

FINAL OFFICIAL STATEMENT DATED AUGUST 12, 2021

NEW MONEY / REFUNDING ISSUE: Book-Entry-Only

**RATINGS: S&P Global Ratings: "AA" (BAM Insured)
S&P Global Ratings: "BBB+" (Underlying)
Fitch Ratings: "BBB"**

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



Town of Hamden, Connecticut \$19,320,000 General Obligation Bonds, Issue of 2021

Dated: Date of Delivery

**Due: August 15,
As shown below:**

Year	Principal	Coupon	Yield	CUSIP ¹	Year	Principal	Coupon	Yield	CUSIP ¹
2022	\$ 305,000	3.000%	0.210%	406793AC3	2030	\$2,030,000	5.000%	1.310%	406793AL3
2023	1,590,000	4.000%	0.260%	406793AD1	2031	2,040,000	5.000%	1.410%	406793AM1
2024	2,000,000	4.000%	0.370%	406793AE9	2032*	300,000	5.000%	1.550%	406793AN9
2025	2,010,000	4.000%	0.540%	406793AF6	2033*	300,000	4.000%	0.014%	406793AP4
2026	305,000	4.000%	0.730%	406793AG4	2034*	300,000	4.000%	1.810%	406793AQ2
2027	2,010,000	4.000%	0.890%	406793AH2	2035*	300,000	4.000%	1.850%	406793AR0
2028	2,010,000	5.000%	1.050%	406793AJ8	2036*	300,000	4.000%	1.880%	406793AS8
2029	2,020,000	5.000%	1.170%	406793AK5					

\$1,500,000 4.000% Term Bond due August 15, 2041* – Yield 2.840% CUSIP: 406793AT6

**Pricing assuming redemption on August 15, 2031, however any such redemption is at the option of the Town.*

The Town of Hamden, Connecticut (the "Town") is issuing its General Obligation Bonds, Issue of 2021 (the "Bonds"). Interest on the Bonds will be payable semiannually on the fifteenth day of February and August of each year until maturity or earlier redemption, commencing August 15, 2022. The Bonds will be issued by means of a book-entry-only system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. 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. Ownership of the Bonds may be in the principal amount of \$5,000 or integral multiples thereof. DTC will act as securities depository for the Bonds. So long as Cede & Co. is the Bondowner, as nominee for 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 System" herein.

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

The Certifying Agent, Transfer Agent, Registrar and Paying Agent for the Bonds will be U.S. Bank National Association, Hartford, Connecticut.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.



The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut. Certain legal matters will be passed upon for the Underwriters by Pullman & Comley, LLC, of Hartford, Connecticut. It is expected that the delivery of the Bonds in definitive form will be made on or about August 31, 2021, through the facilities of DTC.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

RAYMOND JAMES®

Mesirow Financial, Inc.

¹ 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.

No dealer, broker, salesperson, or other person has been authorized by the Town to give any information or to make any representations not contained in this Official Statement or any supplement which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized. 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.

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

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

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

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

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Underwriters' Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy and completeness of the statements made in this Official Statement, and it makes no representation that it has independently verified the same.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

Table of Contents

	<u>Page</u>		<u>Page</u>
Introduction.....	1	IV. Debt Section.....	28
I. Securities Offered.....	2	Outstanding Short-Term Debt.....	28
Description of the Bonds.....	2	Outstanding Bonded Debt.....	28
Optional Redemption.....	2	Overlapping/Underlying Debt.....	29
Mandatory Sinking Fund Redemption.....	3	Bonded Debt Maturity Schedule.....	29
Authorization and Purpose.....	3	Temporary Financing.....	30
Plan of Refunding.....	3	Statement of Statutory Debt Limitation.....	30
Verification of Mathematical Computations.....	4	Authorized But Unissued Debt.....	31
Sources and Uses of Proceeds.....	4	Current Debt Statement.....	31
Global Health Emergency Risk.....	4	Current Debt Ratios.....	31
Climate Change.....	6	Comparison of Annual Debt Service to	
Cybersecurity.....	6	General Fund Expenditures.....	32
Book-Entry-Only Transfer System.....	6	Ratios of Long-Term Debt to	
DTC Practices.....	7	Valuation, Population and Income.....	32
Replacement Bonds.....	8	Authority to Incur Debt.....	32
Security and Remedies.....	8	V. Financial Section.....	33
Bondowners' Risk.....	8	Taxable Grand List.....	33
Forward Looking Statements.....	11	Major Taxpayers.....	33
Qualification for Financial Institutions.....	11	Tax Collections.....	34
Availability of Continuing Information.....	11	Property Tax Revenues.....	34
Ratings.....	12	Comparative Balance Sheets - General Fund.....	35
Tax Matters.....	12	Adopted Budget and Projections.....	36
Underwriting.....	14	Deficit Mitigation Plan.....	37
II. The Issuer.....	15	General Fund Revenues and Expenditures.....	39
Description of the Town.....	15	Intergovernmental Revenues as a Percent	
Form of Government.....	15	of General Fund Revenues.....	40
Principal Municipal Officials.....	16	Capital Improvement Plan.....	40
Summary of Municipal Services.....	16	Future Debt Issuance Plans.....	40
Educational System.....	20	Budget Procedure.....	41
Educational Facilities.....	20	Audit.....	41
School Enrollments.....	20	Assessment Practices.....	41
Municipal Employees.....	21	Property Tax Levies and Collections.....	42
Municipal Employee Bargaining Organizations.....	21	Investment Practices.....	43
III. Economic and Demographic Data Section.....	22	Risk Management.....	43
Population Trends and Densities.....	22	Pension Plans.....	44
Age Distribution of the Population.....	22	General Funding Practices of the Town's Retirement Plan.....	44
Income Distribution.....	23	Participant Data.....	45
Comparative Income Measures.....	23	Financial Information.....	45
Educational Attainment.....	23	Actuarial Experience.....	45
Labor Force Data.....	24	Funding Status of the Town's Retirement Plan.....	46
Industry Classification.....	24	Sensitivity of the Net Pension Liability	
Major Employers.....	25	to Changes in the Discount Rate.....	47
Commute to Work.....	25	Recommended Contribution.....	47
Number and Value of Building Permits.....	26	Strategic Plan to Fully Fund the Town's Retirement Plan.....	48
Age Distribution of Housing.....	26	Investments.....	49
Housing Units by Type of Structure.....	26	Financial Reporting Standard.....	51
Housing Unit Vacancy Rates.....	27	Other Post Employment Benefits.....	51
Owner Occupied Housing Units.....	27	Schedule of Employer Contributions.....	51
Number and Size of Households.....	27	Net OPEB Liability.....	52
Breakdown of Land Use.....	27	VI. Additional Information.....	53
		Litigation.....	53
		Transcript and Closing Documents.....	53
		Concluding Statement.....	54
		Appendix A: 2020 General Purpose Financial	
		Statements Excerpted from the	
		Town's Annual Financial Report	
		Appendix B: Form of Opinion of Bond Counsel	
		Appendix C: Form of Continuing Disclosure Agreement	
		Appendix D: Specimen Municipal Bond Insurance Policy	

OFFICIAL STATEMENT

Introduction

The purpose of this Official Statement is to provide certain financial information and economic and demographic data relevant to the Town of Hamden, Connecticut (the “Town”) in connection with the sale of \$19,320,000 General Obligation Bonds, Issue of 2021 (the “Bonds”) of the Town.

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. 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 in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale in such jurisdiction. No dealer, broker, salesman or any other person has been authorized by the Town to give any information or to make any representation, other than those contained in this Official Statement or any supplement that may be issued hereto, and if given or made, such information or representation must not be relied upon as having been authorized by the Town. 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 to be repeated in the future. All quotations and summaries and explanations of provisions of law herein do not purport to be complete and reference is made to said laws for full and complete statements of their provisions.

The information set forth herein has been obtained by the Town, from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

The information, estimates and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of this Official Statement.

The information in this Official Statement has been prepared by the Town’s municipal advisor, Phoenix Advisors, LLC (the “Municipal Advisor”), from information supplied by Town officials and other sources as indicated. The Municipal Advisor does not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same. U.S. Bank National Association, of Hartford, Connecticut will act as Certifying Agent, Paying Agent, Registrar and Transfer Agent for the Bonds.

Clermont & Associates, LLC, the Town’s independent auditor, has not been engaged to perform, and has not performed any procedures on the financial statements addressed in the report, since the date of its report included as Appendix A herein. Clermont & Associates, LLC, also has not performed any procedures relating to this Official Statement.

(Remainder of page intentionally left blank)

SECTION I – SECURITIES OFFERED

Description of the Bonds

The Bonds will be dated as of the date of delivery, and will mature on August 15 in each of the years and in the principal amounts set forth on the cover page of this Official Statement. Interest on the Bonds will be payable semiannually on February 15 and August 15, in each year until maturity or earlier redemption, commencing on August 15, 2022. Interest will be calculated on the basis of twelve 30-day months and a 360-day year and will be payable to the registered owner of the Bonds as of the close of business on the last business day of July and January in each year, by check, mailed to the registered owner at the address as shown on the registration books of the Town kept for such purpose, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree. The Bonds shall NOT 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.

The Bonds will be payable at the principal office of U.S. Bank National Association. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only System” herein.

The Bonds are subject to redemption prior to maturity. See “Optional Redemption” herein.

Optional Redemption

The Bonds maturing on or before August 15, 2031 are not subject to redemption prior to maturity. The Bonds maturing on August 15, 2032 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after August 15, 2031 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the following redemption price (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>
August 15, 2031 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 nor more than sixty (60) days prior to the redemption date to the registered owner of the Bonds at the address of the 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 the 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 the Bonds or portions of the 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 the Bonds for redemption, each Bond shall be considered as representing that number of the Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

Mandatory Sinking Fund Redemption

The Bonds maturing August 15, 2041 are subject to mandatory sinking fund redemption in part on August 15 of the respective years shown below in the principal amount shown below, without premium, from sinking fund installments deposited with the Paying Agent which are required to be made in amounts sufficient to redeem such Bonds (or to pay such Bonds at maturity in the case of the final sinking fund installment for the Bonds) in the principal amounts shown below:

<i>\$1,500,000 Term Bond</i>	
<i>Due: August 15, 2041</i>	
<i>Sinking Fund</i>	
<i>Due August 15</i>	<i>Installments</i>
2037	\$ 300,000
2038	300,000
2039	300,000
2040	300,000
2041 ¹	300,000

¹ Final Maturity

Authorization and Purpose

The Bonds are issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Town Charter and bond ordinances and a refunding resolution adopted by the Town's Legislative Council.

A portion of the proceeds of the Bonds are funding various capital projects, and the remaining portion of the proceeds are being used to refund certain outstanding bonds of the Town. See "Plan of Refunding" herein.

Plan of Refunding

A portion of the Bonds (the "Refunding Bonds") are being issued to refund at or prior to maturity all or any portion of any one or more series of the Town's outstanding general obligation bonds as set forth below (the "Refunded Bonds"). The refunding of the Refunded Bonds is contingent on the delivery of the Refunding Bonds.

<i>Issue</i>	<i>Dated Date</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Par Amount*</i>	<i>Redemption Date</i>	<i>Redemption Price</i>	<i>CUSIP</i>
2011, Series A	8/24/2011	8/15/2022	3.000%	\$ 1,750,000	8/31/2021	100.00%	406792R60
		8/15/2023	3.250%	1,750,000	8/31/2021	100.00%	406792R78
		8/15/2024	3.500%	1,750,000	8/31/2021	100.00%	406792R86
		8/15/2025	3.500%	1,750,000	8/31/2021	100.00%	406792R94
		8/15/2031	4.250%	8,750,000	8/31/2021	100.00%	406792S6
Total				\$ 15,750,000			

A Notice of Conditional Optional Redemption was sent to DTC on July 30, 2021 for distribution to owners of the Refunded Bonds, for the redemption of the Refunded Bonds on August 31, 2021 (the "Redemption Date"). As provided in such notice, the redemption of the Refunded Bonds is conditioned upon the issuance and delivery of the Bonds and the availability of the proceeds of a portion of the Bonds to pay the principal and premium, if any, of and accrued interest on such Refunded Bonds on the Redemption Date.

Verification of Mathematical Computations

The accuracy of the mathematical computations regarding the adequacy of the amount set forth in the Municipal Advisor's schedules to pay, when due, the principal of, accrued interest and redemption premium, if any, on the Refunded Bonds on the Redemption Date and net present value savings, will be verified by AMTEC of Avon, Connecticut (the "Verification Agent"). Such verification of the accuracy of the mathematical computations will be based upon information and assumptions supplied to the Verification Agent by the Municipal Advisor. AMTEC will express no opinion on the assumptions provided to them. Bond Counsel in rendering its opinion described herein will rely on the verification report.

Sources and Uses of Proceeds

The proceeds of the Bonds are to be applied as follows:

<i>Sources:</i>	<i>The Bonds</i>
Par Amount.....	\$ 19,320,000.00
Original Issue Premium	4,043,059.05
<i>Total Sources</i>	\$ 23,363,059.05
<i>Uses:</i>	
Deposit to Capital Projects Fund	\$ 6,040,000.00
Deposit to Debt Service Account	986,086.45
Redemption of Refunded Bonds	15,776,833.33
Costs of Issuance	185,601.50
Bond Insurance.....	258,637.77
Underwriters' Discount	115,900.00
<i>Total Uses</i>	\$ 23,363,059.05

Global Health Emergency

The COVID-19 Outbreak

The outbreak of COVID-19 was 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 outbreak of the virus has affected travel, commerce and financial markets globally. There can be no assurances that the continuing prevalence 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.

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

On March 10, 2020, Governor Lamont declared a state of emergency throughout the State of Connecticut (the "State") and took and continues to take steps designed to mitigate the spread and impacts of COVID-19. Public-schools began to operate remotely immediately following the outbreak and continued remotely through the 2019-2020 school year. For the 2020-2021 school year, schools were permitted to reopen and school districts were given the discretion to choose in-person learning, virtual learning or a hybrid model.

Connecticut's COVID-19 vaccination plan commenced on December 14, 2020, and the State is currently making vaccinations available to all individuals aged 12 and over.

Due to a decline in the number of positive COVID-19 cases and hospitalizations, effective May 19, 2021, all capacity restrictions related to establishments and social/recreational gatherings were eliminated. The Governor regularly reviews conditions and, accordingly, expands or reduces restrictions. Physical distancing and face-covering requirements remain in effect for individuals who have not been vaccinated. Face-covering requirements have been lifted for those who have been vaccinated.

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, credit ratings and ability to pay debt service on its outstanding indebtedness in the future.

COVID-19 Outbreak – Municipal Tax Relief Programs

On April 1, 2020, in response to the COVID-19 emergency, Governor Ned Lamont issued Executive Order No. 7S (“Order 7S”), as amended by Executive Order No. 7W on April 9, 2020 (“Order 7W”), which created two short-term tax relief programs and required all towns, cities, and boroughs as well as their water pollution control authorities to adopt either or both of them by a vote of the legislative body. One program defers tax payments and benefit assessments by three months for taxpayers based on a showing of need, while the other program reduces the interest chargeable on overdue tax and assessment payments for all taxpayers in the municipality for three months.

All municipalities were directed to notify the Secretary of the Office of Policy and Management (“OPM”) no later than April 25, 2020 which program or programs it intended to elect. On April 21, 2020, the Town adopted the “Deferment Program” for eligible taxpayers and landlords. The “Deferment Program” delays by three months payments due on any unescrowed taxes on real estate, motor vehicles, and personal property as well as unescrowed municipal utility charges (the “Taxes and Charges”) if taxpayers, businesses, nonprofits and residents demonstrate significant economic impact caused by COVID-19 and/or demonstrate that they are assisting people who are experiencing significant economic impact caused by COVID-19.

On December 16, 2020, the Governor issued Executive Order 9R (“Order 9R”), which applied the two tax relief programs to tax deadlines for Taxes and Charges that became due and payable on January 1, 2021. As of December 30, 2020, the Town was deemed to have adopted the Deferment Program. The Deferment Program deferred any Taxes and Charges that were due on January 1, 2021 through and to April 1, 2021 without penalty.

For Fiscal Year 2021, the Town did not experience a material negative financial impact as a result of the adoption of the Deferment Program. As of June 30, 2021, the Town had collected approximately 99.70% of Fiscal Year 2021 budgeted taxes, with 99.65% having been collected at the same time last year for Fiscal Year 2020 and 99.55% having been collected at the same time in Fiscal Year 2019.

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 provided in excess of \$2 trillion of relief to industries and entities throughout the country, including state and local governments. Under the CARES Act, \$150 billion was appropriated to states and other units of government for activities that are directly related to COVID-19. The State received approximately \$1.4 billion in such funding, and it was given the discretion to provide those funds to local governments.

On June 4, 2020, Governor Lamont established the Connecticut Municipal Coronavirus Relief Fund Program (the “Program”) which established a process by which Connecticut municipalities can receive funds from the State to offset non-budgeted COVID-19 related expenditures that were incurred between March 1, 2020 and December 30, 2020. In Fiscal Year 2020, the Town received \$719,300 in reimbursement from the Program and FEMA for pandemic-related costs. The Town received \$753,523 in reimbursement from the two programs in Fiscal Year 2021.

