical claims, coupled with contractual increases in salaries added also contributed to this increase.

**CHANGES IN NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019  
(THOUSANDS)**

|   | <b>Governmental<br/>Activities</b> |                  | <b>Business-type<br/>Activities</b> |                 | <b>Total</b>     |                  |
|---|------------------------------------|------------------|-------------------------------------|-----------------|------------------|------------------|
|   | <b>2020</b>                        | <b>2019</b>      | <b>2020</b>                         | <b>2019</b>     | <b>2020</b>      | <b>2019</b>      |
| Revenues:                                 |                                    |                  |                                     |                 |                  |                  |
| Program revenues:                         |                                    |                  |                                     |                 |                  |                  |
| Charges for services                      | \$ 5,446                           | \$ 5,820         | \$ 1,696                            | \$ 1,700        | \$ 7,142         | \$ 7,520         |
| Operating grants and contributions        | 24,481                             | 19,146           |                                     |                 | 24,481           | 19,146           |
| Capital grants and contributions          | 4,920                              | 3,320            |                                     |                 | 4,920            | 3,320            |
| General revenues:                         |                                    |                  |                                     |                 |                  |                  |
| Property taxes                            | 81,321                             | 80,939           |                                     |                 | 81,321           | 80,939           |
| Grants and contributions (not restricted) | 522                                | 521              |                                     |                 | 522              | 521              |
| Unrestricted investment earnings          | 619                                | 789              |                                     |                 | 619              | 789              |
| Miscellaneous                             | 390                                | 304              |                                     |                 | 390              | 304              |
| Total revenues                            | <u>117,699</u>                     | <u>110,839</u>   | <u>1,696</u>                        | <u>1,700</u>    | <u>119,395</u>   | <u>112,539</u>   |
| Expenses:                                 |                                    |                  |                                     |                 |                  |                  |
| Administration                            | 7,166                              | 7,080            |                                     |                 | 7,166            | 7,080            |
| Planning and development                  | 2,499                              | 3,159            |                                     |                 | 2,499            | 3,159            |
| Public Safety                             | 14,441                             | 17,184           |                                     |                 | 14,441           | 17,184           |
| Public Works                              | 12,887                             | 9,704            |                                     |                 | 12,887           | 9,704            |
| Leisure Services                          | 1,563                              | 1,821            |                                     |                 | 1,563            | 1,821            |
| Public Libraries                          | 3,691                              | 3,868            |                                     |                 | 3,691            | 3,868            |
| Human Services                            | 3,417                              | 3,981            |                                     |                 | 3,417            | 3,981            |
| Education                                 | 69,959                             | 66,006           |                                     |                 | 69,959           | 66,006           |
| Interest expense                          | 2,121                              | 1,682            |                                     |                 | 2,121            | 1,682            |
| Wintonbury Hills Golf Course              |                                    |                  | 2,030                               | 1,924           | 2,030            | 1,924            |
| Total expenses                            | <u>117,744</u>                     | <u>114,485</u>   | <u>2,030</u>                        | <u>1,924</u>    | <u>119,774</u>   | <u>116,409</u>   |
| Increase (Decrease) in Net Position       | (45)                               | (3,646)          | (334)                               | (224)           | (379)            | (3,870)          |
| Net Position July 1                       | <u>22,675</u>                      | <u>26,321</u>    | <u>9,061</u>                        | <u>9,285</u>    | <u>31,736</u>    | <u>35,606</u>    |
| Net Position June 30                      | <u>\$ 22,630</u>                   | <u>\$ 22,675</u> | <u>\$ 8,727</u>                     | <u>\$ 9,061</u> | <u>\$ 31,357</u> | <u>\$ 31,736</u> |

**Business-Type Activities**

Business-type activities, which for the Town includes the operation of Wintonbury Hills Golf Course, decreased the Town's net position by \$334 thousand mainly attributable to an increase in depreciation expense.

**Financial Analysis of the Town's Funds**

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

## **Governmental Funds**

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds (as presented in the balance sheet Exhibit III) reported combined ending fund balances of \$33.1 million, an increase of \$5.9 million in comparison with the prior year.

The General Fund component of the combined fund balance is \$26.7 million. Of the total General Fund balance, \$22.5 million constitutes unassigned fund balance; the difference between the total fund balance and unassigned fund balance is the assigned fund balance components in the amount of \$4.16 million. This balance is assigned for the following specific purposes: \$256 thousand for FY 20 encumbrances, \$2.5 million assigned as revenue to mitigate the mill rate for the 2019-2020 fiscal year, \$560 thousand for future capital projects and \$600 thousand to stabilize future debt service payments.

The general fund fund balance increased by \$3.9 million, primarily due to revenues in excess of expenditures of \$2.8 million and \$.9 from the premium on bond issuance.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures (budgetary). Unassigned fund balance represents 22.5% of total 2019-2020 General Fund expenditures, while total fund balance represents 29% of that same amount.

### **Nonrecurring Capital Projects Fund**

This fund accounts for financial resources to be used for the acquisition of major equipment, construction of facilities and infrastructure improvements. The nonrecurring capital projects fund's fiscal year 2020 expenditures exceeded revenues by just under \$13.8 million. This is because of the two major building projects making significant strides in FY 2020, with the Health & Human services building completed in the spring, while funding for these projects was in its first phase of a three-year phase in.

### **Miscellaneous Grants Fund**

This fund accounts for the proceeds of special revenue sources that are legally restricted for expenditures of specific purposes. The miscellaneous grants fund fund's fiscal year 2020 revenues exceeded expenditures by \$2.4 million. This is due to the timing of the recognition of certain grants revenues and the timing of the related grant expenditures.

### **Non-Major Governmental Funds**

Non-major governmental funds account for all other grant programs for education, social services, recreation, school cafeteria, public safety that do not fall into a major category and to account for specific revenues restricted to expenditures for specific purposes. There was a decrease in this fund during the year with fund balance decreasing by \$460 thousand which decreased the fund balance at June 30, 2020 to a total of \$1.2 million.

### **Proprietary Funds**

The Town has two proprietary funds, a business-type fund to account for the operations of the Wintonbury Hills Golf Course, and an internal service fund used to account for costs related to employee health insurance. In fiscal year 2020, the golf course had an operating loss of \$334 thousand and, therefore, total net position decreased to \$8.7 million at June 30, 2020.

The internal service fund for employee health insurance had an operating increase of \$292 thousand due to stable claims. Fiscal year 2020's net position finished the year at \$6.12 million dollars. The Self-Insurance Fund Balance policy recommends a 3 to 6 month claims average and while the net position decreased, it was still well above the recommended level.



## **General Fund Budgetary Highlights**

Actual General Fund revenues, on a budgetary basis, totaled \$92,293,152, which exceeded the original budget by \$2.37 million (note that the original revenue budget included \$1,400,000 of assigned fund balance; this amount did not need to be used). The favorable revenue variance was mostly driven by the Property Taxes category which was over budget by \$1.31 million due primarily to settlements of assessment appeals which increase the grand list and favorable collections

Fiscal year 2019-2020 actual expenditures were \$89,857,681 as compared to the final budget of \$91,847,821, creating a favorable variance of \$1,990,140. Favorable expenditure variances were realized in almost every town department, due to fiscal conservatism and effective management. A transfer to the OPEB trust of \$765 thousand was approved by Council when there were recognized savings in other departments to offset this transfer.

The Board of Education budget of \$43,427,030 and was fully expended.

Overall, fiscal year 2019 was a very positive year for the Town of Bloomfield due to continued cost savings efforts, maintenance of high tax collections rates, and general conservative fiscal management. All of these efforts were combined with strategic plans to continue to fund capital improvements; fund 100% of the actuarially-recommended defined benefit pension contribution; and implement a ten-year phase-in plan to address the OPEB liability.

## **Capital Asset and Debt Administration**

### **Capital Assets**

The Town's investment in capital assets (net of depreciation) for its governmental and business-type activities as of June 30, 2020 amounts to \$198.2 million and \$8.5 million, respectively, for a total of \$206.7 million or an increase of \$9.2 million. This investment in capital assets includes land, construction in progress, buildings, land improvements, furniture and equipment, and infrastructure. The increase was driven by the building projects, but offset slightly by the change in depreciation. Capital assets for Business-type activities for the Wintonbury Hills Golf Course, decreased by \$263 thousand from the prior year, again mainly due to normal depreciation.

### **CAPITAL ASSETS (Net of Depreciation) (THOUSANDS)**

|                          | <b>Governmental<br/>Activities</b> |                   | <b>Business-type<br/>Activities</b> |                 | <b>Total</b>      |                   |
|--------------------------|------------------------------------|-------------------|-------------------------------------|-----------------|-------------------|-------------------|
|                          | <b>2020</b>                        | <b>2019</b>       | <b>2020</b>                         | <b>2019</b>     | <b>2020</b>       | <b>2019</b>       |
| Land                     | \$ 41,482                          | \$ 41,482         | \$ 1,000                            | \$ 1,000        | \$ 42,482         | \$ 42,482         |
| Construction in progress | 30,800                             | 22,919            |                                     |                 | 30,800            | 22,919            |
| Buildings                | 103,954                            | 106,252           | 1,117                               | 1,150           | 105,071           | 107,402           |
| Land Improvements        | 5,568                              | 2,978             | 6,099                               | 6,288           | 11,667            | 9,266             |
| Furniture and equipment  | 5,328                              | 5,619             | 292                                 | 333             | 5,620             | 5,952             |
| Infrastructure           | 11,085                             | 9,461             |                                     |                 | 11,085            | 9,461             |
| <b>Total</b>             | <b>\$ 198,217</b>                  | <b>\$ 188,711</b> | <b>\$ 8,508</b>                     | <b>\$ 8,771</b> | <b>\$ 206,725</b> | <b>\$ 197,482</b> |

Additional information on the Town's capital assets can be found in Note 3.B.

## **Debt Administration**

### **Long Term Debt**

At the beginning of the fiscal year, the Town had total debt outstanding of \$50.9 million. During FY 2020, the Town paid down \$3.93 million of principal and there was a new BAN issuance of \$9 million to fund a portion of the building projects. At the end of June 30, 2020, the Town has \$58.4 million total debt outstanding. All bonded debt is general obligation debt backed by the full faith and credit of the Town.

**OUTSTANDING DEBT  
JUNE 30, 2020 AND 2019  
(THOUSANDS)**

|                          | <b>Governmental<br/>Activities</b> |             |
|--------------------------|------------------------------------|-------------|
|                          | <b>2020</b>                        | <b>2019</b> |
| General Obligation Bonds | \$ 58,395                          | \$ 50,900   |

At June 30, 2020, the Town’s outstanding debt was rated “Aa2” by Moody’s Investor Service and “AA+” by Standard & Poor’s Rating Group. Standard & Poor’s rating was affirmed in fiscal year 2020, with an upgrade from “Good” to “Strong” in the management category. Bloomfield has maintained its strong ratings due to conservative fiscal management and high levels of unassigned fund balance.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The Town’s debt limitation at June 30, 2020 for the Town is \$589.9 million which far exceeds the Town’s total indebtedness (including underlying and overlapping debt) of \$72.8 million.

Additional information on the Town’s long-term debt can be found in Note 3.D and Statistical Section Table 11.

**Economic Factors and Next Year’s Budgets and Rates**

The Town has again successfully managed its budgetary operations through prudent, conservative fiscal management. The 2019-2020 results show the Town’s General Fund unassigned fund balance increasing to \$22.5 million or approximately 24.5% of the fiscal 2020 budget and 23.24% of the fiscal 2021 budget. During fiscal year 2017, the Town Council adopted a Fund Balance Policy which sets a goal for unassigned fund balance at 15-20% of the budget; therefore, the Town is at the upper end of its desired range and is in a very good position compared to other Connecticut municipalities and the State. For the past 4 years, Bloomfield has seen extraordinary economic development. This has helped to attract commercial and residential developers to the area which is a good indication of a growing local economy. To keep the Town financially strong, growth in the tax base is crucial. This will ensure that the Town continues to have a strong tax base while facing economic uncertainty regarding future financial support from the State of Connecticut.

The Town’s adopted 2020-2021 General Fund appropriations total \$94.6 million, an increase of 3.0% from the 2019-20 originally adopted budget. The mill rate will roll back by 6.5% to 35.01 because there a well-managed expenditure budget and an increase in the grand list of \$45 million or 7.69% attributable mainly to new construction and the personal property that it encompasses. The next mandated property tax revaluation will occur in fiscal year 2019-2020. As of June 30, 2020, the tax collection rate was 98.66%, and the assumed collection rate used in the FY 2020-2021 budget is 98.0%.

Despite a strong FY 2020 finish and a steady, solid tax collection rate, the Town of Bloomfield continues to be faced with difficulty in generating new revenues to offset growing costs. Like other towns, there is still a heavy reliance on property tax collection because of state statutes that limit Connecticut municipalities’ ability to raise revenue. Every year, the challenge to raise revenue to offset rising costs increases. While the Town’s FY 2020-2020 budget had an increase in the taxable grand list and a modest expenditure increase, there are still challenges in the current economic climate. As of June 2020, the Town’s unemployment rate was 8.1%, which is above the state-wide average of 7.7%. Furthermore, the reliance on State Aid is continuing to be a source of uncertainty. The State continues to face deficits and while there has not been any major changes to state aid under the new leadership, continued structural changes are expected which could have substantial impact on Bloomfield in the years to come. Currently, general fund grants from the State total 6.7% of the total revenue budget, which is its lowest in years.

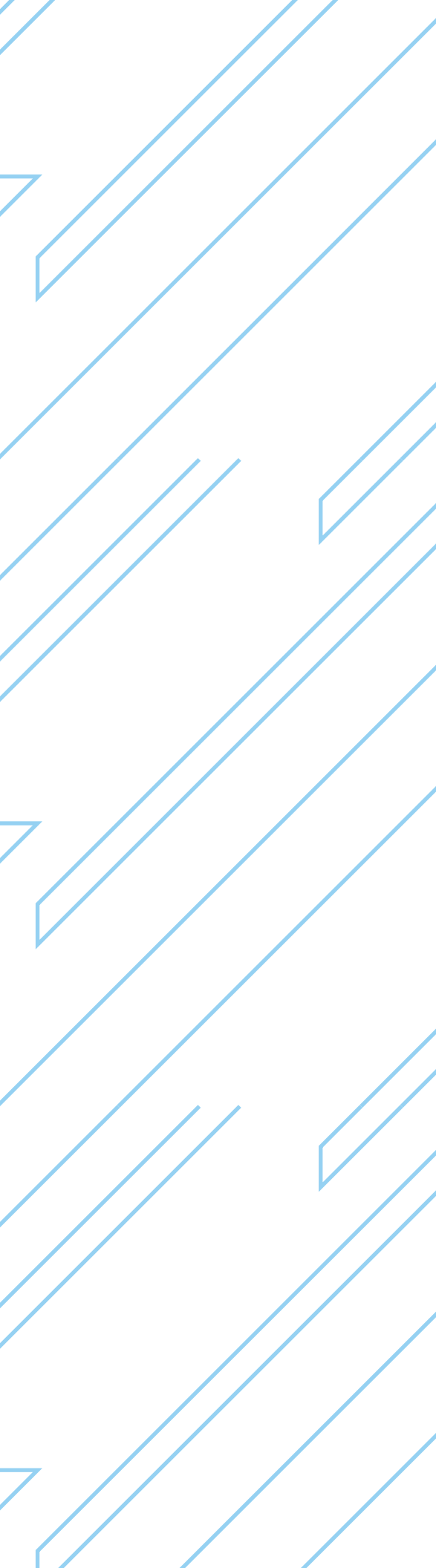
The Town of Bloomfield is fortunate and maintains a strong fund balance while not being too reliant on state funding. The Town has collected unprecedented amounts of building permit revenue for the past four years to offset declining state revenue, but that will not be sustainable forever. With the long term bonding obligations for the Human Services and Public Works building needed and the increase in OPEB liabilities, the Town will continue to face challenges.

The FY 2021 budget incorporates a draw from the Town's Unassigned General Fund balance of \$3.66 million, increasing over the prior year's budget. Even with this assignment, the Town maintains a very strong level of unassigned General Fund balance. These strong reserves will help navigate the Town through the potential challenging times to come.

To face the future challenges, and the uncertainty with the Covid pandemic the Town's elected officials and management team must continue to work to maintain fiscal discipline, expand its economic development activities and exercise cost control while expanding operating efficiencies.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 800 Bloomfield Avenue, Bloomfield, Connecticut 06002.



# **Basic Financial Statements**

**TOWN OF BLOOMFIELD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

|   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>         |
|---|------------------------------------|-------------------------------------|----------------------|
| <b>Assets</b>                                     |                                    |                                     |                      |
| Cash and cash equivalents                         | \$ 49,426,949                      | \$ 352,793                          | \$ 49,779,742        |
| Receivables:                                      |                                    |                                     |                      |
| Property taxes                                    | 878,789                            |                                     | 878,789              |
| Interest receivable                               | 249,815                            |                                     | 249,815              |
| Accounts receivable                               | 382,580                            |                                     | 382,580              |
| Intergovernmental                                 | 2,864,284                          |                                     | 2,864,284            |
| Loans   | 654,922                            |                                     | 654,922              |
| Inventory   | 17,496                             | 36,044                              | 53,540               |
| Internal balances                                 |                                    |                                     | -                    |
| Other assets                                      |                                    | 46,393                              | 46,393               |
| Due from trust funds                              | 5,712,072                          |                                     | 5,712,072            |
| Capital assets not being depreciated              | 72,281,905                         | 1,000,000                           | 73,281,905           |
| Capital assets being depreciated, net             | 125,935,258                        | 7,508,048                           | 133,443,306          |
| Total assets                                      | <u>258,404,070</u>                 | <u>8,943,278</u>                    | <u>267,347,348</u>   |
| <b>Deferred Outflows of Resources:</b>            |                                    |                                     |                      |
| Deferred outflows related to pensions             | 4,597,220                          |                                     | 4,597,220            |
| Deferred outflows related to OPEB                 | 811,887                            |                                     | 811,887              |
| Deferred amount on refunding                      | 2,122,651                          |                                     | 2,122,651            |
| Total deferred outflows of resources              | <u>7,531,758</u>                   | <u>-</u>                            | <u>7,531,758</u>     |
| <b>Liabilities:</b>                               |                                    |                                     |                      |
| Accounts payable                                  | 5,144,100                          | 90,883                              | 5,234,983            |
| Accrued liabilities                               | 907,836                            | 125,114                             | 1,032,950            |
| Accrued interest payable                          | 833,613                            |                                     | 833,613              |
| Due to fiduciary funds                            | 414,500                            |                                     | 414,500              |
| Bond anticipation notes                           | 9,730,000                          |                                     | 9,730,000            |
| Unearned revenue                                  | 559,700                            |                                     | 559,700              |
| Noncurrent liabilities, due within one year       | 6,296,553                          |                                     | 6,296,553            |
| Noncurrent liabilities, due in more than one year | 206,983,074                        |                                     | 206,983,074          |
| Total liabilities                                 | <u>230,869,376</u>                 | <u>215,997</u>                      | <u>231,085,373</u>   |
| <b>Deferred Inflows of Resources:</b>             |                                    |                                     |                      |
| Deferred inflows related to pensions              | 452,755                            |                                     | 452,755              |
| Deferred inflows related to OPEB                  | 9,394,296                          |                                     | 9,394,296            |
| Advance property tax collections                  | 2,589,582                          |                                     | 2,589,582            |
| Total deferred inflows of resources               | <u>12,436,633</u>                  | <u>-</u>                            | <u>12,436,633</u>    |
| <b>Net Position:</b>                              |                                    |                                     |                      |
| Net investment in capital assets                  | 125,217,038                        | 8,508,048                           | 133,725,086          |
| Restricted  | 7,448,540                          |                                     | 7,448,540            |
| Unrestricted                                      | <u>(110,035,759)</u>               | <u>219,233</u>                      | <u>(109,816,526)</u> |
| <b>Total Net Position</b>                         | <u>\$ 22,629,819</u>               | <u>\$ 8,727,281</u>                 | <u>\$ 31,357,100</u> |