On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriations Act of 2021, which extends certain programs and benefits first authorized by the CARES Act. The relief package includes, amongst other items, over \$900 billion in stimulus for various COVID-19 relief programs, \$8.75 billion for vaccine distribution, \$54.3 billion of Elementary and Secondary School Emergency Relief Funds, \$4.1 billion for the Governors Emergency Education Relief Fund, and an allocation of \$284 billion of Paycheck Protection Program funds to support eligible small businesses and non-profits, and the legislation expands and modifies the program by allowing second draw loans for certain borrowers.

On March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the “Rescue Plan”). The Rescue Plan relief package includes, amongst other provisions, \$350 billion in state and local government aid. Of the \$350 billion, the State and its local governments are expected to receive approximately \$4.2 billion as a result of this legislation, with \$2.6 billion in State relief and another \$1.6 billion in relief for local governments.

The Rescue Plan relief package also includes approximately \$123 billion to allow for a return to full-time, in-person teaching at elementary and high schools, which funds could be used for numerous purposes, including but not limited to expanding testing, modifying classrooms, improving ventilation, and hiring more custodial staff. The State’s K-12 schools are expected to receive approximately \$1.1 billion.

The Rescue Plan relief package includes another \$160 billion dedicated to COVID-19 vaccination development and distribution.

Over the next two years, the Town expects to receive \$11.9 million in federal funding as a result of the Rescue Plan. The Town received its first installment of approximately \$5.9 million in funding from this program in June 2021. The Mayor and his administration are developing a plan to spend the second installment of \$5.9 million expected for FY 2022 that will primarily focus on infrastructure improvements that comply with the eligibility criteria of the rules related to the program.

Climate Change

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The Town faces certain threats due to climate change, including both drought and damaging wind that could become more severe and frequent. The Town cannot predict the timing, extent or severity of climate change and its impact on the Town's operations and finances.

Cybersecurity

The Town, like many other public and private entities, relies on technology to conduct its operations. The Town and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To reduce the risk of a successful cyber security threat the Town has invested in IT security firewalls, anti-virus software, anti-malware software, and ransomware protection software. All Town computers and computer servers are protected by this security software and firewalls. These security protection systems are evaluated annually for upgrades or replacements.

To mitigate the risk of business operations impact and/or damage from cyber security incidents or cyber-attacks, the Town has invested in disaster recovery systems and a continuity of IT operations plan which leverages regular daily system backups. In the event of a cyber security incident recovery from an earlier state for any enterprise application system is possible. The Town's cybersecurity insurance policy expired on June 30, 2021 and the Town is in the process to trying to renew the insurance. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Town's digital networks and systems and the costs of remedying any such damage could be substantial.

Book-Entry-Only Transfer System

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

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

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities 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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

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

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

Redemption notices shall be sent to DTC. If less than all of the Securities 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 Securities 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Town or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security 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, Security 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 Securities act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

Replacement Bonds

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 such Bonds 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 is authorized to issue fully registered Bond or Note 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 such 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. There was, however, no such certified forest land on the last completed grand list of the Town, and under existing statutes the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation on its power to tax such dwelling houses.

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 a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds 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 such debt 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. Under the federal bankruptcy code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by state law or by a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy 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.

Bondowners' Risks

Purchase of the Bonds involves a degree of risk. Potential investors should be thoroughly familiar with this entire Official Statement (including the appendices hereto) in order to make a judgment as to whether the Bonds are an appropriate investment, to identify risk factors and to make an informed investment decision. The discussion herein of risks that could affect payment to be made by the Town with respect to the Bonds is not intended to be comprehensive or definitive, but rather is to summarize certain matters which could affect the ability of the Town to make such payments.

Town Pension Liability: Many factors influence the amount of the Town’s pension benefit liability, including, without limitation, inflationary factors, changes in the Pension Statute, changes in the levels of benefits provided or in the contribution rates of the Town, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods, and differences between actual and anticipated investment experience. Any of these factors could increase the Town’s annual contribution to the Plan. In May 2018, at the Town’s request, the General Assembly adopted revisions to the Pension Statute to allow the Town to contribute 55% of its actuarially recommended contribution, rather than 80% for FY 2018, 70% or an amount \$3,000,000 more than the prior year, whichever is less, for FY 2019, and 85% or an amount \$3,000,000 more than the prior year, whichever is less, for FY 2020, rather than 100% of the actuarially recommended contribution for FY 2019 and 2020. The Town was required to contribute 100% of its actuarially recommended contribution in FY 2021 and is required to contribute 100% of its actuarially recommended contribution in FY 2022 and thereafter. For FY 2021, the Town contributed 100% of the actuarially recommended contribution. For FY 2022, the Town budgeted 100% of the actuarially recommended contribution.

Risks Related to Town Operations: The ability of the Town to meet its payment obligations under the Bonds will depend upon the continued availability to the Town of revenues from a variety of sources sufficient to meet obligations such as the Town’s operating expenses, debt service on the Bonds and other debt of the Town and extraordinary costs or expenses which may occur from time to time. Revenues and expenses of the Town will be affected by future events and conditions which will include the Town’s ability to control expenses, the Town’s ability to maintain or increase property tax rates and other sources of revenue, and the Town’s access to other sources of funds. No assurances can be given that these or other sources of revenues will be adequate to meet the expenses of the Town.

The Town is reliant on the receipt of State aid revenue for a significant portion of its budget. Over the past several years, State aid revenue to the Town and other Connecticut municipalities has been reduced and has been uncertain based on State fiscal issues. There is no assurance that State budgets will provide the Town with comparable State aid revenue received in the past. In the event the adopted State budget provides less revenue to the Town than the amounts the Town has budgeted, the Town will be required to amend its budget to account for the actual amount the Town will receive pursuant to the State budget.

Future revenues and expenses of the Town will be subject to conditions which may differ from current conditions to an extent that cannot be determined at this time. Descriptions of the Town’s current finances and operations as well as certain projected financial and operating results of the Town are contained in “SECTION VI – Financial Information” in this Official Statement.

Designation as Tier III Municipality: Pursuant to Public Act 17-2, the State General Assembly amended Chapter 117, Municipal Deficit Financing (the “MARB Statute”). The MARB Statute was amended to strengthen the assistance that the State can provide to distressed municipalities and enhanced the State’s control over such municipalities. Among other things, the MARB Statute created a Municipal Accountability Review Board, provided a new tiered system for distressed municipalities (Tier I through Tier IV) with specific criteria for each tier, and allows for different levels of assistance depending on the severity of the fiscal distress the municipality is experiencing, including providing credit support for the issuance of debt. Municipalities can request designation for a specific tier, or the Office of Policy and Management (“OPM”) can designate a distressed municipality for a specific tier. Designated municipalities qualify for specific types of assistance and the State has certain levels of control over the municipality’s finances based on their designation. Currently, the Town has not requested designation for any tier under the MARB Statute.

Beginning July 1, 2018, the Secretary of OPM may designate a municipality as a “Tier III municipality” if: (1) the municipality has one bond rating from a bond rating agency that is below investment grade or (2) if the municipality’s highest bond rating is “A”, “Baa” or “BBB” and it has either (a) a negative fund balance percentage or (b) an equalized mill rate that is 30.00 or more and it receives 30% or more of its current or prior fiscal year general fund revenues from the State. The Secretary of OPM shall designate a municipality as Tier III based on reports and findings if the fiscal condition of the municipality warrants such designation. For FY 2020, the Town had an operating deficit totaling \$4,263,644 which resulted in a negative fund balance of \$2,289,040 or negative 0.92% of operating revenues. Given the Town’s current ratings, the Secretary of OPM could designate the Town as a Tier III municipality. The Town has had several meetings with the Municipal Finance Advisory Commission regarding its financial condition and Deficit Mitigation Plan. For FY 2021, the Town is projecting an operating surplus of approximately \$6.6 million, which will result in a positive fund balance of approximately \$4.3 million, or 1.74% of operating revenue. See “Financial Section – Deficit Mitigation Plan” herein.

Unfunded Pension and OPEB Liabilities: The Retirement Plan has an approximate \$298.3 million unfunded pension liability as of July 1, 2020. The Town has an approximate \$522.6 million unfunded other postemployment benefits liability (“OPEB”) as of July 1, 2019, which is expected to continue to increase. The issuance of the 2015 General Obligation Bonds, Issue of 2015 (Federally Taxable) increased the funding ratio of the Retirement Plan to approximately 37%. Unless the Town is able to reduce the remaining liabilities by reducing benefits through agreements with its public employees or enacted legislation (upheld against any challenges), the Town will need to find new sources of revenues or other funding mechanisms in order to meet these obligations.

If the Retirement Plan runs out of money, the Town will need to pay benefits out of the General Fund. The Bonds have no priority over the obligations payable from the General Fund including payments to the Retirement Plan and benefit payments to retired former employees.

Descriptions of the Town’s unfunded pension and OPEB liabilities as well as the Town’s Plan to address the underfunding are contained in “SECTION VI – Financial Information” in this Official Statement.

General Economic Factors: The Town has been subject to the effects of the recession and the COVID-19 Outbreak, which has affected Connecticut over the past several years. Related economic factors have adversely affected the Town’s revenues, including lower consumer and business spending, high unemployment, depressed home sales and other challenges. In addition, the income levels of the Town’s residents have been adversely affected by these factors.

COVID-19 Outbreak: A description of the effect of the COVID-19 Outbreak on the Town and its finances is contained in “SECTION I - Global Health Emergency” in this Official Statement.

Marketability: No assurance can be given that a secondary market for the Bonds will develop following the completion of the offering of the Bonds. Consequently, prospective purchasers should be prepared to hold their Bonds to maturity. No assurance can be given that the initial offering price for the Bonds will continue for any period of time following issuance of the Bonds. The Underwriters are not obligated to make a secondary market for the Bonds.

Legal Matters and Future Changes in Laws: Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, regulations and provisions. Any such change, interpretation or addition could have a material adverse effect, either directly or indirectly, on the Town or the taxing authority of the Town, which could materially adversely affect the Town’s ability to repay the Bonds.

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

Limitations on Enforcement of Remedies: The remedies available to the Registered Owners of the Bonds upon an event of default under the Bonds are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies provided in the Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the sovereign powers of the State, and the constitutional powers of the United States of America, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Forward Looking Statements

This Official Statement, including the Appendices, contains certain statements relating to future results that are “forward looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “intend,” “expect” and similar expressions identify forward looking statements. Any forward looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward looking statements. Inevitably, some assumptions used to develop forward looking statements will not be realized and/or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results, and those differences could be material.

Qualification for Financial Institutions

The Bonds shall NOT 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 of interest expense allocable to the Bonds.

Availability of Continuing Information

The Town 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 on an annual basis. The Town provides, and will continue to provide, to the rating agencies ongoing disclosure in the form of annual financial reports, 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 a continuing disclosure agreement with respect to the Bonds substantially in the form attached as Appendix C to this Official Statement (the “Continuing Disclosure Agreement”). The Underwriters’ 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.

The Town has previously undertaken in continuing disclosure agreements for the benefit of holders of certain of its bonds to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). Except as mentioned below, in the last five years, the Town has not failed to comply, in all material respects, with its previous undertakings in such agreements.

Due to changes in auditors, the Town has failed to file its audited financial statements and operating data in a timely manner in accordance with its continuing disclosure agreements. For the fiscal year ended June 30, 2016, the audited financial statements and operating data of the Town were filed late with the Municipal Securities Rulemaking Board (“MSRB”). The Town filed a notice of the failure to file such annual financial information with the MSRB on February 28, 2017 with an expectation that the final 2016 audit would be available by March 31, 2017, however, the audit was not completed by March 31, 2017 and the Town filed draft 2016 audited financial statements on June 30, 2017. The Town also filed a notice of the failure to file the final 2016 annual financial information on July 5, 2017. The Town’s audited financial statements for the fiscal year ending June 30, 2016 were finally filed with the MSRB through the EMMA system on July 31, 2017. The Town filed its fiscal year 2017 audit on March 1, 2018, one day late. The Town failed to file its fiscal year 2018 audit on time and filed a failure to file notice on EMMA on March 5, 2019. The Town’s audited financial statements for the fiscal year ending June 30, 2018 were filed with the MSRB through the EMMA system on June 19, 2019. The Town filed its audited financial statements for the fiscal years ending June 30, 2019 and June 30, 2020 on time after implementing procedures to ensure the timely filing of audited financial statements and operating data. The Town utilizes the services of its Municipal Advisor and Continuing Disclosure Agent (Phoenix Advisors, LLC) to assist the Town to ensure the timely filings of its continuing disclosure obligations.

Ratings

The Town has received ratings of “BBB+” with a stable outlook and “BBB” with a negative outlook on the Bonds from S&P Global Ratings (“S&P”) and Fitch Ratings (“Fitch”), respectively. The Town furnished to S&P and Fitch certain information and materials, some of which may not have been included in this Official Statement. The ratings reflect only the views of S&P and Fitch. No application was made to any other rating agencies for the purpose of obtaining ratings on the Bonds. While not applied for, the Town has an outstanding rating of “Baa3” from Moody’s Investors Service with a negative outlook on its outstanding bonds.

Generally, the rating agencies base their rating upon such information and materials and upon investigations, studies and assumptions by the rating agencies. There can be no assurance that a rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability or market price of the Town’s outstanding bonds, including this issue.

Tax Matters

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met at and subsequent to delivery of the Bonds in order for interest on the Bonds to be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. Non-compliance with such requirements could cause interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Tax Regulatory Agreement, which will be executed and delivered by the Town concurrently with the Bonds, will contain representations, covenants and procedures relating to compliance with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Town will also covenant and agree that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Town with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax.

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

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

Original Issue Discount

The initial public offering price of certain maturities of the Bonds may be less than the principal amount payable on such Bonds at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Bonds is sold constitutes original issue discount. The offering prices relating to the yields set forth on the cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of the Bonds were ultimately sold to the public.

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

Original Issue Premium

The initial public offering price of certain maturities of the Bonds may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds is sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The offering prices relating to the yields set forth on the cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of the Bonds were ultimately sold to the public.

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

State Taxes

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based 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.

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

General

The opinions of Bond Counsel are rendered as of their date and are based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective. On the date of delivery of the Bonds, Bond Counsel will deliver their opinions in the form attached hereto as Appendix B.

The above discussion does not purport to deal with all aspects of federal, state and local taxation that may be relevant to a particular owner of a Bond. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of ownership and disposition of, and receipt of interest on, the Bonds.

Underwriting

The Bonds are being purchased by Raymond James & Associates, Inc. and Mesirow Financial, Inc. (the “Underwriters”). The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the Town at the net aggregate purchase price of \$23,247,159.05 (consisting of the principal amount of \$19,320,000.00 plus original issue premium of \$4,043,059.05, less Underwriters’ discount of \$115,900.00).

The Underwriters will be obligated to purchase all of the Bonds, if any such Bonds are purchased. The Underwriters intend to offer the Bonds to the public initially at the yields set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Bonds may be offered and sold to certain dealers (including unit investment trusts and other affiliated portfolios of certain underwriters and other dealers depositing the Bonds into investment trusts) at prices lower than the public offering prices and such public offering prices may be changed, from time to time, by the Underwriters.

(Remainder of page intentionally left blank)

SECTION II – THE ISSUER

Description of the Town

The Town was first settled in 1664. On May 1, 1786, Hamden withdrew from New Haven and was incorporated as Connecticut's ninetieth town. Located north of the City of New Haven, and also bordering Woodbridge, Bethany, and North Haven, the Town is located approximately 85 miles east of New York City and 35 miles southwest of Hartford, Connecticut. The Town encompasses approximately 33 square miles within New Haven County.

The Town is traversed by two major highways, the Wilbur Cross Parkway (Route 15) and Interstate 91 (via the Route 40 connector). The Town's location also provides quick access to the Connecticut Turnpike (Interstate 95). Metro-North, Amtrak and Conrail in New Haven provide rail service to Boston and New York. Commercial, cultural and educational amenities in New Haven and New York City are accessible via state and interstate highways. Regional air transportation needs are provided at Tweed–New Haven Airport in New Haven. National and international air service is provided by Bradley International Airport in Connecticut and Kennedy, LaGuardia International and Newark Airports in New York and New Jersey.

The Town is a primarily residential community with a diversified economic base and a population of approximately 61,000. Major employers include the Town of Hamden and its Board of Education, Quinnipiac University, Arden House Care & Rehabilitation Center, Stop & Shop, Area Cooperative Educational Services ("ACES"), Whitney Center, Children's Center, AAA (Automobile Association of America) and Hamden Healthcare. Primary business clusters of health care, bioscience, and education are fueled by the Town's proximity to major academic institutions, including Yale University, Albertus Magnus College, Southern Connecticut State University, and the University of New Haven. The Town's population is slightly older and more educated when compared to that of the State as a whole. These factors, along with the diversified economic base, contribute to an unemployment rate that for the past five years, has been consistently below regional and state averages.

The public school system of the Town provides a balanced curriculum for approximately 5,300 students. There are several vocational training facilities, private secondary schools, colleges and universities in close proximity to the Town that offer a variety of educational programs. Town residents are within minutes from the main campus of Yale-New Haven Hospital and the St. Raphael Hospital campus of Yale-New Haven Hospital which are located in New Haven. Numerous private medical practitioners are located in the Hamden–New Haven region.

Form of Government

The Town is organized and has operated since 1965 under the Mayor–Council form of government. The current Charter was adopted on November 8, 2011. General Town elections are held on the first Tuesday in November of each odd-numbered year to elect the Mayor, Town Clerk and the Legislative Council. The terms of office are for two years and commence at noon on the last Sunday of November following the election.

The Legislative Council (the "Council") comprises six members elected at large and one member elected from each of the nine voting districts in existence as of July 1, 1975. All serve without compensation except for an annual stipend of \$1,200 each. The Council, by a majority vote, but not less than every ten years, may determine that redistricting is necessary and appoint a commission to re-divide the Town so that each voting district shall contain an equal number of voters. The members of the Council choose one member to be President of the Council. The President presides over all Council meetings.

Under the current Town Charter, the legislative power of the Town is vested exclusively in the Council. The Council has the power to enact, amend or repeal ordinances not inconsistent with the Charter or the Connecticut General Statutes and to provide for the preservation of good order, peace, health and safety of the Town and its inhabitants. At least one public hearing must be held before any ordinance can be passed, except for ordinances relating to procedures of the Council or a public emergency. The electors have the power to approve or reject an ordinance by petition for referendum, as provided in the Charter. As the fiscal authority of the Town, the Council adopts the budget and may fix the tax rate in mills. Should the Council not adopt a budget ten days before the end of the fiscal year, the budget as originally submitted by the Mayor is deemed to have been adopted by the Council, and the Mayor then has the right to fix the tax rate.

Principal Municipal Officials

<i>Office</i>	<i>Name</i>	<i>Manner of Selection/Term</i>	<i>Years of Service</i>
Mayor	Curt Balzano Leng	Elected/2 years	6 years
Chief of Staff	Adam Sendroff	Appointed/Indefinite	Less than a year
Town Clerk.....	Vera A. Morrison	Elected/2 years	25 years
Tax Collector.....	Kathleen Flynn	Appointed/Indefinite	24 years
Assessor.....	David Standard	Appointed/Indefinite	Less than a year
Superintendent of Schools.....	Jody Goeler	Appointed/Indefinite	6 years
Finance Director.....	Scott Jackson	Appointed/Indefinite	Less than a year
Deputy Finance Director.....	Rick Galarza	Appointed/Indefinite	4 years

Summary of Municipal Services

Police Protection: The Police Department is responsible for the prevention and deterrence of crime, apprehension of offenders, return of property, efficient control and movement of traffic, and the provision of public safety. It is responsible for the enforcement of all laws, ordinances and regulations governing the criminal and motor vehicle codes and the protection of all guarantees provided by the U.S. and State of Connecticut constitutions. The Department is also responsible for staffing and supervising the Central Communications Division for all police, fire and medical requests for service to the public. The Department is staffed by 90 sworn police officers and 40 non-sworn positions, of which 20 are part-time crossing guards.

Fire Protection and Emergency Medical Service: Fire protection and emergency medical services are provided by a combination career and volunteer Fire Department consisting of 90 paid career firefighters and officers, nine staff personnel and 40 volunteers. The Town operates seven fire stations, five staffed full-time, one staffed by both career and volunteer firefighters and two staffed by volunteers. The Fire Department operates 15 emergency response vehicles as well as 12 support vehicles and pieces of equipment for specialty services such as hazardous materials and technical rescue response. Full-time paramedic service is provided with two fire-rescue vehicles. In addition, the Fire Department supports a professional mountain rescue team which responds to high-angle emergencies when requested. Ambulance transport is provided to the Town by American Medical Response from New Haven.

Planning and Zoning: The Town has a combined Planning and Zoning Commission of nine members and three alternates. A professional staff is available to ensure that development conforms to Hamden and state codes. The Planning and Zoning Department has created a computerized permit database that helps both staff and the public determine the current approved zoning uses and evaluate changes over time.

Public Works and Parks: Supervised by the Director of Public Works, the Department of Public Works has a staff of 61 employees, organized into five divisions, as follows: Streets and Bridges, Sanitation, Parkway and Trees, Buildings and Grounds, and Fleet Maintenance. The Department's responsibilities include road maintenance and repair, snow plowing, and tree removal, as well as the maintenance and cleaning of storm sewers. Its administration is responsible for the continuous flow of paper work and, with the assistance of a dispatcher, a timely and courteous response to telephone calls. Numbering ten employees, the Parks Division maintains the Town's parks, ten miles of canal line, and ball fields.

Engineering: The Engineering Department provides professional engineering services to assist in maintaining and improving the Town's infrastructure. It provides or supervises planning, surveying, design, and construction administration and inspection services for Town capital improvement projects, including highway, bridge, storm drainage, and other infrastructure projects. The Engineering Department also reviews plans and other technical information submitted by developers for compliance with Town design and construction standards and good engineering practice. It comments to the Planning and Zoning and Inland Wetlands commissions, coordinates compliance with the Town's Stormwater Management Permit, issues permits for and inspects work within the Town highway rights-of-way, including utility excavation, driveways, sidewalks, and storm sewer connections, and inspects sidewalks for tripping hazards and for snow and ice removal. The Department oversees Town sidewalk repair and permanent trench repair contracts and serves as liaison to state and federal agencies and utility companies regarding capital improvement projects. Also, the Department maintains Geographic Information System ("GIS") data regarding the Town's infrastructure, such as the storm drainage system, sidewalks, pavement, and bridges.

Economic and Neighborhood Development: The Economic and Neighborhood Development Department fosters and develops initiatives to maintain/expand existing businesses and to attract new businesses. These initiatives include neighborhood revitalization projects, property development, and negotiation for clusters in retail, health care, financial services, insurance and manufacturing. Programs administered include tax incentives; streetscape improvements; redevelopment initiatives through the Hamden Economic Development Corporation; a Business Assistance Center; Economic Development Web Page (www.hamden-ct.com); marketing and recruitment; brownfields redevelopment; and workforce readiness initiatives. The office has three staff members paid by the Town. This department interacts with the business community, various community organizations, and Town, state and federal agencies.

The total increase over the last several years in tax base growth resulting directly from construction, expansions and relocations included a total of over \$75,000,000 or over \$2,500,000 annually in net tax revenue from new grand list growth attributed to the Business Incentive Program as well as larger project development investment.

Many of the Town's industry clusters have grown despite the recent downturn in the State and regional economy. Over the past five years there has been over \$7.5 million of new investment in manufacturing facilities relating to over 125,000 square feet of space.

The local economy remains diverse with a mix of manufacturing, retail and growing health care sector. The Town has a strong partnership between the business community, Town government, and the Hamden Economic Development Corporation. The Town's Economic and Community Development Director has been acting in his capacity since 1999 facilitating the consistency needed for long term projects and initiatives.

Some recent economic development projects that have been completed or are in various stages of design and construction include the following:

- New retail and other development within the five major shopping centers including but not limited to Ulta Beauty Products, a new CVS, Funz Trampoline Park, Burlington Stores, Sketchers Shoe Store and Porter and Chester Vocational school.
- American Automobile Association (AAA): Built a new 7,000 square foot building. This new building replaced the original building built in 1970. AAA is one of Town's largest employers.
- Eli's Restaurant: completed a 3,500 square foot addition.
- New Mixed Use Building (including Liberty Bank and Moonrocks Cookies): A new 14,000 square foot mixed-use building located next to the Mount Carmel Post Office.
- Hamden Business Incubator: The Hamden Economic Development Corporation (HEDC) has secured \$10 million in funds to renovate a 42,000 square foot former school/community center into a business incubator for up to twenty new businesses.
- Quinnipiac University: is a private, coeducational university with approximately 6,500 undergraduate and 2,500 graduate students based in Hamden. Quinnipiac began as a small college in New Haven in 1929 and has grown into a University with eight schools and colleges, including schools of law and medicine. The University has experienced tremendous growth in recent years. The University's York Hill Campus, completed in 2012, includes over 2,000 new dorm rooms, a student center and an 185,000 square foot athletic facility all of which has had a significant impact on small business growth throughout Hamden. Quinnipiac University pays a significant amount of money in taxes under Payment in Lieu of Taxes agreement for their \$100 million portfolio.
- Whitney Center: an assisted living facility, is currently the largest taxpayer in the Town. The \$75 million phase I expansion and \$10 million phase II expansion are completed. Both phases resulted in \$1.5 million in new tax revenue.
- Canal Crossing: A 393 unit housing project has been approved and was completed. Total project cost is \$45 million and new tax revenue will be \$1.7 million annually.

The investment derived from these projects has yielded over \$5 million in new tax revenue for the Town since 2019 as well as having a major impact on the local economy. This is due to the large number of employees for many of the facilities. These employees have already produced a positive increase in economic activity for smaller local businesses.

Human Services: The Elderly Services Department functions as the central resource center for information regarding programs, activities and services for elderly residents, individuals, and families who need assistance in caring for elderly relatives. The Department oversees the operation of the Miller Senior Center, a multi-purpose facility located at 2901 Dixwell Avenue. In addition, Town government includes departments dedicated to community and youth services, as well as to the development of personnel for a full-time work force.

Recreation: The Town recently merged its Arts Commission with the Parks and Recreation Department to create a new department known as Arts, Recreation & Culture. In 2011, the Town reorganized Parks & Recreation by transferring a division of that department to Public Works in order to satisfy the ever-growing need of sports groups for access to more and better-conditioned surfaces. The portion of the department not transferred to Public Works sought to create new programs and to work with the Arts Commission and Youth Services to expand programming. Opportunities for new synergies in the delivery of recreation and arts have emerged through an analysis of a mutually beneficial partnership with Southern Connecticut State University. Cost-savings will be limited, but the enhanced service offerings by Arts, Recreation & Culture will result in a higher level of service and diversification of available programs.

Library: The Hamden Public Library, the community's information center, provides a variety of library resources, access to innovative technology and a knowledgeable staff to improve the quality of life and meet the informational, educational and cultural interests of the community. Service locations are the Miller Memorial Central Library, the Brundage-Community Branch and the Whitneyville Branch. Approximately 19,853 residents have library cards. The collection consists of approximately 206,000 books, magazines, paperbacks, CDs, DVDs, and audio books. The libraries offer a local area network providing access to databases, access to the statewide holdings at Connecticut libraries and wireless access to the internet for the public. The public access catalog is available in all the libraries or from home through the library's website: www.hamdenlibrary.org. The libraries provide programs for children and work cooperatively with the schools and the Hamden Partnership for Young Children.

Water: Water is supplied to the Town by the South Central Connecticut Regional Water Authority, formerly known as the New Haven Water Company.

Sewer: Sewer services are provided by the Greater New Haven Water Pollution Control Authority.

Solid Waste: On July 1, 2010, the Town, in collaboration with four other municipalities, began a ten-year solid waste disposal contract with Covanta Projects L.P. of Wallingford, Connecticut ("Covanta"). Under this contract, all curbside solid waste collected in Hamden is transported to Covanta's transfer station in Wallingford (the "System"). The contract offers two five-year options to extend for any or all of the participating municipalities.

Under the terms of the contract, the Town is required to deliver or cause to be delivered to the System acceptable solid waste generated within its boundaries with a minimum commitment of 14,850 tons per year and to pay a uniform per-ton disposal service fee therefor. The aggregate minimum commitment of the five participating municipalities is 66,285 tons per year. For the past several years, the Town has delivered more than 30,000 tons annually. The Town's commitment to pay disposal fees is a "put-or-pay" commitment, meaning that, if the commitment of the five participating municipalities is not met by the total delivery of all five participating municipalities or by other solid waste delivered in any year and, if the Town does not meet its minimum commitment, it must pay the disposal fee for its proportionate share of the aggregate minimum commitment, minus the amount of total acceptable solid waste delivered. Disposal fees are payable, provided that the System is accepting solid waste delivered by on or behalf of the Town, whether or not such solid waste is processed at Covanta's facility in Wallingford. Should the facility be unable to process this waste, it will be sent to other facilities owned by Covanta at no additional cost to the Town.

The Town's obligation to pay disposal fees is absolute and unconditional so long as Covanta accepts the Town's solid waste. The Town has pledged its full faith and credit to the payment of the disposal fees and has agreed to enforce or levy and collect all taxes, cost-sharing or other assessments or charges and take other such action as may be necessary to pay the fees. For fiscal year 2021, the disposal fee was \$88.00 per ton.

In April, 2020, Covanta breached its contract with Hamden and the other four towns in the System when its assignee to the contract refused to accept solid waste from those towns based on a claimed COVID outbreak among workers at the transfer station. Faced with this emergency, Hamden was forced to find an alternative disposal location for its solid waste on a temporary basis. However, it soon became clear that Covanta's assignee intended to lock out the five towns permanently from the facility for financial reasons, and Hamden's alternative waste disposal location became its default disposal site through FY 2021.

With the other four towns, Hamden demanded compensation from Covanta for damages caused by the breach of the contract by its assignee. Through mediation, in June 2021, the parties reached a settlement of all claims along with the termination of all contracts with Covanta. Once the Covanta settlement is finalized, the five towns intend to terminate their consortium arrangement for the System and secure their own waste disposal arrangements individually.

In May of 2021, Hamden issued a Request for Proposals for the ongoing disposal of its solid waste starting in fiscal year 2022. Proposals have been received and the successful vendor identified, though the terms of that contract have not been fully negotiated and submitted to the Legislative Council for approval.

(Remainder of page intentionally left blank)

Educational System

The Town's school system serves approximately 5,300 students and comprises one Early Learning Center for pre-K students, eight elementary schools for pupils in grades kindergarten through 6, one middle school for grades 7 and 8, an inter-district K-12 magnet school, and one high school for grades 9 through 12. The Board of Education also conducts pre-school programs at the Church Street, Helen Street and Alice Peck Schools. The schools are governed by a nine-member Board of Education. Also located in the Town are three parochial elementary schools and three private college preparatory schools.

Educational Facilities

School	Grades	Date of Construction (Additions, Remodeling)	Number of Classrooms	10/1/2020 Enrollment	Rated Capacity
Alice Peck Elementary	Pre-K	1954 (1991)	18	128	300
Bear Path Elementary	K-6	2003	25	396	495
Dunbar Hill Elementary	K-6	1950 (1995)	18	258	334
Helen Street Elementary	K-6	1992	20	326	350
Ridge Hill Elementary	K-6	1971 (2011)	22	311	560
Shepherd Glen Elementary	K-6	1972	17	316	477
Spring Glen Elementary	K-6	2003	22	401	450
West Woods Elementary	K-6	1973	24	329	510
Church Street Elementary	K-6	1991	28	265	438
Hamden Middle	7-8	2006	50	836	1,270
Hamden High	9-12	1935 (1998)	77	1,676	1,785
Central Office (Administration).....	N/A	1915 (2011)	N/A	N/A	N/A
Total.....			321	5,242 ^{1, 2}	6,969

¹ Does not include approximately 320 students from the Town who attend the inter-district K-12 Magnet School

² Includes 80 students enrolled in Hamden Community Learning Center.

Source: Town of Hamden, Board of Education

School Enrollments

School Year	Historical			Total ¹
	Grades Pre-K - 6	Grades 7 - 8	Grades 9 - 12	
2011-2012	3,079	906	1,852	5,837
2012-2013	3,091	900	1,805	5,796
2013-2014	3,089	865	1,811	5,765
2014-2015	3,059	815	1,757	5,631
2015-2016	3,003	826	1,664	5,493
2016-2017	3,008	812	1,610	5,430
2017-2018	3,020	880	1,532	5,432
2018-2019	3,015	878	1,530	5,423
2019-2020	3,021	890	1,550	5,461
2020-2021	3,002	836	1,576	5,414
School Year	Projected			Total
2021-2022	3,000	835	1,675	5,510
2022-2023	3,000	835	1,675	5,510

¹ Does not include approximately 238 students from the Town who attend the inter-district K-12 Magnet School

Source: Town of Hamden, Board of Education

Municipal Employees¹

	2020-21	2019-20	2018-19	2017-18	2016-17
General Government.....	429	449	453	451	448
Board of Education.....	867	882	882	886	898
Total.....	1,296	1,331	1,335	1,337	1,346

¹ The figures shown above regarding municipal employees comprise full-time, part-time and permanent staff.