The accompanying notes are an integral part of the financial statements

**TOWN OF BLOOMFIELD, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

| Functions/Programs   | Expenses       | Program Revenues        |  |  | Net (Expense) Revenue<br>And Changes In Net Position |                             |                |
|--|----------------|-------------------------|--|--|--|-----------------------------|----------------|
|  |                | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-Type<br>Activities | Total          |
| Governmental activities:                                     |                |                         |  |  |  |                             |                |
| Administration   | \$ 7,165,913   | \$ 760,326              | \$                                       | \$                                     | \$ (6,405,587)                                       | \$                          | \$ (6,405,587) |
| Planning and development                                     | 2,499,418      | 1,691,044               |  |  | (808,374)  |                             | (808,374)      |
| Public safety  | 14,441,135     | 875,034                 | 382,517                                  |  | (13,183,584)   |                             | (13,183,584)   |
| Public works   | 12,886,858     | 29                      | 349,905                                  | 4,480,045                              | (8,056,879)  |                             | (8,056,879)    |
| Leisure services   | 1,562,562      | 57,837                  | 160,224                                  | 43,674                                 | (1,300,827)  |                             | (1,300,827)    |
| Public libraries   | 3,691,401      | 9,566                   | 20,450                                   |  | (3,661,385)  |                             | (3,661,385)    |
| Human services   | 3,416,812      | 53,045                  | 35,904                                   |  | (3,327,863)  |                             | (3,327,863)    |
| Education  | 69,959,159     | 1,999,483               | 23,532,098                               | 396,166                                | (44,031,412)   |                             | (44,031,412)   |
| Interest expense   | 2,120,979      |                         |  |  | (2,120,979)  |                             | (2,120,979)    |
| Total governmental activities                                | 117,744,237    | 5,446,364               | 24,481,098                               | 4,919,885                              | (82,896,890)   | -                           | (82,896,890)   |
| Business-type activities:                                    |                |                         |  |  |  |                             |                |
| Wintonbury Hills Golf Course                                 | 2,030,501      | 1,696,440               |  |  |  | (334,061)                   | (334,061)      |
| Total  | \$ 119,774,738 | \$ 7,142,804            | \$ 24,481,098                            | \$ 4,919,885                           | (82,896,890)   | (334,061)                   | (83,230,951)   |
| General revenues:  |                |                         |  |  |  |                             |                |
| Property taxes   |                |                         |  |  | 81,321,164   |                             | 81,321,164     |
| Grants and contributions not restricted to specific programs |                |                         |  |  | 522,265  |                             | 522,265        |
| Unrestricted investment earnings                             |                |                         |  |  | 617,789  |                             | 617,789        |
| Miscellaneous  |                |                         |  |  | 390,035  |                             | 390,035        |
| Total general revenues                                       |                |                         |  |  | 82,851,253   | -                           | 82,851,253     |
| Change in net position                                       |                |                         |  |  | (45,637)   | (334,061)                   | (379,698)      |
| Net Position at Beginning of Year                            |                |                         |  |  | 22,675,456   | 9,061,342                   | 31,736,798     |
| Net Position at End of Year                                  |                |                         |  |  | \$ 22,629,819  | \$ 8,727,281                | \$ 31,357,100  |

The accompanying notes are an integral part of the financial statements

**TOWN OF BLOOMFIELD, CONNECTICUT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2020**

|   | <u>General<br/>Fund</u> | <u>Nonrecurring<br/>Capital<br/>Projects</u> | <u>Miscellaneous<br/>Grants<br/>Fund</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|-------------------------|--|--|--|---|
| <b>ASSETS</b>   |                         |  |  |  |   |
| Cash and cash equivalents   | \$ 35,494,699           | \$   | \$                                       | \$ 1,145,010                               | \$ 36,639,709                           |
| Investments   | 4,050,300               |  |  |  | 4,050,300                               |
| Receivables:  |                         |  |  |  |   |
| Property taxes  | 1,549,311               |  |  |  | 1,549,311                               |
| Intergovernmental   |                         |  | 2,556,551                                | 307,733                                    | 2,864,284                               |
| Accounts receivable   | 261,159                 |  |  | 121,421                                    | 382,580                                 |
| Loans   |                         |  |  | 654,922                                    | 654,922                                 |
| Due from other funds  | 8,296,413               | 8,799,533                                    | 4,619,036                                | 1,788,614                                  | 23,503,596                              |
| Other assets  |                         |  |  | 17,496                                     | 17,496                                  |
| Total Assets  | <u>\$ 49,651,882</u>    | <u>\$ 8,799,533</u>                          | <u>\$ 7,175,587</u>                      | <u>\$ 4,035,196</u>                        | <u>\$ 69,662,198</u>                    |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>   |                         |  |  |  |   |
| Liabilities:  |                         |  |  |  |   |
| Accounts payable  | \$ 2,517,059            | \$ 364,443                                   | \$ 299,196                               | \$ 226,457                                 | \$ 3,407,155                            |
| Accrued liabilities   | 870,604                 | 29,250                                       |  | 7,982                                      | 907,836                                 |
| Due to other funds  | 15,621,683              |  |  | 1,708,898                                  | 17,330,581                              |
| Bond anticipation notes   |                         | 9,730,000                                    |  |  | 9,730,000                               |
| Unearned revenue  | 38,888                  | 500  | 273,424                                  | 246,888                                    | 559,700                                 |
| Total liabilities   | <u>19,048,234</u>       | <u>10,124,193</u>                            | <u>572,620</u>                           | <u>2,190,225</u>                           | <u>31,935,272</u>                       |
| Deferred inflows of resources:  |                         |  |  |  |   |
| Unavailable revenue - property taxes                                  | 1,350,676               |  |  |  | 1,350,676                               |
| Unavailable revenue - loans receivable                                |                         |  |  | 654,922                                    | 654,922                                 |
| Advance property tax collections                                      | 2,589,582               |  |  |  | 2,589,582                               |
| Total deferred inflows of resources                                   | <u>3,940,258</u>        | <u>-</u>                                     | <u>-</u>                                 | <u>654,922</u>                             | <u>4,595,180</u>                        |
| Fund balances:  |                         |  |  |  |   |
| Nonspendable  |                         |  |  | 17,496                                     | 17,496                                  |
| Restricted  |                         |  | 6,602,967                                | 845,573                                    | 7,448,540                               |
| Committed   |                         |  |  | 1,210,508                                  | 1,210,508                               |
| Assigned  | 4,156,461               |  |  |  | 4,156,461                               |
| Unassigned  | 22,506,929              | (1,324,660)                                  |  | (883,528)                                  | 20,298,741                              |
| Total fund balances   | <u>26,663,390</u>       | <u>(1,324,660)</u>                           | <u>6,602,967</u>                         | <u>1,190,049</u>                           | <u>33,131,746</u>                       |
| Total Liabilities, Deferred Inflows of<br>Resources and Fund Balances | <u>\$ 49,651,882</u>    | <u>\$ 8,799,533</u>                          | <u>\$ 7,175,587</u>                      | <u>\$ 4,035,196</u>                        | <u>\$ 69,662,198</u>                    |

(Continued on next page)

**TOWN OF BLOOMFIELD, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2020**

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 (Exhibit III)   |                     | \$ 33,131,746        |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:  |                     |                      |
| Governmental capital assets  | \$ 252,517,209      |                      |
| Less accumulated depreciation  | <u>(54,300,046)</u> |                      |
| Net capital assets   |                     | 198,217,163          |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:   |                     |                      |
| Deferred outflows related to pensions  |                     | 4,597,220            |
| Deferred outflows related to OPEB  |                     | 811,887              |
| Property taxes and assessments receivable greater than 60 days   |                     | 1,350,676            |
| Loan receivables greater than 60 days  |                     | 654,922              |
| Interest receivable on property taxes  |                     | 249,815              |
| Allowance for uncollectible accounts   |                     | (670,522)            |
| Internal service funds are used by management to charge the costs of health benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. |                     |                      |
|  |                     | 6,124,552            |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:   |                     |                      |
| Deferred inflows related to pensions   |                     | (452,755)            |
| Deferred inflows related to OPEB   |                     | (9,394,296)          |
| Bonds payable  |                     | (58,395,000)         |
| Premium on bonds payable   |                     | (4,591,534)          |
| Deferred charge on refunding   |                     | 2,122,651            |
| Interest payable on bonds  |                     | (833,613)            |
| Capital lease obligations  |                     | (2,406,242)          |
| Net OPEB liability   |                     | (87,450,063)         |
| Net pension liability  |                     | (39,064,383)         |
| Compensated absences   |                     | (4,742,155)          |
| Landfill closure costs   |                     | <u>(16,630,250)</u>  |
| Net Position of Governmental Activities (Exhibit I)  |                     | <u>\$ 22,629,819</u> |

The accompanying notes are an integral part of the financial statements



**TOWN OF BLOOMFIELD, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

|  | General<br>Fund      | Nonrecurring<br>Capital<br>Projects | Miscellaneous<br>Grants<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|-------------------------------------|---------------------------------|-----------------------------------|--------------------------------|
| Revenues:  |                      |                                     |                                 |                                   |                                |
| Property taxes, interest and lien fees               | \$ 81,834,237        | \$                                  | \$                              | \$                                | \$ 81,834,237                  |
| Intergovernmental                                    | 12,099,989           | 396,166                             | 4,480,045                       | 10,520,145                        | 27,496,345                     |
| Interest income                                      | 568,007              |                                     |                                 | 22,968                            | 590,975                        |
| Charges for services                                 | 2,966,976            |                                     |                                 | 2,563,508                         | 5,530,484                      |
| Contributions  |                      |                                     |                                 | 241,610                           | 241,610                        |
| Other  | 346,528              | 43,250                              |                                 | 35,094                            | 424,872                        |
| Total revenues                                       | <u>97,815,737</u>    | <u>439,416</u>                      | <u>4,480,045</u>                | <u>13,383,325</u>                 | <u>116,118,523</u>             |
| Expenditures:  |                      |                                     |                                 |                                   |                                |
| Current:   |                      |                                     |                                 |                                   |                                |
| Administration                                       | 3,424,267            |                                     |                                 |                                   | 3,424,267                      |
| Boards and agencies                                  | 135,745              |                                     |                                 |                                   | 135,745                        |
| Planning and development                             | 1,236,104            |                                     |                                 |                                   | 1,236,104                      |
| Public safety  | 7,653,249            |                                     |                                 | 620,553                           | 8,273,802                      |
| Public works   | 3,191,310            |                                     |                                 |                                   | 3,191,310                      |
| Leisure services                                     | 806,755              |                                     |                                 | 181,719                           | 988,474                        |
| Public libraries                                     | 1,719,406            |                                     |                                 |                                   | 1,719,406                      |
| Human services                                       | 1,681,886            |                                     |                                 | 56,960                            | 1,738,846                      |
| Facilities   | 1,747,651            |                                     |                                 |                                   | 1,747,651                      |
| Fixed charges  | 17,784,106           |                                     |                                 |                                   | 17,784,106                     |
| Miscellaneous  | 252,341              |                                     |                                 |                                   | 252,341                        |
| Education  | 48,686,569           |                                     |                                 | 12,767,588                        | 61,454,157                     |
| Debt service   | 6,586,187            |                                     |                                 |                                   | 6,586,187                      |
| Capital outlay                                       |                      | 14,223,037                          | 2,155,197                       | 40,317                            | 16,418,551                     |
| Total expenditures                                   | <u>94,905,576</u>    | <u>14,223,037</u>                   | <u>2,155,197</u>                | <u>13,667,137</u>                 | <u>124,950,947</u>             |
| Excess (Deficiency) of Revenues<br>over Expenditures | <u>2,910,161</u>     | <u>(13,783,621)</u>                 | <u>2,324,848</u>                | <u>(283,812)</u>                  | <u>(8,832,424)</u>             |
| Other Financing Sources (Uses):                      |                      |                                     |                                 |                                   |                                |
| Transfers in   | 175,000              |                                     |                                 |                                   | 175,000                        |
| Transfers out  |                      |                                     |                                 | (175,000)                         | (175,000)                      |
| Capital lease proceeds                               |                      | 1,929,992                           |                                 |                                   | 1,929,992                      |
| Bond proceeds  |                      | 12,000,000                          |                                 |                                   | 12,000,000                     |
| Premium on bond issuance                             | 888,762              |                                     |                                 |                                   | 888,762                        |
| Total other financing sources (uses)                 | <u>1,063,762</u>     | <u>13,929,992</u>                   | <u>-</u>                        | <u>(175,000)</u>                  | <u>14,818,754</u>              |
| Net Change in Fund Balances                          | 3,973,923            | 146,371                             | 2,324,848                       | (458,812)                         | 5,986,330                      |
| Fund Balances at Beginning of Year                   | <u>22,689,467</u>    | <u>(1,471,031)</u>                  | <u>4,278,119</u>                | <u>1,648,861</u>                  | <u>27,145,416</u>              |
| Fund Balances at End of Year                         | <u>\$ 26,663,390</u> | <u>\$ (1,324,660)</u>               | <u>\$ 6,602,967</u>             | <u>\$ 1,190,049</u>               | <u>\$ 33,131,746</u>           |

(Continued on next page)

**TOWN OF BLOOMFIELD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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 of the following:

|   |              |
|---|--------------|
| Net change in fund balances - total governmental funds (Exhibit IV) | \$ 5,986,330 |
|---|--------------|

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

|                                    |             |
|------------------------------------|-------------|
| Capital outlay                     | 13,735,552  |
| Depreciation expense               | (4,163,757) |
| Loss on disposal of capital assets | (65,188)    |

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

|  |           |
|--|-----------|
| Property taxes and assessments collected after 60 days | (315,273) |
| Interest income on property taxes                      | (197,800) |
| Changes in deferred outflows related to pensions       | 2,361,403 |
| Changes in deferred outflows related to OPEB           | (124,906) |

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

|  |              |
|--|--------------|
| Bond proceeds                                | (12,000,000) |
| Principal payments on bonds and notes        | 4,505,000    |
| Capital lease issuance                       | (1,929,992)  |
| Premium on new bond                          | (888,762)    |
| Amortization of premiums                     | 506,975      |
| Amortization of deferred charge on refunding | (304,958)    |
| Accrued interest on bonds                    | (270,809)    |
| Principal payments on capital leases         | 29,000       |

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

|   |             |
|---|-------------|
| Change in other post employment benefit liability | (4,982,145) |
| Change in net pension liability                   | (1,839,770) |
| Change in compensated absences                    | (216,428)   |
| Changes in deferred inflows related to pensions   | (262,488)   |
| Changes in deferred inflows related to OPEB       | 100,265     |

|  |                |
|--|----------------|
| The net expense of certain activities of internal service funds is reported in governmental activities | <u>292,114</u> |
|--|----------------|

|  |                    |
|--|--------------------|
| Change in Net Position of Governmental Activities (Exhibit II) | <u>\$ (45,637)</u> |
|--|--------------------|

The accompanying notes are an integral part of the financial statements

**TOWN OF BLOOMFIELD, CONNECTICUT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2020**

|                                       | <b>Business-Type<br/>Activities<br/>Enterprise Fund<br/>Wintonbury<br/>Hills Golf<br/>Course</b> | <b>Governmental<br/>Activities<br/>Employee<br/>Health<br/>Insurance</b> |
|---------------------------------------|--|--|
| <b>Assets:</b>                        |  |  |
| Current assets:                       |  |  |
| Cash and cash equivalents             | \$ 352,793   | \$ 8,736,940   |
| Inventory                             | 36,044   |  |
| Accounts receivable                   | 5,356  |  |
| Prepaid items                         | 41,037   |  |
| Total current assets                  | <u>435,230</u>   | <u>8,736,940</u>   |
| Noncurrent assets:                    |  |  |
| Capital assets not being depreciated  | 1,000,000  |  |
| Capital assets being depreciated, net | 7,508,048  |  |
| Total noncurrent assets               | <u>8,508,048</u>   | <u>-</u>   |
| Total assets                          | <u>8,943,278</u>   | <u>8,736,940</u>   |
| <b>Liabilities:</b>                   |  |  |
| Current liabilities:                  |  |  |
| Accounts payable                      | 90,883   |  |
| Accrued liabilities                   | 125,114  |  |
| Claims payable                        |  | 1,736,945  |
| Due to other funds                    |  | 875,443  |
| Total current liabilities             | <u>215,997</u>   | <u>2,612,388</u>   |
| <b>Net Position:</b>                  |  |  |
| Net investment in capital assets      | 8,508,048  |  |
| Unrestricted                          | <u>219,233</u>   | <u>6,124,552</u>   |
| Total Net Position                    | <u>\$ 8,727,281</u>  | <u>\$ 6,124,552</u>  |

The accompanying notes are an integral part of the financial statements

**TOWN OF BLOOMFIELD, CONNECTICUT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

|                                      | <b>Business-Type<br/>Activities<br/>Enterprise Fund<br/>Wintonbury<br/>Hills Golf<br/>Course</b> | <b>Governmental<br/>Activities<br/>Employee<br/>Health<br/>Insurance</b> |
|--------------------------------------|--|--|
| Operating Revenues:                  |  |  |
| Premiums                             | \$   | \$ 12,686,580  |
| Charges for services                 | 1,696,440  |  |
| Total operating revenues             | <u>1,696,440</u>   | <u>12,686,580</u>  |
| Operating Expenses:                  |  |  |
| Golf operations                      | 444,156  |  |
| Maintenance operations               | 592,013  |  |
| General and administrative           | 415,592  |  |
| Food and beverage operations         | 264,425  |  |
| Marketing                            | 24,288   |  |
| Depreciation                         | 263,052  |  |
| Claims                               |  | 11,441,241   |
| Administration                       |  | 980,039  |
| Total operating expenses             | <u>2,003,526</u>   | <u>12,421,280</u>  |
| Operating Income (Loss)              | (307,086)  | 265,300  |
| Nonoperating Revenues:               |  |  |
| Investment income                    |  | 26,814   |
| Interest expense                     | (26,975)   |  |
| Net nonoperating revenues (expenses) | <u>(26,975)</u>  | <u>26,814</u>  |
| Change in Net Position               | (334,061)  | 292,114  |
| Net Position at Beginning of Year    | <u>9,061,342</u>   | <u>5,832,438</u>   |
| Net Position at End of Year          | <u>\$ 8,727,281</u>  | <u>\$ 6,124,552</u>  |

The accompanying notes are an integral part of the financial statements

**TOWN OF BLOOMFIELD, CONNECTICUT  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

|   | <b>Business-Type<br/>Activities<br/>Enterprise Fund<br/>Wintonbury<br/>Hills Golf<br/>Course</b> | <b>Governmental<br/>Activities<br/>Employee<br/>Health<br/>Insurance</b> |
|---|--|--|
| Cash Flows from Operating Activities:   |  |  |
| Receipts from customers and users   | \$ 1,691,084   | \$ 13,469,492  |
| Cash paid to employees  | (725,015)  |  |
| Cash paid to vendors  | (969,813)  | (1,480,389)  |
| Cash paid to beneficiaries  |  | (10,460,627)   |
| Net cash provided by (used in) operating activities   | <u>(3,744)</u>   | <u>1,528,476</u>   |
| Cash Flows from Capital and Related Financing Activities:   |  |  |
| Interest paid on capital leases   | <u>(26,975)</u>  |  |
| Cash Flows from Investing Activities:   |  |  |
| Investment income   | <u>-</u>   | <u>26,814</u>  |
| Net Increase (Decrease) in Cash and Cash Equivalents  | (30,719)   | 1,555,290  |
| Cash and Cash Equivalents at Beginning of Year  | <u>383,512</u>   | <u>7,181,650</u>   |
| Cash and Cash Equivalents at End of Year  | <u>\$ 352,793</u>  | <u>\$ 8,736,940</u>  |
| Reconciliation of Operating Income (Loss) to Net Cash<br>Provided by (Used in) Operating Activities:        |  |  |
| Operating income (loss)   | \$ (307,086)   | \$ 265,300   |
| Adjustments to reconcile operating income (loss) to<br>net cash provided by (used in) operating activities: |  |  |
| Depreciation expense  | 263,052  |  |
| (Increase) decrease in inventory  | 25,114   |  |
| (Increase) decrease in accounts receivable  | (5,356)  |  |
| (Increase) decrease in prepaid expenses   | (29,110)   |  |
| (Increase) decrease in due from other funds   |  | (92,531)   |
| Increase (decrease) in accounts payable   | 24,064   | (500,350)  |
| Increase (decrease) in accrued liabilities  | 25,578   |  |
| Increase (decrease) in claims payable   |  | 980,614  |
| Increase (decrease) in due to other funds   |  | 875,443  |
| Net Cash Provided by (Used in) Operating Activities   | <u>\$ (3,744)</u>  | <u>\$ 1,528,476</u>  |