Municipal Employees Bargaining Organizations

General Government	Organization	Positions Covered	Current Contract Expiration Date
Police	UPSEU/COPS	97	6/30/2022
Firefighters	Local 2687, International Assoc. of Firefighters	96	6/30/2024
Public Works	Local 424, UPSEU Unit #1	54	6/30/2023
Town Hall / Engineering	Council #4, AFSCME, Local 2863	68	6/30/2023
Dispatchers	UPSEC, Local 424 Unit #63	15	6/30/2023
Parks and Recreation.....	Local 424, UPSEU Unit #36	15	6/30/2023
Library	Local 1303-115, Council #4, AFSCME	31	6/30/2023
Supervisors	Local 424, UPSEU Unit #23	23	6/30/2023
Non-bargaining	N/A	30	N/A
Total General Government Employees.....		429	

Board of Education	Organization	Positions Covered	Current Contract Expiration Date
Custodians and Maintenance....	Local 431, Council #4, AFSCME, AFL-CIO	54	6/30/2022
Teachers	Hamden Education Association, Local 57	529	6/30/2022
Administrators.....	Association of Hamden Public School Administrators, AHPSA, AFL-CIO	33	6/30/2023
Nurses.....	Hamden School Nurses Association, CILU	15	6/30/2022
Clerical and Paraprofessionals ...	Local 424, UPSEU Unit #2	163	6/30/2021 ¹
Security Guards.....	Local 1303-373, AFSCME	10	6/30/2022
Supervisors	UPSEU Local 424	10	6/30/2021 ¹
Non-bargaining	N/A	53	N/A
Total Board of Education Employees.....		867	
Total General Government & Board of Education Employees.....		1,296	

¹ In negotiation

Source: Town of Hamden

Connecticut General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject the 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, in assessing the financial capability of a municipality, there is an irrefutable presumption that 15% of the municipality's budget reserve (a budget reserve of 5% or less for teacher's contracts) is not available for payment of the cost of any item subject to arbitration. In 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 wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

SECTION III – ECONOMIC AND DEMOGRAPHIC DATA SECTION

Population Trends and Densities

Year	Actual Population	% Increase	Density ¹
2019 ²	60,982	0.0%	1,831.3
2010	60,960	7.11	1,830.6
2000	56,913	8.54	1,709.1
1990	52,434	2.67	1,574.6
1980	51,071	3.47	1,533.7
1970	49,357	20.22	1,482.2
1960	41,056	--	1,232.9

¹ Per square mile: 33.3 square miles.

² American Community Survey 2015-2019.

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

Age Distribution of the Population

Age	Town of Hamden		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	2,559	4.2%	183,808	5.1%
5 to 9 years	3,258	5.3	198,000	5.5
10 to 14 years	2,754	4.5	221,325	6.2
15 to 19 years	5,572	9.1	244,249	6.8
20 to 24 years	6,814	11.2	244,597	6.8
25 to 34 years	8,238	13.5	441,742	12.4
35 to 44 years	6,736	11.0	424,739	11.9
45 to 54 years	6,748	11.1	508,428	14.2
55 to 59 years	4,315	7.1	264,804	7.4
60 to 64 years	4,146	6.8	242,329	6.8
65 to 74 years	5,215	8.6	336,422	9.4
75 to 84 years	2,977	4.9	174,887	4.9
85 years and over	1,650	2.7	89,744	2.5
Total.....	60,982	100%	3,575,074	100%
Median Age (Years) 2019.....	36.8		41.0	
Median Age (Years) 2010 ¹	37.4		40.0	

¹ U.S. Department of Commerce, Bureau of Census, 2010.

Source: American Community Survey 2015-2019.

Income Distribution

Income	Town of Hamden		State of Connecticut	
	Families	Percent	Families	Percent
\$0 - \$9,999.....	216	1.6%	24,799	2.8%
10,000 - 14,999.....	156	1.1	16,037	1.8
15,000 - 24,999.....	520	3.8	38,364	4.3
25,000 - 34,999.....	793	5.8	48,110	5.4
35,000 - 49,999.....	1,051	7.7	77,010	8.6
50,000 - 74,999.....	2,147	15.7	123,980	13.9
75,000 - 99,999.....	1,833	13.4	116,676	13.1
100,000 - 149,999.....	3,062	22.4	186,246	20.8
150,000 - 199,999.....	2,060	15.1	109,258	12.2
200,000 and over.....	1,844	13.5	152,958	17.1
Total.....	13,682	100.0%	893,438	100.0%

Source: American Community Survey 2015-2019.

Comparative Income Measures

	Town of Hamden	State of Connecticut
Per Capita Income, 2019.....	\$ 38,184	\$ 44,496
Median Family Income, 2019.....	\$ 102,709	\$ 100,418
Median Household Income, 2019.....	\$ 77,274	\$ 78,444

Source: American Community Survey 2015-2019.

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

	Town of Hamden		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	879	2.2%	99,837	4.0%
9th to 12th grade.....	1,652	4.1	132,826	5.3
High School graduate.....	10,005	25.0	666,828	26.9
Some college, no degree.....	6,351	15.9	416,175	16.8
Associate's degree	2,679	6.7	191,964	7.7
Bachelor's degree.....	8,371	20.9	541,380	21.8
Graduate or professional degree.....	10,088	25.2	434,085	17.5
Total.....	40,025	100.0%	2,483,095	100.0%
Total high school graduate or higher (%).		93.7%		90.6%
Total bachelor's degree or higher (%).		46.1%		39.3%

Source: American Community Survey 2015-2019.

Labor Force Data

Period	Town of Hamden		Percentage Unemployed		
	Employed	Unemployed	Town of Hamden	New Haven Labor Market	State of Connecticut
June 2021	31,939	2,058	6.1	6.7	7.0
Annual Average					
2020.....	33,109	2,219	6.3	6.8	7.3
2019.....	34,611	1,211	3.4	3.6	3.7
2018.....	34,157	1,349	3.1	4.0	4.1
2017.....	34,004	1,540	4.3	4.7	4.7
2016.....	33,404	1,680	4.8	5.3	5.3
2015.....	33,576	1,780	5.0	5.7	5.6
2014.....	30,238	3,112	6.5	6.9	6.7
2013.....	29,470	2,442	7.7	8.1	7.9
2012.....	29,662	2,696	7.7	8.7	8.3
2011.....	30,032	2,804	8.3	9.2	8.8

Source: State of Connecticut, Department of Labor.

Industry Classification

Sector	Town of Hamden		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	76	0.2%	7,057	0.4%
Construction.....	1,079	3.3	109,467	6.0
Manufacturing.....	2,842	8.6	189,162	10.4
Wholesale trade.....	446	1.4	44,344	2.4
Retail trade.....	2,632	8.0	191,756	10.6
Transportation warehousing, and utilities.....	1,155	3.5	76,439	4.2
Information.....	904	2.7	39,585	2.2
Finance, insurance, real estate, and leasing.....	2,140	6.5	162,153	8.9
Professional, scientific, management, administrative, and waste management.....	2,712	8.2	208,379	11.5
Education, health and social services.....	13,311	40.5	484,166	26.7
Arts, entertainment, recreation, accommodation and food services.....	2,707	8.2	152,041	8.4
Other services (except public admin.).....	1,511	4.6	84,915	4.7
Public Administration.....	1,375	4.2	66,172	3.6
Total Labor Force, Employed.....	32,890	100.0%	1,815,636	100.0%

Source: American Community Survey 2015-2019.

Major Employers

The following are among the most significant employers in the Town as of June 2021:

Employer	Nature of Business	Approximate Employees	Percentage of Total Town Employment
Town of Hamden/Board of Education.....	Municipality	1,330	4.20%
Quinnipiac University.....	Education	830	2.62%
Arden House	Health Care & Rehabilitation	350	1.11%
Whitney Center.....	Assisted living	300	0.95%
CT Transit.....	School Bus Transportation	300	0.95%
AAA Hamden.....	Automobile club	300	0.95%
ACES.....	Special education services	250	0.79%
Stop & Shop.....	Food store	235	0.74%
Home Depot	Home Improvement Store	230	0.73%
XL Care Agencies of CT.....	Child care agency	200	0.63%
Amphenol Spectra.....	Electronic Manufacturer	200	0.63%
Children's Center of Connecticut	Child care agency	200	0.63%
Porcelen SPECRAIL.....	Fence manufacturer	130	0.41%
Hamden Health Care.....	Nursing home	120	0.38%
Walmart.....	Department Store	120	0.38%
Amphenol Corporation.....	Electrical Parts Manufacturer	100	0.32%
Kohls	Department Store	100	0.32%
Lee Partyka	Auto Body Repair	100	0.32%
Total		5,395	17.05%

Commute to Work (16 years of age and over)

	Town of Hamden		State of Connecticut	
	Number	Percent	Number	Percent
Drove alone	25,112	77.3%	1,397,871	78.2%
Car pools	3,212	9.9	141,799	7.9
Used public transportation	1,275	3.9	83,525	4.7
Walked	1,053	3.2	48,323	2.7
Used other means	406	1.3	21,108	1.2
Worked at home	1,415	4.4	93,966	5.3
Total.....	32,473	100.0%	1,786,592	100.0%
Mean travel to work (minutes)	25.4	—	26.6	

Source: American Community Survey 2015-2019.

Number and Value of Building Permits¹

Fiscal Year Ended 6/30	Number of Permits	Total Value
2021 ²	2,697	\$ 45,434,366
2020	2,255	32,855,000
2019	2,287	55,432,985
2018	2,314	87,947,054
2017	2,865	35,045,600
2016	2,958	34,050,904
2015	2,778	39,283,857
2014	2,434	30,761,083
2013	2,374	27,295,387
2012	2,551	33,180,649

¹ Includes residential and commercial construction

² As of 6/8/21.

Age Distribution of Housing

Year Built	Town of Hamden		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	4,816	19.2%	334,845	22.1%
1940 to 1969.....	9,877	39.4	532,280	35.1
1970 to 1979.....	2,942	11.7	203,700	13.4
1980 to 1989.....	2,965	11.8	188,655	12.4
1990 to 1999.....	2,595	10.3	116,028	7.7
2000 or 2009.....	1,566	6.2	103,075	6.8
2010 or later.....	323	1.3	38,046	2.5
Total Housing Units.....	25,084	100.0%	1,516,629	100.0%

Source: American Community Survey 2015-2019.

Housing Units by Type of Structure

Housing Units	Town of Hamden		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached	13,987	55.8%	893,531	58.9%
1-unit, attached	1,068	4.3	81,832	5.4
2 units	1,722	6.9	124,082	8.2
3 or 4 units	1,743	6.9	130,863	8.6
5 to 9 units	1,010	4.0	82,695	5.5
10 to 19 units	1,573	6.3	57,281	3.8
20 or more units	3,975	15.8	134,093	8.8
Mobile home	6	0.0	11,826	0.8
Boat, RV, van, etc.	-	-	426	0.0
Total Inventory.....	25,084	100.0%	1,516,629	100.0%

Source: American Community Survey 2015-2019.

Housing Unit Vacancy Rates

Housing Units	Town of Hamden		State of Connecticut	
	Units	Percent	Units	Percent
Occupied housing units	22,577	90.0%	1,370,746	90.4%
Vacant housing units	2,507	10.0	145,883	9.6
Total units	25,084	100.0%	1,516,629	100.0%
Homeowner vacancy rate	—	1.9	—	1.8
Rental vacancy rate	—	6.3	—	6.3

Source: American Community Survey 2015-2019.

Owner-occupied Housing Units

Specified Owner-Occupied Units	Town of Hamden		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	303	2.1%	17,522	1.9%
\$50,000 to \$99,000.....	469	3.2	28,440	3.1
\$100,000 to \$149,999.....	1,638	11.3	78,467	8.7
\$150,000 to \$199,000.....	3,132	21.7	137,944	15.2
\$200,000 to \$299,999.....	5,735	39.7	248,431	27.4
\$300,000 to \$499,999.....	2,403	16.7	244,855	27.0
\$500,000 or more.....	625	4.3	107,504	11.9
\$1,000,000 or more.....	127	0.9	42,518	4.7
Total.....	14,432	100.0%	905,681	100.0%
Median Value.....	\$225,300		\$275,400	

Source: American Community Survey 2015-2019.

Breakdown of Land Use

Land Use Category	Total Acreage	Percent
Developed.....	9,388	44.5%
Vacant.....	4,646	22.0
Open Space.....	7,086	33.5
Total.....	21,120	100.0%

SECTION IV – DEBT SECTION

Debt Summary

As of August 31, 2021

Outstanding Short-term Debt

As of August 31, 2021, the Town does not have any outstanding short-term debt.

Outstanding Bonded Debt

As of August 31, 2021

Dated Date	Purpose	Interest Rate %	Original Issue	Amount Outstanding¹	Fiscal Year of Maturity
08/15/09	Land Acquisition – Series B.....	3.50 - 5.50	\$ 4,000,000	\$ 795,000	2025
08/24/11	General Purpose.....	2.00 - 4.25	31,397,600	13,500,000	2032
08/24/11	Schools.....	2.00 - 4.25	2,602,400	2,250,000	2032
08/23/12	General Purpose.....	2.00 - 5.00	23,555,000	10,347,500	2033
08/23/12	Schools.....	2.00 - 5.00	1,150,000	517,500	2033
05/15/13	General Purpose Refunding.....	3.00 - 5.00	15,158,600	5,145,000	2026
05/15/13	Schools Refunding.....	3.00 - 5.00	14,256,400	7,710,000	2026
08/21/14	General Purpose.....	2.00 - 5.00	26,405,000	14,520,000	2035
03/10/15	Pension Bonds	4.00 - 5.20	125,000,000	108,850,000	2045
06/17/15	General Purpose Refunding.....	2.00 - 5.00	11,000,000	3,820,000	2030
06/17/15	Schools Refunding.....	2.00 - 5.00	4,545,000	750,000	2030
08/20/15	General Purpose, Series B.....	3.00 - 6.00	11,286,500	6,194,000	2036
08/20/15	Schools, Series B.....	3.00 - 6.00	6,673,500	3,666,000	2036
08/18/16	General Purpose.....	3.00 - 5.00	18,747,000	14,035,000	2037
08/18/16	Schools.....	3.00 - 5.00	9,788,000	7,350,000	2037
08/01/17	General Purpose Refunding.....	3.00 - 5.00	11,887,000	10,473,000	2028
08/01/17	Schools Refunding.....	3.00 - 5.00	1,318,000	1,162,000	2028
08/24/17	General Purpose	4.00 - 5.25	8,300,000	6,640,000	2038
08/24/17	Schools	4.00 - 5.25	3,210,000	2,560,000	2038
06/27/18	General Purpose	6.00	8,540,000	7,650,000	2039
06/27/18	Schools	6.00	2,860,000	2,550,000	2039
07/26/18	Series A - General Purpose Refunding.....	5.00	7,425,000	7,425,000	2031
07/26/18	Series A - Schools Refunding.....	5.00	3,180,000	3,180,000	2031
07/26/18	Series B - GP Refunding - Taxable.....	3.613 - 5.00	23,565,000	23,565,000	2030
07/26/18	Series B - Schools Refunding - Taxable....	3.613 - 5.00	10,095,000	10,095,000	2030
08/05/20	Series A - General Purpose.....	4.00 - 5.00	5,875,000	5,875,000	2040
08/05/20	Series A - Schools.....	4.00 - 5.00	10,625,000	10,625,000	2040
08/05/20	Series A - General Purpose Refunding.....	5.00	3,730,000	3,730,000	2033
08/05/20	Series A - Schools Refunding.....	5.00	1,060,000	1,060,000	2033
08/05/20	Series B - GP Refunding - Taxable.....	2.80	7,650,000	7,650,000	2032
08/05/20	Series B - Schools Refunding - Taxable....	2.80	1,495,000	1,495,000	2032
Total Outstanding Bonded Debt.....			\$ 416,380,000	\$ 305,185,000	
This Issue					
08/31/21	General Purpose	3.00 - 5.00	\$ 3,915,000	\$ 3,915,000	2042
08/31/21	Schools	3.00 - 5.00	2,125,000	2,125,000	2042
08/31/21	General Purpose Refunding	3.00 - 5.00	11,285,000	11,285,000	2031
08/31/21	Schools Refunding	3.00 - 5.00	1,995,000	1,995,000	2031
Total This Issue.....			19,320,000	19,320,000	
Grand Total.....			\$ 435,700,000	\$ 324,505,000	

¹ Excludes bonds refunded or defeased.

Overlapping/Underlying Debt

The Town does not have overlapping or underlying debt.

Bonded Debt Maturity Schedule ¹ As of August 31, 2021

Fiscal Year Ended 6/30	Principal Payments	Interest Payments	Total Debt Service	This Issue: The Bonds	Total Principal	Cumulative Principal Retired %
2022	\$ -	\$ 7,043,347	\$ 7,043,347	\$ -	\$ -	0.0%
2023	14,410,000	13,756,191	28,166,191	305,000	14,715,000	4.5%
2024	16,850,000	13,051,951	29,901,951	1,590,000	18,440,000	10.2%
2025	17,145,000	12,318,005	29,463,005	2,000,000	19,145,000	16.1%
2026	18,000,000	11,575,883	29,575,883	2,010,000	20,010,000	22.3%
2027	18,925,000	10,755,594	29,680,594	305,000	19,230,000	28.2%
2028	19,925,000	9,875,423	29,800,423	2,010,000	21,935,000	35.0%
2029	20,930,000	8,975,259	29,905,259	2,010,000	22,940,000	42.0%
2030	21,955,000	8,026,387	29,981,387	2,020,000	23,975,000	49.4%
2031	23,000,000	6,980,529	29,980,529	2,030,000	25,030,000	57.1%
2032	24,035,000	5,950,420	29,985,420	2,040,000	26,075,000	65.2%
2033	12,490,000	5,182,449	17,672,449	300,000	12,790,000	69.1%
2034	10,280,000	4,642,798	14,922,798	300,000	10,580,000	72.4%
2035	10,560,000	4,141,883	14,701,883	300,000	10,860,000	75.7%
2036	9,525,000	3,658,879	13,183,879	300,000	9,825,000	78.8%
2037	8,940,000	3,210,941	12,150,941	300,000	9,240,000	81.6%
2038	7,835,000	2,792,564	10,627,564	300,000	8,135,000	84.1%
2039	7,605,000	2,401,060	10,006,060	300,000	7,905,000	86.5%
2040	7,360,000	2,025,050	9,385,050	300,000	7,660,000	88.9%
2041	6,365,000	1,676,090	8,041,090	300,000	6,665,000	91.0%
2042	6,705,000	1,336,270	8,041,270	300,000	7,005,000	93.1%
2043	7,065,000	978,250	8,043,250	-	7,065,000	95.3%
2044	7,440,000	601,120	8,041,120	-	7,440,000	97.6%
2045	7,840,000	203,840	8,043,840	-	7,840,000	100.0%
2046	-	-	-	-	-	100.0%
Total.....	\$ 305,185,000	\$ 141,160,181	\$ 446,345,181	\$ 19,320,000	\$ 324,505,000	

¹ Excludes bonds refunded or defeased.

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

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 project costs or 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 1/20th (1/30th 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 sewer notes issued in anticipation of state and/or federal grants. If 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 1/15th of the total amount of the notes issued by funds derived from 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).

Statement of Statutory Debt Limitation As of August 31, 2021

Total Tax Collections (including interest and lien fees)	
for the year ended June 30, 2021 (Unaudited).....	\$ 199,530,854
Reimbursement For Revenue Loss (Tax relief for elderly).....	-
Base for Debt Limitation Computation.....	\$ 199,530,854

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base.....	\$448,944,422	\$ -	\$ -	\$ -	\$ -
4 1/2 times base.....	-	897,888,843	-	-	-
3 3/4 times base.....	-	-	748,240,703	-	-
3 1/4 times base.....	-	-	-	648,475,276	-
3 times base.....	-	-	-	-	598,592,562
Total Debt Limitation.....	\$448,944,422	\$ 897,888,843	\$ 748,240,703	\$ 648,475,276	\$ 598,592,562

Indebtedness:					
Bonds Outstanding	\$141,364,500	\$ 54,970,500	\$ -	\$ -	\$ 108,850,000
Bonds – This Issue.....	15,405,000	3,915,000	-	-	-
Notes	-	-	-	-	-
Overlapping/Underlying Debt.....	-	-	-	-	-
Debt Authorized But Unissued.....	-	-	-	-	-
Total Net Indebtedness.....	\$156,769,500	\$ 58,885,500	\$ -	\$ -	\$ 108,850,000

DEBT LIMITATION IN EXCESS

OF OUTSTANDING INDEBTEDNESS.....	\$292,174,922	\$ 839,003,343	\$ 748,240,703	\$ 648,475,276	\$ 489,742,562
---	----------------------	-----------------------	-----------------------	-----------------------	-----------------------

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$1,396,715,978

**Authorized but Unissued Debt
As of August 31, 2021**

Project	Amount Authorized	Expected Grants	Previously Bonded	This Issue The Bonds	Authorized But Unissued Debt
Refunding Bonds	\$ 18,000,000	\$ -	\$ -	\$ 13,280,000	\$ -
3Rs School Projects.....	29,846,000	19,946,000	5,985,000	3,915,000	-
Roads & Sidewalks.....	6,450,000	2,200,000	2,125,000	2,125,000	-
Total	\$ 54,296,000	\$ 22,146,000	\$ 8,110,000	\$ 19,320,000	\$ -

**Current Debt Statement
As of August 31, 2021**

Long-Term Debt Outstanding:

General Purpose (Includes this issue).....	\$ 157,889,500
Schools (Includes this issue).....	59,325,500
Pension	108,850,000
Total Long-Term Debt.....	326,065,000
Short-Term Debt	-
Direct Debt.....	326,065,000
Overlapping/Underlying Debt.....	-
Total Overall Debt.....	326,065,000
Less: School Construction Grants Receivable (as of June 30, 2021)	-
Total Overall Net Debt.....	\$ 326,065,000

**Current Debt Ratios
As of August 31, 2021**

Population (2019) ¹	60,982
Net Taxable Grand List (10/1/20)	\$4,175,140,000
Estimated Full Value (70%).....	\$5,964,485,714
Equalized Grand List (10/1/19) ²	\$5,946,027,117
Money Income per Capita (2019) ¹	\$38,184

	Total Overall Debt	Total Overall Net Debt
Per Capita.....	\$5,321.32	\$5,321.32
Ratio to Net Taxable Grand List.....	7.77%	7.77%
Ratio to Estimated Full Value.....	5.44%	5.44%
Ratio to Equalized Grand List.....	5.46%	5.46%
Debt per Capita to Money Income per Capita (2019).....	13.94%	13.94%

¹ American Community Survey 2015-2019

² Office of Policy and Management, State of Connecticut.

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

Fiscal Year Ended 6/30	Total Debt Service	Total General Fund Expenditures¹	Ratio of Total Debt Service to General Fund Expenditures
2021 ²	\$ 23,908,844	\$ 262,418,955	9.11%
2020	18,278,026	256,514,368	7.13%
2019	16,400,237	252,692,826	6.49%
2018	20,894,837	241,766,806	8.64%
2017	20,325,784	238,276,320	8.53%
2016	22,139,790	222,551,036	9.95%
2015	14,183,868	208,005,986	6.82%
2014	16,213,367	207,944,664	7.80%
2013	16,280,508	201,069,301	8.10%
2012	15,339,245	189,196,483	8.11%

¹ Includes transfers out.

² Subject to audit. Note actual debt service is lower than budgeted debt service

Source: Town of Hamden Finance Department.

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

Fiscal Year Ended 6/30	Net Assessed Value (000's)	Estimated Full Value (000's)	Net Long-Term Debt (000's)¹	Ratio of Net Long-Term Debt to Assessed Value (%)	Ratio of Net Long-Term Debt to Estimated Full Value (%)	Population²	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income²
2020	\$ 3,885,918	\$ 5,551,311	\$ 294,205	7.57%	5.30%	60,982	\$ 4,824.46	12.63%
2019	3,875,829	5,536,899	298,180	7.69%	5.39%	60,982	4,889.64	12.81%
2018	3,864,173	5,520,247	299,190	7.74%	5.42%	60,982	4,906.20	12.85%
2017	3,864,777	5,521,110	285,690	7.39%	5.17%	60,982	4,684.83	12.27%
2016	4,069,919	5,814,170	268,885	6.61%	4.62%	60,982	4,409.25	11.55%

¹ Long-Term debt does not include Water debt, compensated absences, capital lease obligations, or State of Connecticut Clean Water Fund.

² American Community Survey (2015-2019), Money Income Per Capita \$38,184.

³ Subject to audit.

Source: Town of Hamden Audited Financial Reports 2016-2020. 2021 provided by Finance Department.

Authority to Incur Debt

The Town has the power to incur indebtedness as provided by the Connecticut General Statutes and the Town's Charter. Pursuant to Section 10-9 of the Charter, borrowing for capital projects that will cause the related debt service of the Town to exceed ten percent (10%) of the then current fiscal year's budget and borrowing for non-capital projects (e.g., the pension plans) that will cause the related debt service of the Town to exceed four percent (4%) of the then current year's budget shall be submitted to binding referendum.

(Remainder of page intentionally left blank)

SECTION V – FINANCIAL SECTION

Taxable Grand List (\$ in thousands)

Grand List As Of 10/1	Residential Real Property %	Commercial and Industrial Real Property %	Personal Property %	Motor Vehicle %	Gross Taxable Grand List (000's)	Exemptions, Veterans Relief and Disabled (000's)	Net Taxable Grand List (000's)	Percent Growth
2020 ²	69.78%	17.35%	4.91%	8.13%	\$ 4,234,661	\$ 59,521	\$ 4,175,140	7.18%
2019	65.35	20.21	5.94	8.50	3,955,041	59,762	3,895,279	0.24%
2018	65.32	20.20	5.93	8.55	3,943,460	57,542	3,885,918	0.26%
2017	65.25	20.11	4.82	8.47	3,931,878	56,049	3,875,829	0.30%
2016	65.53	21.71	4.55	8.21	3,913,253	49,080	3,864,173	-0.02%
2015 ²	65.76	21.59	4.42	8.23	3,913,423	48,646	3,864,777	-5.04%
2014	68.71	19.65	3.98	7.66	4,120,910	50,991	4,069,919	0.03%
2013 ¹	68.75	19.67	3.94	7.64	4,119,729	50,982	4,068,747	0.18%
2012	68.91	19.61	3.90	7.57	4,111,323	50,089	4,061,234	0.31%
2011	69.09	19.53	3.76	7.62	4,101,879	53,113	4,048,766	0.64%

¹ Income and Expense Penalty of \$4,276,837 removed from 2013 Grand List amount.

² Revaluation.

Source: Town of Hamden, Assessor's Office.

Major Taxpayers

Name of Taxpayer	Business	Taxable Valuation As of 10/1/20	Percent of Net Taxable Grand List ¹
Broadmoor 1 LLC Et Al.....	Apartments	\$ 42,311,500	1.01%
Hamden Developers LLC.....	Developer	40,381,530	0.97
Whitney Center Inc	Nursing CCRC	38,366,090	0.92
Canal Crossing.....	Apartments	35,784,350	0.86
MC Corporation	Retail	35,419,740	0.85
Seramonte Estates LLC.....	Apartments	32,667,810	0.78
Northington Hamden Investors LLC	Retail	32,312,210	0.77
Hamden Plaza Associates LLC.....	Retail	18,928,280	0.45
HTA 220 Whitney Mob LLC.....	Medical Office	16,731,890	0.40
Sutton Views LLC.....	Apartments	13,110,090	0.31
Total.....		\$ 306,013,490	7.33%

¹ Based on the Net Taxable Grand List of October 1, 2020 of \$4,175,140,000.

Source: Town of Hamden, Assessor's Office.

Tax Collections

Grand List of 10/1	Fiscal Year Ending 6/30	Mill Rate	Adjusted Annual Levy	Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/2020
2020 ¹	2022	52.44	\$ 217,165,137	n/a	n/a	n/a
2019 ²	2021	51.98	200,630,854	98.2%	1.8%	1.80%
2018	2020	48.86	187,094,759	98.6	1.4	1.40
2017	2019	47.96	183,018,517	98.4	1.5	1.30
2016	2018	45.26	180,458,992	98.5	1.5	0.60
2015 ¹	2017	45.36	164,933,109	98.7	1.3	0.40
2014	2016	40.87	162,702,112	98.6	1.4	0.33
2013	2015	39.93	161,657,046	98.7	1.3	0.39
2012	2014	38.94	157,577,658	98.6	1.4	0.25
2011	2013	37.14	150,149,003	98.5	1.5	0.20

¹ Revaluation.

² As of May 31, 2021

Source: Town of Hamden, Tax Collector

Property Taxes Revenues

The Town's budget for fiscal year 2021–22 derives 82.76% of its annual revenues through a direct property tax. The following table summarizes recent tax revenues as a percentage of total revenue.

Fiscal Year Ended June 30	Tax Revenues as % of Total Revenues
2021 ¹	80.28%
2020	74.55
2019	73.05
2018	77.13
2017	73.16
2016	76.63
2015	78.65
2014	75.39
2013	74.21
2012	74.34

¹ Subject to audit.

The comparative balance sheets, statements of revenues, expenditures, and changes in fund balance for the General Fund and other financial information presented herein are derived from audited financial statements for fiscal year 2020. See Appendix A – “Auditor’s Section” herein.

Comparative Balance Sheets – General Fund

	Actual 6/30/2020	Actual 6/30/2019	Actual 6/30/2018	Actual 6/30/2017	Actual 6/30/2016
Assets:					
Cash and Cash Equivalents	\$ 6,314,431	\$ 1,106,614	\$ 6,707,932	\$ 45,986,010	\$ 33,775,975
Investments	19,998,472	140,028	-	-	-
Prepaid Expenses	646,508	2,709,027	-	-	-
Property Taxes Receivable	-	-	-	-	-
Intergovernmental Receivables	-	-	-	-	-
Receivables, net	16,913,606	14,430,919	9,948,494	10,268,312	8,745,884
Due from Other Funds	7,574,111	9,057,362	3,484,016	5,458,140	6,188,478
Total Assets	51,447,128	27,443,950	20,140,442	61,712,462	48,710,337
Liabilities:					
Accounts and Other Payables	10,932,354	10,124,890	6,623,875	7,207,715	7,880,776
Unearned Revenues	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Due to Other Funds	8,165,795	3,345,565	2,657,959	37,597,235	25,846,989
Bond & Tax Anticipation Notes	20,000,000	-	-	-	-
Payments In Advance	-	-	-	-	-
Total Liabilities	39,098,149	13,470,455	9,281,834	44,804,950	33,727,765
Deferred Inflows:					
Payments In Advance	153,143	404,556	1,204,185	5,863,853	4,561,021
Unavailable Revenues	14,484,840	11,594,299	8,186,620	8,065,896	7,460,850
Total Deferred Inflows	14,637,983	11,998,855	9,390,805	13,929,749	12,021,871
Fund Balances:					
Unassigned	(3,032,831)	1,974,640	1,467,803	1,193,169	2,960,701
Assigned	-	-	-	-	-
Restricted	743,827	-	-	781,560	-
Committed	-	-	-	1,003,034	-
Reserved for Encumbrances	-	-	-	-	-
Reserved for Subsequent Year's Budget ..	-	-	-	-	-
Unreserved and Undesignated	-	-	-	-	-
Total Fund Balances	(2,289,004)	1,974,640	1,467,803	2,977,763	2,960,701
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 51,447,128	\$ 27,443,950	\$ 20,140,442	\$ 61,712,462	\$ 48,710,337
Operating revenues	\$ 252,843,159	\$ 234,248,326	\$ 235,167,120	\$ 217,509,730	\$ 217,509,730
Fund balance as percent of operating revenues	-0.91%	0.84%	0.62%	1.37%	1.36%

(Remainder of page intentionally left blank)

**Adopted Budget for Fiscal 2020-21, Projected Results for Fiscal 2020-21,
and Adopted Budget for Fiscal Year 2021-22**

	2020-21 Adopted Budget	2020-21 Estimated Results	2021-22 Adopted Budget
Revenues			
Taxes	\$ 200,630,854	\$ 199,712,833	\$ 217,167,137
Intergovernmental	36,859,046	36,859,046	33,810,690
Departmental revenues	11,438,779	12,187,274	11,441,128
Total revenues	\$ 248,928,679	\$ 248,759,153	\$ 262,418,955
Expenditures			
General government	\$ 16,246,583	\$ 18,835,316	\$ 18,754,924
Public safety	31,013,533	31,407,615	32,633,177
Public works	11,091,414	10,888,903	12,281,553
Culture and recreation	1,413,539	776,340	811,878
Health and welfare	776,340	1,413,539	2,047,670
Employee benefits	76,267,500	73,002,152	80,585,984
Debt service	22,474,845	16,181,643	23,908,844
Board of Education	89,644,925	89,644,925	91,394,925
Total expenditures	\$ 248,928,679	\$ 242,150,433	\$ 262,418,955
Excess of revenues over expenditures.....	\$ -	\$ 6,608,720	\$ -

Based on audited results, the fund balance for June 30, 2020 totaled negative \$2,289,004 and unassigned fund balance totaled negative \$3,032,831.

	6/30/2020 Actual	6/30/2021 Unaudited	6/30/2022 Budget
Total fund balance	-\$2,289,004	\$4,319,716	\$4,319,716
Total fund balance as percent of operating revenues	-0.92%	1.74%	1.65%
Unassigned fund balance	-\$3,032,831	\$4,319,716	\$4,319,716
Unassigned fund balance as % of operating revenues ...	-1.2%	1.7%	1.6%

Audited June 30, 2020 Financial Results

The Town's tax revenues and revenues from fees and services were negatively impacted by the COVID-19 pandemic. In addition, some departmental revenue projections were not realized, including fees for Town services, permits and a voluntary gift from Quinnipiac University and other non-tax, non-state sources. State assistance to the Town was paid on time and was over budget by approximately \$725,000. The Town ended FY 2020 with a deficit of \$4,263,644 resulting in a negative fund balance of \$2,289,004. This deficit was caused by a combination of optimistic revenue assumptions and the impact of COVID-19. Actual revenues came in approximately \$7.7 million lower than budgetary estimates, however, expenditures came in lower than budget by approximately \$2.7 million

Preliminary Financial Results for Fiscal Year 2021 (projected as of June 30, 2021)

The Town is projecting to end Fiscal Year 2021 with an operating surplus of approximately \$6.6 million which will increase fund balance to approximately \$4.3 million. Projected revenues are expected to come in about \$170,000 under budget, however expenses (excluding debt service) are also expected to come in under budget, resulting in a "core" surplus of approximately \$400,000. In addition, due to the 2020 debt restructuring, debt service is expected to be under budget by approximately \$6.2 million, resulting in a combined surplus of approximately \$6.6 million, which is expected to increase fund balance to a positive \$4.3 million as of June 30, 2021. The projected FY 2021 results include \$5.8 million of ARP COVID-19 aid, the use of which cannot be finalized at this time. Operating results for FY 2021 are preliminary and subject to change.