The accompanying notes are an integral part of the financial statements

**TOWN OF BLOOMFIELD, CONNECTICUT**  
**STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2020**

|   | <b>Pension and<br/>Other Employee<br/>Benefit<br/>Trust Funds</b> | <b>Agency<br/>Funds</b> |
|---|---|-------------------------|
| Assets:                                       |   |                         |
| Cash and cash equivalents                     | \$ 445,091  | \$ 341,141              |
| Due from other funds                          |   | 414,500                 |
| Investments - mutual funds, at fair value     | <u>95,694,286</u>   |                         |
| Total assets                                  | <u>96,139,377</u>   | <u>755,641</u>          |
| Liabilities:                                  |   |                         |
| Claims payable                                | 183,629   |                         |
| Due to other funds                            | 5,712,072   |                         |
| Due to participants                           |   | 56,365                  |
| Due to student groups                         |   | 277,276                 |
| Due to developers                             |   | 422,000                 |
| Total liabilities                             | <u>5,895,701</u>  | <u>755,641</u>          |
| Net Position:                                 |   |                         |
| Restricted for Pension Benefits               | 79,578,002  |                         |
| Restricted for Other Post Employment Benefits | <u>10,665,674</u>   | <u>-</u>                |
| Total Net Position                            | <u>\$ 90,243,676</u>  | <u>\$ -</u>             |

The accompanying notes are an integral part of the financial statements

**TOWN OF BLOOMFIELD, CONNECTICUT  
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

|                                     | <b>Pension and<br/>Other Employee<br/>Benefit<br/>Trust Funds</b> |
|-------------------------------------|---|
| Additions:                          |   |
| Contributions:                      |   |
| Employer                            | \$ 8,074,048  |
| Plan members                        | 1,094,319   |
| Total contributions                 | <u>9,168,367</u>  |
| Investment income:                  |   |
| Change in fair value of investments | 319,501   |
| Interest and dividends              | 1,910,962   |
|                                     | <u>2,230,463</u>  |
| Less investment expenses:           |   |
| Investment management fees          | 70,823  |
| Net investment income               | <u>2,159,640</u>  |
| Total additions                     | <u>11,328,007</u>   |
| Deductions:                         |   |
| Benefits                            | 11,179,930  |
| Administration                      | 43,055  |
| Total deductions                    | <u>11,222,985</u>   |
| Change in Net Position              | 105,022   |
| Net Position - Beginning of Year    | <u>90,138,654</u>   |
| Net Position - End of Year          | <u>\$ 90,243,676</u>  |

The accompanying notes are an integral part of the financial statements

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Reporting Entity**

The Town of Bloomfield, Connecticut (the Town) adopted its first charter on October 5, 1959, effective January 1, 1960. The Charter provides for a Town Council-Town Manager form of government and provides such services as are authorized by the Charter. Among these services are general administrative services, public safety, planning and development, public works, parks and recreation, public libraries, health and social services and education.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government and its component units, entities for which the government is considered to be financially accountable, all organizations for which the primary government is financially accountable, and other organizations that by the nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

### **B. Basis of Presentation**

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

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which are normally 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 expenses 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 are reported as separate columns in the fund financial statements.



**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

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

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. 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 by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to capital leases, compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

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

The *Nonrecurring Capital Projects Fund* accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment. The major sources of revenues in this fund are bonding and grant funding.

The *Miscellaneous Grants Fund* accounts for the proceeds of special revenue sources that are legally restricted for expenditures of specific purposes. The major source of revenues in this fund is grant funding.

Additionally, the Town reports the following fund types:

The *Wintonbury Hills Golf Course Fund* is a major proprietary (enterprise) fund used to account for the operation and maintenance of the Wintonbury Hills Golf Course, which is owned by the Town and is primarily supported through charges to customers.

The *Internal Service Fund* is used to account for the Town's self-insurance program for accident and health insurance coverage of Town and Board of Education employees.

**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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The *Pension and Other Employee Benefit Trust Funds* are used to account for the activities of the Bloomfield Employees' Retirement System, which accumulates resources for pension benefit payments to qualified employees and also the Town's other post-employment benefit coverage, and to accumulate resources for health insurance coverage of retired Town and Board of Education employees.

The *Agency Funds* account for monies held on behalf of employees, students and citizens.

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

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

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

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

**C. Cash Equivalents**

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

**D. Investments**

Investments are stated at fair value.

**E. Inventories**

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

**TOWN OF BLOOMFIELD, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2020**

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**F. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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.”

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**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 government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u>            | <u>Years</u> |
|--------------------------|--------------|
| Infrastructure:          |              |
| Roadways                 | 30           |
| Signage                  | 7            |
| Walkways and paths       | 30           |
| Land and Buildings:      |              |
| Land                     | -            |
| Buildings                | 50           |
| Improvements             | 20           |
| Construction in progress | -            |
| Equipment:               |              |
| Computer equipment       | 5            |
| Contractor's equipment   | 8-15         |
| Furniture and fixtures   | 20           |
| Miscellaneous equipment  | 5-20         |
| Vehicles                 | 3-10         |

#### **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 Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active employees and inactive employees).

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

#### **I. 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.

#### **J. 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.

### **K. Long-Term Obligations**

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

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

### **L. Compensated Absences and Termination Benefits**

The Town's personnel policies provide for a carryover of unused vacation days up to twice the employee's current vacation entitlement. Sick leave for union employees is accumulated and paid out to union employees as per the terms of their collective bargaining agreements. In addition, sick leave for nonunion employees may be accumulated as follows:

- Employees hired prior to July 1, 1999 are paid out 100% of sick leave accrued up to a maximum of 150 days at the time of termination of employment.
- Employees hired between July 1, 1999 and June 30, 2011 are paid a percentage of their sick time depending upon their years of service at the time of termination of employment up to a maximum of 30 days.
- Employees hired after June 30, 2011 do not receive any payout for accrued sick time at the time of termination of employment.

Such sick days may be used in the event of sickness and are paid out at the employee's current salary rate at the time of termination.

The Board of Education's personnel policies allow for non-teachers to accumulate unused sick time up to a maximum number of days stated by individual union contracts. Of the total days accumulated, only a percentage of the total days, as noted in the union contracts, will be paid to employees upon retirement. Under the terms of various union contracts, teachers may be eligible for early retirement benefits.

### **M. Equity**

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

#### **Net Investment in Capital Assets**

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

**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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**Restricted Net Position**

Restricted net position contains assets subject to restrictions that are externally imposed 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. The Town currently has no restricted net position.

**Unrestricted Net Position**

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

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

**Nonspendable Fund Balance**

This component represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

**Restricted Fund Balance**

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

**Assigned Fund Balance**

This balance represents amounts constrained for the intent to be used for a specific purpose by the Town Council that has been delegated authority to assign amounts by the Town Charter.

**Unassigned Fund Balance**

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

The Town Council adopted a fund balance policy during fiscal year 2017, setting a targeted range for the General Fund balance at 15-20% of the budget.

**N. Property Taxes**

The Town’s property tax is levied on the Grand List of October 1 each year and is due and payable in two installments on the following July 1 and January 1.

The Town files liens against property if taxes that are due July 1 remain unpaid on the following June 30.

**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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

**O. Accounting Estimates**

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

**P. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through December 31, 2020 the date that the financial statements were available to be issued.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

General Budget Policies - The Town follows these procedures in establishing the budgetary data reflected in the financial statements of the General Fund, the only fund with a legally adopted annual budget:

- (1) At least 120 days prior to the fiscal year-end, each department head, with the exception of the Chairman of the Board of Education, submits to the Town Manager itemized estimates of expenditures and nontax revenue for the upcoming fiscal year.
- (2) At least 90 days prior to the fiscal year-end, the Chairman of the Board of Education submits to the Town Manager itemized estimates of expenditures and nontax revenue for the upcoming fiscal year.
- (3) Not later than 90 days prior to year end, the Town Manager must submit the budget to the Town Council.
- (4) Not later than 15 days after the Town Manager submits the budget to the Town Council, the Council must hold a public hearing on the proposed budget.
- (5) An annual Town Meeting is held the first Monday in May for public comment. Following the Town Meeting, the budget shall be adopted by a majority vote of all members of the Town Council, no later than the second Monday in May.

**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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- (6) If, within seven days of the adoption of the budget, a petition signed by at least 7.5% of the total number of registered voters in the Town (as verified by the Town Clerk) is submitted, the adopted budget shall be submitted to the eligible electors of the Town for a “yes” or “no” vote to approve the budget.
- (7) The Town Manager may transfer unencumbered funds within a department. The Town Council may transfer unencumbered funds between departments within the last three months of the fiscal year and is authorized to make additional appropriations up to .1% of the total annual budget of the Town. Additional appropriations in excess of .1% of the total annual budget must be presented at a public hearing.
- (8) The legal level of control is at the department level.
- (9) The Board of Education, which is not a separate legal entity, but a function of the Town, is authorized under state law to make any transfers required within its budget at its discretion. Any additional appropriations must have the approval of the Board of Education and Town Council.
- (10) Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or commitment is issued, and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures of the current year.
- (11) The town overspent the final budget of the Administration, Accounting, Town Treasurer, Planning and Zoning departments, the Economic Development committee, and the Fixed Charges, by \$192, \$7,546, \$103, \$212, \$8 and \$12,908, respectively.

**B. Deficit Fund Equity**

The following funds had deficit fund balances at year end:

|                                    |              |
|------------------------------------|--------------|
| Major Special Revenue Fund:        |              |
| Nonrecurring Capital Projects Fund | \$ 1,324,660 |
| Nonmajor Special Revenue Funds:    |              |
| Cafeteria Fund                     | 866,032      |

These deficits will be eliminated in future years by charges for services, grants and other revenues.

**3. DETAILED NOTES ON ALL FUNDS**

**A. 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.”



**TOWN OF BLOOMFIELD, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2020**

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

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

**Deposits**

**Deposit Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits will not be returned. The Town 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*, \$43,002,256 of the Town’s bank balance of \$44,641,759 was exposed to custodial credit risk as follows:

|   |                             |
|---|-----------------------------|
| Uninsured and uncollateralized  | \$ 38,552,019               |
| Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name | <u>4,450,237</u>            |
| Total Amount Subject to Custodial Credit Risk   | <u><u>\$ 43,002,256</u></u> |

**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**Cash Equivalents**

At June 30, 2020, the Town's cash equivalents amounted to \$6,202,556. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

|   | <u>Standard<br/>&amp; Poor's</u> | <u>Fitch<br/>Ratings</u> |
|---|----------------------------------|--------------------------|
| State Short-Term Investment Fund (STIF) | AAAm                             |                          |

**Investments**

The Town 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 Town has the following recurring fair value measurements as of June 30, 2020:

|  | <u>June 30,<br/>2020</u> | <u>Fair Value Measurements Using</u> |                |                |
|--|--------------------------|--------------------------------------|----------------|----------------|
|  |                          | <u>Level 1</u>                       | <u>Level 2</u> | <u>Level 3</u> |
| Investments by fair value level:         |                          |                                      |                |                |
| Mutual funds                             | \$ 95,694,286            | \$ 95,694,286                        | \$ -           | \$ -           |
| Total Investments by Fair Value Level    | <u>\$ 95,694,286</u>     | <u>\$ 95,694,286</u>                 | <u>\$ -</u>    | <u>\$ -</u>    |
| Total Investments Measured at Fair Value | <u>\$ 95,694,286</u>     |                                      |                |                |

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

Venture capital investments classified in Level 3 are valued using either a discounted cash flow or market comparable companies' technique.

**Interest Rate Risk**

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk - Investments**

The Town does not have an investment policy that would limit its investment choices due to credit risk, other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

**Concentration of Credit Risk**

The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

**TOWN OF BLOOMFIELD, CONNECTICUT  
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**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 Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2020, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent, that were not in the Town's name.

**B. Capital Assets**

|   | <u>Beginning<br/>Balance<br/>July 1, 2019</u> | <u>Increases</u>     | <u>Decreases</u>    | <u>Ending<br/>Balance<br/>June 30, 2020</u> |
|---|---|----------------------|---------------------|---|
| Governmental activities:                    |   |                      |                     |   |
| Capital assets not being depreciated:       |   |                      |                     |   |
| Land  | \$ 41,482,302                                 | \$                   | \$                  | \$ 41,482,302                               |
| Construction in progress                    | 22,918,930                                    | 10,112,364           | 2,231,691           | 30,799,603                                  |
| Total capital assets not being depreciated  | <u>64,401,232</u>                             | <u>10,112,364</u>    | <u>2,231,691</u>    | <u>72,281,905</u>                           |
| Capital assets being depreciated:           |   |                      |                     |   |
| Buildings                                   | 123,160,307                                   | 134,425              | 1,949,216           | 121,345,516                                 |
| Land improvements                           | 7,181,689                                     | 2,796,871            |                     | 9,978,560                                   |
| Furniture and equipment                     | 15,326,087                                    | 745,302              | 190,772             | 15,880,617                                  |
| Infrastructure                              | 30,852,330                                    | 2,178,281            |                     | 33,030,611                                  |
| Total capital assets being depreciated      | <u>176,520,413</u>                            | <u>5,854,879</u>     | <u>2,139,988</u>    | <u>180,235,304</u>                          |
| Total capital assets                        | <u>240,921,645</u>                            | <u>15,967,243</u>    | <u>4,371,679</u>    | <u>252,517,209</u>                          |
| Less accumulated depreciation for:          |   |                      |                     |   |
| Buildings                                   | 16,908,638                                    | 2,366,560            | 1,884,028           | 17,391,170                                  |
| Land improvements                           | 4,204,022                                     | 206,634              |                     | 4,410,656                                   |
| Furniture and equipment                     | 9,707,517                                     | 1,036,152            | 190,772             | 10,552,897                                  |
| Infrastructure                              | 21,390,912                                    | 554,411              |                     | 21,945,323                                  |
| Total accumulated depreciation              | <u>52,211,089</u>                             | <u>4,163,757</u>     | <u>2,074,800</u>    | <u>54,300,046</u>                           |
| Total capital assets being depreciated, net | <u>124,309,324</u>                            | <u>1,691,122</u>     | <u>65,188</u>       | <u>125,935,258</u>                          |
| Governmental Activities Capital Assets, Net | <u>\$ 188,710,556</u>                         | <u>\$ 11,803,486</u> | <u>\$ 2,296,879</u> | <u>\$ 198,217,163</u>                       |

**TOWN OF BLOOMFIELD, CONNECTICUT  
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|  | <b>Beginning<br/>Balance<br/>July 1, 2019</b> | <b>Increases</b>    | <b>Decreases</b> | <b>Ending<br/>Balance<br/>June 30, 2020</b> |
|--|---|---------------------|------------------|---|
| Business-type activities:                    |   |                     |                  |   |
| Capital assets not being depreciated:        |   |                     |                  |   |
| Land   | \$ 1,000,000                                  | \$                  | \$               | \$ 1,000,000                                |
| Total capital assets not being depreciated   | <u>1,000,000</u>                              | <u>-</u>            | <u>-</u>         | <u>1,000,000</u>                            |
| Capital assets being depreciated:            |   |                     |                  |   |
| Buildings                                    | 1,654,680                                     |                     |                  | 1,654,680                                   |
| Land improvements                            | 9,131,758                                     |                     |                  | 9,131,758                                   |
| Equipment                                    | <u>1,115,445</u>                              |                     |                  | <u>1,115,445</u>                            |
| Total capital assets being depreciated       | <u>11,901,883</u>                             | <u>-</u>            | <u>-</u>         | <u>11,901,883</u>                           |
| Total capital assets                         | <u>12,901,883</u>                             | <u>-</u>            | <u>-</u>         | <u>12,901,883</u>                           |
| Less accumulated depreciation for:           |   |                     |                  |   |
| Buildings                                    | 504,875                                       | 33,094              |                  | 537,969                                     |
| Land improvements                            | 2,843,145                                     | 189,358             |                  | 3,032,503                                   |
| Equipment                                    | <u>782,763</u>                                | <u>40,600</u>       |                  | <u>823,363</u>                              |
| Total accumulated depreciation               | <u>4,130,783</u>                              | <u>263,052</u>      | <u>-</u>         | <u>4,393,835</u>                            |
| Total capital assets being depreciated, net  | <u>7,771,100</u>                              | <u>(263,052)</u>    | <u>-</u>         | <u>7,508,048</u>                            |
| Business-Type Activities Capital Assets, Net | <u>\$ 8,771,100</u>                           | <u>\$ (263,052)</u> | <u>\$ -</u>      | <u>\$ 8,508,048</u>                         |

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

|  |                     |
|--|---------------------|
| Governmental activities:                             |                     |
| Administration                                       | \$ 63,616           |
| Public safety  | 206,693             |
| Public works   | 1,036,306           |
| Leisure services                                     | 47,935              |
| Public libraries                                     | 13,409              |
| Human services                                       | 46,733              |
| Education  | <u>2,749,065</u>    |
| Total Depreciation Expense - Governmental Activities | <u>\$ 4,163,757</u> |
| Business-type activities:                            |                     |
| Wintonbury Hills Golf Course                         | <u>\$ 263,052</u>   |

**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**C. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2020 is as follows:

| <u>Receivable Fund</u>             | <u>Payable Fund</u>         | <u>Amount</u>        |
|------------------------------------|-----------------------------|----------------------|
| General Fund                       | Nonmajor Governmental Funds | \$ 1,708,898         |
|                                    | Internal Service Fund       | 875,443              |
|                                    | Trust Funds                 | <u>5,712,072</u>     |
|                                    |                             | 8,296,413            |
| Nonrecurring Capital Projects Fund | General Fund                | 8,799,533            |
| Miscellaneous Grants Fund          | General Fund                | 4,619,036            |
| Nonmajor Governmental Funds        | General Fund                | 1,788,614            |
| Agency Funds                       | General Fund                | <u>414,500</u>       |
| Total                              |                             | <u>\$ 23,918,096</u> |

Interfund balances are a result of temporary loans to various funds.

During the year ended June 30, 2020 the Town transferred \$175,000 out of the nonmajor government funds into the General fund, for a budgeted contribution from the police extra duty fund.

**TOWN OF BLOOMFIELD, CONNECTICUT  
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**D. Long-Term Debt**

**Changes in Long-Term Liabilities**

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

|                               | <u>Beginning<br/>Balance</u> | <u>Additions</u>     | <u>Reductions</u>   | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|-------------------------------|------------------------------|----------------------|---------------------|---------------------------|--------------------------------|
| Governmental activities:      |                              |                      |                     |                           |                                |
| Bonds payable:                |                              |                      |                     |                           |                                |
| General obligation bonds      | \$ 50,900,000                | \$ 12,000,000        | \$ 4,505,000        | \$ 58,395,000             | \$ 5,270,000                   |
| Premium                       | 4,209,747                    | 888,762              | 506,975             | 4,591,534                 |                                |
| Total bonds payable           | <u>55,109,747</u>            | <u>12,888,762</u>    | <u>5,011,975</u>    | <u>62,986,534</u>         | <u>5,270,000</u>               |
| Capital leases                | 505,250                      | 1,929,992            | 29,000              | 2,406,242                 | 286,922                        |
| Net OPEB Liability            | 82,467,918                   | 4,982,145            |                     | 87,450,063                |                                |
| Net pension liability         | 37,224,613                   | 1,839,770            |                     | 39,064,383                |                                |
| Compensated absences          | 4,525,727                    | 2,751,415            | 2,534,987           | 4,742,155                 | 185,289                        |
| Landfill                      | <u>16,630,250</u>            |                      |                     | <u>16,630,250</u>         | <u>554,342</u>                 |
| Total Governmental Activities |                              |                      |                     |                           |                                |
| Long-Term Liabilities         | <u>\$ 196,463,505</u>        | <u>\$ 24,392,084</u> | <u>\$ 7,575,962</u> | <u>\$ 213,279,627</u>     | <u>\$ 6,296,553</u>            |

Compensated absences are generally liquidated by the General Fund. The net pension liability and the net OPEB liability are generally liquidated by the Pension and OPEB Trust funds, respectively.