Adopted Budget for Fiscal Year 2022

The Town adopted a balanced budget of \$262.4 million for Fiscal Year 2022. The adopted FY 2022 budget is a 6.05% increase from the prior 2021 budget, or about \$17 million. The FY 2022 adopted budget includes an increase in mill rate by 0.46 mills or 0.8% to 52.44 mills. The Town also budgeted State aid to remain relatively flat at \$34 million. The increased revenues allow for a “structurally balanced” budget for FY 2022 with no use of ARP funds. The Town has budgeted 100% of its actuarially determined employer pension contribution of \$23.4 million. The Town has fully budgeted its projected pre-refunding debt service requirement of about \$23.9 million for FY 2022. Actual debt service is expected to total \$17.5 million, which is expected to result in a \$6.7 million positive variance in the debt service budget. The potential positive variances are expected to be used to bolster the Town’s fund balance.

Deficit Mitigation Plan

The Town incurred an operating deficit of \$4,263,644 for FY 2020, which reduced its general fund balance to negative \$2,289,004. The Town developed a deficit mitigation plan to rebuild its fund balance over the next several fiscal years. The details of the plan are described below and described in the “Adopted Budget for Fiscal Year 2022” above.

In August 2020 the Town issued refunding bonds that restructured debt service payments coming due in FY 2021 and FY 2022 into future years where the Town has a significant decline in total debt service. The Town fully budgeted for its projected pre-refunding debt service requirement of \$22.2 million for FY 2021. The issuance of the refunding bonds generated gross savings of approximately \$6.2 million of budgetary savings in FY 2021 and \$7.8 million of budgetary savings in FY 2022. As such, assuming budgeted revenues and expenses for FY 2021 and FY 2022 remain in balance, approximately \$6.2 million of the debt service savings in FY 2021 and approximately \$6.7 million of expected savings in FY 2022 will accrue to fund balance. In addition to the expected debt service savings, the Town is projecting a modest “core” operating surplus of about \$400,000, which together with the expected debt service savings will result in an aggregate surplus of about \$6.6 million for FY 2021.

Another debt restructuring is planned for July 2022 that the Town anticipates could generate approximately \$10 million of additional debt service saving in FY 2023, of which approximately \$8 million is expected to accrue to fund balance. After accounting for debt service savings on such refunding bonds, fund balance is expected to reach approximately \$20 million. The bulk of the increase in debt service from the planned July 2022 restructuring is expected to be repaid in FY 2033 and FY 2034.

(Remainder of page intentionally left blank)

Deficit Mitigation Plan*

A	B	C	D	E	F	G	H	I	J	K	L
Fiscal Year	Existing Debt Service Pre-2020 Restructuring	Phase 1 2020 Restructuring	Existing Debt Service Post-2020 Restructuring	2021 Series A New Money Component ⁽¹⁾	2021 Series A Refinancing Component ⁽²⁾	Phase 2 Planned 2022 Restructuring ⁽³⁾	Anticipated Pro-Forma Debt Service	Budgeted Debt Service ⁽⁴⁾	Potential Debt Service Savings ⁽⁵⁾	Projected Core Operating Surpluses ⁽⁶⁾	Actual or Projected Fund Balance
2020											(2,289,004)
2021	\$ 22,218,875	\$ (6,206,188)	\$ 16,012,688	\$ -	\$ -	\$ -	\$ 16,012,688	\$ 22,218,845	\$ 6,206,157	400,000	4,317,153
2022	25,321,420	(7,765,935)	17,555,485	-	(301,875)	(66,413)	17,187,197	23,908,844	6,721,647	500,000	11,538,800
2023	27,670,631	495,560	28,166,191	704,037	(682,546)	(10,142,719)	18,044,963	26,000,000	7,955,037	600,000	20,093,837
2024	29,406,391	495,560	29,901,951	558,300	(1,000)	268,851	30,728,101	28,000,000			
2025	28,967,445	495,560	29,463,005	546,100	(125)	267,985	30,276,965	30,000,000			
2026	29,080,323	495,560	29,575,883	533,900	(1,025)	269,351	30,378,109				
2027	29,185,034	495,560	29,680,594	521,700	(3,125)	274,420	30,473,588				
2028	29,304,863	495,560	29,800,423	509,500	(4,813)	270,182	30,575,292				
2029	29,409,699	495,560	29,905,259	497,300	(4,513)	265,563	30,663,609				
2030	29,485,827	495,560	29,981,387	485,100	(1,538)	268,501	30,733,450				
2031	28,110,219	1,870,310	29,980,529	468,000	(1,463)	270,513	30,717,579				
2032	18,456,890	11,528,530	29,985,420	456,000	(2,188)	266,726	30,705,958				
2033	16,401,449	1,271,000	17,672,449	442,500	-	7,696,685	25,811,633				
2034	14,922,798		14,922,798	427,500	-	1,995,125	17,345,423				
2035	14,701,883		14,701,883	412,500	-		15,114,383				
2036	13,183,879		13,183,879	397,500	-		13,581,379				
2037	12,150,941		12,150,941	382,500	-		12,533,441				
2038	10,627,564		10,627,564	367,500	-		10,995,064				
2039	10,006,060		10,006,060	352,500	-		10,358,560				
2040	9,385,050		9,385,050	337,500	-		9,722,550				
2041	8,041,090		8,041,090	322,500	-		8,363,590				
2042	8,041,270		8,041,270	307,500	-		8,348,770				
2043	8,043,250		8,043,250	-	-		8,043,250				
2044	8,041,120		8,041,120	-	-		8,041,120				
2045	8,043,840		8,043,840	-	-		8,043,840				
Total	\$ 468,207,808	\$ 4,662,198	\$ 472,870,006	\$ 9,029,937	\$ (1,004,211)	\$ 1,904,769	\$ 482,800,501				

(1) \$6,040,000 New Money component of General Obligation Bonds Issue of 2021

(2) \$14,840,000* Refunding component of General Obligation Bonds Issue of 2021

(3) Anticipated Restructuring in 2022. Preliminary projections subject to change

(4) The amounts budgeted for FY 2021 and FY 2022 are actual. Budgeted amounts after FY 2022 are projected and subject to change

(5) Projected fund balance replenishment, preliminary projections, subject to change

(6) Budgets are projected to be "structurally balanced" with moderate operating surpluses. These exclude the projected debt service savings

*preliminary, subject to change

The Town's Deficit Mitigation Plan includes various projections and assumptions based on current market conditions. The plan is subject to the audited results for FY 2021 and realization of projected revenues and expenditures during FY 2022 and future action from the Town to implement the plan. Subject to future market conditions and other factors, the Town should have additional refinancing opportunities within these next five fiscal years to provide additional budgetary flexibility should it be necessary.

In addition, critical to the success of the deficit mitigation plan is the Town's ability to continue to increase the amount budgeted for debt service over the next three years until it reaches about \$30 million. Also, the Town will need future approval from the Legislative Council for additional debt restructurings in order to generate additional savings to replenish fund balance. The amount of any additional bond issues for new capital projects may reduce the amount of debt service savings to be obtained from the Deficit Mitigation Plan

(Remainder of page intentionally left blank)

**General Fund Revenues, Expenditures and Changes in Fund Balance
(GAAP Basis)**

	Adopted Budget ² 2021-22	Estimated ² 2020-21	Actual ¹ 2019-20	Actual ¹ 2018-19	Actual ¹ 2017-18	Actual ¹ 2016-17
Revenues:						
Property Taxes	\$217,167,137	\$199,712,833	\$187,504,800	\$184,704,367	\$171,784,671	\$172,050,778
Intergovernmental	33,810,690	36,859,046	56,055,102	58,390,585	53,510,556	55,444,646
Charges for Services	7,054,670	7,028,958	6,051,627	6,962,788	7,003,112	6,567,295
Investment Income.....	250,000	100,000	550,553	688,221	492,069	282,741
Other	4,136,458	5,058,316	1,344,815	2,097,198	1,457,918	821,660
Total Revenues	262,418,955	248,759,153	251,506,897	252,843,159	234,248,326	235,167,120
Expenditures:						
Current:						
Education.....	91,394,925	89,644,925	111,773,244	114,506,224	105,137,150	103,125,849
General Government.....	18,349,673	18,835,316	11,481,176	10,720,466	9,379,886	9,026,168
Public Safety.....	32,633,177	31,407,615	29,757,196	29,211,768	29,468,771	28,333,828
Public Works.....	12,281,553	10,888,903	12,188,640	10,843,974	11,206,088	11,994,468
Health and Welfare.....	2,047,670	1,413,539	1,646,512	1,657,874	1,665,283	1,607,929
Culture and Recreation.....	811,878	776,340	3,153,456	3,039,234	3,003,027	2,914,609
Employee Benefits	80,585,984	73,002,152	68,236,118	66,313,049	61,011,764	60,947,685
Other.....	405,251	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service.....	23,908,844	16,181,643	18,278,026	16,400,237	20,894,837	20,325,784
Total Expenditures	262,418,955	242,150,433	256,514,368	252,692,826	241,766,806	238,276,320
Revenues over (under) expenditures	-	6,608,720	(5,007,471)	150,333	(7,518,480)	(3,109,200)
Other Financing Sources Uses:						
Proceeds from Sale of Bonds.....	-	-	-	178,238	2,665,582	-
Refunding Bond Proceeds.....	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	892,679
Payments to Escrow Agent	-	-	-	-	-	-
Operating Transfers In	-	-	743,827	178,266	3,342,938	2,233,583
Operating Transfers (Out)	-	-	-	-	-	-
Total other Financing Sources (uses)	-	-	743,827	356,504	6,008,520	3,126,262
Revenues and other financing sources over (under) expenditures and other financing (uses)	\$ -	\$ 6,608,720	\$ (4,263,644)	\$ 506,837	\$ (1,509,960)	\$ 17,062
Fund Balance, July 1	\$ -	\$ (2,289,004)	\$ 1,974,640	\$ 1,467,803	\$ 2,977,763	\$ 2,960,701
Restatement	-	-	-	-	-	-
Fund Balance, June 30.....	\$ -	\$ 4,319,716	\$ (2,289,004)	\$ 1,974,640	\$ 1,467,803	\$ 2,977,763

¹ GAAP Basis of accounting.

² Budgetary Basis of accounting.

Intergovernmental Revenues as a Percent of General Fund Revenues

<i>Fiscal Year</i>	<i>Intergovernmental</i>	<i>Total</i>	
<i>Ended 6/30</i>	<i>Revenues</i>	<i>Revenues</i>	<i>Percent</i>
2021 ^{1, 3}	\$ 33,810,690	\$ 262,418,955	12.9%
2020 ^{2, 3}	56,055,102	251,506,897	22.3%
2019	58,390,585	252,843,159	23.1%
2018	53,510,556	234,248,326	22.8%
2017	55,444,646	235,167,120	23.6%
2016	44,146,760	217,509,730	20.3%
2015	37,141,207	208,809,203	17.8%
2014	43,373,808	208,952,934	20.8%
2013	45,338,028	200,852,851	22.6%
2012	42,518,172	188,285,326	22.6%

¹ Budgeted.

² Subject to audit.

³ Does not include on-behalf teachers pension payments made by the State of Connecticut, which is not recognized for budgetary purposes.

Source: Annual Audited Financial Statements.

Capital Improvement Program

<i>Purpose</i>	<i>Fiscal</i>	<i>Fiscal</i>	<i>Fiscal</i>	<i>Fiscal</i>	<i>Fiscal</i>	<i>Fiscal</i>	
	<i>2021-22</i>	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>	<i>Total</i>
Animal Control	\$ 42,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,000
Assessor	1,370,000	-	-	-	-	1,370,000	2,740,000
Community Services	1,425,000	-	-	-	-	-	1,425,000
Economic Department	515,000	120,000	116,000	110,000	150,000	-	1,011,000
Engineering	6,981,300	6,550,000	6,605,000	3,220,000	4,973,000	6,020,000	34,349,300
Fire	930,000	1,015,000	80,000	213,000	830,000	-	3,068,000
Information Technology	840,000	225,000	225,000	225,000	225,000	-	1,740,000
Library	155,000	180,000	230,000	15,000	-	10,000	590,000
Parks	810,000	150,000	250,000	150,000	25,000	75,000	1,460,000
Planning & Zoning	75,000	-	-	-	-	-	75,000
Police	1,580,000	450,000	450,000	250,000	250,000	250,000	3,230,000
Public Works	4,352,000	1,420,000	1,100,000	802,000	600,000	600,000	8,874,000
Purchasing	370,000	90,000	45,000	80,000	80,000	130,000	795,000
Town Clerk	25,000	25,000	25,000	25,000	25,000	25,000	150,000
Traffic	1,570,000	700,000	700,000	700,000	700,000	700,000	5,070,000
Education - Facilities	2,785,000	3,640,000	2,460,000	2,055,000	3,210,000	374,500	14,524,500
Education - Technology	1,255,200	1,132,400	857,200	797,400	612,710	775,385	5,430,295
Total	\$ 25,080,500	\$ 15,697,400	\$ 13,143,200	\$ 8,642,400	\$ 11,680,710	\$ 10,329,885	\$ 84,574,095

<i>Funding</i>	<i>Fiscal</i>	<i>Fiscal</i>	<i>Fiscal</i>	<i>Fiscal</i>	<i>Fiscal</i>	<i>Fiscal</i>	
	<i>2021-22</i>	<i>2022-23</i>	<i>2023-24</i>	<i>2024-25</i>	<i>2025-26</i>	<i>2026-27</i>	<i>Total</i>
G.O. Bonds	\$ 20,080,500 ¹	\$ 11,697,400	\$ 9,143,200	\$ 5,642,400	\$ 6,680,710	\$ 5,329,885	\$ 58,574,095
Grants	5,000,000	4,000,000	4,000,000	3,000,000	5,000,000	5,000,000	26,000,000
Other	-	-	-	-	-	-	-
Total Funding Sources...	\$ 25,080,500	\$ 15,697,400	\$ 13,143,200	\$ 8,642,400	\$ 11,680,710	\$ 10,329,885	\$ 84,574,095

¹ The bulk of these bonds were issued in 2020 and the remaining bonds will be issued in this issue.

The Town expects to fund its Capital Improvement Program from a combination of bonds, grants and leases.

Future Debt Issuance Plans

Beyond the ongoing Deficit Mitigation Plan discussed above, the Town expects no major capital needs for the next three to five years though the Town plans to issue roughly \$5 to \$10 million annually for general capital needs over the next five years. Embedded in the 2021 issue is \$6,040,000 for new capital projects including the 3R's school project and roads and sidewalks. After this issue the Town does not have any remaining authorized but unissued debt, net of expected grants.

Budget Procedure

The Town adheres to the following procedure in establishing the budgetary data included in the General Fund and certain Special Revenue Funds financial statements. Financial controls are provided by the Legislative Council, which is responsible for approving annual budgets, approving all other Town appropriations and determining the tax rate. The annual budget-making process for the Town is outlined in Chapter X of the Town Charter. The timetable is established annually but all actions must be completed at least 45 days prior to the beginning of each fiscal year based upon a budget submitted by the Mayor. The process is detailed below:

<u>On or About</u>	<u>Action</u>
By February 23	Departments, office, boards, and commissions submit estimates of receipts and expenditures to the Mayor and Director of Finance.
By March 18	The Mayor submits the budget to the Legislative Council not later than 105 days before the end of the fiscal year.
By May 1	The Legislative Council holds one or more public hearings to obtain taxpayer comments no later than 60 before the beginning of the fiscal year.
By May 17	The Legislative Council adopts the budget not later than 45 days before the beginning of the fiscal year.
July 1	The new fiscal year begins.

All unencumbered appropriations lapse at year-end, except those for the Capital Projects Fund and certain special revenue grants. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

Audit

The Town, in accordance with the provisions of Chapter 111 of the Connecticut General Statutes, employs the services of an independent CPA firm to audit its financial records annually. The audit is conducted in compliance with Public Act 77-611 and contains the financial statements of the Town and the auditor's opinion thereon, in addition to specific comments and recommendations.

Assessment Practices

The Town completed a physical revaluation on the Grand List of October 1, 2020. A physical revaluation is required every ten years with five-year revaluation updates in between physical revaluations. The Town will complete a statistical revaluation by October 1, 2025.

The maintenance of an equitable tax base by locating and appraising all real and personal property within the Town for inclusion onto 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.

Connecticut General Statutes Section 12-71e, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property, but caps the motor vehicle tax rate at 45.00 mills for the assessment year commencing October 1, 2017, and each assessment year thereafter. Section 4-66l of the General Statutes, as amended, diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicle tax rates for the current 2019 assessment year (the fiscal year ending June 30, 2021) is 45.00 mills.

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 are 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.

Section 12-124a of the Connecticut General Statutes permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent (8%) of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at six percent (6%) per annum, at such rate approved by the legislative body at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. The Town has not approved the use of this abatement provision to date.

Property Tax Levies and Collections

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Real, personal property and motor vehicle taxes are billed in the following July and are payable in two installments on July 1 and January 1, except any tax under \$250 which is payable in full on July 1. Motor vehicle supplemental bills are payable on January 1. A significant estimate for outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with state law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are liened each year prior to June 30 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 at which time they cease to be carried as receivables. Real estate accounts are considered uncollectible fifteen years after the due date in accordance with Connecticut General Statutes, Section 12-164.

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 (within 60 days of the close of the fiscal year) are to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as deferred revenue on the Town's financial statements. Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes, which are deemed to be uncollectible.

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

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

Investment Practices

Under the Town Charter and under Connecticut General Statutes Sections 7-400, 7-401 and 7-402, and under an Investment Policy (the "Policy") implemented by the finance office, the Town may invest in certificates of deposit, repurchase agreements, municipal notes and bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, mutual funds and money market mutual funds.

The Town's investment practices have been to invest only in certificates of deposit, repurchase agreements and the State of Connecticut Short Term Investment Fund. All investments are to be approved by the Director of Finance. The Director of Finance has followed these investment practices, and the Town's operating funds and capital funds are currently invested in the following short-term investments: (1) overnight repurchase agreements with specified banks collateralized by U.S. agency obligations such as the Federal Home Loan Mortgage Corporation which are valued daily; and (2) overnight U.S. Treasury obligations. Under the Policy, there are set investment limits for each bank named as a public depository, depending on each bank's financial performance. Quarterly public depository financial statements are reviewed to determine that the risk-based capital ratio of any bank does not fall below 4%.

All Town pension funds are invested in mutual funds and securities as determined by the pension fund administrators. Board of Education pension funds are invested in a cost-sharing, multiple-employer public employees retirement system established by the State of Connecticut and administered by the State of Connecticut Retirement Commission to provide pension benefits for the employees of participating municipalities.

Risk Management

The Town and the Board of Education are exposed to various risks of loss related to public official liability, employee health and medical, police professional liability, theft or impairment of assets, errors or omissions, injury to employees, natural disasters, and owners and contractors protective liability.

The Town and the Board of Education purchase commercial insurance for all risks of loss other than employee medical and heart and hypertension. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the past three years.

The Town currently is a member in Connecticut Interlocal Risk Management Agency ("CIRMA"), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of Connecticut General Statutes, for workers' compensation, auto liability, general liability, public officials liability, school leaders liability, police professional liability, umbrella and property insurance. CIRMA currently has 233 members in the workers' compensation pool. The Town pays an annual premium for its coverage. CIRMA is to be self-sustaining through members' premiums but reinsures in excess of \$1,000,000 for each insured occurrence. Members may be subject to supplemental assessment in the event of deficiencies; however, potential assessments are limited pursuant to the by-laws. The Town is subject to a \$300,000 per claim deductible for workers' compensation claims for claims from July 1, 1999 to June 30, 2009. The Board of Education was also covered by CIRMA on a fully insured basis for this same period of time.

The Town and Board of Education also maintain coverage for claims in excess of the CIRMA liability limits through a policy issued by American International Group (AIG).

Beginning on July 1, 2009, the Town and Board of Education became self-insured for Workers' Compensation coverage. The program was reinsured through New York Marine & General Insurance Company. The Town retains the first \$500,000 of each loss. PMA of Connecticut serves as the Claims Administrator for the program.

Beginning on July 1, 2010, the Town and Board of Education changed the carrier for the Excess Worker's Compensation coverage to Safety National Insurance Company.

The self-insurance programs for medical insurance are being administered by a third-party administrator and are reported as an internal service fund. The third-party administrator is Anthem Blue Cross and Blue Shield of Connecticut. Medical insurance premiums are based upon estimates by number of employees and type of coverage (single or family), trends in the insurance claims and estimates for administration. The claims liability reported is based upon the requirements of GASB Statements No. 10 and 30, which require that a liability for estimated claims incurred but not reported be recorded. The Town maintains stop loss coverage of \$250,000 for individual medical claims.

Pension Plans

The Town maintains the Employees Retirement Plan of the Town (the “Town’s Retirement Plan” or the “Plan”), a single-employer, defined benefit public employee retirement system. The Plan was established by the Town in 1949 and covers all full-time Town employees who are members of the police or fire departments (“Guardian employees”) hired prior to July 1, 2006 and all other full-time employees (“Service employees”) hired prior to July 1, 2007. Current and former employees covered by the Connecticut State Teachers Retirement System are not part of the Plan. The Plan is governed by an eleven-member board composed of two Guardian employees, two Service employees, one member of the Plan who is not a member of a bargaining unit, four persons who are not members of the Plan, the Mayor and the Finance Director. As of July 1, 2020, the date of the most recent valuation, 780 retired participants and beneficiaries, 21 vested former participants and 294 active participants are in the Town’s Retirement Plan.

Effective July 1, 2007, the Town closed the Plan and all new hires, except those in the Connecticut State Teachers’ Retirement System, are enrolled in the Connecticut Municipal Employees Retirement System (“CMERS”). CMERS is a defined benefit plan administered by the State Retirement Commission. The State Treasurer’s office is responsible for investing CMERS funds for the exclusive benefit of CMERS members. The Town currently has 31 Guardian employees and 37 Service employees enrolled in CMERS. CMERS is funded by employee and employer contributions at rates set by the State Retirement Commission to fund the remaining costs. The Town also contributes towards the administrative costs of CMERS. As of June 30, 2020, CMERS was 75.9% funded. For fiscal year 2020-21, the Town contributes 11.38% and 14.98% of participants pay to CMERS for Service and Guardian employees, respectively; these rates will remain the same for the fiscal year ending June 30, 2022. CMERS does not provide unfunded information for participating employers, but the Town’s estimated unfunded liability to CMERS was approximately \$38,676,899 as of June 30, 2019, based on the Town’s proportionate share of 4.65%.

The following table represents recent Town funding payments for the Plan and CMERS.

<i>Fiscal Year Ended 6/30</i>	<i>Plan</i>	<i>CMERS</i>	<i>Total</i>
2013.....	\$ 9,340,000	\$ 923,474	\$ 10,263,474
2014.....	12,500,000	1,110,466	13,610,466
2015.....	14,768,025	1,700,000	16,468,025
2016.....	12,100,000	2,219,517	14,319,517
2017.....	14,747,073	2,350,000	17,097,073
2018.....	12,650,000	3,052,674	15,702,674
2019.....	15,925,708	3,210,514	19,136,222
2020.....	19,210,000	4,049,000	23,259,000
2021 ¹	23,600,000	4,894,872	28,494,872
2022 ²	23,600,000	5,569,572	29,169,572

¹ *Unaudited.*

² *Budgeted.*

The certified teaching faculty and administrative personnel of the Town participate in the Connecticut State Teachers Retirement System, administered by the Connecticut State Teachers Retirement Board. This is a noncontributory multiple-employer Public Employer Retirement System. The Town does not contribute to the plan nor does it have any legal obligation for benefit payments.

General Funding Practices of the Town’s Retirement Plan

Since the issuance of the Town’s General Obligation Bonds, Issue of 2015 (Federally Taxable) (the “2015 POBs”), actuarial valuations of the Town’s Retirement Plan are performed as of July 1 on an annual basis. The actuarial valuation uses recognized methods to calculate the actuarial value of assets and the actuarial accrued liability of the Plan. The most recent actuarial valuation as of July 1, 2020 was prepared by Segal Consulting, the Town’s actuary (the “Actuary”). The valuation was posted on the Electronic Municipal Market Access (“EMMA”) website under “Other Financial/Operational Data” on January 23, 2021.

Participant Data

The actuarial valuation and review considers the number and demographic characteristics of covered participants, including active participants, vested terminated participants, retired participants and beneficiaries. The Plan has been closed to new entrants since 2007 for Service employees and 2006 for Guardian employees and therefore the number of active participants is declining. The average age, service, and salary of the active population in the Plan are increasing. In the July 1, 2020 actuarial valuation, there were 294 active participants with an average age of 54.0, average credited service of 19.8 years and average salary of \$76,792. The 349 active participants in the July 1, 2018 actuarial valuation had an average age of 52.8, average service of 18.5 years and average salary of \$74,751. There were 21 participants with a vested right to a deferred or immediate vested benefit as of July 1, 2020, and 26 as of July 1, 2019. In the July 1, 2020 actuarial valuation, there were 653 retired participants and 127 beneficiaries receiving total monthly benefits of \$2,453,490. For comparison, in the July 1, 2019 actuarial valuation, there were 633 retired participants and 120 beneficiaries receiving total monthly benefits of \$2,299,560.

Financial Information

Retirement plan funding anticipates that, over the long term, both net contributions (less administrative expenses) and net investment earnings (less investment fees) will be needed to cover benefit payments. Retirement plan assets change as a result of the net impact of these income and expense components.

It is desirable to have level and predictable plan costs from one year to the next. For this reason, there is an asset valuation method in place that gradually adjusts the actuarial value of assets to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value. Both the actuarial value and market value of assets are representations of the Plan's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial asset value is significant because the Retirement Plan's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

Actuarial Experience

To calculate the required contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions.

The actual experience that is compared against the assumptions include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),
- the number of disability retirements, and
- salary increases different than assumed.

If the overall experience is more favorable than anticipated (an actuarial gain), the contribution requirement will decrease from the previous year. On the other hand, the contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss). Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single years' experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience. If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The following chart summarizes the Retirement Plan's gains and losses, as identified in the last seven actuarial valuations. Gains and losses of 1% or less per year are considered not to be significant. As can be seen in the chart, the gains and losses attributable to non-investment sources have been below this threshold.

Ending June 30	Actuarial Accrued Liability (AAL)	Market Value Gain/(Loss)		Actuarial Value Gain/(Loss)	
		Amount	Percent	Amount	% of AAL
2016	\$ 441,521,657	\$ 1,468,812	0.93%	\$ 7,711,484	4.75%
2017	451,720,219	17,069,663	11.32%	9,520,541	5.91%
2018	457,739,253	12,388,835	7.84%	10,000,820	6.22%
2019	464,399,881	11,847,000	7.41%	9,535,348	5.95%
2020	167,164,240	8,643,628	5.28%	10,667,622	6.60%

Funding Status of the Town's Retirement Plan

Payments into the Plan are made from Town and employee contributions. The table below shows Town contributions, employee contributions, net investment income, administrative expenses paid, benefits paid and the actuarial value of the Plan assets for the fiscal years ending June 30, 2013 through June 30, 2022.

Information in the tables derived from the Town's internal records, audited financial statements and information provided by the Town's actuarial consultants.

Year ended June 30	Town Contributions	Employee Contributions	Net Investment Return	Administrative Expenses	Benefit Payments	Actuarial Value of Assets at end of year
2013	\$ 9,340,000	\$ 2,153,222	\$ 2,355,295	\$ 101,595	\$22,346,744	\$ 50,242,305
2014	12,500,000	2,181,831	5,916,442	76,352	23,582,140	46,762,549
2015 ¹	137,071,112	2,232,056	(1,355,734)	109,273	24,325,333	163,625,550
2016	12,100,000	2,195,488	1,468,812	118,719	24,437,110	154,834,124
2017	14,747,073	2,042,495	17,069,663	102,711	24,860,542	163,730,102
2018	12,650,000	2,120,410	12,778,234	389,399	26,294,357	164,594,990
2019	15,925,708	2,048,827	12,214,384	367,384	27,203,572	167,101,771
2020	19,210,000	2,054,602	9,211,121	567,493	28,019,858	168,825,303
2021 ²	23,600,000	N/A	N/A	N/A	N/A	N/A
2022 ³	23,600,000	N/A	N/A	N/A	N/A	N/A

¹ For FY 2015, the Town contribution includes the deposit of \$122,303,087 from the issuance of the 2015 POBs in March 2015.

² Subject to audit.

³ Projected.

Note: Employee contributions rates have increased as follows:

- The rate for Guardians increased from 8.00% to 8.50% of pay, effective July 1, 2013.
- The rate for Service employees increased from 6.50% to 7.00% on July 1, 2013, 7.00% to 7.50% on July 1, 2014, 7.50% to 7.75% on July 1, 2015, and from 7.75% to 8.00% of pay effective July 1, 2016.

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 7.00%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percent point lower (6.00%) or 1 percent higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$352,187,386	\$298,338,937	\$253,155,328

Recommended Contribution

The amount of annual recommended contribution required to fund the Plan is comprised of an employer normal cost payment and a payment on the unfunded actuarial accrued liability. The recommended contribution for the Town's fiscal year beginning July 1, 2014 was based on a 30-year increasing amortization with 2% annual increases expected. The 2% growth is tied to the Town's expected budgetary increases. The 30-year period was reestablished with the 2014 valuation, in conjunction with the issuance of the 2015 POBs pursuant to the Pension Statute; pursuant to the Pension Statute, the 30-year amortization period is fixed from the date of issuance of the 2015 POBs and will decline in the future.

The Town developed a strategy to fund the Plan that meets the Pension Statute requirements and provides a level payment for all of the Town's retirement plans in total, for ease in budgeting. Thus, after the initial and a subsequent ramp up period in May 2018, the Town expects to contribute 100% of the annual recommended contribution under the Pension Statute. As the CMERS cost increases, the Town's contribution to the Plan will decrease such that the total contribution remains level.

The Town's contribution to the Plan compared to the Plan's actuarially recommended contribution for the Plan year ending June 30, 2013 through June 30, 2021, and projected actuarially recommended contribution for the Plan year ending June 30, 2022 are shown below.

Year Ending	Town Contribution	Annual Required Contribution ("ARC")	Percent of ADEC Contributed
June 30, 2013.....	\$ 9,340,000	\$ 27,145,128	34.4
June 30, 2014.....	12,500,000	27,688,031	45.1
June 30, 2015.....	14,768,025	29,536,050	50.0
June 30, 2016.....	12,100,000	21,998,113	55.0
June 30, 2017.....	14,747,073	21,067,247	70.0
June 30, 2018.....	12,650,000	21,974,384	57.6
June 30, 2019.....	15,925,708	22,605,704	70.4
June 30, 2020.....	19,210,000	23,230,930	82.7
June 30, 2021.....	23,600,000	23,600,000	100.0
June 30, 2022*	23,600,000	23,400,000	100.9

**Pursuant to the Pension Statute, which was revised for the Town in May 2018, the Town was required to contribute 55% of the ARC for fiscal 2018, 70% of the ARC or an amount \$3,000,000 more than the prior year, whichever is less, for fiscal 2019, 85% of the ARC or an amount \$3,000,000 more than the prior year, whichever is less, for fiscal 2020, and 100% of the ARC for fiscal 2021 and thereafter. For fiscal 2022, the Town has budgeted for 100% of the ARC in the Town Council approved budget.*

Actuarial valuations are performed as of July 1. The actuarial valuation uses recognized methods to calculate the actuarial value of assets and the actuarial accrued liability of the Plan. Set forth below are the actuarial accrued liabilities, the actuarial value of assets, the resulting unfunded accrued liabilities, the funded ratios on an actuarial and market basis, and the ratio of actuarial value of assets to market value of assets for the 2016 to 2020 valuations.

Ending June 30	Actuarial Accrued Liability (AAL)	Market Value Gain/(Loss)		Actuarial Value Gain/(Loss)	
		Amount	Percent	Amount	% of AAL
2016	\$441,521,657	\$ 1,468,812	0.93%	\$ 7,711,484	4.75%
2017	451,720,219	17,069,663	11.32%	9,520,541	5.91%
2018	457,739,253	12,388,835	7.84%	10,000,820	6.22%
2019	464,399,881	11,847,000	7.41%	9,535,348	5.95%
2020	467,164,240	8,643,628	5.28%	10,667,622	6.60%

Strategic Plan to Fully Fund the Town's Retirement Plan

To formally address the underfunding of the Retirement Plan, Hamden engaged the services of Segal Consulting in 2012 to conduct a six-month planning process designed to develop a long-term, multi-tiered program to dramatically increase the Plan's funded ratio. Experts from Segal Consulting in the areas of actuarial pension analysis, the Town's Municipal Advisor, Bond Counsel, Pension Investment Advisors and representatives from the Mayor's Office, Finance Department, Legislative Council, Union Representatives and Personnel Department were part of a working group that participated and contributed to developing the plan. The plan developed was presented to the Hamden Legislative Council and the public on January 31, 2013.

The plan for comprehensive pension reform and full funding of Hamden's Retirement Plan contained recommendations for increased funding of the existing Plan in a fashion that yields long-term tax stability. It supplied options for a new Plan design for future employees that reduced overall retirement costs and managed investment risk between the employer and the employee. It outlined the cost-of-living ("COLA") increases under the current Pension Ordinance and cost-savings that could be achieved through COLA reduction. It also identified administrative/technical changes that could provide enhanced oversight and projections for the fund. The issuance of the Town's 2015 General Obligation Bonds, Issue of 2015 (Federally Taxable) (the "2015 POBs") to increase the corpus of the fund was included in the Plan. Finally, a change to the fund valuation timeliness, development of a defined contribution program, and moving to a level-dollar total contribution model, for the retirement programs combined, were part of the comprehensive pension reform package.