**General Obligation Bonds**

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

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General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the Town. The Town is liable for all outstanding bonds. General obligation bonds currently outstanding are as follows:

|                                    | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>Annual Principal</u> | <u>Principal Outstanding June 30, 2020</u> |
|------------------------------------|----------------------|-----------------------|----------------------|-------------------------|-------------------------|--|
| General Obligation Bonds           | 10/20/2010           | 25,000,000            | 1.50%-5.00%          | 10/15/2030              | \$ 1,250,000            | \$ 1,250,000                               |
| General Obligation Refunding Bonds | 10/20/2010           | 12,400,000            | 1.50%-5.00%          | 10/15/2022              | 530,000-1,140,000       | 2,735,000                                  |
| General Obligation Refunding Bonds | 2/12/2013            | 10,240,000            | 1.50%-4.00%          | 12/15/2027              | 200,000-830,000         | 6,490,000                                  |
| General Obligation Bonds           | 10/21/2014           | 5,000,000             | 2.00%-3.13%          | 10/15/2034              | 250,000                 | 3,750,000                                  |
| General Obligation Bonds           | 11/30/2016           | 8,745,000             | 2.00%-4.00%          | 6/30/2028               | 65,000-1,270,000        | 8,680,000                                  |
| General Obligation Refunding Bonds | 7/25/2017            | 13,050,000            | 3.00%-5.00%          | 8/1/2031                | 475,000-1,995,000       | 12,090,000                                 |
| General Obligation Bonds           | 1/29/2019            | 12,000,000            | 2.00%-5.00%          | 1/15/2039               | 600,000                 | 11,400,000                                 |
| General Obligation Bonds           | 1/15/2020            | 12,000,000            | 2.00%-5.00%          | 1/15/2040               | 600,000                 | <u>12,000,000</u>                          |
| Total                              |                      |                       |                      |                         |                         | <u>\$ 58,395,000</u>                       |

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

| <u>Year Ending June 30</u> | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|----------------------------|----------------------|----------------------|----------------------|
| 2021                       | \$ 5,270,000         | \$ 2,108,973         | \$ 7,378,973         |
| 2022                       | 5,290,000            | 1,899,375            | 7,189,375            |
| 2023                       | 4,705,000            | 1,682,575            | 6,387,575            |
| 2024                       | 4,175,000            | 1,489,375            | 5,664,375            |
| 2025                       | 4,170,000            | 1,306,275            | 5,476,275            |
| 2026-2030                  | 19,395,000           | 4,153,038            | 23,548,038           |
| 2031-2035                  | 9,990,000            | 1,389,850            | 11,379,850           |
| 2036-2040                  | <u>5,400,000</u>     | <u>415,500</u>       | <u>5,815,500</u>     |
|                            | <u>\$ 58,395,000</u> | <u>\$ 14,444,961</u> | <u>\$ 72,839,961</u> |

**TOWN OF BLOOMFIELD, CONNECTICUT  
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The total of authorized but unissued bonds at June 30, 2020 is \$9,288,753. Of this amount \$9,035,753 relates to school projects for which the Town authorized the total project cost of the project; this figure is net of \$25,479,850 school construction grants that have been received from the State of Connecticut. The remaining balance of \$253,000 represents the balance of the Public Works Complex renovation and Expansion. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

The Town’s indebtedness does not exceed the legal debt limitation of \$589,897,000 as required by the Connecticut General Statutes.

**Capital Leases**

The Town has entered into lease agreements as lessee for financing the acquisition of building improvements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

|                               | <b><u>Governmental<br/>Activities</u></b> |
|-------------------------------|---|
| Asset:                        |   |
| Building improvements         | \$ 570,250                                |
| Construction in progress      | 1,929,992                                 |
| Less accumulated depreciation | <u>(35,165)</u>                           |
| Total                         | <u><u>\$ 2,465,077</u></u>                |



**TOWN OF BLOOMFIELD, CONNECTICUT  
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The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

| <u>Year Ending June 30</u>              | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| 2021                                    | \$ 350,676                         |
| 2022                                    | 353,761                            |
| 2023                                    | 354,746                            |
| 2024                                    | 357,659                            |
| 2025                                    | 358,472                            |
| Thereafter                              | 927,012                            |
| Total minimum lease payments            | <u>2,702,326</u>                   |
| Less amount representing interest       | <u>296,084</u>                     |
| Present Value of Minimum Lease Payments | <u>\$ 2,406,242</u>                |

**Landfill Post-Closure Care Costs**

In 1973, the Town entered into an agreement with the Town of Windsor for a joint sanitary landfill development. The Town agreed to contribute \$247,400 for one-half of the initial site development costs. The Town has also contributed \$15,000 to \$50,000 a year for replacement of landfill equipment. The Town of Windsor issued bonds for the project.

In February 1988, the Town amended the agreement with the Town of Windsor so that the landfill operation will pay for the debt service costs and equipment replacement contribution through the fees charged for dumping. Thus, the Town does not make a direct contribution for the two purposes but is still contingently liable for them.

The Town entered into another agreement dated November 1993 that defines the terms for payment of closure costs, which states that the two towns shall contribute equally, on an annual basis, for all closure, post-closure and monitoring expenses until all federal and state requirements are met. Landfill closure and post-closure care liability and Subtitle D as of June 30, 2020 was reported at \$10,430,500 and \$22,830,000, respectively. The post-closure care liability was calculated based on two portions of the landfill. Subtitle D of the landfill has estimated monitoring costs for 30 years at \$761,000 per year for a total of \$22,830,000. The post-closure care liability for Subtitle D of the landfill is reported as \$22,830,000 based on the use of 100.0% of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all closure and post-closure care in 2019. The towns closed the landfill effective July 1, 2014. Actual costs may be higher due to inflation, changes in technology or changes in regulations. The Town's portion of the total liability of \$16,630,250 has been included as a liability in the Town's governmental activities.

As indicated above, the landfill serves the towns of Bloomfield and Windsor. An agreement, dated November 19, 1993, exists between the two communities. This agreement establishes the terms and conditions for the payment of closure costs. The agreement states, "The two towns shall contribute equally, on an annual basis, for said purposes and shall be equally responsible for closure, post-closure and monitoring expenses until all Federal and State requirements are met." The contributions made by both towns are reported in the Landfill Fund, a proprietary-type fund that is held by the Town of Windsor.

**TOWN OF BLOOMFIELD, CONNECTICUT  
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**Overlapping Debt**

The Town is a member of the Metropolitan District Commission, a regional sewer and water authority. Total outstanding debt of the Metropolitan District Commission at June 30, 2020 was \$903,187,461. The estimated Town's share of the debt at June 30, 2020 was 7.54% or \$68,100,335. The estimated percentage is calculated based upon proration of tax collection from the eight member towns.

**Bond Anticipation Notes**

The following is a schedule of changes in bond anticipation notes for the year ended June 30, 2020:

| <u>Project</u>                      | <u>Date Issued</u> | <u>Maturity Date</u> | <u>Interest Rate (%)</u> | <u>Balance July 1, 2019</u> | <u>Issued</u>       | <u>Retired</u>      | <u>Balance June 30, 2020</u> |
|-------------------------------------|--------------------|----------------------|--------------------------|-----------------------------|---------------------|---------------------|------------------------------|
| Public Works Renovation / Expansion | 1/29/2019          | 1/28/2020            | 3.00                     | \$ 1,000,000                | \$                  | \$ 1,000,000        | \$ -                         |
| Public Works Renovation / Expansion | 1/28/2020          | 1/27/2021            | 1.25                     |                             | 9,730,000           |                     | 9,730,000                    |
| Human Services Facility             | 1/29/2019          | 1/28/2020            | 3.00                     | 6,000,000                   |                     | 6,000,000           | -                            |
|                                     |                    |                      |                          | <u>\$ 7,000,000</u>         | <u>\$ 9,730,000</u> | <u>\$ 7,000,000</u> | <u>\$ 9,730,000</u>          |

The purpose of the bond anticipation notes was to provide resources for the above detailed capital construction or improvement projects. The amounts are accounted for in the Nonrecurring Capital Projects Fund.

**TOWN OF BLOOMFIELD, CONNECTICUT  
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**4. FUND BALANCE**

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

|                             | <u>General<br/>Fund</u> | <u>Nonrecurring<br/>Capital<br/>Projects</u> | <u>Miscellaneous<br/>Grants<br/>Fund</u> | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Total</u>         |
|-----------------------------|-------------------------|--|--|--|----------------------|
| Fund balances:              |                         |  |  |  |                      |
| Nonspendable:               |                         |  |  |  |                      |
| Inventory                   | \$                      | \$   | \$                                       | \$ 17,496                                  | \$ 17,496            |
| Restricted for:             |                         |  |  |  |                      |
| Capital projects            |                         |  |  | 3,352                                      | 3,352                |
| General government          |                         |  |  | 11,084                                     | 11,084               |
| Education                   |                         |  |  | 231,749                                    | 231,749              |
| Youth service               |                         |  |  | 52,880                                     | 52,880               |
| Police services             |                         |  |  | 261,828                                    | 261,828              |
| Social services             |                         |  |  | 127,273                                    | 127,273              |
| Small cities program        |                         |  |  | 62,982                                     | 62,982               |
| Prosser library             |                         |  |  | 92,139                                     | 92,139               |
| Municipal aid program grant |                         |  | 6,602,967                                |  | 6,602,967            |
| Farm viability grant        |                         |  |  | 2,286                                      | 2,286                |
| Committed to:               |                         |  |  |  |                      |
| Police services             |                         |  |  | 555,524                                    | 555,524              |
| Recreation                  |                         |  |  | 302,441                                    | 302,441              |
| Senior services             |                         |  |  | 162,275                                    | 162,275              |
| Education                   |                         |  |  | 187,205                                    | 187,205              |
| Saxton Beautification       |                         |  |  | 3,063                                      | 3,063                |
| Assigned to:                |                         |  |  |  |                      |
| Administration              | 14,573                  |  |  |  | 14,573               |
| Human services              | 1,382                   |  |  |  | 1,382                |
| Leisure services            | 554                     |  |  |  | 554                  |
| Public works                | 16,538                  |  |  |  | 16,538               |
| Miscellaneous               | 2,216                   |  |  |  | 2,216                |
| Public safety               | 1,760                   |  |  |  | 1,760                |
| Subsequent year's budget    | 3,660,000               |  |  |  | 3,660,000            |
| Education                   | 459,438                 |  |  |  | 459,438              |
| Unassigned                  | <u>22,506,929</u>       | <u>(1,324,660)</u>                           |  | <u>(883,528)</u>                           | <u>20,298,741</u>    |
| Total Fund Balances         | <u>\$ 26,663,390</u>    | <u>\$ (1,324,660)</u>                        | <u>\$ 6,602,967</u>                      | <u>\$ 1,190,049</u>                        | <u>\$ 33,131,746</u> |

Encumbrances of \$496,461 and \$295,953 at June 30, 2020 are contained in the above table in the assigned categories of the General Fund and the restricted and committed categories of the Nonmajor Governmental funds, respectively.

## **5. EMPLOYEE RETIREMENT PLAN**

### **A. Pension Trust Funds**

The Town is the administrator of two single-employer, defined benefit, public employee retirement systems (PERS) - The Town of Bloomfield Retirement Income Plan and The Town of Bloomfield Police Retirement Income Plan. Both plans are considered to be part of the Town of Bloomfield, Connecticut's financial reporting entity and are included in the Town's financial reports as Pension Trust Funds. Separate, stand-alone financial statements are not issued for these plans.

Management of the plans rests with the Plans' Administrators, which consists of three members including the Town Manager, Finance Director and Director of Human Resources.

The Town of Bloomfield Retirement Income Plan covers all full-time employees except participants in the International City Management Association (ICMA) program, teachers, police officers and non-Board of Education employees hired after June 30, 2003. The Plan provides retirement benefits as well as death and disability benefits. Employees are eligible to participate in the plan upon attaining the age of 18. All benefits vest after 10 years of service. Employees who retire at or after the point when age plus years of service equals 75 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% of final earnings times credited service. Final earnings are the highest of the average of the three highest consecutive calendar year salaries multiplied by years of service. Employees are eligible to retire at age 55 with 15 years of service or at age 62 with 10 years of service. The benefit is not reduced for early retirement if previous conditions were met. Benefits and contributions are established by contract and may be amended through union negotiation for those employees covered by a collective bargaining agreement, or by the Town for those employees not so covered.

The Town of Bloomfield Police Retirement Income Plan covers all full-time police employees hired before January 1, 2002, except those such employees covered by the ICMA program. The plan provides retirement benefits as well as death and disability benefits. Employees classified as a police officer or dispatcher whose customary employment is 30 hours or more per week hired before January 1, 2002 are eligible to participate. All benefits vest after 10 years of service. Employees who retire after 25 years of credited service as police officers are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 1/2% of final earnings multiplied by years of credited service (maximum 30 years). Final earnings are the employee's average earnings over the 3 highest consecutive calendar years of employment or the final 36 months of employment. Employees with 10 years of service may retire within 10 years of normal retirement and receive a reduced retirement benefit. Benefits and contributions are established by the Town and may be amended by the Town.

**TOWN OF BLOOMFIELD, CONNECTICUT  
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Plan membership consisted of the following at January 1, 2019:

|  | <u>Retirement<br/>Income Plan</u> | <u>Police<br/>Retirement<br/>Income Plan</u> |
|--|-----------------------------------|--|
| Retirees, disabled and beneficiaries currently receiving benefits    | 176                               | 79   |
| Terminated employees entitled to benefits but not yet receiving them | 51                                | -  |
| Active plan members  | <u>198</u>                        | <u>3</u>                                     |
| Total  | <u><u>425</u></u>                 | <u><u>82</u></u>                             |

**Summary of Significant Accounting Policies**

**Basis of Accounting**

The Town of Bloomfield Retirement Income Plan and Police Retirement Income Plan financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**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.

**Funding Policy and Benefits Provided**

*Retirement Income Plan*

Covered employees are required by statute to contribute 5.75% of earnings to the PERS. If any employee leaves covered employment or dies before ten years of service, accumulated employee contributions plus interest at a rate specified in the plan are refunded. The Town contributes the remaining amounts necessary to finance the benefits for its employees. The Town has the authority to establish and amend the benefit provisions of the plan through union negotiation for those employees covered by a collective bargaining agreement.

Administrative costs of the plan are financed through investment earnings.

*Police Retirement Income Plan*

Police employees are required to contribute 6.4% of earnings to the PERS. If any employee leaves covered employment or dies before ten years of service, accumulated employee contributions plus interest at a rate specified in the plan are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its police employees. The Town has the authority to establish and amend the benefit provisions of the plan through union negotiation.

Administrative costs of the plan are financed through investment earnings.

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

|                                     | <b>Pension Trust Funds</b>        |  |                      |
|-------------------------------------|-----------------------------------|--|----------------------|
|                                     | <b>Retirement<br/>Income Plan</b> | <b>Police<br/>Retirement<br/>Income Plan</b> | <b>Total</b>         |
| Assets:                             |                                   |  |                      |
| Investments, at fair value          | \$ 53,589,785                     | \$ 25,988,217                                | \$ 79,578,002        |
| Net Position:                       |                                   |  |                      |
| Restricted for Pension Benefits     | \$ 53,589,785                     | \$ 25,988,217                                | \$ 79,578,002        |
|                                     |                                   |  |                      |
|                                     | <b>Pension Trust Funds</b>        |  |                      |
|                                     | <b>Retirement<br/>Income Plan</b> | <b>Police<br/>Retirement<br/>Income Plan</b> | <b>Total</b>         |
| Additions:                          |                                   |  |                      |
| Contributions:                      |                                   |  |                      |
| Employer                            | \$ 3,154,494                      | \$ 2,105,665                                 | \$ 5,260,159         |
| Plan members                        | 646,538                           | 20,248                                       | 666,786              |
| Total contributions                 | <u>3,801,032</u>                  | <u>2,125,913</u>                             | <u>5,926,945</u>     |
| Investment income:                  |                                   |  |                      |
| Change in fair value of investments | (102,433)                         | (172,770)                                    | (275,203)            |
| Interest and dividends              | 1,247,444                         | 657,621                                      | 1,905,065            |
|                                     | <u>1,145,011</u>                  | <u>484,851</u>                               | <u>1,629,862</u>     |
| Less investment expenses:           |                                   |  |                      |
| Investment management fees          | 46,584                            | 24,239                                       | 70,823               |
| Net investment income               | <u>1,098,427</u>                  | <u>460,612</u>                               | <u>1,559,039</u>     |
| Total additions                     | <u>4,899,459</u>                  | <u>2,586,525</u>                             | <u>7,485,984</u>     |
| Deductions:                         |                                   |  |                      |
| Benefits                            | 4,223,200                         | 3,936,621                                    | 8,159,821            |
| Administration                      | 22,845                            | 9,690  | 32,535               |
| Total deductions                    | <u>4,246,045</u>                  | <u>3,946,311</u>                             | <u>8,192,356</u>     |
| Change in Net Position              | 653,414                           | (1,359,786)                                  | (706,372)            |
| Net Position - Beginning of Year    | <u>52,936,371</u>                 | <u>27,348,003</u>                            | <u>80,284,374</u>    |
| Net Position - End of Year          | <u>\$ 53,589,785</u>              | <u>\$ 25,988,217</u>                         | <u>\$ 79,578,002</u> |

**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**Investments**

**Investment Policy**

The pension plan’s policy, which was adopted on November 24, 2010, with regard to the allocation of invested assets, may be amended by the Plan’s Administrators. Consistent with its investment policy, it pursues 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 allocation of invested assets is reviewed by the Town and its investment advisors annually in order to ensure that the allocation remains consistent with the Town’s goals and objectives as well as the plan’s investment return assumptions. The following was the Board’s adopted asset allocation policy as of June 30, 2020:

| <u>Asset Class</u>        | <u>Target Allocations</u>         |  |
|---------------------------|-----------------------------------|--|
|                           | <u>Retirement<br/>Income Plan</u> | <u>Police<br/>Retirement<br/>Income Plan</u> |
| Guaranteed Deposit Fund   | 12.50 %                           | 12.50 %                                      |
| Short Term Fixed Income   | 2.50                              | 2.50   |
| Core Fixed Income         | 17.50                             | 17.50  |
| High Yield                | 2.50                              | 2.50   |
| Domestic Large Cap Equity | 23.00                             | 23.00  |
| Domestic Small Cap Equity | 7.00                              | 7.00   |
| International Equity      | 30.00                             | 30.00  |
| Real Estate               | 5.00                              | 5.00   |
| Total                     | <u>100.00 %</u>                   | <u>100.00 %</u>                              |

**Rate of Return**

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.09% and 1.72% for the Retirement Income Plan and the Police Retirement Income Plan, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**Net Pension Liability of the Town**

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

|  | <u>Retirement<br/>Income Plan</u> | <u>Police<br/>Retirement<br/>Income Plan</u> | <u>Total</u>         |
|--|-----------------------------------|--|----------------------|
| Total pension liability  | \$ 74,594,600                     | \$ 44,047,785                                | \$ 118,642,385       |
| Plan fiduciary net position  | <u>53,589,785</u>                 | <u>25,988,217</u>                            | <u>79,578,002</u>    |
| Net Pension Liability  | <u>\$ 21,004,815</u>              | <u>\$ 18,059,568</u>                         | <u>\$ 39,064,383</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 71.84%                            | 59.00%                                       | 67.07%               |

**Actuarial Assumptions**

The total pension liability for both plans was determined by an actuarial valuation as of January 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.50%  |
| Salary increases          | 3.50%, average, including inflation                                |
| Investment rate of return | 6.75%, net of pension plan investment expense, including inflation |

Retirement income plan mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table, projected to valuation date with Scale MP-2018.

Police retirement income plan mortality rates were based on the RP-2014 Adjusted to 2006 Mortality Table, with blue collar adjustment, projected to valuation date with Scale MP-2018.



**TOWN OF BLOOMFIELD, CONNECTICUT  
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan’s target asset allocation as of June 30, 2020 and are summarized in the following table:

| <u>Asset Class</u>        | <u>Long-Term Expected<br/>Real Rate of Return</u> |  |
|---------------------------|---|--|
|                           | <u>Retirement<br/>Income Plan</u>                 | <u>Police<br/>Retirement<br/>Income Plan</u> |
| Guaranteed Deposit Fund   | 0.30 %  | 0.30 %                                       |
| Short Term Fixed Income   | 0.60  | 0.60   |
| Short Term Liquidity      | 0.35  | 0.35   |
| Core Fixed Income         | 1.65  | 1.65   |
| High Yield                | 3.05  | 3.05   |
| Domestic Large Cap Equity | 5.55  | 5.55   |
| Domestic Small Cap Equity | 6.00  | 6.00   |
| International Equity      | 5.55  | 5.55   |
| Real Estate               | 4.20  | 4.20   |

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%. 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 Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

|   | <u>1% Decrease</u> | <u>Current<br/>Discount Rate</u> | <u>1% Increase</u> |
|---|--------------------|----------------------------------|--------------------|
| Retirement Income Plan - Net Pension Liability        | \$ 28,335,681      | \$ 21,004,815                    | \$ 14,773,966      |
| Police Retirement Income Plan - Net Pension Liability | 22,350,284         | 18,059,568                       | 14,430,775         |

**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**Retirement Income Plan**

|  | Increase (Decrease)        |                                |                          |
|--|----------------------------|--------------------------------|--------------------------|
|  | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|  | (a)                        | (b)                            | (a)-(b)                  |
| Balances as of July 1, 2019                                  | \$ 71,663,735              | \$ 52,936,371                  | \$ 18,727,364            |
| Changes for the year:  |                            |                                |                          |
| Service cost   | 1,489,580                  |                                | 1,489,580                |
| Interest on total pension liability                          | 4,797,643                  |                                | 4,797,643                |
| Differences between expected and actual experience           | (579,481)                  |                                | (579,481)                |
| Changes in assumptions                                       | 1,446,323                  |                                | 1,446,323                |
| Employer contributions                                       |                            | 3,154,494                      | (3,154,494)              |
| Member contributions   |                            | 646,538                        | (646,538)                |
| Net investment income  |                            | 1,098,427                      | (1,098,427)              |
| Benefit payments, including refund to employee contributions | (4,223,200)                | (4,223,200)                    | -                        |
| Administrative expenses                                      |                            | (22,845)                       | 22,845                   |
| Net changes  | <u>2,930,865</u>           | <u>653,414</u>                 | <u>2,277,451</u>         |
| Balances as of June 30, 2020                                 | <u>\$ 74,594,600</u>       | <u>\$ 53,589,785</u>           | <u>\$ 21,004,815</u>     |

**Police Retirement Income Plan**

|  | Increase (Decrease)        |                                |                          |
|--|----------------------------|--------------------------------|--------------------------|
|  | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|  | (a)                        | (b)                            | (a)-(b)                  |
| Balances as of July 1, 2019                                  | \$ 45,845,252              | \$ 27,348,003                  | \$ 18,497,249            |
| Changes for the year:  |                            |                                |                          |
| Service cost   | 98,529                     |                                | 98,529                   |
| Interest on total pension liability                          | 2,970,514                  |                                | 2,970,514                |
| Differences between expected and actual experience           | (790,503)                  |                                | (790,503)                |
| Changes in assumptions                                       | (139,386)                  |                                | (139,386)                |
| Employer contributions                                       |                            | 2,105,665                      | (2,105,665)              |
| Member contributions   |                            | 20,248                         | (20,248)                 |
| Net investment income  |                            | 460,612                        | (460,612)                |
| Benefit payments, including refund to employee contributions | (3,936,621)                | (3,936,621)                    | -                        |
| Administrative expenses                                      |                            | (9,690)                        | 9,690                    |
| Net changes  | <u>(1,797,467)</u>         | <u>(1,359,786)</u>             | <u>(437,681)</u>         |
| Balances as of June 30, 2020                                 | <u>\$ 44,047,785</u>       | <u>\$ 25,988,217</u>           | <u>\$ 18,059,568</u>     |

**TOWN OF BLOOMFIELD, CONNECTICUT  
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**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2020, the Town recognized pension expense of \$5,010,630. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

|  | <u>Retirement Income Plan</u>                 |  |
|--|---|--|
|  | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
| Differences between expected and actual experience                                 | \$ 289,490                                    | \$ 452,755                                   |
| Changes of assumptions   | 1,384,258                                     |  |
| Net difference between projected and actual<br>earning on pension plan investments | <u>1,919,709</u>                              |  |
| Total  | <u>\$ 3,593,457</u>                           | <u>\$ 452,755</u>                            |

|  | <u>Police Retirement Income Plan</u>          |  |
|--|---|--|
|  | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
| Net difference between projected and<br>actual earning on pension plan investments | <u>\$ 1,003,763</u>                           | <u>\$ -</u>                                  |
| Total  | <u>\$ 1,003,763</u>                           | <u>\$ -</u>                                  |

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

| <u>Year Ended June 30</u> | <u>Retirement<br/>Income Plan</u> | <u>Police<br/>Retirement<br/>Income Plan</u> |
|---------------------------|-----------------------------------|--|
| 2021                      | \$ 923,802                        | \$ 16,097                                    |
| 2022                      | 952,627                           | 334,060                                      |
| 2023                      | 772,273                           | 388,616                                      |
| 2024                      | 492,000                           | 264,990                                      |

**B. Connecticut Teachers Retirement System - Pension**

**Plan Description**

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

**Benefit Provisions**

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

**Normal Retirement**

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

**Early Retirement**

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

**Disability Retirement**

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

**Contributions**

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

*Employer (School Districts)*

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

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$4,649,366 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**TOWN OF BLOOMFIELD, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
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*Employees*

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

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

At June 30, 2020, the Town 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 Town 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 Town were as follows:

|   |                      |
|---|----------------------|
| Town's proportionate share of the net pension liability                           | \$ -                 |
| State's proportionate share of the net pension liability associated with the Town | <u>61,422,629</u>    |
| Total   | <u>\$ 61,422,629</u> |

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

For the year ended June 30, 2020, the Town recognized pension expense and revenue of \$7,543,746 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                 | 2.750%   |
| Salary increase           | 3.25-6.50%, including inflation                                    |
| Investment rate of return | 6.90%, net of pension plan investment expense, including inflation |

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

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

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

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

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**NOTES TO FINANCIAL STATEMENTS**  
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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 current capital market assumptions and the target asset allocation as provided by the State of Connecticut Treasurer's Office are summarized in the following table:

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

**Discount Rate**

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

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

The Town'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.

**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**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 Town has no obligation to contribute to the plan.

**6. OTHER POST EMPLOYMENT BENEFITS PLAN**

**A. OPEB Plan**

**Plan Description**

The Town administers one single-employer, post retirement healthcare plan for the Town, Police and Board of Education, the Town of Bloomfield Other Post Employment Benefits (OPEB) Plan. The other post employment benefit plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the OPEB Trust fund. The Town does not issue a separate stand-alone financial statement for this program.

The Town plan provides for medical, dental and life insurance benefits for all eligible Town, Police and Board of Education retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations. Administration costs are financed from investment earnings.

The Town contracts with a financial advisor and actuary who assist in monitoring the plan. Meetings are held at least quarterly with the Town Manager, Finance Director and investment advisor to review the plan. The Town Manager and the Finance Director also periodically provide information regarding the post-employment benefits plan to the Finance Subcommittee of the Town Council. The full Town Council would be consulted in the event of any major plan change.

**Funding Policy**

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town's total plan contribution was \$3,013,265.

Retiree contributions are dependent on the covered group. There are no employee contributions for the Town, Police or Board of Education employees, with the exception of some retirees who pay for spousal coverage. Teachers are required to pay 100% of the costs.

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

|                   |                   |
|-------------------|-------------------|
| Active employees  | 537               |
| Retired Employees | <u>215</u>        |
| Total             | <u><u>752</u></u> |

**TOWN OF BLOOMFIELD, CONNECTICUT  
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**Investments**

**Investment Policy**

OPEB Benefits Plan's policy in regard to the allocation of invested assets is established and may be amended by agreement of the Town Manager and Director of Finance, in consultation with the Finance Subcommittee of the Town Council if necessary. The Town's investment advisor provides the necessary information to assist the Town Manager and Director of Finance to make prudent investment decisions. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes, taking into consideration the discount rate. The Town'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 Town reviews its investment policy at least annually.

**Rate of Return**

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 5.98%. 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 Town**

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

|   |    |                          |
|---|----|--------------------------|
| Total OPEB liability  | \$ | 98,115,737               |
| Plan fiduciary net position   |    | <u>10,665,674</u>        |
| Net OPEB Liability  | \$ | <u><u>87,450,063</u></u> |
| Plan fiduciary net position as a percentage of the total OPEB liability |    | 10.87%                   |

**Actuarial Assumptions**

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

|                             |  |
|-----------------------------|--|
| Inflation                   | 2.50%  |
| Salary increases            | 2.50%, average, including inflation  |
| Investment rate of return   | 6.75%, net of OPEB plan investment expense, including inflation                                |
| Healthcare cost trend rates | 7.00% for 2018, decreasing 0.5% per year to an ultimate rate of 4.50% for 2023 and later years |

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

For all other employees, mortality rates were based on the RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2018.

The actuarial assumptions used in the July 1, 2018 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. A full actuarial experience study has not been completed.



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

| <u>Asset Class</u>        | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------|--------------------------|---|
| Core Fixed Income         | 35 %                     | 1.65 %  |
| Domestic Large Cap Equity | 28                       | 5.55  |
| Domestic Small Cap Equity | 17                       | 6.00  |
| International Equity      | 20                       | 5.55  |
| Total                     | <u>100 %</u>             |   |

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Town 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.

**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**Changes in the Net OPEB Liability**

|   | Increase (Decrease)            |                                       |                                  |
|---|--------------------------------|---------------------------------------|----------------------------------|
|   | Total OPEB<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net OPEB<br>Liability<br>(a)-(b) |
| Balances as of July 1, 2019                                     | \$ 92,322,198                  | \$ 9,854,280                          | \$ 82,467,918                    |
| Changes for the year:   |                                |                                       |                                  |
| Service cost  | 3,902,673                      |                                       | 3,902,673                        |
| Interest on total OPEB liability                                | 6,381,465                      |                                       | 6,381,465                        |
| Differences between expected<br>and actual experience           | (1,470,490)                    |                                       | (1,470,490)                      |
| Employer contributions  |                                | 2,813,889                             | (2,813,889)                      |
| Member contributions  |                                | 427,533                               | (427,533)                        |
| Net investment income   |                                | 600,601                               | (600,601)                        |
| Benefit payments, including refund to<br>employee contributions | (3,020,109)                    | (3,020,109)                           | -                                |
| Administrative expenses   |                                | (10,520)                              | 10,520                           |
| Net changes   | <u>5,793,539</u>               | <u>811,394</u>                        | <u>4,982,145</u>                 |
| Balances as of June 30, 2020                                    | <u>\$ 98,115,737</u>           | <u>\$ 10,665,674</u>                  | <u>\$ 87,450,063</u>             |

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current discount rate:

|                    | 1% Decrease    | Current<br>Discount Rate | 1% Increase   |
|--------------------|----------------|--------------------------|---------------|
| Net OPEB Liability | \$ 100,189,344 | \$ 87,450,063            | \$ 76,681,270 |

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.25% decreasing to 3.75%) or 1 percentage point higher (9.25% decreasing to 5.75%) than the current healthcare cost trend rates:

|                    | 1% Decrease   | Current<br>Healthcare Cost<br>Trend Rates | 1% Increase    |
|--------------------|---------------|---|----------------|
| Net OPEB Liability | \$ 75,642,886 | \$ 87,450,063                             | \$ 101,610,422 |

**TOWN OF BLOOMFIELD, CONNECTICUT  
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**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the Town recognized OPEB expense of \$7,829,186. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Differences between expected and actual experience                              | \$  | \$ 9,211,010                                 |
| Changes in assumptions  | 811,887                                       |  |
| Net difference between projected and actual earning on pension plan investments |   | <u>183,286</u>                               |
| Total   | <u>\$ 811,887</u>                             | <u>\$ 9,394,296</u>                          |

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

**Year Ended June 30**

|            |                |
|------------|----------------|
| 2021       | \$ (1,373,841) |
| 2022       | (1,373,841)    |
| 2023       | (1,303,588)    |
| 2024       | (1,270,128)    |
| 2025       | (1,284,528)    |
| Thereafter | (1,976,483)    |

The following schedule presents the net position held in trust for OPEB benefits at June 30, 2020 and the changes in net position for the year ended June 30, 2020:

|   | <u>OPEB Trust<br/>Fund</u> |
|---|----------------------------|
| Assets:                                       |                            |
| Cash  | \$ 445,091                 |
| Investments, at fair value                    | <u>16,116,284</u>          |
| Total assets                                  | <u>16,561,375</u>          |
| Liabilities:                                  |                            |
| Claims payable                                | 183,629                    |
| Due to other funds                            | <u>5,712,072</u>           |
| Total liabilities                             | <u>5,895,701</u>           |
| Net Position:                                 |                            |
| Restricted for Other Post Employment Benefits | <u>\$ 10,665,674</u>       |

**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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|                                     | <b>OPEB Trust<br/>Fund</b> |
|-------------------------------------|----------------------------|
| Additions:                          |                            |
| Contributions:                      |                            |
| Employer                            | \$ 2,813,889               |
| Plan members                        | <u>427,533</u>             |
| Total contributions                 | <u>3,241,422</u>           |
| Investment income:                  |                            |
| Change in fair value of investments | 594,704                    |
| Interest and dividends              | <u>5,897</u>               |
| Net investment income               | <u>600,601</u>             |
| Total additions                     | <u>3,842,023</u>           |
| Deductions:                         |                            |
| Benefits                            | 3,020,109                  |
| Administration                      | <u>10,520</u>              |
| Total deductions                    | <u>3,030,629</u>           |
| Change in Net Position              | 811,394                    |
| Net Position - Beginning of Year    | <u>9,854,280</u>           |
| Net Position - End of Year          | <u>\$ 10,665,674</u>       |

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

**Plan Description**

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

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

**Benefit Provisions**

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

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July

**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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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 re-enroll.

Those participants electing vision, hearing and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the plan for these benefits.

#### **Survivor Health Care Coverage**

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

#### **Eligibility**

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

#### **Credited Service**

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

#### **Normal Retirement**

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

#### **Early Retirement**

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

#### **Proratable Retirement**

Age 60 with 10 years of Credited Service.

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NOTES TO FINANCIAL STATEMENTS  
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**Disability Retirement**

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

**Termination of Employment**

Ten or more years of Credited Service.

**Contributions**

*State of Connecticut*

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

*Employer (School Districts)*

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$127,071 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees/Retirees*

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

**TOWN OF BLOOMFIELD, CONNECTICUT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2020**

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

At June 30, 2020, the Town 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 Town 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 Town was as follows:

|  |    |                         |
|--|----|-------------------------|
| Town's proportionate share of the net OPEB liability                           | \$ | -                       |
| State's proportionate share of the net OPEB liability associated with the Town |    | <u>9,579,205</u>        |
| Total  | \$ | <u><u>9,579,205</u></u> |

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

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of (\$700,973) in Exhibit II.

**Actuarial Assumptions**

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

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

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

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

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by

**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.41%).

**Discount Rate**

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

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

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

**Other Information**

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

**7. OTHER INFORMATION**

**A. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2020.

The Town has chosen to establish a Self-Insurance Fund for risks associated with the employees' health insurance plan. This fund is accounted for as an Internal Service Fund where assets are set aside for claim settlements. Additionally, the Town has chosen to establish an OPEB Trust Fund for risks associated with the retiree health insurance plan. This fund is accounted for as a Trust Fund where assets are set aside for claim settlement and to accumulate resources for health insurance coverage of retired Town and Board of Education employees. A premium is charged to each fund that accounts for full or part-time employees. The total charge allocated to each of the funds is calculated using employee rates determined by the self-insurance administrator.

A third party administers the medial insurance plans for which the Town pays a fee. The Town has purchased a stop loss policy for individual claims exceeding \$225,000.



**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount, as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs) and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate. The entire liability is considered to be a current liability because the Town has determined through past experience that materially all of the claims outstanding at year end are liquidated within the subsequent fiscal year. Changes in the claims liability for the past two years are as follows:

|                                 | <u>Accrued<br/>Liability<br/>Beginning of<br/>Fiscal Year</u> | <u>Current Year<br/>Claims and<br/>Changes in<br/>Estimates</u> | <u>Accrued<br/>Liability<br/>Claim<br/>Payments</u> | <u>Accrued<br/>Liability<br/>End of<br/>Fiscal Year</u> |
|---------------------------------|---|---|---|---|
| Employee Health Insurance Fund: |   |   |   |   |
| 2018-19                         | \$ 708,546  | \$ 9,901,176  | \$ 9,853,391  | \$ 756,331  |
| 2019-20                         | 756,331   | 11,441,241  | 10,460,627  | 1,736,945   |
| OPEB Trust Fund:                |   |   |   |   |
| 2018-19                         | \$ 192,484  | \$ 3,391,886  | \$ 3,359,158  | \$ 225,212  |
| 2019-20                         | 225,212   | 3,020,109   | 3,061,692   | 183,629   |

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), a nonprofit association of Connecticut Municipalities, which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et seq. of the Connecticut General Statutes.

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in a coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10 million per occurrence.

**B. Contingent Liabilities and Commitments**

**Contingent Liabilities**

*Litigation and Unasserted Claims*

Claims for which preliminary judgment has been rendered against the Town have been recorded as a liability in the government-wide financial statements. There are various suits and claims pending against the Town, involving, but not limited to, breach of contract and alleged age, sexual and racial discrimination in the terms and conditions of employment.

The final outcome of these suits and claims and their impact on the Town's financial position cannot be determined at this time.

**TOWN OF BLOOMFIELD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

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*Federal and State Assistance Programs - Compliance Audits*

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

*Rebate Penalties*

The Town may be subject to rebate penalties to the federal government relating to various bond and note issues. The Town does not expect this to occur due to low level of interest rates over the past several years.

**8. TAX ABATEMENTS**

The Town has entered into Tax Assessment Agreements which provide real property tax abatements for real property improvements pursuant to Connecticut General Statutes Section 12-65b. The Town has four agreements as of June 30, 2020 with the last reduction in assessment occurring during the fiscal years ending June 30, 2022, June 30, 2023 and June 30, 2024.

|  |  |
|--|--|
| <b>Program</b>   | <b>Commercial Development</b>  |
| <b>Purpose</b>   | Designed to encourage specific business to open or expand facilities in Town.                          |
| <b>Tax being abated</b>                                  | Real Estate  |
| <b>Authority under which agreements are entered into</b> | Section 12.65b. Of the Connecticut General Statutes.   |
| <b>Eligibility criteria for tax abatement</b>            | Owner agrees to continuously own the property, for a period of time in excess of the abatement period. |
| <b>How recipient's tax are reduced</b>                   | As a credit against Real Estate Taxes.   |
| <b>How the tax abatement is determined</b>               | Decreasing reduction on assessment on improvements over a set period, specific to each agreement.      |
| <b>Provisions for recapturing abated taxes, if any</b>   | Breach of the agreement  |

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

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

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



## **Required Supplementary Information**

**TOWN OF BLOOMFIELD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF BUDGETED AND ACTUAL REVENUES -  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

|                                     | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Budgetary<br/>Basis</u> | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|-------------------------------------|-------------------------|-------------------|---------------------------------------|---|
|                                     | <u>Original</u>         | <u>Final</u>      |                                       |   |
| Property Taxes:                     |                         |                   |                                       |   |
| Current levy                        | \$ 78,744,103           | \$ 78,744,103     | \$ 79,542,759                         | \$ 798,656  |
| Interest and liens                  | 485,000                 | 485,000           | 627,007                               | 142,007   |
| Prior years collection              | 700,000                 | 700,000           | 890,904                               | 190,904   |
| Supplemental motor vehicle          | 525,000                 | 525,000           | 705,064                               | 180,064   |
| Telephone line tax                  | 60,000                  | 60,000            | 68,503                                | 8,503   |
| Total Property Taxes                | <u>80,514,103</u>       | <u>80,514,103</u> | <u>81,834,237</u>                     | <u>1,320,134</u>  |
| Interest on Investments             | <u>215,000</u>          | <u>215,000</u>    | <u>568,007</u>                        | <u>353,007</u>  |
| Intergovernmental:                  |                         |                   |                                       |   |
| Educational Assistance Grants:      |                         |                   |                                       |   |
| ECS grant                           | 5,410,345               | 5,410,345         | 5,418,961                             | 8,616   |
| Nonpublic school health             | 47,220                  | 47,220            | 48,226                                | 1,006   |
| Total Educational Assistance Grants | <u>5,457,565</u>        | <u>5,457,565</u>  | <u>5,467,187</u>                      | <u>9,622</u>  |
| Town Assistance Grants:             |                         |                   |                                       |   |
| PILOT - State property              | 13,651                  | 13,651            | 13,651                                | -   |
| Mashantucket Pequot fund grant      | 94,314                  | 94,314            | 94,314                                | -   |
| Tax relief - disabled               | 1,300                   | 1,300             | 1,310                                 | 10  |
| PILOT - colleges and hospitals      | 110,126                 | 110,126           | 110,126                               | -   |
| Municipal revenue sharing           | 291,027                 | 291,027           | 291,027                               | -   |
| PILOT - veterans' exemption         | 10,500                  | 10,500            | 11,837                                | 1,337   |
| Distressed Municipalities           |                         |                   | 23,983                                | 23,983  |
| Dial-A-Ride                         | 17,500                  | 17,500            | 17,160                                | (340)   |
| Town road aid                       | 336,171                 | 336,171           | 342,039                               | 5,868   |
| Police grants                       | 105,000                 | 105,000           | 106,071                               | 1,071   |
| Town clerk recording grant          | 8,000                   | 8,000             | 7,866                                 | (134)   |
| Total Town Assistance Grants        | <u>987,589</u>          | <u>987,589</u>    | <u>1,019,384</u>                      | <u>31,795</u>   |
| Total Intergovernmental             | <u>6,445,154</u>        | <u>6,445,154</u>  | <u>6,486,571</u>                      | <u>41,417</u>   |

**TOWN OF BLOOMFIELD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF BUDGETED AND ACTUAL REVENUES -  
BUDGETARY BASIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

|  | Budgeted Amounts     |                      | Actual<br>Budgetary<br>Basis | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------------|----------------------|------------------------------|---|
|  | Original             | Final                |                              |   |
| Charges for Services:                      |                      |                      |                              |   |
| Tower rent                                 | \$ 70,000            | \$ 70,000            | \$ 69,678                    | \$ (322)  |
| 10 Lisa Lane Rent                          | 3,000                | 3,000                | 3,000                        | -   |
| Service charges:                           |                      |                      |                              |   |
| Police permits                             | 10,000               | 10,000               | 12,667                       | 2,667   |
| Right of way permits                       | 1,100                | 1,100                | 1,690                        | 590   |
| Blueprints                                 | 400                  | 400                  | 131                          | (269)   |
| Building/demolition permits                | 850,000              | 850,000              | 1,691,044                    | 841,044   |
| Dog licenses                               | 2,500                | 2,500                | 2,974                        | 474   |
| Hunting/fishing licenses                   | 350                  | 350                  | 136                          | (214)   |
| Inland/wetland permits                     | 5,000                | 5,000                | 30,997                       | 25,997  |
| Zoning commission                          | 7,500                | 7,500                | 9,190                        | 1,690   |
| Zoning Board of Appeals                    | 500                  | 500                  | 810                          | 310   |
| State/FBI background checks                | 250                  | 250                  | (88)                         | (338)   |
| Ambulance service                          | 480,000              | 480,000              | 413,600                      | (66,400)  |
| Library receipts                           | 12,000               | 12,000               | 9,566                        | (2,434)   |
| Town clerk fees                            | 105,000              | 105,000              | 120,570                      | 15,570  |
| Mini bus passes                            | 475,000              | 475,000              | 508,483                      | 33,483  |
| Summer program                             | 15,000               | 15,000               | 31,675                       | 16,675  |
| School year                                | 5,000                | 5,000                | 12,314                       | 7,314   |
| Swimming pool                              | 16,000               | 16,000               | 16,357                       | 357   |
| Mini bus passes                            | 9,000                | 9,000                | 9,805                        | 805   |
| Accident reports                           | 5,200                | 5,200                | 2,524                        | (2,676)   |
| Zoning violation                           | 1,500                | 1,500                | 5,001                        | 3,501   |
| Postcards/Stickers                         | 150                  | 150                  | 29                           | (121)   |
| Parking fines                              | 8,000                | 8,000                | 13,800                       | 5,800   |
| Animal control                             | 1,000                | 1,000                | 1,023                        | 23  |
| Total Charges for Services                 | <u>2,083,450</u>     | <u>2,083,450</u>     | <u>2,966,976</u>             | <u>883,526</u>  |
| Other Revenues:                            |                      |                      |                              |   |
| Miscellaneous income                       | <u>170,000</u>       | <u>170,000</u>       | <u>262,361</u>               | <u>92,361</u>   |
| Total Revenues                             | <u>89,427,707</u>    | <u>89,427,707</u>    | <u>92,118,152</u>            | <u>2,690,445</u>  |
| Other Financing Sources:                   |                      |                      |                              |   |
| Transfers in*                              | <u>500,000</u>       | <u>500,000</u>       | <u>175,000</u>               | <u>(325,000)</u>  |
| Total Other Financing Sources              | <u>500,000</u>       | <u>500,000</u>       | <u>175,000</u>               | <u>(325,000)</u>  |
| Total Revenues and Other Financing Sources | <u>\$ 89,927,707</u> | <u>\$ 89,927,707</u> | <u>92,293,152</u>            | <u>\$ 2,365,445</u>                                     |

Budgetary revenues are different than GAAP revenues because:

State of Connecticut pension expense in the Connecticut State

Teachers' Retirement System for Town teachers are not budgeted.

4,649,366

State of Connecticut OPEB revenues in the Connecticut State

Teachers' Retirement System for Town teachers are not budgeted.

127,071

Cancellation of prior year encumbrances are recognized as budgetary revenue

(113)

The Town does not budget for bond premiums.

973,042

Some grants are budgeted net of their expenditures and are reported gross under GAAP.

836,981

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

\$ 98,879,499

\* \$175,000 of original budget, final budget and actual were originally part of the Charges for Services budget, and represent amounts transferred from the Police Extra Duty Fund.

**TOWN OF BLOOMFIELD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES  
COMPARED WITH APPROPRIATIONS - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020**

|  | <b>Budgeted Amounts</b> |                  | <b>Actual<br/>Budgetary<br/>Basis</b> | <b>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|------------------|---------------------------------------|---|
|  | <b>Original</b>         | <b>Final</b>     |                                       |   |
| Administration:                                |                         |                  |                                       |   |
| General government admin                       | \$ 224,111              | \$ 224,111       | \$ 206,964                            | \$ 17,147   |
| Town council                                   | 36,144                  | 36,144           | 34,844                                | 1,300   |
| Town manager                                   | 389,553                 | 414,553          | 413,701                               | 852   |
| Town clerk                                     | 399,674                 | 399,674          | 397,950                               | 1,724   |
| Administration                                 | 141,180                 | 141,180          | 141,372                               | (192)   |
| Assessor                                       | 329,920                 | 324,638          | 323,168                               | 1,470   |
| Tax collector                                  | 269,254                 | 269,254          | 262,605                               | 6,649   |
| Central office                                 | 58,343                  | 58,343           | 54,799                                | 3,544   |
| Human resources                                | 490,526                 | 490,526          | 442,307                               | 48,219  |
| Information systems                            | 691,191                 | 681,191          | 619,367                               | 61,824  |
| Accounting                                     | 295,600                 | 295,600          | 303,146                               | (7,546)   |
| Town attorney                                  | 202,337                 | 242,619          | 241,577                               | 1,042   |
| Town treasurer                                 |                         |                  | 103                                   | (103)   |
| Total Administration                           | <u>3,527,833</u>        | <u>3,577,833</u> | <u>3,441,903</u>                      | <u>135,930</u>  |
| Boards and Agencies:                           |                         |                  |                                       |   |
| Town planning and zoning                       | 4,704                   | 4,704            | 4,916                                 | (212)   |
| Zoning board of appeals                        | 1,296                   | 1,296            | 947                                   | 349   |
| Board of tax review                            | 1,000                   | 1,000            | 865                                   | 135   |
| Registrar of Voters                            | 100,221                 | 100,221          | 92,225                                | 7,996   |
| Elections                                      | 38,475                  | 38,475           | 22,489                                | 15,986  |
| Inland/wetland                                 | 4,253                   | 4,253            | 4,144                                 | 109   |
| Economic development committee                 | 2,570                   | 2,570            | 2,578                                 | (8)   |
| Commission on aging                            | 3,680                   | 1,827            | 1,026                                 | 801   |
| Youth adult council                            | 3,000                   | 3,000            | 3,000                                 | -   |
| Advisory committee on handicapped              | 250                     | 250              |                                       | 250   |
| Conservation, energy and environment committee | 1,500                   | 1,500            | 869                                   | 631   |
| Beautification committee                       | 5,900                   | 5,900            | 2,686                                 | 3,214   |
| Fair rent commission                           | 500                     | 500              |                                       | 500   |
| Ethics commission                              | 100                     | 100              |                                       | 100   |
| Total Boards and Agencies                      | <u>167,449</u>          | <u>165,596</u>   | <u>135,745</u>                        | <u>29,851</u>   |
| Planning and Development                       | <u>1,309,113</u>        | <u>1,309,113</u> | <u>1,223,204</u>                      | <u>85,909</u>   |
| Public Safety                                  | <u>8,172,646</u>        | <u>8,172,646</u> | <u>7,755,262</u>                      | <u>417,384</u>  |
| Public Works                                   | <u>3,360,348</u>        | <u>3,322,350</u> | <u>3,225,751</u>                      | <u>96,599</u>   |
| Leisure Services                               | <u>816,188</u>          | <u>816,188</u>   | <u>790,587</u>                        | <u>25,601</u>   |
| Public Libraries                               | <u>1,734,931</u>        | <u>1,734,931</u> | <u>1,719,406</u>                      | <u>15,525</u>   |

(Continued on next page)

**TOWN OF BLOOMFIELD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES  
COMPARED WITH APPROPRIATIONS - BUDGETARY BASIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

|  | <u>Budgeted Amounts</u> |                      | <u>Actual<br/>Budgetary<br/>Basis</u> | <u>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|----------------------|---------------------------------------|---|
|  | <u>Original</u>         | <u>Final</u>         |                                       |   |
| Human Services:  |                         |                      |                                       |   |
| Health services  | \$ 259,227              | \$ 259,227           | \$ 259,227                            | \$ -  |
| Social services  | 670,638                 | 670,638              | 640,632                               | 30,006  |
| Senior services  | 782,057                 | 783,910              | 782,527                               | 1,383   |
| Total Human Services   | <u>1,711,922</u>        | <u>1,713,775</u>     | <u>1,682,386</u>                      | <u>31,389</u>   |
| Facilities Maintenance*  | <u>1,882,320</u>        | <u>1,920,318</u>     | <u>1,806,552</u>                      | <u>113,766</u>  |
| Fixed Charges  | <u>18,331,158</u>       | <u>17,773,566</u>    | <u>17,786,474</u>                     | <u>(12,908)</u>   |
| Miscellaneous Charges  | <u>445,500</u>          | <u>387,905</u>       | <u>277,194</u>                        | <u>110,711</u>  |
| Education *  | <u>43,427,030</u>       | <u>43,427,030</u>    | <u>43,427,030</u>                     | <u>-</u>  |
| Debt Service   | <u>6,502,326</u>        | <u>6,586,188</u>     | <u>6,586,187</u>                      | <u>1</u>  |
| Total Expenditures   | 91,388,764              | 90,907,439           | 89,857,681                            | 1,049,758   |
| Other Financing Uses:  |                         |                      |                                       |   |
| Transfer out *   | <u>459,057</u>          | <u>940,382</u>       | <u>-</u>                              | <u>940,382</u>  |
| Total Expenditures and Other Financing Uses  | <u>\$ 91,847,821</u>    | <u>\$ 91,847,821</u> | 89,857,681                            | <u>\$ 1,990,140</u>   |
| Budgetary expenditures are different than GAAP expenditures because:   |                         |                      |                                       |   |
| State of Connecticut pension expense in the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.  |                         |                      | 4,649,366                             |   |
| State of Connecticut OPEB revenues in the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.  |                         |                      | 127,071                               |   |
| 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 report purposes. |                         |                      | (565,523)                             |   |
| Some grants are budgeted net of their expenditures and are reported gross under GAAP.  |                         |                      | <u>836,981</u>                        |   |
| Total Expenditures and Other Financing Uses as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV                                |                         |                      | <u>\$ 94,905,576</u>                  |   |

\* \$42,036 and \$2,000 of original budget, final budget and actual were originally part of the facilities and education budgets, respectively, and represent amounts transferred to the CNR fund.



**TOWN OF BLOOMFIELD, CONNECTICUT  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
RETIREMENT INCOME PLAN  
LAST SEVEN FISCAL YEARS\***

|  | <u>2020</u>          | <u>2019</u>          | <u>2018</u>          | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          | <u>2014</u>          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability:   |                      |                      |                      |                      |                      |                      |                      |
| Service cost   | \$ 1,489,580         | \$ 1,431,110         | \$ 1,357,032         | \$ 1,183,480         | \$ 1,065,982         | \$ 1,029,935         | \$ 1,008,317         |
| Interest   | 4,797,643            | 4,569,352            | 4,528,155            | 4,332,646            | 4,316,094            | 4,143,122            | 4,026,413            |
| Changes of benefit terms   |                      |                      |                      |                      |                      |                      |                      |
| Differences between expected and actual experience                         | (579,481)            | 815,838              | (462,077)            | 1,708,574            | (846,524)            | 734,371              |                      |
| Changes of assumptions   | 1,446,323            | 609,776              | 1,475,092            | 1,405,787            | 1,339,300            |                      |                      |
| Benefit payments, including refunds of member contributions                | <u>(4,223,200)</u>   | <u>(3,985,606)</u>   | <u>(3,944,906)</u>   | <u>(3,808,712)</u>   | <u>(3,749,386)</u>   | <u>(3,528,979)</u>   | <u>(3,472,507)</u>   |
| Net change in total pension liability                                      | 2,930,865            | 3,440,470            | 2,953,296            | 4,821,775            | 2,125,466            | 2,378,449            | 1,562,223            |
| Total pension liability - beginning  | 71,663,735           | 68,223,265           | 65,269,969           | 60,448,194           | 58,322,728           | 55,944,279           | 54,382,056           |
| Total pension liability - ending   | <u>74,594,600</u>    | <u>71,663,735</u>    | <u>68,223,265</u>    | <u>65,269,969</u>    | <u>60,448,194</u>    | <u>58,322,728</u>    | <u>55,944,279</u>    |
| Plan fiduciary net position:   |                      |                      |                      |                      |                      |                      |                      |
| Contributions - employer   | 3,154,494            | 3,085,827            | 2,930,717            | 2,597,743            | 2,572,003            | 2,629,167            | 2,477,045            |
| Contributions - member   | 646,538              | 652,363              | 628,600              | 596,025              | 577,917              | 560,042              | 552,671              |
| Net investment income  | 1,098,427            | 2,297,243            | 3,729,524            | 5,859,346            | 96,053               | 1,353,957            | 5,961,312            |
| Benefit payments, including refunds of member contributions                | <u>(4,223,200)</u>   | <u>(3,985,606)</u>   | <u>(3,944,906)</u>   | <u>(3,808,712)</u>   | <u>(3,749,386)</u>   | <u>(3,528,979)</u>   | <u>(3,472,507)</u>   |
| Administrative expense   | <u>(22,845)</u>      | <u>(31,410)</u>      | <u>(25,730)</u>      | <u>(27,600)</u>      | <u>(20,330)</u>      | <u>(79,399)</u>      | <u>(51,099)</u>      |
| Net change in plan fiduciary net position                                  | 653,414              | 2,018,417            | 3,318,205            | 5,216,802            | (523,743)            | 934,788              | 5,467,422            |
| Plan fiduciary net position - beginning                                    | 52,936,371           | 50,917,954           | 47,599,749           | 42,382,947           | 42,906,690           | 41,971,902           | 36,504,480           |
| Plan fiduciary net position - ending                                       | <u>53,589,785</u>    | <u>52,936,371</u>    | <u>50,917,954</u>    | <u>47,599,749</u>    | <u>42,382,947</u>    | <u>42,906,690</u>    | <u>41,971,902</u>    |
| Net Pension Liability - Ending   | <u>\$ 21,004,815</u> | <u>\$ 18,727,364</u> | <u>\$ 17,305,311</u> | <u>\$ 17,670,220</u> | <u>\$ 18,065,247</u> | <u>\$ 15,416,038</u> | <u>\$ 13,972,377</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 71.84%               | 73.87%               | 74.63%               | 72.93%               | 70.11%               | 73.57%               | 75.02%               |
| Covered payroll  | \$ 10,665,640        | \$ 10,830,406        | \$ 10,402,954        | \$ 10,265,665        | \$ 9,157,561         | \$ 9,333,616         | \$ 9,417,217         |
| Net pension liability as a percentage of covered payroll                   | 196.94%              | 172.91%              | 166.35%              | 172.13%              | 197.27%              | 165.17%              | 148.37%              |

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

**TOWN OF BLOOMFIELD, CONNECTICUT  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
POLICE RETIREMENT INCOME PLAN  
LAST SEVEN FISCAL YEARS'**

|  | <u>2020</u>          | <u>2019</u>          | <u>2018</u>          | <u>2017</u>          | <u>2016</u>          | <u>2015</u>          | <u>2014</u>          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability:   |                      |                      |                      |                      |                      |                      |                      |
| Service cost   | \$ 98,529            | \$ 153,310           | \$ 222,940           | \$ 296,714           | \$ 418,531           | \$ 404,379           | \$ 416,093           |
| Interest   | 2,970,514            | 2,924,027            | 2,995,523            | 3,004,652            | 2,986,948            | 2,923,044            | 2,896,006            |
| Differences between expected and actual experience                         | (790,503)            | 900,470              | 241,350              | 852,171              | 842,770              | 695,533              |                      |
| Changes of assumptions   | (139,386)            | 677,205              | 989,764              | 981,190              | 946,336              |                      |                      |
| Benefit payments, including refunds of member contributions                | <u>(3,936,621)</u>   | <u>(3,887,290)</u>   | <u>(3,819,946)</u>   | <u>(3,604,107)</u>   | <u>(3,309,655)</u>   | <u>(3,064,901)</u>   | <u>(2,819,289)</u>   |
| Net change in total pension liability                                      | (1,797,467)          | 767,722              | 629,631              | 1,530,620            | 1,884,930            | 958,055              | 492,810              |
| Total pension liability - beginning  | <u>45,845,252</u>    | <u>45,077,530</u>    | <u>44,447,899</u>    | <u>42,917,279</u>    | <u>41,032,349</u>    | <u>40,074,294</u>    | <u>39,581,484</u>    |
| Total pension liability - ending   | <u>44,047,785</u>    | <u>45,845,252</u>    | <u>45,077,530</u>    | <u>44,447,899</u>    | <u>42,917,279</u>    | <u>41,032,349</u>    | <u>40,074,294</u>    |
| Plan fiduciary net position:   |                      |                      |                      |                      |                      |                      |                      |
| Contributions - employer   | 2,105,665            | 2,096,000            | 2,093,000            | 2,048,807            | 2,051,670            | 2,073,888            | 1,882,292            |
| Contributions - member   | 20,248               | 25,662               | 51,940               | 76,633               | 109,221              | 129,128              | 147,642              |
| Net investment income  | 460,612              | 1,207,624            | 2,138,285            | 3,391,652            | 108,128              | 859,608              | 3,737,496            |
| Benefit payments, including refunds of member contributions                | (3,936,621)          | (3,887,290)          | (3,819,946)          | (3,604,107)          | (3,309,655)          | (3,064,901)          | (2,819,289)          |
| Administrative expense   | <u>(9,690)</u>       | <u>(20,910)</u>      | <u>(19,240)</u>      | <u>(18,925)</u>      | <u>(14,265)</u>      | <u>(51,764)</u>      | <u>(33,175)</u>      |
| Net change in plan fiduciary net position                                  | (1,359,786)          | (578,914)            | 444,039              | 1,894,060            | (1,054,901)          | (54,041)             | 2,914,966            |
| Plan fiduciary net position - beginning                                    | <u>27,348,003</u>    | <u>27,926,917</u>    | <u>27,482,878</u>    | <u>25,588,818</u>    | <u>26,643,719</u>    | <u>26,697,760</u>    | <u>23,782,794</u>    |
| Plan fiduciary net position - ending                                       | <u>25,988,217</u>    | <u>27,348,003</u>    | <u>27,926,917</u>    | <u>27,482,878</u>    | <u>25,588,818</u>    | <u>26,643,719</u>    | <u>26,697,760</u>    |
| Net Pension Liability - Ending   | <u>\$ 18,059,568</u> | <u>\$ 18,497,249</u> | <u>\$ 17,150,613</u> | <u>\$ 16,965,021</u> | <u>\$ 17,328,461</u> | <u>\$ 14,388,630</u> | <u>\$ 13,376,534</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 59.00%               | 59.65%               | 61.95%               | 61.83%               | 59.62%               | 64.93%               | 66.62%               |
| Covered payroll  | \$ 389,170           | \$ 608,380           | \$ 1,119,348         | \$ 1,603,104         | \$ 1,768,489         | \$ 2,378,489         | \$ 2,456,234         |
| Net pension liability as a percentage of covered payroll                   | 4640.53%             | 3040.41%             | 1532.20%             | 1058.26%             | 979.85%              | 604.95%              | 544.60%              |

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

**TOWN OF BLOOMFIELD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
RETIREMENT INCOME PLAN  
LAST TEN FISCAL YEARS**

|  | 2011          | 2012         | 2013         | 2014         | 2015         | 2016         | 2017          | 2018          | 2019          | 2020          |
|--|---------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution                                | \$ 1,590,800  | \$ 1,926,516 | \$ 2,152,730 | \$ 2,477,043 | \$ 2,629,169 | \$ 2,571,995 | \$ 2,597,773  | \$ 2,930,717  | \$ 3,085,827  | \$ 3,154,494  |
| Contributions in relation to the actuarial determined contribution | 1,590,800     | 1,956,542    | 2,152,293    | 2,477,045    | 2,629,167    | 2,372,003    | 2,597,743     | 2,930,717     | 3,085,827     | 3,154,494     |
| Contribution Deficiency (Excess)                                   | \$ -          | \$ (30,026)  | \$ 437       | \$ (2)       | \$ 2         | \$ (8)       | \$ 30         | \$ -          | \$ -          | \$ -          |
| Covered payroll  | \$ 10,225,097 | \$ 9,580,867 | \$ 9,033,986 | \$ 9,417,217 | \$ 9,333,616 | \$ 9,157,561 | \$ 10,265,665 | \$ 10,402,954 | \$ 10,830,406 | \$ 10,665,640 |
| Contributions as a percentage of covered payroll                   | 15.56%        | 20.42%       | 23.82%       | 26.30%       | 28.17%       | 28.09%       | 25.31%        | 28.17%        | 28.49%        | 29.58%        |

**Notes to Schedule**

Valuation Date: January 1, 2019

Measurement Date: June 30, 2020

Actuarially determined contribution rates are calculated as of January 1, 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  
Amortization method

Projected Unit Credit Actuarial Cost Method

The January 1, 2010 unfunded actuarial liability was established as a separate base and will be amortized to completion over 25 years. Future changes in the unfunded actuarial liability will be amortized separately. These bases will be accumulated into a single base every 5 years and again amortized over a set 25-year period. In the interim years, the payment on these bases will be calculated assuming a fresh 25-year amortization each year.

Remaining amortization period  
Asset valuation method

25 years

Capital appreciation is recognized over a five-year period at 20% per year for assets held in equity accounts. The fixed income account is carried at book value.

Inflation  
Salary increases  
Investment rate of return  
Retirement age

2.50%

3.50%

6.75%

Board of Education: 100% Rule of 75

Town: 33-1/3% Rule of 75

33-1/3% Age 62 with 10 years of service

33-1/3% Age 65 with 10 years of service

Mortality

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

Changes in assumptions

For the January 1, 2019 valuation, the inflation assumptions was decreased from 2.75% to 2.50%, the Mortality projection was changed to Scale MP-2018 from Scale MP-2017

**TOWN OF BLOOMFIELD, CONNECTICUT  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 POLICE RETIREMENT INCOME PLAN  
 LAST TEN FISCAL YEARS**

|  | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Actuarially determined contribution                                | \$ 1,541,815 | \$ 1,485,520 | \$ 1,671,613 | \$ 1,882,291 | \$ 2,073,888 | \$ 2,051,665 | \$ 2,048,807 | \$ 2,092,998 | \$ 2,095,770 | \$ 2,105,665 |
| Contributions in relation to the actuarial determined contribution | 1,541,812    | 1,485,522    | 1,671,000    | 1,882,292    | 2,073,888    | 2,051,670    | 2,048,807    | 2,093,000    | 2,096,000    | 2,105,665    |
| Contribution Deficiency (Excess)                                   | \$ 3         | \$ (2)       | \$ 613       | \$ (1)       | \$ -         | \$ (5)       | \$ -         | \$ (2)       | \$ (230)     | \$ -         |
| Covered payroll  | \$ 3,443,451 | \$ 3,374,774 | \$ 2,854,880 | \$ 2,456,234 | \$ 2,378,489 | \$ 1,768,489 | \$ 1,603,104 | \$ 1,119,348 | \$ 608,380   | \$ 389,170   |
| Contributions as a percentage of covered payroll                   | 44.78%       | 44.02%       | 58.53%       | 76.63%       | 87.19%       | 116.01%      | 127.80%      | 186.98%      | 344.52%      | 541.07%      |

**Notes to Schedule**

Valuation Date: January 1, 2019  
 Measurement Date: June 30, 2020  
 Actuarially determined contribution rates are calculated as of January 1, 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         | Projected Unit Credit  |
| Amortization method           | The January 1, 2010 unfunded actuarial liability was established as a separate base and will be amortized to completion over 25 years. Future changes in the unfunded actuarial liability will be amortized separately. These bases will be accumulated into a single base every 5 years and again amortized over a set 25-year period. In the interim years, the payment on these bases will be calculated assuming a fresh 25-year amortization each year. |
| Remaining amortization period | 25 years   |
| Asset valuation method        | Capital appreciation is recognized over a five-year period at 20% per year for assets held in equity accounts. The fixed income account is carried at book value.  |
| Inflation                     | 2.50%  |
| Salary increases              | 3.50%  |
| Investment rate of return     | 6.75%  |
| Retirement age                | Average cost obtained from two assumed retirement ages:<br>25 years of service, but at least age 55<br>20 years of service, with no age requirement  |
| Mortality                     | RP-2014 Adjusted to 2006 Mortality Table, with blue collar adjustment, projected to valuation date with Scale MP-2018  |
| Changes in assumptions        | For the January 1, 2019 valuation, the mortality table was updated Scale MP-2017 to Scale MP-2018.   |

**TOWN OF BLOOMFIELD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
RETIREMENT INCOME PLAN  
LAST SEVEN FISCAL YEARS\***

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|  | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return,<br>net of investment expense | 2.09%       | 4.48%       | 7.78%       | 13.75%      | 0.22%       | 3.08%       | 16.32%      |

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

**TOWN OF BLOOMFIELD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
POLICE RETIREMENT INCOME PLAN  
LAST SEVEN FISCAL YEARS\***

|  | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return,<br>net of investment expense | 1.72%       | 4.42%       | 7.93%       | 13.45%      | 0.41%       | 3.11%       | 15.90%      |

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

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

|  | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Town's proportion of the net pension liability   | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                |
| Town's proportionate share of the net pension liability  | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| State's proportionate share of the net pension liability associated with the Town              | <u>61,422,629</u>    | <u>47,360,415</u>    | <u>59,617,244</u>    | <u>62,896,649</u>    | <u>51,248,617</u>    | <u>47,307,730</u>    |
| Total  | <u>\$ 61,422,629</u> | <u>\$ 47,360,415</u> | <u>\$ 59,617,244</u> | <u>\$ 62,896,649</u> | <u>\$ 51,248,617</u> | <u>\$ 47,307,730</u> |
| Town's covered payroll   | \$ 17,823,048        | \$ 18,301,000        | \$ 16,693,227        | \$ 17,536,393        | \$ 17,536,393        | \$ 18,081,818        |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                |
| Plan fiduciary net position as a percentage of the total pension liability                     | 52.00%               | 57.69%               | 55.93%               | 52.26%               | 59.50%               | 61.51%               |

**Notes to Schedule**

|                                       |   |
|---------------------------------------|---|
| Changes in benefit terms              | <p>HB 7424 made the following provision changes:</p> <ul style="list-style-type: none"> <li>- Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4.0%.</li> <li>- For members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50% of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of benefit commencement, the difference is paid to the Member's beneficiary.</li> </ul>  |
| Changes of assumptions                | <p>HB 7424 made the following assumption changes:</p> <ul style="list-style-type: none"> <li>- Reduce the inflation assumption from 2.75% to 2.50%.</li> <li>- Reduce the real rate of return assumption from 5.25% to 4.40% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.00% to 6.90%.</li> <li>- Increase the annual rate of wage increase assumption from 0.50% to 0.75%.</li> <li>- Phase in to a level dollar amortization method for the June 30, 2024 valuation.</li> </ul> |
| Actuarial cost method                 | Entry age   |
| Amortization method                   | Level percent of pay, closed  |
| Single equivalent amortization period | 17.6 years  |
| Asset valuation method                | 4-year smoothed market  |
| Inflation                             | 2.75%   |
| Salary increase                       | 3.25%-6.50%, including inflation  |
| Investment rate of return             | 8.00%, net of investment-related expense  |

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

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

|   | <u>2020</u>          | <u>2019</u>          | <u>2018</u>          | <u>2017</u>          |
|---|----------------------|----------------------|----------------------|----------------------|
| Total OPEB liability:   |                      |                      |                      |                      |
| Service cost  | \$ 3,902,673         | \$ 4,231,795         | \$ 3,981,748         | \$ 3,875,181         |
| Interest  | 6,381,465            | 6,694,500            | 6,256,888            | 5,793,509            |
| Changes of benefit terms  |                      |                      |                      |                      |
| Differences between expected and actual experience                      | (1,470,490)          | (9,345,082)          | (1,178,321)          | (1,035,303)          |
| Changes of assumptions  |                      | 1,061,699            |                      |                      |
| Benefit payments  | <u>(3,020,109)</u>   | <u>(3,391,886)</u>   | <u>(2,736,726)</u>   | <u>(2,525,163)</u>   |
| Net change in total OPEB liability                                      | 5,793,539            | (748,974)            | 6,323,589            | 6,108,224            |
| Total OPEB liability - beginning  | <u>92,322,198</u>    | <u>93,071,172</u>    | <u>86,747,583</u>    | <u>80,639,359</u>    |
| Total OPEB liability - ending   | <u>98,115,737</u>    | <u>92,322,198</u>    | <u>93,071,172</u>    | <u>86,747,583</u>    |
| Plan fiduciary net position:  |                      |                      |                      |                      |
| Contributions - employer  | 2,813,889            | 3,857,912            | 3,132,615            | 2,911,267            |
| Contributions - member  | 427,533              | 417,560              | 383,932              | 352,927              |
| Net investment income   | 600,601              | 772,018              | 839,597              | 828,292              |
| Benefit payments  | (3,020,109)          | (3,391,886)          | (2,736,726)          | (2,525,163)          |
| Administrative expense  | <u>(10,520)</u>      | <u>(10,960)</u>      | <u>(5,470)</u>       | <u>(15,021)</u>      |
| Net change in plan fiduciary net position                               | 811,394              | 1,644,644            | 1,613,948            | 1,552,302            |
| Plan fiduciary net position - beginning                                 | <u>9,854,280</u>     | <u>8,209,636</u>     | <u>6,595,688</u>     | <u>5,043,386</u>     |
| Plan fiduciary net position - ending                                    | <u>10,665,674</u>    | <u>9,854,280</u>     | <u>8,209,636</u>     | <u>6,595,688</u>     |
| Net OPEB Liability - Ending   | <u>\$ 87,450,063</u> | <u>\$ 82,467,918</u> | <u>\$ 84,861,536</u> | <u>\$ 80,151,895</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 10.87%               | 10.67%               | 8.82%                | 7.60%                |
| Covered payroll   | \$ 38,626,515        | \$ 37,684,405        | \$ 39,408,526        | \$ 38,353,797        |
| Net OPEB liability as a percentage of covered payroll                   | 226.40%              | 218.84%              | 215.34%              | 208.98%              |

**Notes to Schedule**

*Changes of Assumptions:* In 2019, the discount rate was decreased from 7.00% to 6.75%, the rates of compensation and inflation were decreased from 2.75% to 2.50%, and the mortality tables were updated from the RP-2000 tables to the RP-2014 tables. Additionally, the medical trend rates were decreased to 7.00% in 2018 decreasing by 0.5% per year, to an ultimate rate of 4.50% for 2023 and later, and from 8.25% in 2016 decreasing by 0.5% per year to an ultimate rate of 4.75% for 2023 and later.

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



**TOWN OF BLOOMFIELD, CONNECTICUT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**OPEB**  
**LAST TEN FISCAL YEARS**

|  | 2011                | 2012                | 2013                | 2014                | 2015                | 2016                | 2017                | 2018                | 2019                | 2020                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contribution (1)                              | \$ 8,726,992        | \$ 8,889,935        | \$ 9,059,394        | \$ 10,476,981       | \$ 10,681,456       | \$ 8,016,863        | \$ 8,247,357        | \$ 9,394,587        | \$ 8,247,357        | \$ 9,232,146        |
| Contributions in relation to the actuarially determined contribution | <u>1,635,647</u>    | <u>1,668,436</u>    | <u>1,606,090</u>    | <u>2,131,871</u>    | <u>5,175,867</u>    | <u>3,475,807</u>    | <u>2,911,267</u>    | <u>3,132,615</u>    | <u>3,857,912</u>    | <u>2,813,889</u>    |
| Contribution Deficiency  | \$ <u>7,091,345</u> | \$ <u>7,221,499</u> | \$ <u>7,453,304</u> | \$ <u>8,345,110</u> | \$ <u>5,505,589</u> | \$ <u>4,541,056</u> | \$ <u>5,336,090</u> | \$ <u>6,261,972</u> | \$ <u>4,389,445</u> | \$ <u>6,418,257</u> |
| Covered payroll  | \$ 36,549,683       | \$ 36,549,683       | \$ 34,856,264       | \$ 34,856,264       | \$ 40,249,105       | \$ 40,249,105       | \$ 38,353,797       | \$ 39,408,526       | \$ 37,684,405       | \$ 38,626,515       |
| Contributions as a percentage of covered payroll                     | 4.48%               | 4.56%               | 4.61%               | 6.12%               | 12.86%              | 8.64%               | 7.59%               | 7.95%               | 10.24%              | 7.28%               |

(1) Actuarially Determined Contributions prior to fiscal year ended June 30, 2017 are 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, 2020  
Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

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

|                             |   |
|-----------------------------|---|
| Actuarial cost method       | Entry age   |
| Amortization method         | Level percentage of payroll   |
| Amortization period         | 28 years  |
| Asset valuation method      | Market value of assets  |
| Inflation                   | 2.50%   |
| Healthcare cost trend rates | 7.00% initial, decreasing 0.5% per year to an ultimate rate of 4.50%  |
| Salary increases            | 2.50%, average, including inflation   |
| Investment rate of return   | 6.75%, net of pension plan investment expense, including inflation  |
| Retirement age              | Town non-Police and BOE non-Certified - 33 1/3% Rule of 75, 33 1/3% Age 62 with 10 years of service, 33 1/3% Age 65 with 10 years of service<br>Police - 50% 25 years of service, but at least age 55, 50% 20 years of service, with no age requirement   |
| Mortality                   | For Police mortality rates were based on RP-2014 Adjusted to 2006 Blue Collar Mortality Table projected to valuation date with Scale MP-2018. For all others, mortality rates were based on RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018 |

**Other Information:**

Changes of Assumptions: In 2019, the discount rate was decreased from 7.00% to 6.75%, the rates of compensation and inflation were decreased from 2.75% to 2.50%, and the mortality tables were updated from the RP-2000 tables to the RP-2014 tables. Additionally, the medical trend rates were decreased to 7.00% in 2018 decreasing by 0.5% per year, to an ultimate rate of 4.50% for 2023 and later, and from 8.25% in 2016 decreasing by 0.5% per year to an ultimate rate of 4.75% for 2023 and later.

**TOWN OF BLOOMFIELD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
OPEB  
LAST FOUR FISCAL YEARS\***

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|  | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return,<br>net of investment expense | 5.98%       | -3.99%      | 9.87%       | 12.65%      |

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

**TOWN OF BLOOMFIELD, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**TEACHERS RETIREMENT PLAN**  
**LAST THREE FISCAL YEARS<sup>1</sup>**

|   | <u>2020</u>         | <u>2019</u>         | <u>2018</u>          |
|---|---------------------|---------------------|----------------------|
| Town's proportion of the net OPEB liability   | 0.00%               | 0.00%               | 0.00%                |
| Town's proportionate share of the net OPEB liability  | \$ -                | \$ -                | \$ -                 |
| State's proportionate share of the net OPEB liability associated with the Town              | <u>9,579,205</u>    | <u>9,467,616</u>    | <u>15,344,791</u>    |
| Total   | <u>\$ 9,579,205</u> | <u>\$ 9,467,616</u> | <u>\$ 15,344,791</u> |
| Town's covered payroll  | \$ 17,823,048       | \$ 18,301,000       | \$ 16,693,227        |
| Town's proportionate share of the net OPEB liability as a percentage of its covered payroll | 0.00%               | 0.00%               | 0.00%                |
| Plan fiduciary net position as a percentage of the total OPEB liability                     | 2.08%               | 1.49%               | 1.79%                |

**Notes to Schedule**

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

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

***Appendix B***

***Opinion of Bond Counsel and Tax Status***

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

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

### BOND COUNSEL OPINION

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

The opinion of Day Pitney LLP with respect to the Bonds will be substantially in the following form:

[FORM OF BOND COUNSEL OPINION]

(date of closing)

Town of Bloomfield  
Bloomfield, Connecticut

We have represented the Town of Bloomfield, Connecticut as Bond Counsel in connection with the issuance by the Town of \$9,730,000\* General Obligation Bonds, Issue of 2021, dated as of January 27, 2021.

We have examined a record of proceedings authorizing the Bonds, and based on our examination, we are of the opinion that the Town of Bloomfield is authorized to issue the Bonds; the Town is duly and legally organized; all proper proceedings for the issuance and delivery of the Bonds have been taken; no limitation of indebtedness under the laws of the State of Connecticut has been exceeded in the issuance of the Bonds; the Bonds will be valid and binding general obligations of the Town when certified as provided thereon by a duly authorized official of U.S. Bank National Association; and the Town has the power to levy ad valorem taxes to pay the Bonds against all the taxable property in the Town without limit as to rate or amount except certified forest land taxable at a limited rate and dwelling houses of qualified elderly people of low income or of qualified disabled persons taxable at limited amounts.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met in order that interest on the Bonds is excluded from gross income for Federal income tax purposes. The Town officials authorized to issue the Bonds have executed written representations and agreements on behalf of the Town relating to compliance with such provisions of the Code to ensure that the interest on the Bonds will be excluded from gross income for Federal income tax purposes. The representations and agreements also provide that the Bonds are designated or deemed designated as "qualified tax-exempt obligations" for purposes of the deduction for Federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

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\* Preliminary, subject to change.

Based on such representations and agreements and on the record of proceedings authorizing the Bonds, and assuming the accuracy of such representations and compliance with such agreements, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; (2) the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax; and (3) the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code for purposes of the deduction for Federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Based on the record of proceedings authorizing the Bonds, it is our opinion that, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates; and (2) interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax.

Very truly yours,

Day Pitney LLP

#### **FEDERAL INCOME TAX.**

***Interest Excluded From Gross Income.*** The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met in order that interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes. Some of these requirements must be continuously met subsequent to delivery of the Bonds. Failure to comply with any of these requirements may cause the interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs.

The Town officials authorized to issue the Bonds will enter into a Tax Compliance Agreement in connection with the delivery of the Bonds, which will contain certain representations and covenants on behalf of the Town relating to compliance with such requirements of the Code to ensure that the interest on the Bonds will be excluded from the gross income of the owners thereof for federal income tax purposes.

***Alternative Minimum Tax.*** The Code imposes an alternative minimum tax on individuals. The alternative minimum tax is imposed on alternative minimum taxable income, which includes preference items. The interest on certain tax-exempt "private activity bonds" is treated as a preference item. The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds are not "private activity bonds" so that interest on the Bonds will not be treated as a preference item for individuals.

***Financial Institutions.*** The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds will be "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

***Additional Federal Income Tax Matters.*** In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences to certain taxpayers, including without limitation, taxpayers otherwise eligible for the earned income credit, recipients of Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, certain insurance companies, certain S corporations and foreign corporations subject to the branch profits tax. 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 OF CONNECTICUT TAX ON INTEREST.**

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, under existing statutes: (1) interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts, and estates; and (2) interest on the Bonds is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

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

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

## **ORIGINAL ISSUE DISCOUNT.**

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

The discussion in this paragraph applies to those Bonds having original issue discount. Under Section 1288 of the Code, the amount of original issue discount treated as having accrued with respect to any such bond during each day it is owned by a taxpayer is added to the cost basis of such owner for purposes of determining gain or loss upon the sale or other disposition of such bond by such owner. Accrued original issue discount on a bond is excluded from gross income of the owners thereof for federal income tax purposes. Accrued original issue discount on a bond is also excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Original issue discount on any bond is treated as accruing on the basis of economic accrual for such purposes, computed by a constant semiannual compounding method using the yield to maturity on such bond. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest payable on such bond during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Owners of Bonds having original issue discount, and especially any owner who is not an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the federal and state income tax consequences of the disposition of such bonds.

## **ORIGINAL ISSUE PREMIUM.**

The initial public offering price of certain of the Bonds may be greater than the amount payable on the Bonds at maturity. The excess of the initial public offering price at which a substantial amount of such Bonds are sold over the amount payable thereon at maturity constitutes original issue premium. Any prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

The discussion in this paragraph applies to those Bonds having original issue premium. Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as having amortized with respect to any bond during each day it is owned by a taxpayer is subtracted from the cost basis of such owner for purposes of

determining gain or loss upon the sale or other disposition of such bond by such owner. Original issue premium on any bond is treated as amortizing on the basis of the taxpayer's yield to maturity on such bond using the taxpayer's cost basis and a constant semiannual compounding method. As a consequence of the resulting cost basis reduction, under certain circumstances an owner of a bond acquired with original issue premium may realize a taxable gain upon disposition thereof even though it is sold or redeemed for an amount equal to or less than such owner's original cost of acquiring the bond. Amortized original issue premium on a bond is not allowed as a deduction from gross income for federal income tax purposes. Amortized original issue premium on a bond also does not reduce Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and does not reduce 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. Owners of the Bonds having original issue premium, and especially any owner who is not an original owner of a bond who bought the bond at its initial public offering price, should consult their tax advisors with respect to the federal and state income tax consequences of the disposition of such bonds.

#### **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 or the interpretation thereof that may occur after the date of its opinion. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. No assurance can be given that pending federal legislation, if any, or federal legislation enacted or proposed after the date of issuance of the Bonds will not have an effect on the federal tax status or the market price of the Bonds or will not change the effect of other federal tax law consequences, including those discussed above, of owning and disposing of the Bonds, and Bond Counsel expresses no opinion thereon. No assurance can be given that future legislation or amendments to the income tax law of the State of Connecticut, if enacted into law, will not contain provisions that could, directly or indirectly, reduce the benefit of the exclusion of the interest on the Bonds or any gain made on the sale or exchange thereof from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and Bond Counsel expresses no opinion thereon. Prospective owners of the Bonds are advised to consult their tax advisors regarding the potential tax consequences of proposed federal or State of Connecticut tax legislation, if any, affecting municipal bonds.

The discussion above does not purport to address all aspects of federal, state, or local taxation that may be relevant to a particular owner of the Bonds. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their tax advisors regarding the federal, state, and local tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any other state or other taxing jurisdiction.

***[Remainder of page intentionally left blank]***



***Appendix C***

***Form of Continuing Disclosure Agreement***

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

*In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree, pursuant to a Continuing Disclosure Agreement for Bonds to be executed by the Town substantially in the following form, to provide, or cause to be provided, (i) annual financial information and operating data, (ii) in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for Bonds.*

### Continuing Disclosure Agreement for Bonds

This Continuing Disclosure Agreement for Bonds ("Agreement") is made as of January 27, 2021 by the Town of Bloomfield, Connecticut (the "Issuer") acting by its undersigned officers, duly authorized, in connection with the issuance of \$9,730,000\* General Obligation Bonds, Issue of 2021, dated as of January 27, 2021 (the "Bonds"), for the benefit of the beneficial owners from time to time of the Bonds.

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

"Final Official Statement" means the official statement of the Issuer dated January 12, 2021 prepared in connection with the Bonds.

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto.

"Repository" means the MSRB or any other information repository established pursuant to the Rule as amended from time to time.

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

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

### **Section 2. Annual Financial Information.**

(a) The Issuer agrees to provide or cause to be provided to each Repository, in accordance with the provisions of the Rule and of this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2021) as follows:

(i) Financial statements of the Issuer's general fund and any capital projects or special revenue funds for the prior fiscal year which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer prepares its financial statements in accordance with generally accepted accounting principles. The financial statements will be audited.

(ii) The following financial information and operating data to the extent not included in the financial statements described in (i) above:

(A) amounts of the gross and the net taxable grand list applicable to the fiscal year,

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\* Preliminary, subject to change.

- (B) listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- (C) percentage of the annual property tax levy uncollected as of the close of the fiscal year,
- (D) schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- (E) calculation of total direct debt, total net direct debt, and total overall net debt (reflecting overlapping and underlying debt), as of the close of the fiscal year,
- (F) total direct debt, total net direct debt and total overall net debt of the Issuer per capita,
- (G) ratios of the total direct debt, total net direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list,
- (H) statement of statutory debt limitation as of the close of the fiscal year, and
- (I) funding status of the Issuer's pension benefit obligation.

(b) The financial information and operating data described above will be provided on or before the date eight months after the close of the fiscal year for which such information is being provided (the "Filing Due Date"). The Issuer's fiscal year currently ends on June 30. The Issuer reserves the right to provide unaudited financial statements if audited financial statements are not available as of the Filing Due Date, provided that the Issuer shall promptly provide audited financial statements when available.

(c) Annual financial information and operating data may be provided in whole or in part by cross-reference to other documents available to the public on the MSRB's Internet Web site referenced in the Rule as amended from time to time 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.

(d) The Issuer reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format of the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

### **Section 3. Notice of Certain Events.**

The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, to each Repository notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds;

(g) modifications to rights of holders of the Bonds, if material;

(h) Bond calls, if material, and tender offers;

(i) Bond defeasances;

(j) release, substitution, or sale of property securing repayment of the Bonds, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the Issuer;

(m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and

(p) 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.

*Events (d) and (e).* The Issuer does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds, unless the Issuer applies for or participates in obtaining the enhancement.

*Event (f).* Event (f) is relevant only to the extent interest on the Bonds is excluded from gross income for federal income tax purposes.

*Event (h).* The Issuer does not undertake to provide the above-described event notice of a mandatory scheduled redemption, not *otherwise* contingent upon the occurrence of an event, if (A) the terms, dates and amounts of redemption are set forth in detail in the Final Official Statement, (B) the sole matter to be determined is which of the Bonds will be redeemed in the case of a partial redemption, (C) notice of redemption is given to the holders of the Bonds to be redeemed as required under the terms of the Bonds, and (D) public notice of redemption is given pursuant to Exchange Act Release No. 23856 of the SEC, even if the originally scheduled amounts are reduced due to prior optional redemptions or Bond purchases.

*Events (o) and (p).* The term “financial obligation” is defined as 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 does not include municipal securities for which a final official statement has been filed with MSRB pursuant to the Rule.

**Section 4. Notice of Failure to Provide Annual Financial Information.**

The Issuer agrees to provide or cause to be provided, in a timely manner, to each Repository notice of any failure by the Issuer to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

**Section 5. Use of Agents.**

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Issuer or by any agents which may be employed by the Issuer for such purpose from time to time.

**Section 6. Termination.**

The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

**Section 7. Enforcement.**

The Issuer acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time 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 within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 2 of this Agreement or five business days with respect to the undertakings set forth in Sections 3 and 4 of this Agreement) from the time the Issuer's Town Manager, or a successor, receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Town Manager is Bloomfield Town Hall, 800 Bloomfield Avenue, Bloomfield, Connecticut 06002-0337.

In the event the Issuer does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The parties expressly acknowledge and agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

**Section 8. Miscellaneous.**

(a) All documents provided by the Issuer to a Repository pursuant to the Issuer's undertakings set forth in Sections 2, 3 and 4 of this Agreement shall be in an electronic format as prescribed by the MSRB from time to time and shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(b) The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Issuer from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Issuer elects to provide any such additional information, data or notices, the Issuer shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(c) This Agreement shall be governed by the laws of the State of Connecticut.

(d) Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds, and (ii)

the provisions of the Agreement as so amended or waived would have complied with the requirements of the Rule, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances, in each case as of the date of such amendment to the Agreement or waiver. A copy of any such amendment or waiver will be filed in a timely manner with each Repository. 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.

(e) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same instrument.

TOWN OF BLOOMFIELD

By \_\_\_\_\_  
Philip K. Schenck, Jr.  
Interim Town Manager

By \_\_\_\_\_  
Shawn Samuels  
Treasurer

By \_\_\_\_\_  
Sharon Gentles-Harris  
Co-Interim Director of Finance

By \_\_\_\_\_  
Nancy Haynes  
Co-Interim Director of Finance

***Appendix D***

***Notice of Sale***

**NOTICE OF SALE**  
**\$9,730,000\***  
**Town of Bloomfield, Connecticut**  
**General Obligation Bonds**  
**(BOOK-ENTRY)**

ELECTRONIC BIDS via PARITY® will be received by the Town of Bloomfield, Connecticut (the "Town") at the offices of Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut, until **11:30 A.M. Eastern Time on TUESDAY,**

**JANUARY 12, 2021**

for the purchase, when issued, at not less than par and accrued interest from the date of the Bonds to the date of delivery, of the whole of

**\$9,730,000\* General Obligation Bonds, Issue of 2021**  
**Payable annually on January 15 as follows:**

**\$490,000\* in 2022 through 2027**  
**\$485,000\* in 2028 through 2041**

\* Preliminary, subject to change. See "Adjustment of Maturity Schedule".

The Bonds will be dated January 27, 2021, with interest payable on July 15, 2021 and thereafter semiannually on each January 15th and July 15th.

The Town will designate the Bonds as "qualified tax-exempt obligations" for purposes of the deduction for Federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

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

**DTC Book Entry.** The 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 The Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple 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 Town 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 Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

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\* Preliminary, subject to change.



In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Town fails to identify another qualified securities depository to replace DTC, or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Town as of the close of business on the record date preceding each interest payment date. The record dates will be the last business day of March and September.

**Optional Redemption.** Bonds maturing on or before January 15, 2028 are not subject to redemption prior to maturity. Bonds maturing on January 15, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Town, on or after January 15, 2028, at any time either in whole or in part, in such amounts and in such order of maturity (but by lot within a maturity) as the Town may determine, following notice mailed by first class mail at least 30 days prior to the redemption date to the registered owners of the Bonds to be redeemed, at the following redemption price or prices (expressed as a percentage of the principal amount to be redeemed) plus accrued and unpaid interest to the redemption date:

| <u>Period During Which Redeemed</u> | <u>Redemption Price</u> |
|-------------------------------------|-------------------------|
| January 15, 2028 and thereafter     | 100%                    |

**Proposals.** Each proposal 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 must specify in a multiple of one-twentieth or one eighth of one percent 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 (3%) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on PARITY® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Town, as described under "Basis of Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

**Electronic Proposals Bidding Procedure.** Electronic bids for the purchase of the Bonds must be submitted through the facilities of PARITY®. Any prospective bidder must be a subscriber of I-Deal's Bidcomp competitive bidding system. Further information about PARITY®, including any fee charged, may be obtained from PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: parity@i-deal.com). The Town 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 Town, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. By submitting a bid for the Bonds via PARITY®, the bidder represents and warrants to the Town 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 Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY®, the use of such facilities being the sole risk of the prospective bidder.**

**Disclaimer** - Each PARITY® prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town 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 Town 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 Town is using PARITY® as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town 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 Town 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. If any provision of this Notice shall conflict with information provided by PARITY®, this Notice of Sale shall control.

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

**Adjustment of Maturity Schedule.** The Town reserves the right to change the maturity schedule after the determination of the winning bidder by decreasing the principal amount of each maturity by such amount as may be necessary or desirable. In such event, the final aggregate principal amount of the Bonds will be decreased by a net amount of such change or changes in the principal amount of one or more maturities, which net change in aggregate principal amount of the Bonds will not exceed fifteen (15%) of the original aggregate par amount. The Town anticipates that the final maturity schedule will be communicated to the successful bidder by 2:00 p.m. local time on the day of the bid provided the Town has received the reoffering prices and yields for the Bonds from the successful bidder by 12:00 noon. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the aggregate principal amount of the Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per bond underwriter's discount as calculated from the bid and the initial reoffering prices required to be delivered to the Town as stated herein. **The successful bidder may not withdraw its bid or change the interest rates bid or initial reoffering prices provided as a result of any changes made to the principal amounts within these limits.**

**Basis of Award.** As between proposals which comply with this Notice, the Bonds will be sold to the responsible bidder offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to January 27, 2021, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

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

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

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

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

**Establishment of Issue Price.** The winning bidder shall assist the Town in establishing the issue price of the Bonds and shall execute and deliver to the Town at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the applicable form set out in the Appendix hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder and Bond Counsel. All actions to be taken by the Town under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Town by the Town’s Municipal Advisor identified herein and any notice or report to be provided to the Town may be provided to the Town’s Municipal Advisor.

By submitting a bid for the Bonds, a bidder represents that it has an established industry reputation for underwriting new issuances of municipal obligations.

If the winning bidder has purchased the Bonds for its own account and not with a view to distribution or resale to the Public, then, whether or not the Competitive Sale Requirements, as herein defined, were met, the certificate will recite such facts and identify the price or prices at which the purchase of the Bonds was made.

The Town intends that the provisions of Treasury Regulation 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 Requirements”) because:

1. the Town shall disseminate this Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
2. all bidders shall have an equal opportunity to bid;
3. the Town may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
4. the Town anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest 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.

In the event that the Competitive Sale Requirements are not satisfied, the Town shall so advise the winning bidder. The Town shall treat the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Town if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The Town will not require bidders to comply with the “Hold-The-Offering-Price Rule”, as described in Treasury Regulations Section 1.148-1(f)(2)(ii), and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity. **Bids will not be subject to cancellation in the event that the Competitive Sale Requirements are not satisfied.**

If the Competitive Sale Requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Town the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the earlier to occur of the satisfaction of the 10% Test as to the Bonds of that maturity or the sale of all Bonds of that maturity.

By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail 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 retail 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 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, 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 retail 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 retail 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 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, 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 Bonds to any person that is a Related Party 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 other than an Underwriter or a Related Party,
2. "Underwriter" means (A) any person that agrees pursuant to a written contract with the Town (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),
3. a purchaser of any of the Bonds is a "Related Party" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
4. "Sale Date" means the date that the Bonds are awarded by the Town to the winning bidder.

**Bond Counsel Opinion.** The opinion of Bond Counsel will cover the following matters: (1) that the Bonds will be valid general obligations of the Town when duly certified; (2) that, assuming the accuracy of and compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended, under existing statutes, interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code; and the Bonds are not "private activity bonds" and interest on the Bonds is not treated as a preference item for purposes of calculating the Federal alternative minimum tax; and the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code; and (3) 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 interest on the Bonds 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.

**Municipal Advisor.** The Town has retained Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460 (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Bonds. The Municipal Advisor has not independently verified any of the information contained in the Notice of Sale and its appendices and makes no guarantee as to their completeness or accuracy.

**Official Statement.** The Town has prepared a preliminary Official Statement for the Bond issue which is dated January 5, 2021. The Town deems such preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment. The Town will make available to the winning bidder 25 copies of the Official Statement as prepared by the Town at the Town's expense. The copies of the Official Statement will be made available to the winning bidder at the office of the Town's Municipal Advisor by the delivery of the Bonds or by the seventh business day after the day bids on the Bonds are received if earlier. If the Town's Municipal Advisor is provided with the necessary information from the winning bidder by noon of the day following the day bids on the Bonds are received, the copies of the Official Statement will include an additional or revised cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any, on the Bonds and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement to the winning bidder. Additional copies of the Official Statement may be obtained by the winning bidder at its own expense by arrangement with the printer.

**Continuing Disclosure Agreement.** The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to the Official Statement (the "Continuing Disclosure Agreement for Bonds"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, (ii) timely notice of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for Bonds. 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 Bonds.

**CUSIP Numbers.** 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 Municipal Advisor to apply for CUSIP numbers for the Bonds. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Town; provided, however, that the Town assumes no responsibility for any CUSIP Global Services charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

**Delivery Date and Payment.** It is expected that the closing on the Bonds will occur on or about January 27, 2021 through the facilities of the Depository Trust Company, New York, New York, against payment in immediately available Federal funds.

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**More Information.** For more information regarding this issue and the Town reference is made to the Official Statement. Copies of the Official Statement may be obtained from Mr. Barry J. Bernabe, Phoenix Advisors, LLC, 53 River Street, Suite 1, Milford, Connecticut 06460 (telephone: (203) 283-1110) or from Ms. Sharon Gentles-Harris, Deputy Director of Finance, Town of Bloomfield, Town Hall, 800 Bloomfield Avenue, Bloomfield, Connecticut 06002 (telephone: (860) 769-3536).

PHILIP K. SCHENCK, JR.,  
*INTERIM TOWN MANAGER*

SHAWN SAMUELS,  
*TREASURER*

SHARON GENTLES-HARRIS,  
*Co-Interim Director of Finance*

NANCY HAYNES,  
*Co-Interim Director of Finance*

January 5, 2021

**APPENDIX TO NOTICE OF SALE  
FORM OF ISSUE PRICE CERTIFICATE**

*Competitive Sale Requirements Satisfied*

**TOWN OF BLOOMFIELD, CONNECTICUT  
\$9,730,000\* GENERAL OBLIGATION BONDS, ISSUE OF 2021**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of Name of the Underwriter ("Underwriter Short Name"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by Underwriter Short Name are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by Underwriter Short Name in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by Underwriter Short Name to purchase the Bonds.

(b) Underwriter Short Name was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by Underwriter Short Name constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *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. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is January 12, 2021.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds 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 paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(e) *Issuer* means the Town of Bloomfield, Connecticut.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter Short Name's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth

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\* Preliminary, subject to change.

in the Tax Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Day Pitney LLP, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

*Name of the Underwriter*

By: \_\_\_\_\_  
Name: \_\_\_\_\_

Dated: \_\_/\_\_/2020

**Attachments:**

**SCHEDULE A  
EXPECTED OFFERING PRICES**

**SCHEDULE B  
COPY OF UNDERWRITER'S BID**

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**Competitive Sale Requirements Not Satisfied - 10% Test Applied**

**TOWN OF BLOOMFIELD, CONNECTICUT  
\$9,730,000\* GENERAL OBLIGATION BONDS, ISSUE OF 2021**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of Name of the Underwriter (“Underwriter Short Name”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. **Sale of the Bonds.** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. **Defined Terms.**

(a) “*Issuer*” means the Town of Bloomfield, Connecticut.

(b) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) “*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. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds 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 paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Underwriter Short Name’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Day Pitney LLP, as bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Name of the Underwriter

By: \_\_\_\_\_  
Name: \_\_\_\_\_

Dated: \_\_/\_\_/2020

**Attachment:**

**SCHEDULE A  
SALE PRICES**

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\* Preliminary, subject to change.

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