The Town formally took action to implement recommended changes designed to solve the pension underfunding issue. In connection with the issuance of the 2015 POBs, the Town sponsored legislation to make funding the Retirement Plan more affordable for the Town's taxpayers. In June 2014, the Connecticut General Assembly adopted Public Act 14-217 (the "Town Pension Act"), which allowed the Town to "ramp up" its ARC payments to the Retirement Plan. Pursuant to the Town Pension Act, the Town was permitted to make the following ARC payments pursuant to the Pension Statute: (i) for the fiscal year in which the pension deficit funding bonds were issued, not less than 50% of the ARC; (ii) for the first fiscal year subsequent to the year of issue of the pension deficit funding bonds, not less than 55% of the ARC or an amount equal to \$5 million more than the contribution in the prior fiscal year, whichever is less, (iii) for the second fiscal year subsequent to the year of issue of the pension deficit funding bonds, 70% of the ARC or an amount equal to \$5 million more than the contribution in the prior fiscal year, whichever is less, (iv) for the third fiscal year subsequent to the year of issue of the pension deficit funding bonds, 80% of the ARC or an amount equal to \$5 million more than the contribution in the prior fiscal year, whichever is less, and (v) for the fourth fiscal year subsequent to the year of issue of the pension deficit funding bonds and for each fiscal year thereafter, 100% of the ARC required pursuant to Pension Statute. On March 10, 2015, the Town issued \$125,000,000 aggregate principal amount of the 2015 POBs to help fund the Town's unfunded liability.

In May 2018, at the Town's request, the General Assembly adopted Section 2 of Public Act 18-169, which revised the Town Pension Act to reduce the actuarially recommended contribution for fiscal years 2018, 2019 and 2020. The legislation allowed the Town to contribute 55% of its actuarially recommended contribution, rather than 80%, for FY 2018, saving the Town \$5,050,000. For FY 2019, the amendment reduces the actuarially recommended contribution to 70%, or an amount \$3,000,000 more than the prior year, whichever is less, and for FY 2020, the amendment reduces the actuarially recommended contribution to 85%, or an amount \$3,000,000 more than the prior year, whichever is less, rather

than 100% of the actuarially recommended contribution for FY 2019 and 2020. The Town's actuarially recommended contribution for FY 2021 and thereafter will be 100%.

To address the extraordinary cost of the COLA, the Mayor implemented a provision of the Town Retirement Ordinance that reduces the COLA payments to retirees from the 3% which had been given annually to an inflation-based COLA equal to 1.37% for 2016, 2.50% for 2017, 2.07% for 2018, 1.55% for 2019 and 2.49% for 2020. This percentage is derived from the Consumer Price Index, and the Town will use this as a metric for future COLA increases, reducing this significant pressure on the Plan.

Section 7-374c of the Connecticut General Statutes (the "Pension Statute") provides that as long as the pension deficit funding bonds are outstanding, the municipality shall (a) appropriate funds each year in an amount sufficient to meet the ARC and contribute such amount to the Retirement Plan, commencing with the fiscal year in which the pension deficit funding bonds are issued and (b) notify OPM annually of the amount of the ARC and the amount actually contributed to the Retirement Plan. The Pension Statute provides that if the municipality fails to appropriate sufficient funds to meet the ARC in any fiscal year, there shall be deemed appropriated an amount sufficient to meet such requirement, notwithstanding the provisions of any other general statute, special act or local law. Under the Pension Statute, "ARC" is defined as the annual required contribution of the municipal employer to the pension plan of the municipality, as established by the actuarial valuation and determined by an enrolled actuary in a method and using assumptions meeting the parameters established by generally accepted accounting principles, provided the amortization schedule used to determine such contribution shall be fixed and shall have a term not longer than the longer of ten years, or thirty years from the date of issuance of the pension deficit funding bonds. In the event that the funding ratio of the Plan, as determined immediately succeeding the deposit of the proceeds of pension bonds, is reduced by 30% or more, the maximum permitted term of such amortization schedule shall be reduced by the same percentage. As such, if the Town's Retirement Plan had a funding ratio of approximately 37% after the deposit of the proceeds of the 2015 POBs, a reduction in the funding ratio to 24.8% (a 33% reduction), could trigger a reduction of the amortization schedule of 10 years, significantly increasing the Town's annual ARC payment. Such a significant increase in the Town's annual ARC payment could force the Town to seek legislative relief to avoid violating the Pension Statute requirement to appropriate and deposit the ARC to the Retirement Plan each year the pension deficit funding bonds are outstanding.

Under the Pension Statute, the municipality is required to provide the Secretary and the Treasurer on an annual basis with (i) an actuarial valuation of the Retirement Plan, (ii) any changes that have been made in the actuarial assumptions or methods, (iii) the footnote disclosure and required supplementary information disclosure required by GASB Statement No. 27 with respect to the Retirement Plan, and (iv) a review of the investments of the Retirement Plan and an analysis of performance by asset class.

It is unclear under the Pension Statute what remedies are available if the Town fails to budget and/or deposit the ARC to the Retirement Plan. However, an "appropriation" is the legal authority to spend money within a Town budget. Although never tested, it is believed the State could obtain a judgment and require the contribution to be deposited to the Retirement Plan. In addition, the Town receives more than \$30 million of revenues from the State, which could be intercepted and deposited into the Retirement Plan.

Investments

The Retirement Plan's Investment Policy, last revised in September 2012, outlines the long-term objectives, goals and guidelines of the Plan. It states the responsibilities of the Plan's service providers and the Board in overseeing the Plan. The document establishes and defines the performance measurement criteria, permissible and restricted investments, communication policies, trading policies, proxy voting guidelines and asset allocation.

Dahab Associates, the Town's Pension Plan Consultants, provided an asset allocation study in October 2014. The study identified allocations to improve the Plan's probability of achieving the 7.0% rate of return on both a short- and long-term basis. Recognizing the closed nature of the Plan, the exposure to less liquid asset classes was limited and allocations that are expected to have a greater likelihood of lower volatility in returns were favored.

In connection with the issuance of 2015 POBs, there was a slight shift in asset allocation. Two new asset classes, global tactical asset allocation (GTAA) and private equity real estate were introduced, while the overall exposure to domestic equity was reduced. The new target allocation of the Plan is 20% large cap equity, 10% small/mid cap equity, 10% international equity, 10% real estate, 10% GTAA; 40% bonds; and 0% cash. Based on the asset allocation study, the portfolio is expected to earn a return of 8.90% over the next 20 years with a standard deviation of 8.88%. The revised asset allocation has a greater than 61% probability of achieving the expected 7.00% actuarial rate of return.

The Plan's current allocation and the revised target allocation are detailed below:

Asset Class	Current Allocation	Revised Target Allocation
Large Cap Equity.....	25.80%	20%
SMID Cap Core Equity.....	14.70%	10%
International Equity.....	15.50%	10%
Real Estate.....	4.80%	10%
Global Tactical Asset Allocation....	0.00%	10%
Broad Market Bonds.....	38.70%	40%
Cash.....	0.50%	0%
Total.....	100.00%	100%

The following chart provides the 20-year historical returns for the Retirement Plan, as culled from the Town's actuarial valuation reports completed over the last 20 years. The average annual return for the past 20 years was approximately 4.84%.

Year Ended 30-Jun	Market Return	Year Ended 30-Jun	Market Return
2001	-10.71%	2011	20.50%
2002	-9.92%	2012	0.02%
2003	2.14%	2013	9.78%
2004	9.26%	2014	14.70%
2005	9.38%	2015	-1.63%
2006	9.01%	2016	0.93%
2007	15.27%	2017	11.32%
2008	-4.58%	2018	7.67%
2009	-14.64%	2019	7.41%
2010	15.61%	2020	5.28%

(Remainder of page intentionally left blank)

Financial Reporting Standard

Governmental Accounting Standards Board (GASB) Statement No. 67 is effective for plan years beginning after June 15, 2013. GASB 67 generally expands the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position, and requires additional note disclosures and required supplementary information.

GASB 67 requires plans to project the expected income from contributions and investments, and outflows due to benefit payments and expenses, and the Plan's liabilities are recalculated by discounting benefits which are projected to be fully funded with the funding rate, and discounting any unfunded benefits with a 20-year bond rate. For the Town, the 2015 POBs were issued in fiscal year ending June 30, 2015, plus contributions from the Town and employees. Future contributions are assumed to be made by the Town in accordance with the Town Pension Act, and employee contributions are presumed to continue as currently specified in employee agreements. The current assets plus income from the above sources is projected to fund future benefits, and therefore there are no unfunded benefits discounted at a 20-year bond rate. As a result, the liabilities for GASB 67 reporting were calculated at a 7.00% rate, the same as the funding rate for valuation purposes.

GASB 67 requires the liabilities to be compared to the market value of assets, rather than a smoothed actuarial value. As of June 30, 2017, the Plan had \$163.7 million in assets and \$451.7 million in liabilities, and thus the net pension liability was \$288.0 million. As of June 30, 2018, the Plan had \$164.5 million in assets and \$457.7 million in liabilities, and thus the net pension liability was \$293.2 million. As of June 30, 2019, the Plan had \$167.1 million in assets and \$464.4 million in liabilities, and thus the net pension liability was \$297.3 million. As of June 30, 2019, the fiduciary net position as a percentage of total pension liability was 35.98%.

Also, additional pension information including the Town's July 1, 2019 actuarial pension valuation report and a detailed pension study completed by Segal Consulting were filed on the EMMA website.

Other Post-Employment Benefits (OPEB)

The Town provides post-employment health care benefits in accordance with employee bargaining agreements to all employees who retire with at least 20 years of regular service or 10 years of service for disability retirement. As of July 1, 2019 the Town's plan consisted of 1,636 retirees including spouses and 1,110 active plan participants, which includes teachers hired after July 1, 1999. The Town provides coverage through contract carriers for retirees over 65 and a self-insurance program for retirees under 65. The Town currently pays for these services on a pay-as-you-go basis. For fiscal years 2011–12 through 2020–21, the Town's pay-as-you-go contribution is as set forth below.

The Town has complied with the requirements of Governmental Accounting Standards Board ("GASB") Statements 43 and 45, which require municipalities and other governmental entities to undertake an actuarial evaluation of their other post-employment benefit ("OPEB") plans and include information concerning the valuation of such plans in their financial statements. The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

Schedule of Employer Contributions

<i>Fiscal Year</i>	<i>Annual OPEB Cost</i>	<i>Actual Contributions</i>	<i>Percentage Contributed</i>
2021 ¹	\$39,750,000	\$19,300,000	48.6%
2020	39,450,457	18,817,500	47.7%
2019	38,269,611	17,818,722	46.6%
2018	34,444,433	16,050,000	46.6%
2017	32,492,119	14,650,000	45.1%
2016	35,570,962	18,377,480	51.7%
2015	34,567,833	17,338,134	50.2%
2014	34,884,722	17,669,283	50.7%
2013	33,920,115	16,718,841	49.3%
2012	33,055,026	15,847,243	47.9%

¹ Projected. Subject to audit.

Net OPEB Liability

	2020	2019	2018
<i>Total OPEB Liability</i>			
Service Cost.....	\$ 8,083,621	\$ 8,832,669	\$ 9,293,258
Interest.....	18,268,650	19,768,766	18,746,907
Changes in Benefit Terms.....	-	(11,626,527)	-
Differences Between Expected and Actual Experience.....	(4,949,136)	48,022,928	(2,365,223)
Changes of Assumptions.....	98,974,673	(34,540,249)	(20,857,617)
Benefit Payments, Including Refunds of Member Contributions.....	(17,721,843)	(19,566,412)	(17,183,899)
Net Change in Total OPEB Liability.....	\$ 102,655,965	\$ 10,891,175	\$ (12,366,574)
Total OPEB Liability - Beginning.....	522,662,533	511,771,358	524,137,932
Total OPEB Liability - Ending.....	\$ 625,318,498	\$ 522,662,533	\$ 511,771,358
<i>Plan Fiduciary Net Position</i>			
Contributions - Employer.....	\$ 16,746,644	\$ 17,230,000	\$ 16,050,000
Contributions - Employee.....	1,523,448	1,588,437	1,453,221
Other.....	8,296	588,722	-
Net Investment Income.....	-	12,263	5,705
Benefit Payments, Including Refunds of Member Contributions.....	(17,721,843)	(19,566,412)	(17,183,899)
Administrative Expenses & Other Costs.....	-	(249)	(250)
Net Change in Plan Fiduciary Net Position.....	\$ 556,545	\$ (147,239)	\$ 324,777
Plan Fiduciary Net Position - Beginning.....	(2,340,558)	(2,193,319)	(2,518,096)
Plan Fiduciary Net Position - Ending.....	\$ (1,784,013)	\$ (2,340,558)	\$ (2,193,319)
Net OPEB Liability - Ending.....	\$ 627,102,511	\$ 525,003,091	\$ 513,964,677
<i>Plan Fiduciary Net Position</i>			
as % of Total OPEB Liability.....	-0.29%	-0.45%	-0.43%
Covered Payroll.....	N/A	N/A	N/A
Net OPEB Liability as a % of its Covered Payroll.....	N/A	N/A	N/A

In fiscal year 2014 the Town established an OPEB Trust Fund to pay retiree medical claims in the future. The Town setup the OPEB trust fund in June 2014 and has deposited a total of \$450,000 to the OPEB trust fund thus far. The Town made a contribution of \$150,000 for the trust fund for fiscal 2021, and budgeted a contribution of \$150,000 for the trust fund for fiscal 2022.

(Remainder of page intentionally left blank)

SECTION VI – ADDITIONAL INFORMATION

Litigation

The Town, its officers, employees, boards and commissions are named defendants in a number of lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. With the exception of certain categories of these lawsuits, including but not limited to, land use appeals, tax appeals and some labor related matters, the Town maintains liability insurance with and without deductibles that provide for defense costs and liability coverage for such lawsuits. Some matters are defended under a reservation of rights. It is the Town Attorney's opinion that such pending litigation will not be finally determined, individual or in the aggregate, so as to result in final judgment against the Town which would have a material adverse effect on the Town's financial position.

Pursuant to a consent order issued on July 10, 2001 by the State of Connecticut Department of Energy and Environmental Protection, the Town and other respondents are responsible for the remediation of certain properties located in the Newhall section of the Town which contain waste materials and other pollutants. The Town was obligated to remediate Rochford Field and Mill Rock Park, which it has completed and redeveloped into new parks. No further remediation is required except groundwater monitoring and the filing of an Environmental Land Use Restriction, which allows for the cap as the permanent remedy for each of the parks. The Town had allocated \$8.0 million in its capital plan to pay for the costs associated with the remediation of Rochford Field and Mill Rock Park properties and was awarded \$4.0 million from the State of Connecticut for costs associated with the remediation of Rochford Field.

There are other claims, for which statutory notice has been provided to the Town, that have the potential to develop into lawsuits and expose the Town to liability. All these notice of claims are forwarded to the Town's insurance carriers to process as they see fit.

Transcript and Closing Documents

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

1. Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town signed by the Mayor and the Director of Finance, which will be dated the date of delivery, and attached to a signed copy of the Preliminary Official Statement, certifying that, to the best of said officials' knowledge and belief, as of the date of the execution of the Bond Purchase Agreement and as of the closing date, the descriptions and statements in the Preliminary 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 or omit to state a material fact necessary to make the statements therein, in 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 Preliminary Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Robinson & Cole LLP, Bond Counsel, in the form attached as Appendix B to this Official Statement.
5. An executed continuing disclosure agreement for the Bonds in substantially the form attached as Appendix C to this Official Statement.
6. Any other documents or certifications required by the Bond Purchase Agreement.

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

Concluding Statement

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

Information herein has been derived by the Town from official and other sources believed by the Town to be reliable, but such information other than that obtained from official records of the Town has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

Additional information may be obtained from Scott Jackson, Director of Finance, Town of Hamden, 2750 Dixwell Avenue, Hamden, Connecticut 06518, and telephone number (203) 287-7010 or from the Town's Municipal Advisor, Phoenix Advisors, LLC, Barry Bernabe, Managing Director, (203) 283-1110. This Official Statement has been prepared and delivered by the Town, and executed for and on behalf of the Town by the following officials:

By *Curt Balzano Leng*
Curt Balzano Leng, *Mayor*

By *Scott Jackson*
Scott Jackson, *Director of Finance*

Dated as of August 12, 2021

Appendix A

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

Appendix B

Form of Opinion of Bond Counsel

Appendix C

Form of Continuing Disclosure Agreement for the Bonds

Appendix D

Specimen Municipal Bond Insurance Policy



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____
Member Surplus Contribution: \$ _____
Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the “Insurer’s Fiscal Agent”) for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer’s Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer’s Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer’s Fiscal Agent on behalf of BAM. The Insurer’s Fiscal Agent is the agent of BAM only, and the Insurer’s Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer’s Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer