

**NEW ISSUE**

See “RATINGS” herein

*In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the City with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986, as amended (the “Code”), under existing law, interest on the Series A Bonds and the Series C Bonds (as defined below) is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax under the Code. In the opinion of Bond Counsel, under existing law, interest on the Series B Bonds (as defined below) is included in gross income for federal income tax purposes pursuant to the Code. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds (as defined below) is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. (See “THE BONDS – Tax Status of the Bonds” herein.)*



**CITY OF BRIDGEPORT, CONNECTICUT**  
**\$28,130,000**  
**GENERAL OBLIGATION BONDS (TAX-EXEMPT), 2021 SERIES A**

**Dated: August 10, 2021****Due: As shown on inside cover**

**\$18,250,000**  
**GENERAL OBLIGATION REFUNDING BONDS (FEDERALLY TAXABLE), 2021 SERIES B**

**Dated: August 10, 2021****Due: As shown on inside cover**

**and**  
**\$15,595,000**  
**GENERAL OBLIGATION REFUNDING BONDS (TAX-EXEMPT DELAYED DELIVERY),**  
**2021 SERIES C**

**Dated: November 17, 2021****Due: As shown on inside cover**

The \$28,130,000 General Obligation Bonds (Tax-Exempt), 2021 Series A (the “Series A Bonds”), the \$18,250,000 General Obligation Refunding Bonds (Federally Taxable), 2021 Series B (the “Series B Bonds”) and the \$15,595,000 General Obligation Refunding Bonds (Tax-Exempt Delayed Delivery), 2021 Series C (the “Series C Bonds”) (collectively, the “Bonds”) will be general obligations of the City of Bridgeport, Connecticut (the “City”), and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Payment in respect of the Bonds will also be supported by a property tax intercept fund (see “THE BONDS– Security for the Bonds” herein).

The Series A Bonds are subject to redemption prior to their stated maturity as more fully described herein. The Series B Bonds and the Series C Bonds are not subject to redemption prior to their stated maturity. (See “THE BONDS – Optional Redemption” and “Mandatory Sinking Fund Redemption” herein).

Interest on the Series A Bonds will be payable on August 1, 2022 and semiannually thereafter on each February 1 and August 1 until maturity or redemption prior to maturity. Interest on the Series B Bonds will be payable on January 1, 2022 and semiannually thereafter on each July 1 and January 1 until maturity. Interest on the Series C Bonds will be payable on February 15, 2022 and semiannually thereafter on each August 15 and February 15 until maturity. 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 (the “DTC”), New York, New York. The beneficial owners of the Bonds will not receive certificates representing their ownership interest in the Bonds. Principal of, redemption premium, if any, and interest on the Bonds will be payable by U.S. Bank National Association, Hartford, Connecticut to DTC or its nominee as registered owner of the Bonds. (See “THE BONDS – Book-Entry-Only System”). Ownership of the Bonds shall be in principal amounts of \$5,000 or integral multiples thereof.

The Bonds will bear interest at the rates per annum and will mature in the amounts and on such dates as set forth in the table on the inside cover of this Official Statement.

The Series C Bonds are being sold on a delayed delivery basis, with delivery of the Series C Bonds to be made on or about November 17, 2021. The market value of the Series C Bonds on the date of delivery may differ significantly from the purchase price due to a variety of factors. **Potential Investors should carefully review the information under the caption “Delayed Delivery of the Series C Bonds” herein.**

The Bonds are offered subject to the final approving opinions of Pullman & Comley, LLC, Bridgeport, Connecticut, Bond Counsel to the City. Certain legal matters will be passed upon for the Underwriters by their counsel, Updike, Kelly & Spellacy, P.C., Hartford, Connecticut. PFM Financial Advisors LLC, Boston, Massachusetts, and Phoenix Advisors, LLC, Milford, Connecticut have served as Municipal Advisors in connection with the issuance of the Bonds. It is expected that the Series A Bonds and the Series B Bonds will be available for delivery through the facilities of DTC in New York, New York on or about August 10, 2021. It is expected that the Series C Bonds will be available for delivery through the facilities of DTC in New York, New York on or about November 17, 2021.

**Raymond James**  
**FHN Financial**

**J.P. Morgan**  
**Oppenheimer & Co. Inc.**

July 20, 2021

**MATURITIES, AMOUNTS, INTEREST RATES, PRICES, YIELDS AND CUSIPS**

**\$28,130,000 General Obligation Bonds (Tax-Exempt), 2021 Series A**

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Price</u>	<u>CUSIP No.</u> <sup>†</sup>	<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Price</u>	<u>CUSIP No.</u> <sup>†</sup>
<u>August 1</u>	<u>Amount</u>	<u>Rate</u>	<u>or Yield</u>		<u>August 1</u>	<u>Amount</u>	<u>Rate</u>	<u>or Yield</u>	
2023	\$ 775,000	5.000%	0.240%	108152JH3	2033	\$1,280,000	5.000%	132.858*	108152JT7
2024	820,000	5.000	0.380	108152JJ9	2034	1,350,000	5.000	132.531*	108152JU4
2025	860,000	5.000	0.520	108152JK6	2035	1,420,000	5.000	132.204*	108152JV2
2026	905,000	5.000	0.660	108152JL4	2036	1,485,000	4.000	121.224*	108152JW0
2027	955,000	5.000	0.820	108152JM2	2037	1,540,000	4.000	120.918*	108152JX8
2028	995,000	5.000	0.950	108152JN0	2038	1,605,000	4.000	120.613*	108152JY6
2029	1,050,000	5.000	1.100	108152JP5	2039	1,670,000	4.000	120.410*	108152JZ3
2030	1,100,000	5.000	1.220	108152JQ3	2040	1,740,000	4.000	120.106*	108152KA6
2031	1,165,000	5.000	1.320	108152JR1	2041	1,815,000	4.000	119.803*	108152KB4
2032	1,220,000	5.000	133.406*	108152JS9					

**\$1,975,000 4.000% Term Bond maturing August 1, 2046 Price 118.301\* to Yield 1.970% CUSIP<sup>†</sup> 108152KC2**

**\$2,405,000 4.000% Term Bond maturing August 1, 2051 Price 117.806\* to Yield 2.020% CUSIP<sup>†</sup> 108152KD0**

\*Yield calculated to the August 1, 2031 first optional call date; however, any redemption is at the election of the City.

**\$18,250,000 General Obligation Refunding Bonds (Federally Taxable), 2021 Series B**

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Price</u>	<u>CUSIP No.</u> <sup>†</sup>
	<u>Amount</u>	<u>Rate</u>	<u>or Yield</u>	
1/1/2022	\$ 565,000	0.650%	0.650%	108152KE8
7/1/2030	17,685,000	2.479	2.479	108152KF5

**\$15,595,000 General Obligation Refunding Bonds (Tax-Exempt Delayed Delivery), 2021 Series C**

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Price</u>	<u>CUSIP No.</u> <sup>†</sup>	<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Price</u>	<u>CUSIP No.</u> <sup>†</sup>
<u>February 15</u>	<u>Amount</u>	<u>Rate</u>	<u>or Yield</u>		<u>February 15</u>	<u>Amount</u>	<u>Rate</u>	<u>or Yield</u>	
2023	\$2,185,000	5.000%	0.450%	108152KG3	2026	\$3,885,000	5.000%	0.810%	108152KK4
2024	1,745,000	5.000	0.540	108152KH1	2027	4,080,000	5.000	0.940	108152KL2
2025	3,700,000	5.000	0.670	108152KJ7					

†CUSIP® is a registered trademark of the American Bankers Association (ABA). The numbers have been assigned by an independent company not affiliated with the City, the Underwriters or the Municipal Advisor and are included solely for the convenience of the holders of the Bonds. None of the City, the Municipal Advisors or the Underwriters are responsible for the selection or uses of the CUSIP numbers, and no representation is made 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.

No dealer, broker, salesman or other person has been authorized by the City or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell, nor 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.

The information which is set forth herein has been provided by the City and by other sources which are believed to be reliable by the City and by the Underwriters but such information provided by such other sources is not guaranteed as to accuracy or completeness by the City or by the Underwriters and is not intended to be and is not to be construed as a representation by the City or the Underwriters.

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, their responsibility to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of this information.

Where the constitution or statutes of the State of Connecticut are referred to, reference should be made to such constitution or statutes for a complete statement of the matters referred to. Any statements which are contained in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. All estimates and assumptions herein are believed to be reliable, but no representations whatsoever are made that such estimates or assumptions are correct or will be realized. Prospective financial information is based on assumptions believed to be reasonable; however there is no assurance that the prospective financial information will prove to be accurate. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds.

Other than as to matters explicitly set forth herein as the Forms of Legal Opinions in Appendix C and "THE BONDS– Tax Status of the Bonds", Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City, since the date hereof or any earlier date as of which any information contained herein is given. This Official Statement is submitted in connection with the initial offering and sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

In connection with the offering, the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time without prior notice.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Indenture (as defined herein) has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. In addition, the Bonds have not been registered under any state securities law.

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

This Official Statement may include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words "may," "believe," "could," "might," "possible," "potential," "project," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate," "approximate," "contemplate," "continue," "target," "goal" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the City up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the City assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the City; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the City; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the City; (viii) the effects of epidemics and pandemics, including economic effects; and (ix) other factors contained in this Official Statement.

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**BOND ISSUE SUMMARY**  
**General Obligation Bonds (Tax-Exempt), 2021 Series A**  
**General Obligation Refunding Bonds (Federally Taxable), 2021 Series B**  
**General Obligation Refunding Bonds (Tax-Exempt Delayed Delivery), 2021 Series C**

The information in this section is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed decision. The Official Statement speaks only as of its date and the information herein is subject to change.

Issuer:	City of Bridgeport, Connecticut (the “City”)
Issues:	\$28,130,000 General Obligation Bonds (Tax-Exempt), 2021 Series A (the “Series A Bonds”) \$18,250,000 General Obligation Refunding Bonds (Federally Taxable), 2021 Series B (the “Series B Bonds”) \$15,595,000 General Obligation Refunding Bonds (Tax-Exempt Delayed Delivery), 2021 Series C (the “Series C Bonds”)
Dated Date:	August 10, 2021 for the Series A Bonds and Series B Bonds November 17, 2021 for the Series C Bonds
Interest Due:	February 1 and August 1 commencing August 1, 2022 for the Series A Bonds, January 1 and July 1, commencing January 1, 2022 for the Series B Bonds and February 15 and August 15 commencing February 15, 2022 for the Series C Bonds.
Principal Due:	See inside cover page.
Purpose:	Proceeds from the Series A Bonds will be used to finance various capital projects as described herein, pay for costs of issuance and pay the cost of capitalizing certain interest payments. (See “THE BONDS – Proceeds of Issue” herein). Proceeds from the Series B Bonds and the Series C Bonds will be used to refund certain outstanding general obligation bonds of the City and pay for costs of issuance. (See “THE BONDS – Proceeds of Issue” herein).
Redemption:	The Series A Bonds are subject to redemption prior to maturity as more fully described herein (See “THE BONDS – Optional Redemption” and “Mandatory Sinking Fund Redemption” herein). The Series B Bonds and the Series C Bonds are not subject to redemption prior to maturity.
Security:	The Bonds will be general obligations of the City, and the City will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due. In addition, the Bonds are also supported by the Intercept Fund (See “THE BONDS – Security for the Bonds” herein).
Credit Ratings:	Moody’s Investors Service, Inc., S&P Global Ratings and Fitch Ratings have each assigned their municipal bond ratings of “Baa1”, “A” and “A”, respectively, to the Bonds. (See “THE BONDS – Ratings” herein).
Municipal Advisors:	PFM Financial Advisors LLC, Boston, Massachusetts Phoenix Advisors, LLC, Milford, Connecticut
Tax Exemption:	Refer to APPENDIX C – “FORMS OF LEGAL OPINIONS” and “THE BONDS – Tax Status of the Bonds” herein.
Auditors:	CliftonLarsonAllen LLP, West Hartford, Connecticut
Trustee, Paying Agent, Certifying Agent, Escrow Agent and Registrar:	U.S. Bank National Association, Hartford, Connecticut
Legal Opinion:	Pullman & Comley, LLC, Bridgeport, Connecticut (See APPENDIX C – “FORMS OF LEGAL OPINIONS”)
Delivery and Payment:	It is expected that delivery of the Series A Bonds and the Series B Bonds in book-entry form will be made to The Depository Trust Company on or about August 10, 2021. It is expected that delivery of the Series C Bonds in book-entry form will be made to The Depository Trust Company on or about November 17, 2021. Delivery of the Bonds will be made against payment in federal funds.

Continuing  
Disclosure:

The City has covenanted under Continuing Disclosure Agreements to furnish its annual audited financial statements on an ongoing basis, and any other data and operating reports, statements and other information regarding certain listed events, necessary to comply with Rule 15c2-12(b)(5) of the United States Securities and Exchange Commission. The specific nature of the information supplied and the term of the undertaking are summarized herein (see “THE BONDS—Continuing Disclosure” herein and APPENDIX E – “FORMS OF CONTINUING DISCLOSURE AGREEMENTS”).

Further  
Information:

Questions concerning this Official Statement should be addressed to: Kenneth Flatto, Director of Finance, Finance Administration, City of Bridgeport, 999 Broad Street, Bridgeport, Connecticut 06604, Telephone (203) 576-7251 or Stephen Maceroni, Director, PFM Financial Advisors LLC, 110 High Street, Suite 2300, Boston, Massachusetts 02110, Telephone (617) 330-6914.



## **BOND INFORMATION**

### **Introduction**

This Official Statement is provided for the purpose of presenting certain information relating to the City of Bridgeport, Connecticut (the “City”) (see APPENDIX A – “INFORMATION STATEMENT – THE CITY” herein) in connection with the sale of the City’s \$28,130,000 General Obligation Bonds (Tax-Exempt), 2021 Series A (the “Series A Bonds”), \$18,250,000 General Obligation Refunding Bonds (Federally Taxable), 2021 Series B (the “Series B Bonds”) and \$15,595,000 General Obligation Refunding Bonds (Tax-Exempt Delayed Delivery), 2021 Series C (the “Series C Bonds”) (collectively, the “Bonds”). The proceeds from the Series A Bonds will be used to finance various capital projects as described herein, pay for costs of issuance and pay the cost of capitalizing certain interest payments. (see “THE BONDS – Proceeds of Issue” herein). The proceeds from the Series B Bonds and the Series C Bonds will be used to refund certain general obligation bonds of the City and pay costs of issuance (See “THE BONDS– Proceeds of Issue” herein). The City has the power to incur indebtedness by issuing bonds and notes as provided by the Connecticut General Statutes. The information herein is dated and given on, and will speak only as of, the date of original delivery of the Bonds and is subject to change without notice.

Where the constitution or statutes of the State of Connecticut are referred to, reference should be made to such constitution or statutes for a complete statement of the matters referred to. Any statements which are contained in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. All estimates and assumptions herein are believed to be reliable, but no representations whatsoever are made that such estimates or assumptions are correct or will be realized. Prospective financial information is based on assumptions believed to be reasonable, however there is no assurance that the prospective financial information will prove to be accurate. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City, since the date hereof or any earlier date as of which any information contained herein is given. This Official Statement is submitted in connection with the initial offering and sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinions of Bond Counsel.

The Trustee, Paying Agent, Certifying Agent, Escrow Agent and Registrar is U.S. Bank National Association.

## **THE BONDS**

### **Description of the Bonds**

The Series A Bonds and Series B Bonds will be dated August 10, 2021. The Series C Bonds will be dated November 17, 2021. Interest on the Series A Bonds will be payable on August 1, 2022 and semiannually thereafter on each February 1 and August 1 until maturity or redemption prior to maturity. Interest on the Series B Bonds will be payable on January 1, 2022 and semiannually thereafter on each July 1 and January 1 until maturity. Interest on the Series C Bonds will be payable on February 15, 2022 and semiannually thereafter on each August 15 and February 15 until maturity. Principal payments on the Series A Bonds will be made annually on each August 1, commencing on August 1, 2023 and continuing to August 1, 2051. Principal payments on the Series B Bonds will be made on January 1, 2022 and July 1, 2030. Principal payments on the Series C Bonds will be made annually on each February 15, commencing on February 15, 2022 and continuing to February 15, 2027.

The Bonds are issuable only as fully registered bonds in book-entry-only form (see “THE BONDS – Book-Entry-Only System” herein) in denominations of \$5,000 or any integral multiple thereof.

Interest on the Bonds will be calculated on the basis of a 30-day month and a 360-day year at the rate or rates per annum as shown on the table on the inside cover page. Principal of and interest on the Bonds will be paid directly to The Depository Trust Company (the “DTC”) by U.S. Bank National Association, as Paying Agent, so long as DTC or its nominee, Cede & Co., is the Bond owner. (See “THE BONDS – Book-Entry-Only System” herein).

The Bonds will mature as shown on the inside cover of this Official Statement.

## Record Date

The record date for each payment of interest for the Series A Bonds and the Series B Bonds is the close of business on the fifteenth (15<sup>th</sup>) day of the month preceding each interest payment date (or the preceding business day, if such fifteenth (15<sup>th</sup>) day of the month is not a business day).

The record date for each payment of interest for the Series C Bonds is the close of business on the last day of the month preceding each interest payment date (or the preceding business day, if such last day of the month is not a business day).

## Optional Redemption

The Series A Bonds with a stated maturity on or after August 1, 2032 will be subject to redemption, at the election of the City, at any time, on or after August 1, 2031 in whole or in part by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the respective redemption prices equal to 100% of the principal amount of the Series A Bonds to be so redeemed, together with interest accrued and unpaid to the redemption date.

The Series B Bonds and the Series C Bonds are not subject to redemption prior to their stated maturity date.

## Mandatory Sinking Fund Redemption

The Series A Bonds maturing on August 1, 2046 and August 1, 2051 are issued as term bonds and are subject to mandatory sinking fund redemption prior to maturity in part, on a pro-rata basis, in such amounts and on August 1 of the years set forth below from funds deposited with the Trustee in amounts necessary to redeem such Series A Bonds at a redemption price equal to 100% of the principal amount of such Series A Bonds to be so redeemed, plus accrued interest to the date of redemption. Any optional redemption payments shall be applied against mandatory sinking fund redemption payments, on a pro-rata basis, as determined by the City.

### \$1,975,000 Term Bond Maturing August 1, 2046

<u>Year</u>	<u>Principal Amount</u>
2042	\$365,000
2043	380,000
2044	395,000
2045	410,000
2046*	425,000

### \$2,405,000 Term Bond Maturing August 1, 2051

<u>Year</u>	<u>Principal Amount</u>
2047	\$445,000
2048	460,000
2049	480,000
2050	500,000
2051**	520,000

\*Maturity

\*\*Final Maturity

## Authorization for the Bonds

The Bonds are being issued pursuant to the Indenture of Trust dated as of May 1, 1996, by and between the City and Fleet National Bank, as amended by a First Supplemental Indenture of Trust dated as of March 1, 1997, by and between the City and Fleet National Bank, as amended by a Second Supplemental Indenture of Trust dated as of January 15, 2000, by and between the City and State Street Bank and Trust Company, successor to Fleet National Bank, as amended by a Third Supplemental Indenture of Trust dated as of August 15, 2000, by and between the City and State Street Bank and Trust Company, as amended by a Fourth Supplemental Indenture of Trust dated as of July 1, 2001, by and between the City and State Street Bank and Trust Company, as amended by a Fifth Supplemental Indenture of Trust dated as of June 15, 2002, by and between the City and State Street Bank and Trust Company, as amended by a Sixth Supplemental Indenture of Trust dated as of November 1, 2003, by and between the City and U.S. Bank National

Association, successor to State Street Bank and Trust Company, as amended by a Seventh Supplemental Indenture of Trust dated as of August 12, 2004, by and between the City and U.S. Bank National Association, as amended by an Eighth Supplemental Indenture of Trust dated as of April 15, 2006, by and between the City and U.S. Bank National Association, as amended by a Ninth Supplemental Indenture of Trust dated as of June 1, 2006, by and between the City and U.S. Bank National Association, as amended by a Tenth Supplemental Indenture of Trust dated as of June 1, 2007, by and between the City and U.S. Bank National Association, as amended by an Eleventh Supplemental Indenture of Trust dated as of December 1, 2009, by and between the City and U.S. Bank National Association, as amended by a Twelfth Supplemental Indenture of Trust dated as of July 1, 2010, by and between the City and U.S. Bank National Association, as amended by a Thirteenth Supplemental Indenture of Trust dated as of June 1, 2012, by and between the City and U.S. Bank National Association, as amended by a Fourteenth Supplemental Indenture of Trust dated as of July 1, 2012, by and between the City and U.S. Bank National Association, as amended by a Fifteenth Supplemental Indenture of Trust dated as of July 1, 2013, by and between the City and U.S. Bank National Association, as amended by a Sixteenth Supplemental Indenture of Trust dated as of August 1, 2014, by and between the City and U.S. Bank National Association, as amended by a Seventeenth Supplemental Indenture of Trust dated as of November 1, 2014, by and between the City and U.S. Bank National Association, as amended by an Eighteenth Supplemental Indenture of Trust dated as of February 1, 2016, by and between the City and U.S. Bank National Association, as amended by a Nineteenth Supplemental Indenture of Trust dated as of March 1, 2016, by and between the City and U.S. Bank National Association, as amended by a Twentieth Supplemental Indenture of Trust dated as of May 1, 2016, by and between the City and U.S. Bank National Association, as amended by a Twenty-First Supplemental Indenture of Trust dated as of November 1, 2016, by and between the City and U.S. Bank National Association, as amended by a Twenty-Second Supplemental Indenture of Trust dated as of November 1, 2017, by and between the City and U.S. Bank National Association, as amended by a Twenty-Third Supplemental Indenture of Trust dated as of January 1, 2018, by and between the City and U.S. Bank National Association, as amended by a Twenty-Fourth Supplemental Indenture of Trust dated as of June 1, 2018, by and between the City and U.S. Bank National Association, as amended by a Twenty-Fifth Supplemental Indenture of Trust dated as of July 1, 2018, by and between the City and U.S. Bank National Association, as amended by a Twenty-Sixth Supplemental Indenture of Trust dated as of February 1, 2019, by and between the City and U.S. Bank National Association, as amended by a Twenty-Seventh Supplemental Indenture of Trust dated as of October 1, 2019, by and between the City and U.S. Bank National Association, as amended by a Twenty-Eighth Supplemental Indenture of Trust dated as of June 1, 2020, by and between the City and U.S. Bank National Association, as amended by a Twenty-Ninth Supplemental Indenture of Trust dated as of August 1, 2021, by and between the City and U.S. Bank National Association and as further amended by a Thirtieth Supplemental Indenture of Trust dated as of November 1, 2021, by and between the City and U.S. Bank National Association (collectively, the “Indenture”) as well as various resolutions adopted by the City Council and other proceedings and determinations relating thereto (collectively, the “Resolution”), and which, taken together, determine the form and details of the issuance of the Bonds, directing their sale and providing for the rights of the holders thereof.

The Bonds are being issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the City of Bridgeport and resolutions adopted by the City Council.

### **Proceeds of Issue**

The proceeds of the Series A Bonds will be used to finance certain capital projects of the City including, but not limited to, the following: approximately \$8.9 million for school projects, approximately \$9.5 million for economic development projects, approximately \$11.9 million for facilities building and bridge projects, and approximately \$1.6 million for various other public projects, to pay for costs of issuance associated with the Series A Bonds and to pay the cost of capitalizing certain interest payments.

The proceeds of the Series B Bonds and the Series C Bonds will be used to refund certain outstanding general obligation bonds of the City as set forth in the “Plan of Refunding” herein and to pay for costs of issuance associated with the Series B Bonds and the Series C Bonds.

### **Plan of Refunding**

A portion of the proceeds of the Series B Bonds and the Series C Bonds, if issued, will be used to refund the bonds as described below (the “Refunded Bonds”) on their maturity dates at par as follows. The City reserves the right not to refund any or all of the listed maturities or to add other general obligation bonds to the list of Refunded Bonds.

The Series B Bonds will refund the following to their maturity dates:

<u>Series</u>	<u>Maturity</u>	<u>Interest</u>	<u>Par Amount</u>	<u>CUSIP No.</u>
2016 Series B	8/15/2022	5.000%	\$1,850,000 <sup>(1)</sup>	108152GL7
2016 Series B	8/15/2023	5.000%	5,460,000	108152GM5
2016 Series B	8/15/2024	5.000%	5,660,000 <sup>(1)</sup>	108152GN3
2016 Series B	8/15/2025	5.000%	2,770,000 <sup>(1)</sup>	108152GP8

<sup>(1)</sup> Partial Maturities.

The Series C Bonds will refund the following:

<u>Series</u>	<u>Maturity</u>	<u>Interest</u>	<u>Par Amount</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP No.</u>
2012 Series A	2/15/2023	5.000%	\$3,510,000	2/15/2022	100%	108151Y96
2012 Series A	2/15/2024	5.000%	1,905,000 <sup>(1)</sup>	2/15/2022	100	108152BJ7
2012 Series A	2/15/2025	3.250%	3,870,000	2/15/2022	100	108151Z38
2012 Series A	2/15/2026	3.500%	3,995,000	2/15/2022	100	108151Z46
2012 Series A	2/15/2027	3.625%	4,135,000	2/15/2022	100	108151Z53

<sup>(1)</sup> Partial Maturities.

Upon delivery of the Series B Bonds and the Series C Bonds, a portion of the proceeds of such Series B Bonds and the Series C Bonds will be placed in escrow with U.S. Bank National Association (the “Escrow Holder”) under two Escrow Agreements (the “Escrow Agreements”), by and between the Escrow Holder and the City. The Escrow Holder will deposit the net proceeds of the Series B Bonds and other monies, if any, in an irrevocable trust fund or funds called the 2021 Series B Refunding Escrow Deposit Fund and will use such proceeds and other monies, if any, to purchase Defeasance Obligations (as such term is defined in the Indenture; see the “SUMMARY OF THE TWENTY-NINTH INDENTURE” attached hereto as Appendix D-1), the principal of and interest on which, when due, will provide amounts sufficient to pay principal, interest payments and redemption premium, if any, on the Refunded Bonds listed in the Series B Refunding table above. The Escrow Holder will deposit the net proceeds of the Series C Bonds and other monies, if any, in an irrevocable trust fund or funds called the 2021 Series C Refunding Escrow Deposit Fund and will use such proceeds and other monies, if any, to purchase Defeasance Obligations (as such term is defined in the Indenture; see the “SUMMARY OF THE THIRTIETH INDENTURE” attached hereto as Appendix D-2), the principal of and interest on which, when due, will provide amounts sufficient to pay principal, interest payments and redemption premium, if any, on the Refunded Bonds listed in the Series C Refunding table above. Upon such deposits being made with the Escrow Holder, the Refunded Bonds described above will no longer be deemed outstanding and shall be deemed to have been paid and will cease to be entitled to any lien, benefit or security under the Indenture.

It is expected that the forgoing refunding transactions will result in a neutral net present value savings on an aggregate basis for the City.

### **Verification of Mathematical Computations**

Robert Thomas, CPA will verify from information provided to them the mathematical accuracy, as of the date of the issuance of the Series B Bonds and the Series C Bonds, of the computations contained in the provided schedules to determine that the anticipated receipts from the Defeasance Obligations and cash deposits, if any, to be held in escrow, will be sufficient to pay, when due, the principal, interest and redemption premium requirements, if any, of the Refunded Bonds at maturity or earlier redemption.

## Sources and Uses of Proceeds

	Series A	Series B	Series C	Total
Sources:				
Par Amount of the Bonds	\$28,130,000.00	\$18,250,000.00	\$15,595,000.00	\$61,975,000.00
Original Issue Premium	6,627,797.35	-0-	2,333,280.60	8,961,077.95
<b>Total Sources</b>	<b>\$34,757,797.35</b>	<b>\$18,250,000.00</b>	<b>\$17,928,290.60</b>	<b>\$70,936,077.95</b>
Uses:				
Project Fund	\$31,946,000.00	\$ -0-	\$ -0-	\$31,946,000.00
Escrow Deposit		18,028,836.06	17,758,121.88	35,786,957.94
Capitalized Interest	2,496,696.25	-0-	-0-	2,496,696.25
Costs of Issuance <sup>(1)</sup>	159,634.15	108,534.67	92,804.94	360,973.76
Underwriters' Discount	155,466.95	112,629.27	77,353.78	345,450.00
<b>Total Uses</b>	<b>\$34,757,797.35</b>	<b>\$18,250,000.00</b>	<b>\$17,928,280.60</b>	<b>\$70,936,077.95</b>

(1) Includes legal fees and fees for other transaction-related services.

## Security for the Bonds

The Bonds will be general obligations of the City secured by the full faith and credit and taxing power of the City. The City 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 any legally available source of revenue, including general property tax revenues. The City has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the City without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate, dwelling houses of qualified elderly persons of low income, or of qualified disabled persons taxable at limited amounts. There were no acres of such certified forest land on the last completed grand list of the City. Under existing statutes, the State of Connecticut is obligated to pay the City the amount of tax revenue which the City would have received except for the limitation on its power to tax such dwelling houses.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the City (e.g. State and Federal grants and distributions) may be restricted as to use and therefore may not be available to pay debt service on general obligation bonds and notes of the City.

There are no statutory provisions for priorities in the payment of general obligations of the City.

The Bonds are issued pursuant to the Indenture. A copy of the Indenture is on file at the office of the Director of Finance, Finance Administration, 999 Broad Street, Bridgeport, CT 06604.

The Indenture establishes a property tax intercept fund and debt service payment account (the "Debt Service Account") as authorized by Chapter 117 of the Connecticut General Statutes, Sections 7-560 to 7-569 ("Chapter 117"). Chapter 117 requires the City to assure that the property taxes deposited with the Trustee for credit to the Debt Service Account will be in an amount at least equal to, and deposited by such dates so as to satisfy, the City's debt service requirements on an ongoing basis. (See APPENDIX D – "SUMMARY OF THE INDENTURES").

Enforcement of a claim for payment of principal of or interest on the Bonds would be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. In the event a restructuring of the City's debt under Chapter 9 of the Federal Bankruptcy Code was to occur at some future time, the rights of the owners of the Bonds to receive interest, principal payments and redemption premiums, if any, from the City could be adversely affected. No assurance can be given that any priority of holders of City securities (including the Bonds) to payment from monies retained in the Debt Service Account or from other cash resources would be recognized if a petition were filed by or on behalf of the City under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might under such circumstances, be paid to satisfy the claims of all City creditors generally. Judicial enforcement of the City's obligation to make payment of property taxes to the Trustee for deposit in the Debt Service

Account, of the Trustee's obligation to retain certain monies in the Debt Service Account and of the obligations of the City under its covenants in the Indenture may, under certain circumstances, be within the discretion of a court. However, under Section 7-566 of the Connecticut General Statutes, no Connecticut municipality can file for bankruptcy protection under Chapter 9 of the Federal Bankruptcy Code without the express written consent of the Governor. Under the Federal Bankruptcy Code, an involuntary petition cannot be filed against the City.

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

## Debt Service Schedule

Below is a summary of the City's outstanding bonded debt:

Fiscal Year	Existing Aggregate Debt Service <sup>(1)</sup>		Series A Bonds		Series B Bonds		Series C Bonds		Total
	Principal	Interest <sup>(2)</sup>	Principal	Interest <sup>(2)</sup>	Principal	Interest	Principal	Interest	
2022	\$ 35,545,000	\$ 43,133,981	\$ -	\$ -	\$ 565,000	\$ 173,149	\$ -	\$ 190,606	\$ 79,607,736
2023	36,550,000	41,464,872	-	-	-	438,411	2,185,000	779,750	81,418,034
2024	41,290,000	39,244,897	775,000	612,700	-	438,411	1,745,000	670,500	84,776,508
2025	44,505,000	36,759,822	820,000	1,204,900	-	438,411	3,700,000	583,250	88,011,383
2026	50,565,000	33,945,995	860,000	1,162,900	-	438,411	3,885,000	398,250	91,255,556
2027	57,530,000	30,839,241	905,000	1,118,775	-	438,411	4,080,000	204,000	95,115,428
2028	65,370,000	27,318,163	955,000	1,072,275	-	438,411	-	-	95,153,849
2029	68,645,000	23,586,838	995,000	1,023,525	-	438,411	-	-	94,688,774
2030	72,095,000	19,718,525	1,050,000	972,400	-	438,411	-	-	94,274,336
2031	53,325,000	15,478,034	1,100,000	918,650	17,685,000	219,206	-	-	88,725,890
2032	32,440,000	13,694,724	1,165,000	862,025	-	-	-	-	48,161,749
2033	28,115,000	12,393,029	1,220,000	802,400	-	-	-	-	42,530,429
2034	29,240,000	11,110,019	1,280,000	739,900	-	-	-	-	42,369,919
2035	30,430,000	9,771,309	1,350,000	674,150	-	-	-	-	42,225,459
2036	25,905,000	8,522,239	1,420,000	604,900	-	-	-	-	36,452,139
2037	25,145,000	7,420,907	1,485,000	539,700	-	-	-	-	34,590,607
2038	24,140,000	6,354,794	1,540,000	479,200	-	-	-	-	32,513,994
2039	22,140,000	5,366,945	1,605,000	416,300	-	-	-	-	29,528,245
2040	18,665,000	4,453,700	1,670,000	350,800	-	-	-	-	25,139,500
2041	15,490,000	3,694,378	1,740,000	282,600	-	-	-	-	21,206,978
2042	16,095,000	3,037,557	1,815,000	211,500	-	-	-	-	21,159,057
2043	16,720,000	2,355,232	365,000	167,900	-	-	-	-	19,608,132
2044	17,370,000	1,646,468	380,000	153,000	-	-	-	-	19,549,468
2045	18,055,000	910,097	395,000	137,500	-	-	-	-	19,497,597
2046	7,755,000	351,145	410,000	121,400	-	-	-	-	8,637,545
2047	1,770,000	123,625	425,000	104,700	-	-	-	-	2,423,325
2048	675,000	63,000	445,000	87,300	-	-	-	-	1,270,300
2049	710,000	29,000	460,000	69,200	-	-	-	-	1,268,200
2050	-	-	480,000	50,400	-	-	-	-	530,400
2051	-	-	500,000	30,800	-	-	-	-	530,800
2052	-	-	520,000	10,400	-	-	-	-	530,400
TOTAL	\$ 856,280,000	\$ 402,788,536	\$ 28,130,000	\$14,982,200	\$ 18,250,000	\$ 3,899,644	\$ 15,595,000	\$ 2,826,356	\$1,342,751,736

(1) Excludes Refunded Bonds.

(2) Net of capitalized interest.

## Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered 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 Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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 related 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 an S&P Global Rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

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

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

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

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

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

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

responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

### ***DTC PRACTICES***

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

### **Tax Status of the Bonds**

#### **Tax Exemption of the Series A Bonds and Series C Bonds**

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

Bond Counsel's opinion with respect to the Series A Bonds and the Series C Bonds will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the City with its representations and covenants relating to certain requirements of the Code. The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Series A Bonds and the Series C Bonds in order that interest on the Series A Bonds and the Series C Bonds be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Series A Bonds and the Series C Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series A Bonds and the Series C Bonds irrespective of the date on which such noncompliance occurs. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the Series A Bonds and the Series C Bonds, the City will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of the Series A Bond and the Series C Bonds proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Series A Bonds and the Series C Bonds is conditioned upon compliance by the City with such requirements. THERE IS NO ASSURANCE THAT THE FEDERAL AND STATE TAX LAW WILL REMAIN UNCHANGED BETWEEN THE DATE OF THIS OFFICIAL STATEMENT AND NOVEMBER 17, 2021, THE ANTICIPATED ISSUE DATE FOR THE SERIES C BONDS. THE ACTUAL TAX CONSEQUENCES WILL BE ASSESSED BY BOND COUNSEL AT THE TIME OF THE ISSUANCE OF THE SERIES C BONDS.

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

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



Under the Code, for purposes of determining an owner's adjusted basis in an OID Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Bond and will be added to the owner's basis. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such an OID Bond.

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

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

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

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

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

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

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

### **Series B Bonds**

**Federal Income Taxes.** In the opinion of Bond Counsel, under existing law, interest on the Series B Bonds is included in gross income for federal income tax purposes pursuant to the Code.

**United States Tax Consequences.** The following is a summary of certain United States federal income tax consequences resulting from the beneficial ownership of the Series B Bonds by certain persons. This summary does not consider all possible federal income tax consequences of the purchase, ownership, or disposition of the Series B Bonds and is not intended to reflect the individual tax position of any beneficial owner. Moreover, except as expressly indicated, this summary is limited to who purchase a Series B Bond at its issue price, which is the first price at which a substantial amount of the Series B Bonds is sold to the public, and who hold Series B Bonds as "capital assets" within the meaning of the Code (generally, property held for investment). This summary is applicable only to a person (a "United States Holder") who or that is the beneficial owner of Series B Bonds and is (a) an individual citizen or resident of the United States, (b) a corporation or other entity taxable as a corporation created or organized under the

laws of the United States or any State (including the District of Columbia), or (c) certain estates and trusts with specific connections to the United States. Partnerships holding Series B Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series B Bonds (including their status as a United States Holder). This summary is based on the United States tax laws and regulations currently in effect and as currently interpreted and does not take into account possible changes in the tax laws or interpretations thereof any of which may be applied retroactively. Except as provided below, it does not discuss the tax laws of any state, local, or foreign governments.

***Payments of Stated Interest.*** In general, for a United States Holder, interest on a Series B Bond will be taxable as ordinary income at the time it is received or accrued, depending on the beneficial owner's method of accounting for tax purposes.

***Series B Bonds Purchased at a Market Discount.*** A Series B Bond will be treated as acquired at a market discount (market discount bond) if the amount for which a United States Holder purchased the Series B Bond is less than the Series B Bond's adjusted issue price, unless such difference is less than a specified de minimis amount. In general, any payment of principal or any gain recognized on the maturity or disposition of a market discount bond will be treated as ordinary income to the extent that such gain does not exceed the accrued market discount on the Series B Bond. Alternatively, a United States Holder of a market discount bond may elect to include market discount in income currently over the life of the market discount bond. That election applies to all debt instruments with market discount acquired by the electing United States Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the Internal Revenue Service ("IRS"). If an election is made to include market discount in income currently, the tax basis of the Series B Bond in the hands of the United States Holder will be increased by the market discount thereon as such discount is included in income.

Market discount generally accrues on a straight-line basis unless the United States Holder elected to accrue such discount on a constant yield-to-maturity basis. That election is applicable only to the market discount bond with respect to which it is made and is irrevocable. A United States Holder of a market discount bond that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings allocable to the Series B Bond in an amount not exceeding the accrued market discount on such Series B Bond until maturity or disposition of the Series B Bond.

Prospective United States Holders should consult their tax advisors regarding the federal, state and local tax consequences concerning the purchase, holding and disposition of a Series B Bond purchased at a discount, whether at the date of original issue or subsequent thereto.

***Series B Bonds Purchased at Original Issue Premium.*** The initial public offering price of certain maturities of the Series B Bonds are greater than the principal amount payable on such Series B Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Series B Bonds are sold over the principal amount payable at maturity constitutes original issue premium. The offering prices relating to the yields set forth on the inside cover page of this Official Statement are expected to be the initial public offering prices at which a substantial amount of each maturity of the Series B Bonds were ultimately sold to the public. Under Section 171 of the Code, a holder of a Series B Bond may elect to treat such excess as "amortizable bond premium", in which case the amount of interest required to be included in the taxpayer's income each year with respect to interest on the Series B Bond will be reduced by the amount of amortizable bond premium allocable (based on the Series B Bond's yield to maturity) to that year. If such an election is made, the amount of each reduction in interest income will result in a corresponding reduction in the taxpayer's adjusted basis in the Series B Bond. Any election to amortize bond premium is applicable to all taxable debt instruments held by the taxpayer at the beginning of the first taxable year to which the election applies or thereafter acquired by the taxpayer and may not be revoked without the consent of the IRS. Prospective United States Holders should consult their tax advisors regarding the federal, state and local tax consequences concerning the purchase, holding and disposition of a Series B Bond purchased at a premium.

***Purchase, Sale, Exchange, and Retirement of Series B Bonds.*** A United States Holder's adjusted basis in a Series B Bond generally will equal its cost, increased by the amount of any original issue discount previously included in the United States Holder's income with respect to the Series B Bonds, and reduced by the amount of any amortizable bond premium applied to reduce interest on the Series B Bonds. A United States Holder generally will recognize gain or loss on the sale, exchange, or retirement of a Series B Bond equal to the difference between the amount realized on the sale or retirement (not including any amount attributable to accrued but unpaid interest) and the United States Holder's adjusted basis in the Series B Bond. Except to the extent described above under *Series B Bonds Purchased at a Market Discount*, any gain or loss recognized on the sale, exchange or retirement of a Series B Bond generally

will be capital gain or loss and will be long-term capital gain or loss if the Series B Bond was held for more than one year. The material modification of the terms of any Series B Bonds may result in a deemed reissuance thereof, in which event a United States Holder may recognize taxable gain or loss without any corresponding receipt of proceeds.

**Backup Withholding.** United States Holders may be subject to backup withholding on payments of interest and, in some cases, disposition proceeds of the Series B Bonds, if they fail to provide an accurate Form W-9, "Request for Taxpayer Identification Number and Certification," or a valid substitute form, or have been notified by the IRS of a failure to report all interest and dividends, or otherwise fail to comply with the applicable requirements of backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against the United States Holder's United States federal income tax liability (or refund) provided the required information is timely furnished to the IRS. Prospective United States Holders should consult their tax advisors concerning the application of backup withholding rules.

**Medicare Tax Affecting United States Holders.** For taxable years beginning after December 31, 2012, a United States Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a Medicare tax on the lesser of (1) the United States Holder's "net investment income" for the taxable year and (2) the excess of the United States Holder's modified adjusted gross income for the taxable year over a certain threshold. A United States Holder's net investment income will generally include its interest income and its net gains from the disposition of the Series B Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A United States Holder that is an individual, estate, or trust, should consult its own tax advisor regarding the applicability of the Medicare tax.

**Information Reporting.** In general, information reporting requirements will apply with respect to payments to a United States Holder of principal and interest (and with respect to annual accruals of original issue discount) on the Series B Bonds, and with respect to payments to a United States Holder of any proceeds from a disposition of the Series B Bonds. This information reporting obligation, however, does not apply with respect to certain United States Holders including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. In the event that a United States Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or is notified by the IRS that it has failed properly to report payments of, interest and dividends, a backup withholding tax generally will be imposed on the amount of any interest and principal and the amount of any sales proceeds received by the United States Holder on or with respect to the Series B Bonds.

Information reporting requirements will apply to a payment of the proceeds of the disposition of a Series B Bond by or through (a) a foreign office of a custodian, nominee, other agent, or broker that is a United States person, (b) a foreign custodian, nominee, other agent, or broker that derives 50% or more of its gross income for certain periods from the conduct of a trade or business in the United States, (c) a foreign custodian, nominee, other agent, or broker that is a controlled foreign corporation for United States federal income tax purposes, or (d) a foreign partnership if at any time during its tax year one or more of its partners are United States persons who, in the aggregate, hold more than 50% of the income or capital interest of the partnership or if, at any time during its taxable year, the partnership is engaged in the conduct of a trade or business within the United States, unless the custodian, nominee, other agent, broker, or foreign partnership has documentary evidence in its records that the beneficial owner is not a United States person and certain other conditions are met, or the beneficial owner otherwise establishes an exemption.

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

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

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

## **Changes in Federal and State Tax Law**

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

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

## **General**

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

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Bonds. Prospective owners 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 purchasing owning and disposing of the Bonds, including the tax consequences under state, local, foreign, and other tax laws and the possible effects of changes in federal or other tax laws.

## **Ratings**

The City has received ratings from Moody's Investors Service, Inc., S&P Global Ratings and Fitch Ratings on the Bonds of "Baa1", "A" and "A" respectively. Such ratings reflect only the views of such organization, and an explanation of the significance of such ratings may be obtained from the respective rating agency. There is no assurance that such ratings will continue for any given period of time or that they will not be revised or withdrawn entirely by such rating agencies. A downward revision or withdrawal of any such ratings may have an adverse effect on the market price of the Bonds.

## **Municipal Advisors**

The City has retained PFM Financial Advisors LLC, Boston, Massachusetts, and Phoenix Advisors, LLC, Milford, Connecticut, (the "Municipal Advisors") in connection with the issuance of the Bonds. The Municipal Advisors are not obligated to undertake, and have not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The Municipal Advisors are independent advisory firms and are not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **Underwriting**

The Bonds are being purchased for reoffering by the Underwriters listed on the cover hereof for whom Raymond James & Associates, Inc. is acting as the representative for the Underwriters (the "Representative"). The Series A Bonds and the Series B Bonds are being purchased by the Underwriters pursuant to the terms of a purchase contract for the Series A Bonds and the Series B Bonds with the City (the "Bond Purchase Agreement"). Pursuant to the Bond

Purchase Agreement, the Underwriters have agreed to purchase (i) the Series A Bonds at the net aggregate purchase price of \$34,602,330.40, which is equal to the par amount of the Series A Bonds plus original premium of \$6,627,797.35 and less an underwriters' discount of \$155,466.95, and (ii) the Series B Bonds at the net aggregate purchase price of \$18,137,370.73, which is equal to the par amount of the Series B Bonds and less an underwriters' discount of \$112,629.27.

The Series C Bonds are being purchased by the Underwriters pursuant to the terms of a delayed delivery purchase contract for the Series C Bonds with the City (the "Delayed Delivery Bond Purchase Agreement"). Pursuant to the Delayed Delivery Bond Purchase Agreement, the Underwriters have agreed to purchase the Series C Bonds at the net aggregate purchase price of \$17,850,926.82, which is equal to the par amount of the Series C Bonds plus original premium of \$2,333,280.60 and less an underwriters' discount of \$77,353.78.

Pursuant to the Bond Purchase Agreement and the Delayed Delivery Bonds Purchase Agreement, the City has agreed to indemnify the Underwriters against certain liabilities, including certain liabilities arising under federal and state securities laws. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at prices lower or yields higher than the public offering prices or yields stated on the inside cover page hereof. The initial offering prices or yields may be changed from time to time by the Underwriters.

The Bonds are offered by the Underwriters for sale in those jurisdictions in the United States, Puerto Rico and Guam where it is lawful to make such offers. The Underwriters have undertaken that they have not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, any of the Bonds or distribute this Official Statement or other material relating to the Bonds in or from any jurisdiction except under circumstances that will, to the best of their knowledge and belief, result in compliance with the applicable laws and regulations thereof. The Underwriters make no representation that the Bonds will at any time be lawfully sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, and do not assume any responsibility for facilitating such sales.

With respect to the Series A Bonds and the Series B Bonds, J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase the Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

## **Legal Matters**

Pullman & Comley, LLC, Bridgeport, Connecticut, is acting as Bond Counsel in connection with the issuance of the Bonds. Delivery of the Bonds is conditioned upon delivery by Bond Counsel of its opinions in the forms set forth in Appendix C of this Official Statement. Certain legal matters will be passed upon for the Underwriters by their counsel, Updike, Kelly & Spellacy, P.C., Hartford, Connecticut.

## **Availability of Information**

A record of the proceedings taken by the City in authorizing the Bonds will be kept on file at the principal office of the City and will be available for examination upon reasonable request. For additional copies of the Official Statement or requests for additional information, please contact:

Kenneth Flatto  
 Director of Finance  
 City of Bridgeport  
 999 Broad Street  
 Bridgeport, CT 06604  
 Telephone: (203) 576-7251

Stephen Maceroni  
 Director  
 PFM Financial Advisors LLC  
 100 High Street, Suite 2300  
 Boston, MA 02110  
 Telephone: (617) 330-6914

## **Continuing Disclosure**

The City will enter into Continuing Disclosure Agreements with respect to the Bonds in accordance with the requirements of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). The Underwriters' obligation to

purchase the Bonds shall be conditioned upon their receiving, at or prior to the delivery of the Bonds, executed copies of the Continuing Disclosure Agreements (See APPENDIX E –“FORMS OF CONTINUING DISCLOSURE AGREEMENTS” herein.)

The City has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bond and notes to provide certain annual financial information and notices of certain events pursuant to the Rule. Over the last five years, the City has complied in all material respects with its undertakings under such agreements, except for the inadvertent failure to timely file its Fiscal Year 2018 audited financial statements and financial and operating data with EMMA by its due date of April 1, 2019, and failure to timely file Notices of Financial Obligations for its December 2019 General Obligation Grant Anticipation Notes and General Obligation Tax Anticipation Notes, 2019 Series A (Federally Taxable), each dated December 11, 2019, and its General Obligation Tax Anticipation Notes, 2019 Series B (Federally Taxable), dated December 30, 2019. The Fiscal Year 2018 audited financial statements were included in the City’s official statement that was filed with EMMA on February 6, 2019, but the City failed to file its Fiscal Year 2018 audited financial statements and financial and operating data separately with EMMA. When it was brought to the City’s attention, the City promptly filed its Fiscal Year 2018 audited financial statements and financial and operating data with EMMA on July 23, 2019 and filed a Notice of Late Filing of Fiscal Year 2018 Audited Financials and Financial & Operating Data on July 26, 2019. Similarly, when the oversight in filing the Notices of Financial Obligations was brought to the City’s attention, the City promptly filed its Notices of Financial Obligations on February 28, 2020.

In accordance with State law, the City prepares annual audited financial statements and files annual audits with the State of Connecticut, Office of Policy and Management. Under its continuing disclosure agreements for bonded indebtedness, the City files its annual audits within 275 days of the end of each Fiscal Year. The City provides, and will continue to provide, to the rating agencies ongoing disclosure in the form of its annual financial report, recommended and adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

#### **Delayed Delivery of the Series C Bonds**

*Delayed Delivery.* The City anticipates that the Series C Bonds will be issued and delivered by the City to the Underwriters and purchased by the Underwriters (the “Settlement”) on or about November 17, 2021 (the “Delivery Settlement Date”). The following is a description of certain provisions of the Delayed Delivery Bond Purchase Agreement, to be dated on or about July 20, 2021, by between the City and the Underwriters with respect to the Series C Bonds. This description is not to be considered a full statement of the terms of the Delayed Delivery Bond Purchase Agreement and accordingly is qualified by reference thereto.

Until such time as the Series C Bonds are issued and delivered by the City and purchased by the Underwriters on the Delayed Settlement Date, certain information contained in this Official Statement may change in a material respect. The City will agree in the Delayed Delivery Bond Purchase Agreement to update the Official Statement, if necessary in the judgment of the Representative on behalf of the Underwriters or the City, so that the Official Statement as amended or supplemented does not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Additionally, the City will agree in the Delayed Delivery Bond Purchase Agreement to prepare an updated Official Statement, dated a date not more than 25 days nor less than 10 days prior to the Delivery Settlement Date (the “Updated Official Statement”), which, as of such date, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. References under “THE BONDS- Delayed Delivery of the Series C Bonds” to the Official Statement as of a specific date shall mean (i) this Official Statement, at any point in time during the period from the date of this Official Statement to but not including the date of delivery of the Updated Official Statement to the Representative on behalf of the Underwriters, and (ii) the Updated Official Statement, from and after the date of delivery of the Updated Official Statement, in each case as amended or supplemented.

*Conditions of Settlement.* The issuance and purchase of the Series C Bonds on the Delivery Settlement Date are subject to the satisfaction of certain conditions set forth in the Delayed Delivery Bond Purchase Agreement, including, among other things, the delivery to the Underwriters of certain documents and legal opinions on and as of the delivery pre-closing date of August 10, 2021 (the “Delivery Pre-Closing Date”) and certain additional documents and legal opinions, and the satisfaction of other conditions, on and as of the Delivery Settlement Date, including, without limitation, the delivery to the Underwriters of: (i) the opinion of Bond Counsel, substantially in the form and to the effect set forth in Appendix C relating to the Series C Bonds, (ii) the Updated Official Statement, and (iii) evidence that, as of the Delivery Settlement Date, each of Moody’s, S&P and Fitch has rated the Series C Bonds and that such Series C Bonds are rated no less than investment grade. Changes or proposed changes in federal or state laws, court decisions, regulations or proposed regulations or rulings of administrative agencies occurring or in effect prior to the Delivery Settlement Date or the failure by the City to provide closing documents of the type customarily required in connection with the issuance of state and local government tax-exempt bonds could prevent those conditions from being satisfied. None of the Series C Bonds will be issued unless all of the Series C Bonds are issued and delivered on the Delivery Settlement Date.

*Termination of Delayed Delivery Bond Purchase Agreement.* The following events individually provide the Underwriters with the right to terminate their obligation to purchase the Series C Bonds without liability therefor by written notification to the City if, in the reasonable judgment of the Representative, at any time on or after the date of the Delivery Pre-Closing Date and on or prior to the Settlement:

- There shall have been a Change in Law. A “Change in Law” means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies, (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Settlement), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date that is on or before the Settlement), or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would, (A) as to the Underwriters, prohibit the Underwriters from completing the underwriting of the Series C Bonds or selling the Series C Bonds or beneficial ownership interests therein to the public, or (B) as to the City, would make the completion of the issuance, sale or delivery of the Series C Bonds illegal.
- As a result of any legislation, regulation, rule, order, release, court decision or judgment or action by the U.S. Department of the Treasury, the Internal Revenue Service, or any agency of the State either enacted, issued, effective, adopted or proposed (but only with respect to any such proposed legislation, regulation, ruling, order, release, court decision or judgment or action that continues to be proposed as of the Settlement), or for any other reason, Bond Counsel cannot issue an opinion to the effect that (a) the interest on the Series C Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”), and (b) the interest on the Series C Bonds is exempt from State of Connecticut personal income taxes, as stated in the form of opinion of Bond Counsel set forth in Appendix C hereto.
- The Official Statement as of the Delivery Pre-Closing Date, or the Updated Official Statement as of the Delivery Settlement Date, contained or contains an untrue statement or misstatement of material fact or omitted or omits to state a material fact necessary in order to make the statements and information contained therein not misleading in any material respect.
- Legislation shall be enacted, or a decision by a court of the United States shall be rendered, or any action shall be taken by, or on behalf of, the U.S. Securities and Exchange Commission that, in the reasonable opinion of the Representative, following consultation with the City, has the effect of requiring the Series C Bonds to be registered under the Securities Act of 1933, as amended, or requires the Resolution to be qualified under the Trust Indenture Act of 1939, as amended, or an event occurs that would cause the sale of the Series C Bonds to be in violation of any provision of the federal or State of Connecticut securities laws.
- As of the Delivery Settlement Date, the Series C Bonds are no longer rated investment grade by each of Moody’s, S&P, and Fitch.

- As of the Delivery Settlement Date, there exists a declaration of a general banking moratorium by federal, New York, or Connecticut authorities, or the general suspension of trading on any national securities exchange.

*Delayed Delivery Contract.* The Underwriters reserve the right to obligate investors purchasing the Series C Bonds to execute a Delayed Delivery Contract (the “Delayed Delivery Contract”) in substantially the form set forth in Appendix F attached hereto. The Delayed Delivery Contract provides that the purchaser will remain obligated to purchase the Series C Bonds, even if the purchaser decides to sell the purchased bonds following the date of the Delayed Delivery Contract. The City will not be a party to any Delayed Delivery Contract, and the City is not in any way responsible for the performance thereof or for any representations or warranties contained therein. The rights and obligations under the Delayed Delivery Bond Purchase Agreement are not conditioned or dependent upon the performance of any Delayed Delivery Contract.

*Additional Risks Relating to Delayed Delivery Period.* Between the date of the Delayed Delivery Bond Purchase Agreement and the Delivery Settlement Date (the “Delayed Delivery Period”), certain information contained in this Official Statement may change in material respects. Any changes in such information will not permit the Underwriters to terminate the Delayed Delivery Bond Purchase Agreement or release the purchasers of their obligation to purchase the Series C Bonds, unless the change reflects any of the first five events (exclusive of the sixth event) described under “ - Termination of Delayed Delivery Bond Purchase Agreement” above. In addition to the risks set forth above, purchasers of the Series C Bonds are subject to certain additional risks, some of which are described below.

*Ratings Risk.* No assurances can be given that the ratings assigned to the Series C Bonds on the Delivery Settlement Date will not be different from those currently assigned to the Series C Bonds. Issuance of the Series C Bonds and the Underwriters’ obligations under the Delayed Delivery Bond Purchase Agreement are not conditioned upon the assignment of any particular ratings for the Series C Bonds or the maintenance of the initial ratings of the Series C Bonds, unless the Series C Bonds are no longer rated investment grade by each of Moody’s, S&P, and Fitch on the Delivery Settlement Date, as described under “ - Termination of Delayed Delivery Bond Purchase Agreement” above.

*Secondary Market Risk.* The Underwriters are not obligated to make a secondary market for the Series C Bonds and no assurance can be given that a secondary market will exist for the Series C Bonds during the Delayed Delivery Period or at any time thereafter. Prospective purchasers of the Series C Bonds should assume that there will be no secondary market for the Series C Bonds during the Delayed Delivery Period.

*Market Value Risk.* The market value of the Series C Bonds as of the Delivery Settlement Date may be affected by a variety of factors, including, without limitation, general market conditions, the financial condition of the City and the State of Connecticut, and federal and state tax, securities and other laws. The market value of the Series C Bonds as of the Delivery Settlement Date could therefore be higher or lower than the price to be paid by the initial purchasers of the Series C Bonds, and that difference could be substantial. Neither the City nor the Underwriters make any representations as to the expected market value of the Series C Bonds as of the Delivery Settlement Date.

*Tax Law Risk.* Subject to the other conditions of Settlement and the Underwriters’ rights of termination described above, the Delayed Delivery Bond Purchase Agreement obligates the City to deliver, and the Underwriters to accept, the Series C Bonds if the City delivers an opinion of Bond Counsel substantially in the form and to the effect set forth in Appendix C relating to the Series C Bonds. Notwithstanding that the enactment of new legislation, new court decisions or the promulgation of new regulations or rulings might only diminish (but not completely eliminate) the value of, or otherwise affect, the exclusion from gross income of interest payable on “state or local bonds” (such as the Series C Bonds) for federal income tax purposes, the City might be able to satisfy the requirements for the delivery of the Series C Bonds. In such event, the purchasers would be required to accept delivery of the Series C Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any such changes in tax law and the consequences of such changes to the purchasers. See “THE BONDS – Tax Status of the Bonds” herein.

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



### Concluding Statement

This Official Statement has been prepared for use in connection with the sale of the Bonds by the City of Bridgeport, Connecticut and may not be reproduced or used in whole or in part for any other purpose.

The following officials in their capacity as officers of the City, and in the name and on behalf of the City, do hereby certify in connection with this issue, that they have examined this Official Statement, and to the best of their knowledge and belief, the description and statements relating to the City and its finances are true and correct, as of the date of this Official Statement, in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

By /s/ Joseph Ganim  
*Mayor*

By /s/ Kenneth Flatto  
*Director of Finance/Chief Finance Officer*

By /s/ Terri Coward  
*Treasurer*

Dated as of July 20, 2021

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**APPENDIX A**

**CITY OF BRIDGEPORT, CONNECTICUT  
INFORMATION STATEMENT  
DATED JULY 13, 2021**

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## **THE CITY**

### **Overview**

The City is located on the northern shore of the Long Island Sound, approximately 60 miles northeast of New York City and 60 miles southwest of Hartford. The City is the crossroads of one of the best land, sea, rail and air transportation systems in the State. State Routes 8 and 25, with their links to Interstates 84 and 91, merge with Interstate 95 in downtown Bridgeport. Bridgeport Harbor is one of the three deep-water ports in Connecticut; its 35-foot deep channels and anchorages can accommodate most ocean-going vessels involved with international trade and shipping. Amtrak and Metro-North provide passenger service to the City from the downtown Transportation Center, and Conrail operates a major freight yard within a quarter mile of the Port of Bridgeport. The Sikorsky Memorial Airport is a City-owned and operated general aviation facility that is located in Stratford, Connecticut, ten minutes from downtown.

The City is a major medical, legal, industrial, financial and entertainment center. Two medical centers provide for many of the health care needs of the Greater Bridgeport area. Federal, State, and County courthouses are located within the central business district. Corporate and regional business offices are located downtown, including the headquarters of People's United Bank. People's United Bank has entered into an agreement to be acquired by M&T Bank later in 2021. Major employers residing within the City's boundaries include Bridgeport Hospital, St. Vincent's Medical Center, People's United Bank, Sikorsky Aircraft, Housatonic Community College, and Goodwin University operating as the University of Bridgeport. The City, long a major manufacturing center, remains the home of many manufacturing companies. These companies typically exploit new technologies and occupy unique market niches.

The Greater Bridgeport area hosts four institutions of higher learning: Goodwin University operating as the University of Bridgeport, Fairfield University, Sacred Heart University, and Housatonic Community College. These educational institutions provide the City's corporate and business communities with skilled personnel and enhance the area's cultural and community activities. Housatonic Community College is located in the heart of the City's central business district.

Bridgeport is also the home of numerous attractions that enhance the City's economic fortunes. The Barnum Museum showcases the life and times of former City Mayor and renowned showman, P.T. Barnum. The Beardsley Zoo is one of the most visited tourist attractions in the State and region. The Discovery Museum offers interactive science and space displays to families and students alike. The Arena at Harboryard has brought tens of thousands of visitors to the City's Downtown area to watch minor league hockey, college basketball, college hockey, concerts, and other shows. Harbor Yard Amphitheater CCL has renovated and converted the former stadium at Harboryard into a live music amphitheater for outdoors concerts and other events and is expected to open to live events by mid-summer 2021. Harbor Yard Amphitheater CCL and Live Nation have entered into a partnership agreement for promoting events at this venue.

## **CITY GOVERNMENT**

### **Description of Municipal Government and Services**

The City has a Mayor-City Council form of government. The Mayor is the chief executive officer of the City, and is serving a 4-year term, which began on December 1, 2019 and will end on November 30, 2023. The City Council, which acts as the City's legislative body, consists of twenty members elected for two-year terms. City Council elections were held on November 5, 2019. The new members took office on December 2, 2019.

The officials listed below were elected or appointed and have served since December of 2015. The current Administration has a significant amount of prior governmental management experience. The Mayor had six previous terms in office from 1991-2003 and from 2015-2019. The Director of Finance was appointed on December 1, 2015 and has been a government finance officer for over twenty-five years in both New York and Connecticut and served also as a full-time First Selectman in Fairfield, Connecticut for twelve years. Other key officials have significant experience as officials for the City of Bridgeport in previous administrations. The goals of this Administration include fiscal accountability and openness, a commitment to management efficiencies and total quality management, and a proactive approach to improve the financial condition of the City of Bridgeport and the quality of life for all Bridgeport citizens, residents and businesspeople.

## Principal Municipal Officials

<u>Office</u>	<u>Name</u>	<u>Manner of Selection/Term</u>	<u>Term Expires</u>
Mayor	Joseph Ganim	Elected 4-year term	November 30, 2023
Chief Administrative Officer	Janene Hawkins	Appointed by Mayor	At the pleasure of the City's Mayor
Director of Finance/CFO*	Kenneth Flatto	Appointed by Mayor	At the pleasure of the City's Mayor
Director of Office of Policy & Management	Nestor Nkwo	Appointed by Mayor	At the pleasure of the City's Mayor
Director of Planning and Economic Development	Thomas Gill	Appointed by Mayor	At the pleasure of the City's Mayor
Treasurer	Terri Coward	Appointed by Mayor	At the pleasure of the City's Mayor
City Attorney	R. Christopher Meyer	Appointed by Mayor	November 30, 2023

\*Tenure includes supervising other departments with the City including Offices of the Comptroller, Treasurer, Assessor, Purchasing, and Tax Collector.

## Municipal Services

**Police Department:** The Bridgeport Police Department is governed by a seven-member Board of Police Commissioners and is under the command of the Police Chief. The table of organization for the uniformed force consists of 426 sworn members, and 60 civilians consisting of clerical staff, animal control, maintenance personnel, detention officers, and parking enforcement personnel. The Police Department is comprised of several divisions: Auxiliary Support; Professional Support; Support Operations; Tactical Operations; Investigative Services; and Uniformed Services. The City has successfully hired several new classes of officers over the past three years to sustain the department's manpower levels.

**Fire Department and Emergency Operations Center:** The Fire Department is governed by a seven-member Board of Fire Commissioners and is under command of the Fire Chief. The Fire Department table of organization consists of 306 uniformed members and 8 civilians. The Fire Department consists of several divisions: Administration; Maintenance; Training; Fire Prevention and Operations. This Department currently utilizes 14 apparatus operating out of 8 fire stations. The Office for Emergency Management consists of 57 civilian employees, including dispatchers and management staff.

**Public Facilities:** The Public Facilities Department currently operates with approximately 175 full-time employees to provide many services to the City. Among the more important services are: supervision of all City construction projects; the construction, repair, maintenance, paving and snow removal on all City streets; the operation and maintenance of bridges spanning waterways for navigation purposes; the staffing of a municipal garage to maintain City vehicles; the maintenance of all City buildings with the exception of schools; and the effectuation of State-mandated residential and commercial recycling.

**Solid Waste:** The City is the host municipality for a solid waste disposal and resource recovery facility operated privately by Wheelabrator Bridgeport, L.P. for the disposal of commercial and residential solid waste from the City and many surrounding communities. Solid waste management services are provided by the City at a municipal transfer station with respect to residential collections.

**Water Pollution Control Authority:** The City operates a Water Pollution Control Authority (the "WPCA") as an enterprise fund for the express purpose of operating, maintaining, and improving the wastewater treatment facilities

and the sanitary and storm collection system. The WPCA is managed by a nine-member board. The Board includes the City Engineer, the City Attorney, the Director of Finance, the Director of Public Facilities, and five at-large members appointed by the Mayor and approved by the City Council. The WPCA adopts its own budget and sets ratepayer user fees. The operations, maintenance and debt service cost of the system are funded by user fees. The WPCA Board and the City Council approve financing that is subject to the full faith and credit of the City. The City currently has a long-term operations and management contract with Inframark, Inc. (formerly known as Severn Trent) for the operation of the wastewater treatment and field operations function of the WPCA. The operations and management contract represents approximately 70% of the WPCA's Fiscal Year 2020 budget, which includes approximately 40 operational personnel and the billing and collection of current sewer user fees and all daily operational and maintenance expenses.

**Parks and Recreation Department:** Bridgeport, known as the "Park City," has almost one acre of parkland per 100 residents. The Department of Parks and Recreation, managed by an eight-member board, employs 47 employees and is responsible for 45 park areas totaling 1,330 acres, which include 19 playgrounds, 31 ball fields, 24 tennis courts, 26 football and soccer fields, Connecticut's Beardsley Zoo and Carousel and the 12,000 seat Kennedy Stadium. Beardsley Zoo is a not for profit organization, partially funded by the City and the State of Connecticut. Three of the major City-owned recreational facilities, Seaside Park, Saint Mary's by the Sea and Pleasure Beach, dominate the City's five miles of shoreline. The City owns the 36-hole, 320-acre Fairchild Wheeler Golf Course. The Recreation Department is the landlord for the City-owned Wonderland of Ice-skating rink as well as the privately operated Captain's Cove Marina located along Long Island Sound in the Blackrock neighborhood.

**Library:** The Bridgeport Public Library includes the Main Library and five neighborhood branches with approximately 68 budgeted full-time employees. It is managed by the Library Board of Directors. The Library Board of Directors has autonomy over an annual \$7.7 million budget, within the City's general fund, based upon a 1.3 mill allocation from the City tax levy as set pursuant to public referendum. The Library's resources include over 475,000 volumes, over 700 periodical subscriptions, 63,000 videos, DVDs, compact discs, and audiocassettes. In addition, the Library offers information through electronic resources, and internet access. City libraries have approximately 300 personal computers available for public use. The Library's book catalog is on-line and available to remote users who have access to the World Wide Web. The main library branch also contains extensive business and technology resources, as well as in-depth collections on P.T. Barnum, local history, and genealogy. During Fiscal Year 2020, the Library circulated over 350,000 items, however branch libraries were affected by the pandemic and closed to the public for a large portion of the past year. Over the past three years, two new branches in the east side and the east end neighborhoods have been constructed and opened, with a third new branch under construction in the upper east side area. This expansion significantly enhances library services within previously underserved sections of the City.

**Finance:** The Department of Finance manages all aspects of the City's operating finances, including the Finance and Comptroller's division, Tax Assessor division, Tax Collector division, Treasury division, Purchasing division, and a City Print shop, with 52 full-time employees in this Department. The Department is responsible for managing all matters relating to producing monthly financial reports to the Mayor and City Council, the Comprehensive Annual Financial Report ("Annual Report") and audit, cash flows, bank accounts, capital program bonding, payables and receivables, purchasing, and all general ledger accounting. The City, including the Library and the Bridgeport Board of Education, uses the Tyler Company's MUNIS financial reporting software system. The mission of the Department includes cost saving initiatives, seeking process efficiencies, and advising the Mayor and other elected officials. In Fiscal Years 2010 through 2020, the Department received the GFOA's Excellence in Financial Reporting award for the City's Annual Report.

**Office of Policy and Management:** The overall mission of the City's Office of Policy and Management ("OPM") is to integrate financial and operational planning and control. The main purpose of this office is to relate dollars to results and ensure the cost effectiveness of City services. OPM is the focus for management, policy and program analysis for the City. OPM staff of 5 employees prepares and reviews the City's budget, provides guidance for managing departmental performances, and oversees the implementation of management improvement projects, program development, management of grants, and control of capital expenditures. In Fiscal Years 2010 through 2021, the Department was commended by the GFOA for a Distinguished Budget.

**Health and Social Services:** The City operates a full-time Department of Health and Social Services with approximately 41 full-time employees in the Health Department divisions and approximately 30 full-time employees within the Human Services Divisions. The Department of Health oversees a variety of programs that promote and sustain the health of the City's residents. These programs include a communicable disease clinic, emergency

preparedness, environmental and housing code inspections, and transportation and recreation opportunities for senior citizens and veterans. Social service programs offering income tax preparation, housing assistance, Women, Infants and Children programs and other employment and training options are also included. Special Revenues to the department annually total approximately \$4 million from State, Federal and foundation grants-in-aid. During the COVID-19 pandemic, the Department expanded crucial programming to protect the public, including the creation of vaccine clinics, and contract tracing.

## Employees

### Total Full-Time Budgeted Employees <sup>(1)</sup>

	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022<sup>(2)</sup></u>
General Government	1,355	1,360	1,385	1,379	1,385
Board of Education	<u>2,145</u>	<u>2,071</u>	<u>1,976</u>	<u>1,934</u>	<u>1,950</u>
Total	3,490	3,431	3,361	3,313	3,335

Source: City of Bridgeport Annual Budget Position Summaries; BOE totals include certified staff and other non-union employees and AFSCME 1522 and NAGE Custodian/Clerical employees.

- (1) Total budgeted personnel does not include approximately 293 BOE and 33 City grant funded program employees and approximately 200 part-time positions, since such costs do not materially impact the City's budget.
- (2) Budgeted.

### Employee Bargaining Organizations

As of July 1, 2020

<u>Employees</u>	<u>Bargaining Organizations</u>	<u>Number of Employees</u>	<u>Current Contract Expiration Date</u>
<b><u>General Government</u></b>			
Clerical & Blue Collar <sup>(1)</sup>	Local 1522, AFSCME	541	6/30/24
Public Works Employees	Local 1303 – 468, AFSCME	90	6/30/20 <sup>(2)</sup>
Supervisors <sup>(1)</sup>	Bridgeport City Supervisors Association	141	6/30/23
White Collar	LIUNA	79	6/30/22
Police AFL-CIO	Local 1159, AFSCME	431	6/30/21 <sup>(2)</sup>
Firefighters	Local 834, IAFF	298	6/30/20 <sup>(2)</sup>
Clerical & Custodians <sup>(1)</sup>	Local RI-200, NAGE	523	6/30/22
Tradesmen & Journeymen	Bridgeport Building Trade Council	32	7/31/25
Associate City Attorneys	Local 1303-272, AFSCME	8	12/31/22
Printers	Typographical Union	3	6/30/24
School Crossing Guards	School Crossing Guards (P/T)	77	8/31/21
<b><u>Board of Education</u></b>			
Administrators & Supervisors	Bridgeport Council of Administrators and Supervisors	82	8/31/22
Teachers	Bridgeport Education Association	1,498	6/30/24
Nurses	CT Assoc. of Labor Unions	30	6/30/19 <sup>(2)</sup>

Source: City of Bridgeport

- (1) Some General Government unions include both City and BOE employees.
- (2) Negotiations are ongoing between the City and union.

Sections 7-473c and 7-474 of the Connecticut General Statutes, as amended, provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees except certified teachers and administrative personnel.

Section 10-153f of the Connecticut General Statutes, as amended, provides a procedure for binding arbitration of collective bargaining agreements between local or regional boards of education and the exclusive representative of a bargaining unit of teachers or administrators.



## **BRIDGEPORT'S EDUCATIONAL SYSTEM**

The City's school system encompasses three high schools, twenty-four elementary schools and middle schools, three magnet elementary/middle K-8 schools, two magnet high schools, two alternative schools and one special education facility. The Operating Budget passed by the City Council for the school system for Fiscal Year 2022 is approximately \$234 million, with a City budgetary contribution of \$68 million, \$2 million more than contributed in Fiscal Year 2021. The City will receive approximately \$187 million in State education cost sharing aid, including Alliance District grants, for Fiscal Year 2022, \$1.5 million more than the amount of aid received in Fiscal Year 2021. In addition to the Operating Budget for the school district, there is also a Fiscal Year 2022 operating budget for the school nutrition lunch program of approximately \$20 million in expenditures, fully reimbursed by federal aid and local school lunch funds. The Board of Education also administers approximately \$45 million for the Fiscal Year 2022 in additional categorical grants such as Federal Individuals with Disabilities Education Act of 2004 ("IDEA") and federal entitlements which consist of Title I and Title II Part A, an Alliance Grant and a State Priority District Grant. In Fiscal Years 2022 and 2023, the Board of Education is expected to receive significant new funding totaling as much as \$160 million under the federal CARES Act and the American Rescue Plan Act. These monies pass through the State and are provided to the school district pursuant to such federal legislation. Such funding must be expended within four years by December 2024. It is anticipated that this funding will support critical supplemental programs for children, as well as provide for certain capital needs thereby reducing the amount of school bonding required over the next few years.

With the exception of the construction of the new Bassick High School commencing construction by 2022, the City has completed the implementation of a master plan for school construction. This master plan modernized and replaced certain existing schools, building Energy and Environmental Design certified schools to meet educational needs of its residents. During the past seven years, the City has opened three new elementary schools, two new/renovated middle schools (Longfellow and Roosevelt), one new magnet high school, and a new high school campus to replacing the old Harding High School campus, resulting in a total gross capital expenditure of \$396 million. The City has bonded approximately 22% of this total and the State has funded approximately 78% of such total. Approximately \$22 million of these state grant funds are owed to the City pending final state audit reviews. The projects which the City completed include the following: the Discovery Magnet Elementary School at a cost of \$29 million, the expansion of the Bridgeport Regional Vocational Aquaculture School at a cost of \$25 million, the Fairchild Wheeler Interdistrict Multi-Magnet High School at a cost of \$113 million, the new Harding High School at a cost of \$105 million, the new Roosevelt School at a cost of \$42 million and the new Longfellow School at a cost of \$49 million. The science themed Multi-Magnet High School partners with the Connecticut Beardsley Zoo, Sacred Heart University and the Discovery Museum and accepts students from Bridgeport and the surrounding communities

In addition, the school renovation projects completed in the past seven years include the following: renovations/additions to the Black Rock School costing \$12 million; the Hooker School roof costing \$2.4 million; the renovation of the Columbus and Cross Elementary Schools at a cost of \$33 million; and the Dunbar School renovation costing \$9 million. The \$87 million renovation of Central High School was completed in August 2018. All of the aforementioned projects were approved by the State at a reimbursement rate of approximately 78% except for the three magnet schools which the State funded at 95% of the cost.

The last large school project facing the City is a new Bassick High School. The \$120 million project has started and an application for a maximum of \$91 million in State aid reimbursement for this project, up to approximately 71% of the projected cost, was approved by the state legislature in Fiscal Year 2019. The City's prior Five-Year Capital Plans approved the City capital expenditure and bonding for \$28.5 million for this project phased in over the next four years. To date \$7.5 million in bonds have been issued and another \$8 million is being issued as part of the Series A Bonds. Based on increased costs of the school and non-eligibility of certain project costs from State grant funds, the City may have to amend its Capital Plan to fund increased project costs.

### **Magnet School Programs**

Magnet school programs have been in existence since 1979 when the City's school system created an elementary magnet program and followed in 1983 with a high school magnet program. In 2010, a new Interdistrict Discovery Magnet School opened for grades PreK-7 and expanded to grade 8 in the 2013-2014 school year. The Fairchild

Wheeler Interdistrict Multi-Magnet High School opened in 2013. The enrollment of the magnet schools is determined by lottery for students in grades K-12. Bridgeport students have approximately 75% of the slots at the magnet schools while students from surrounding towns are entitled to have 25% of such slots.

### ***Elementary Magnet Schools***

Classical Studies Academy (K-6) is an extended day program with a focus on the study of classical literature, art and music using the Paideia method of instruction.

Discovery Inter-District Magnet (PK-8) focuses on science, technology and math. Educational learning experiences are created through hands on, minds on learning utilizing state of the art technology requisite for the 21<sup>st</sup> century. The school expanded to 8<sup>th</sup> grade in the 2013-2014 school year.

High Horizons Magnet (K-8) focuses on reading and language arts. Challenging daily instructional activities are geared toward enhancing students' critical thinking, problem solving skills, and forming a solid elementary foundation for higher education.

Multicultural Magnet (K-8) emphasizes educating the total child and building a solid foundation through a multicultural focus and development of the student's native language and the acquisition of a second language.

Park City Magnet (K-8) focuses on science and technology education. The school's learning community fosters literacy, numeracy and the scientific process.

The 6 to 6 Inter-District Magnet School (PreK-8) serves students from Bridgeport and four suburban districts in an extended day, extended year program. All curriculum areas are integrated based on a Bank Street College philosophy. The Comer/Ziegler model (COZI), involving site-based management and shared decision-making, governs the school.

### ***Secondary Magnet Schools***

Central High School Magnet Program serves students in grades 9-12. It is a college preparatory program geared toward academically talented students. More than 80% of its graduates attend college.

The Business Magnet Program at Bassick High School serves students in grades 9-12. The high school technology program is designed to prepare students for a career in business fields such as accounting, information technology, entrepreneurship and international business. Students enrolled in the program may participate in technology prep courses at Sacred Heart University to earn college credit.

The Harding Health Careers Magnet Program serves students in grades 9-12 who are interested in pursuing a career in the health field. This academic program includes job shadowing and clinical, non-paid work experience at local health care facilities. The International Baccalaureate Program at Harding High School offers an international class curriculum originating from Geneva, Switzerland for the student scholar. Students can receive up to one-year college credit upon successful completion of this program.

The Bridgeport Regional Vocational Aquaculture School is a regional program that serves students in grades 9-12 from Bridgeport and six suburban districts. Specially constructed and equipped laboratories and classrooms support a marine-related science and technology curriculum. In addition, the school operates a research vessel, the M/V Catherine Moore, and is in the process of building a new floating water portable classroom.

Fairchild Wheeler Inter-District Magnet Campus is a magnet high school and serves students from Bridgeport and participating suburban towns. Three highly focused learning communities provide students with a STEM-based curriculum rich with relevance and correlation to emerging careers. The three communities are Information Technology, Zoological Science and Engineering/Aerospace.

## School Enrollment and Projections

In total, there were 20,195 students enrolled in the school system at the commencement of the 2020-2021 school year. The table below illustrates total school enrollment over the last ten years.

<u>School Year</u>	<u>Grades</u>		<u>Total</u>
	<u>K-8</u>	<u>9-12</u>	
2010-11	15,366	5,041	20,407
2011-12	15,588	4,657	20,245
2012-13	15,270	4,526	19,796
2013-14	15,893	4,949	20,842
2014-15	16,221	5,367	21,588
2015-16	15,879	5,248	21,127
2016-17	15,854	5,222	21,076
2017-18	15,505	5,282	20,787
2018-19	15,158	5,226	20,384
2019-20	15,145	5,212	20,357
2020-21	15,074	5,121	20,195

Source: Bridgeport Board of Education

## ECONOMIC AND DEMOGRAPHIC DATA

The City, with a 2010 Census population of 144,229, an approximate 3.3% increase from its 2000 Census population, is the largest city in the State of Connecticut. Early indications from Open Data Network Institute are that the City's population for 2020 may approximate 150,000. Bridgeport encompasses an area of 19.38 square miles (16.0 square miles of land; 3.38 square miles of water). The City is the commercial hub of eastern Fairfield County.

<u>Year</u>	<u>Population Trends</u>		
	<u>Bridgeport</u>	<u>Fairfield County</u>	<u>State of Connecticut</u>
1990	141,686	823,645	3,287,116
2000	139,529	882,567	3,405,565
2010	144,229	916,829	3,574,097
2019	144,639	943,332	3,565,287

Source: 1990, 2000 & 2010 Figures: U.S. Department of Commerce, Census Bureau.  
2019 Figures: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

### Major Private Employers

<u>Firm</u>	<u>Sector</u>	<u>Employees (Est.)</u>
Bridgeport Hospital, Inc. <sup>1</sup>	Health care	2,600
St. Vincent's Medical Center <sup>2</sup>	Health care	1,800
People's United Bank <sup>3</sup>	Banking	1,200
Jewish Senior Services Center	Senior Housing	800
Goodwin University – University of Bridgeport campus	Educational	500
Prime Line (Formerly Prime Resources)	Manufacturing	500
Housatonic Community College	Educational	350
Lacey Manufacturing Company	Manufacturing	300
Sikorsky Aircraft	Manufacturing	300

Source: City of Bridgeport – City Finance Department (estimates as of 2020).

1. Owned by the Yale/New Haven Hospital System

2. Owned by the Hartford HealthCare Network

3. People's United Bank has agreed to be acquired by M&T Bank later in 2021 subject to regulatory approval. The current headquarters of People's United Bank is expected to operate as a regional headquarters of M&T Bank with some reduction in employment from current levels.

The Bridgeport region and labor market area consists of eleven towns and cities: Ansonia, Beacon Falls, Bridgeport, Derby, Easton, Fairfield, Monroe, Oxford, Shelton, Stratford and Trumbull. The table below provides the employment and unemployment statistics since 2013.

### Employment

	<u>City of Bridgeport</u>		<u>% Unemployed</u>		
	<u>Employed</u>	<u>Unemployed</u>	<u>City of Bridgeport</u>	<u>Bridgeport Labor Market</u>	<u>State of Connecticut</u>
April 2021	56,443	7,843	12.2%	7.5%	7.6%
March 2021	55,194	8,266	13.2%	8.4%	8.3%
February 2021	53,657	7,986	13.0%	8.5%	8.3%
January 2021	58,047	8,611	12.9%	8.7%	8.5%
Annual Average 2020	60,325	8,141	11.9%	8.1%	8.2%
Annual Average 2019	65,334	3,800	5.5%	3.7%	3.7%
Annual Average 2018	64,834	4,227	6.1%	4.1%	4.1%
Annual Average 2017	64,837	4,796	6.9%	4.7%	4.7%
Annual Average 2016	64,927	5,325	7.6%	5.0%	5.1%
Annual Average 2015	64,803	5,987	8.5%	5.6%	5.7%
Annual Average 2014	64,031	6,885	9.7%	6.4%	6.6%
Annual Average 2013	62,458	7,914	11.2%	7.5%	7.8%

Source: Based on U.S. Department of Labor and Employment Security Division, Labor Department, State of Connecticut.

## BRIDGEPORT'S ECONOMIC DEVELOPMENT PROGRESS

### Downtown Development

There has been a steady market in the residential conversion of the City's historic downtown buildings. Additionally, new ground-up residential construction is now underway. The City's policies encouraging transit-oriented development have supported this growth. On the regulatory side, the City has adopted a downtown zoning code that encourages density and has zero off-street parking requirements so that projects may move more quickly and without having to absorb extra costs. Now home to 1500 units, with recent units coming on-line at roughly 80% market and

20% affordable, the greater downtown area is projected to reach some 2500 units over the next five years. Throughout downtown, residential occupancy is at 95% or better.

Along with residential growth, and the revitalized appearance of its historic buildings, the downtown is seeing increasing developer interest and business confidence in new commercial and retail investment. The Berlinetta Brewpub, offering Czechoslovakian Pilsner, just opened. Vinny Brand's Stress Factory Comedy Club has re-opened and continues to book major acts. Grill II Connecticut draws diners from New York. Intimate restaurants like Avuchella's and El Pueblito have joined mainstays like Joseph's Steakhouse and Ralph-n-Rich's to enhance downtown's reputation as a dining destination.

This street level activity is complemented and anchored by the City's one-of-a-kind regional entertainment center, with the Webster Bank Arena (home of the Bridgeport Islanders hockey team) and the newly opened Hartford Health Care Amphitheater combining to provide a year-round home for major entertainment in the heart of downtown. The Islanders have just renewed their contract with a ten-year agreement through 2030. The Amphitheater has announced dates starting mid-summer 2021. With a seating capacity of approximately 5,000 seats, and over twenty (20) luxury suites, it is expected to draw substantial activity to the city center. Live Nation, the largest live entertainment company in the world and the largest producer of concerts in the world, has a partnership agreement with Harbor Yard Amphitheater LLC to promote events at this venue.

To support the growing residential population and the growing commercial development, the City is making use of federal and state grant funds to make significant public investments in downtown. Over \$20 million in federal traffic improvement grants have been approved for road, traffic and street-light construction along Lafayette Boulevard and North Main Street expected to commence by late 2021. The City has approved additional downtown transportation projects funded by grant sources to improve the City's intermodal transit center (which features connected train and bus service). This project is expected to enhance connections between downtown's major arterial boulevards and I-95. These dollars are expected to improve the pedestrian experience downtown with a focus on traffic calming and streetscapes.

The State is also using a \$50 million resiliency grant received from the federal government to develop cutting-edge, national-demonstration projects in the south end, including major green oriented infrastructure (berms, swales, water retention systems), all designed to integrate into the existing park system and to connect the south end to downtown within two years. The State Department of Housing is managing this project, with design for this work almost completed and construction expected in 2022.

### **Waterfront Development/Steelpointe Harbor**

Bridgeport's *Steelpointe Harbor* project, the City's flagship mixed-use development along the inner harbor and I-95, continues to expand. Anchored by the 175,000 square foot Bass Pro Shops, along with Starbucks, Chipotle and T-Mobile, the site has emerged as a premier yachting destination along the Southern New England shoreline. Defined by the iconic lighthouse architecture of the nearly 50,000 square foot, six-story high Dock Master Building, the Steelpointe Harbor Marina offers some 220 state-of-the-art slips to boaters and yachtsmen and a new stop along the way from New York and western Long Island Sound to Mystic and Newport. Whether for the dining at The Boca Oyster Bar, exhilarating boat shows, or a quiet stroll along the award-winning promenade, people can arrive by land or by sea at Steelpointe Harbor. The next phase of the project includes 200 to 300 units of new waterfront luxury housing, with construction expected to begin in 2022.

With the increase in transient boaters and marine tourism coming into the harbor, the City is preparing to launch a water-taxi service to shuttle visitors from Steelpointe right into the heart of the downtown so that they may take in a show at the Amphitheater or dine in an old-world style Italian eatery or a New York style steakhouse.

Just east of Steelpointe across the Yellow Mill Channel, RCI Group, parent to the Steelpointe developer, Bridgeport Landing Development (BLD), has revived what was a dormant shipyard and converted it into a dynamic multi-faceted, marine service center that has attracted major new companies to the site. Reopened as Bridgeport Boatworks in 2018, and featuring three travel lifts, the facility recently attracted the international maritime firm, Hornblower Group, to establish a regional maintenance and upgrade facility set to employ some 60 workers. Hornblower has since been joined by North Sails and North Technology Group. Occupying 35,000 square feet of space in the Boatworks, North

Sails relocated its world-leading sails manufacturing and service loft to Bridgeport from neighboring Milford. North Technology Group will operate its East Coast kite and windboard distribution at the site. In total, over 100 workers will be plying various marine trades at The Boatworks.

The Steelpointe Infrastructure Improvement District, a special taxing district which encompasses the Steelpointe Harbor project, expects to issue approximately \$48 million of tax incremental financing bonds (“TIF Bonds”) in August 2021 to reimburse both BLD and the City for certain public infrastructure improvements benefitting the Steelpointe Harbor project. The City is expected to receive reimbursement in the approximate amount of \$5 million for previous capital expenditures. The debt service on the TIF Bonds will be secured by the increase in incremental real estate taxes created from the Steelpointe Harbor project and special assessments, not by the full faith and credit of the City, in accordance with an interlocal agreement between the City and the District.

### **Higher Education and Health Care**

The growing presence of young academicians, international students, researchers, and professors helps the City culturally and intellectually. Downtown, the Housatonic Community College recently completed a 50,000 square foot addition. The modern urban campus now occupies over 300,000 square feet in the center of the City and serves over 6,000 students annually. The College also serves as a cultural anchor. The Housatonic Museum of Art, whose collection is valued at over \$13 million, displays some 1,700 works of art throughout the campus.

A few blocks to the south, the University of Bridgeport likewise modernized its 40-acre campus over the last decade along Bridgeport’s Seaside Park on the shores of Long Island Sound. The University of Bridgeport was purchased by Goodwin University in May 2021 in order to address certain financial and operational needs and to ensure the future stability of the University. Offering a career-oriented undergraduate and graduate curriculum, this private university offers 13 schools, colleges and institutes in diverse areas of study. Its student population is approximately 4,000. International students represent a portion of the student population. An additional educational institution, Paier College, has announced plans to relocate to the University of Bridgeport campus from Hamden Connecticut.

In the northern end of the City, the City co-hosts a portion of the Sacred Heart University (SHU) campus with the neighboring town of Fairfield. Home to over 8,500 students (roughly 5,000 undergraduate and 3,000 graduate), SHU is the second largest Catholic university in New England, and was ranked in 2018 by *U.S. News and World Report* (in *Best Colleges 2018*) as one of the most innovative in the northern United States. In 2017, SHU completed the newest addition to its fast-growing campus, its 120,000 square foot Center for Healthcare Education located on 4000 Park Avenue in Bridgeport. SHU also now owns and operates programs at the former General Electric headquarters in nearby Fairfield. A significant portion of SHU’s student dormitory and student private rental housing is located within the City of Bridgeport, primarily in the north end of Bridgeport.

Health care continues to be a vital component of the City’s economy. Both of the City’s major regional hospitals are now part of larger, well-capitalized, health care systems. Bridgeport Hospital’s affiliation with the Yale New Haven Health System brought Bridgeport Hospital’s 1 million square foot facility and its over 2,600 employees, into one of the world’s most renowned medical research centers in Yale Medical Center. St. Vincent’s Medical Center, including all of its affiliate entities, which employs over 1,800 people, was purchased by Hartford Healthcare in 2019. Both hospitals managed operations effectively during the COVID-19 crisis with the assistance of the State and have received reimbursement of pandemic related costs under the federal CARES Act.

### **Energy and Innovation**

Public Service Electric and Gas (PSEG)’s \$550 million natural gas power plant represents one of the larger developments in the City’s modern history. Haven broken ground in the summer of 2017, the plant became fully operational in 2019. This facility added approximately \$350 million to the City’s Grand List as of October 1, 2020. PSEG just completed the decommissioning of the old coal-powered plant, located adjacent to the new plant. This parcel will be repositioned for sale and redevelopment along the waterfront. With PSEG’s decision to focus on wind energy products, it is anticipated that the new natural gas plant will also be sold within the next several years.

The clean energy sector continues to be a growth area for the City. Bridgeport already houses one of the continent’s largest fuel cell power installations in Dominion Power’s Bridgeport Fuel Cell Park. Building on the City’s success

in converting its former city landfill into a 2.2 megawatt solar field, the City has since created one of Connecticut's first electric micro-grids serving the City's municipal buildings downtown. The City is also exploring the development of an extensive thermal heating loop system proposed for the southern and west end of the City where it could power various commercial enterprises as well as the Goodwin University - University of Bridgeport campus. The City's East End harbor-front has also been proposed as the site for the assembly of wind turbines to be utilized for a major \$900 million Park City Wind project being developed by Avangrid Renewables, a partnership with Copenhagen Infrastructure Partners of Denmark. This proposed wind farm development is similar to a project undertaken in Nantucket Sound off of Cape Cod in connection with the Vineyard Winds Project. The federal Bureau of Energy Management has just authorized the start of the environmental permitting process, an important step toward moving forward.

### **Neighborhood Development**

The City's Economic Development office has worked in partnership with the Bridgeport Public Housing Authority (now known as Park City Communities) to reclaim and reposition formerly troubled public housing developments by supporting private-sector redevelopment of these sites into mixed-income, mixed-use, and privately managed communities. JHM Financial Group and the Richman Group out of Stamford and Greenwich have made over \$65 million worth of private investment toward the construction of almost 200 mixed-income units of housing has occurred over the past three years on the City's east side through a phased project known as Crescent Crossing. The City has contributed close to \$5 million of federal Home program and City capital funds toward the demolition of vacant public housing units to make way for these new developments. The City continues to support the efforts of a variety of non-profit community-based developers, such as Habitat for Humanity and the Bridgeport Neighborhood Trust, in projects that provide high quality affordable housing throughout the City's varied neighborhoods.

In the West End of the City, the \$55 million Cherry Street Lofts project converted two distinctive historic industrial buildings into 157 units of new housing and a new charter school. Construction on the second phase of the project, which will consist of additional units of workforce housing and accompanying retail, is in the design and construction phase, with support from the state possible.

In the East End, the City has worked with public and private partners to redevelop a 3-acre site in the commercial heart of Stratford Avenue, anchoring the new development with the 16,000 square foot Newfield Library and the 35,000 square foot Honey Locust Square project, which will include a 15,000 square foot grocery, the first to open in this area in decades. This \$18 million redevelopment project is well underway, with Library completion slated for this month, and with the retail plaza to open in the summer of 2022. In addition, major new market rate housing with approximately 300 units being built in Black Rock, near the Fairfield Metro Train Station, will be the largest such development in that area of the City.

## **BRIDGEPORT'S MAJOR FINANCIAL INITIATIVES**

The City has instituted major cost-saving initiatives over the past several years through financial system upgrades, improvement of revenue collection programs, the addition of online permitting capabilities, the negotiation of higher employee cost-sharing of employee benefits, slight reduction in self-insurance fund long term liabilities, the streamlining of technology and other operations, and from positive debt refundings. Some of the more recent cost-savings initiatives are described below.

### **Cost Savings Initiatives**

The Administration undertook a program over the last several years that held employment positions vacant for longer periods of time and reduced certain discretionary spending to the extent of over \$8 million per annum in reduced expenditures from Fiscal Year 2017 through Fiscal Year 2021. These reductions created a surplus for Fiscal Year 2020 in excess of \$4 million. A surplus in excess of \$6 million is expected for Fiscal Year 2021. The City implemented a new public safety overtime online Chronos system to create management accountability and installed new cybersecurity controls.

## **Revenue Collection Initiatives**

The City has implemented innovative strategies for enhancing its tax revenues, accelerating its receipt of delinquent taxes, non-tax revenues and controlling costs. An additional \$1.7 million in delinquent back property taxes have been collected over the past two years due to this program with the assistance of tax audit firm Feldman Associates. In addition, expanded property assessment audits have resulted in over \$500,000 per year in addition to grand list taxes collected. The City also installed a new Tyler Energov module in 2021 to allow and generate online citizen and business permitting and fee payment and collections.

The City utilizes a Bootfinder Program currently and has utilized this program over the past decade to identify delinquent motor vehicle taxpayers. The City uses TaxServ LLC to assist as the City's tax collection agency regarding delinquent motor vehicle taxes. These programs have collected an average of \$500,000 of delinquent taxes per annum.

The City has used many methods to increase collection of real estate taxes, including heightened enforcement and the sale of tax liens. The City's tax collection rate continues to exceed 98.5% annually. Tax lien sales have proven to be an effective management tool in collecting current and arrears taxes, interest and penalties. The sale of liens enables the City to realize an immediate financial benefit from the delinquent taxes, and relieves the City of incurring the expense and delay associated with ongoing collection efforts. The City retains no interest in the assigned liens, and the purchaser bears all the risks relating to its ability to collect the amounts owed, and, should it acquire title to the underlying real estate through foreclosure or otherwise, will bear all risks associated with the ownership and sale of real property. The final installment of the Grand List 2019 tax lien sale was completed in September 2020 for which the City received approximately \$2.3 million in taxes, interest and fees, in addition to the \$6 million received in the spring of 2020. The City Council has approved a similar sale planned for Grand List 2020 tax liens estimated to be in the amount of \$7.4 million. A portion of this lien sale was completed for approximately \$4.9 million, with the remainder expected to occur in Fiscal Year 2022.

## **Internal Service Fund**

In 2007, the City, by ordinance, established an Internal Service Fund to account for self-insured health benefit activities of the City, Board of Education and all other departments. Governmental Accounting Standards allow for the use of Internal Service Funds for risk financing activities. The Internal Service Fund is a proprietary type fund, which utilizes the accrual basis of accounting. The use of an Internal Service Fund, for self-insured benefit activities can help smooth the impact of severe claims fluctuations which, in the past, have occurred in the General Fund. Funding of the Internal Service Fund is provided through the annual General Fund Budget, the WPCA Budget, and non-General Fund employee contributions. As stated in the ordinance adopted by the City Council, a prior year deficit or surplus in the fund will be considered in the calculation of contributions to be made to the fund in future years; it is expected that deficits will be amortized over a long term period. As of June 30, 2020, the fund had an unrestricted net deficit of \$54.9 million, more than a \$10 million improvement from the prior year, which includes an actuarial estimate of liability for present and future workers' compensation claims of approximately \$50 million. Unaudited results for Fiscal Year 2021 indicate that the City and the Board of Education have contributed more into the fund to reduce the net deficit down to approximately \$46 million. City wide health claim costs increased during Fiscal Year 2020, due to a cost of living increase in the CT State Partnership Plan which all unions joined in 2019. The savings realized during the past two fiscal years totaled approximately \$9 million between the City and the Board of Education as compared to what the fund would have been under the former self-insurance program in effect prior to September 2020. The liability for workers' compensation claims decreased by \$1 million in Fiscal Year 2020. Workers' compensation claims are not subject to the amortization requirements set forth in the ordinance. Results during Fiscal Year 2021, to date, indicate additional savings in health insurance costs from lower than expected claims costs due to budgeted employee position vacancies.

## **Other Post Retirement Benefits Trust Fund**

An ordinance was approved by the City Council in June 2018 creating an Other Post Retirement Benefits Trust and Trust Fund (OPEB Trust Fund). This Trust Fund was initially funded with \$100,000 in Fiscal Year 2018. The City has funded an additional \$100,000 each year, but in Fiscal Year 2022 has increased the annual funding amount to \$700,000. These funds are deposited in a separate irrevocable Trust fund account. Meanwhile the City is currently



paying all annual OPEB benefits on a pay as you go basis. The City is cognizant of the long-term goal to set aside and invest more funds to eventually meet its future OPEB liabilities over the long term.

## **FUTURE PLANNED BORROWINGS**

***Tax and Grant Anticipation Notes:*** Since 2006, the City has issued tax anticipation notes (“TANs”) on an annual basis. The City has decreased its TANS borrowings by over 35% during the last few years. The proceeds from the sale of these notes have been used to provide funds to pay ongoing expenses of the City on a short-term basis solely during winter due to cash flow needs. This situation occurred due to the City Board of Education expending more funds and the City’s paying off more annual debt service costs in the first half of each Fiscal Year than in the second half. All short-term notes have been repaid from ad valorem property taxes and State grants received by the City while the notes are outstanding. The City issued \$20 million in TANs in December 2020 which matured and were paid off in February 2021. Due to strengthening City cash flow, the City will not issue TANs in Fiscal Year 2022.

The City renewed \$20 million in short-term Grant Anticipation Notes (GANS) in December 2020 which are to mature in December 2021. These GANS are issued solely as a short-term measure to handle school construction needs while the City awaits reimbursement from the State for various school projects. As soon as the City receives the state aid reimbursements due to the City, these GANS will be repaid. It is expected that the GANS will be rolled over for one more year in December 2021, pending receipt of the state aid reimbursements. Such GANS are secured by the full faith and credit of the City.

***Capital Improvement Program:*** The City’s new Five Year Capital Improvement Plan for Fiscal Years 2022 through 2026 is significantly less than in past years (see the table on page A-34). The City is not planning to initiate any new capital building projects over the next several fiscal years, with the exception of construction of the new Bassick High School. The school is expected to cost approximately \$120 million, of which up to \$91 million is expected to be funded with State grants with the remaining amounts to be funded by the City. \$28.5 million has been authorized to date in the City’s Five Year Capital Plan. An initial \$1 million of bonding was issued in July 2018 for this school project, \$4.5 million has been financed through a Council approved reallocation of previously issued bonds authorized from a prior Capital Plan not required for the original project, \$0.8 million was issued in 2020 and \$8 million of additional financing is contained within the issuance of the Series A Bonds. Other than the construction of Bassick High School, there are no further new large City building projects expected or planned within the term of the current and new Capital Plan. Please see Five-Year Capital Plan section.

## **FINANCIAL INFORMATION**

The Director of Finance is responsible for seven departments including the Comptroller, Finance, Treasurer, Tax Collector, Tax Assessor, Print Shop and Purchasing, with a total of 52 budgeted positions. The Office of Policy and Management of the City (“OPM”) prepares and reviews the City’s budget, provides guidance for managing departmental performances, and oversees the implementation of management improvement projects.

### **Information Technology Services**

The City’s website has been redesigned to provide a comprehensive website to keep the public informed about City departments, news items, permit and licensing information, financial information such as the Comprehensive Annual Financial Report and on-line bid proposals issued by the City. The upgrades of all computer systems are continuing. The City has placed all financial information on a new public Bridgeport Open website in conjunction with the Connecticut Open website created with the assistance and cooperation of the Connecticut State Comptroller’s office.

### **Basis of Accounting**

The City’s Fiscal Year begins July 1 and ends June 30. The City’s accounting system is organized and operated on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds utilized by the City are as follows: general; special revenue; capital projects; enterprise; and trust and agency. The type and number of individual funds established is determined by Generally Accepted Accounting Principles (“GAAP”) and sound financial administration. The General Fund operations are maintained on a modified accrual basis, with the revenues recorded when measurable and available and the expenditures recorded when the services or goods are received and liabilities are incurred. Accounting records for the City’s enterprise, pension and nonexpendable trust funds are on the accrual basis of accounting.

## **Budget Procedure**

The Mayor's annual budget is developed by the City's OPM from department requests and request by the Board of Education. The Mayor is required by Charter to present his annual operating budget to the City Council no later than the first Tuesday in April. The City Council then in turn holds public hearings and makes such additions and changes as deemed necessary before adopting the annual Budget. The City Council is required to adopt a budget by the second Tuesday in May. The Mayor has a final opportunity to veto line item changes made by the Council. However, any Mayoral change to a Council approved Budget may be overturned upon a two-thirds vote of the Council before June 30. The City maintains budgetary control through OPM. The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual adopted budget approved by the City Council. The level of budgetary control is established by organization, agency and object. The City also utilizes an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances reserve appropriations that have been obligated through purchase orders or contractual documents. Encumbrances are reported as reservations of fund balance at the end of the year. Transfers of appropriations between departments require the approval of the City Council. The City's Capital and General Fund Budgets must be adopted by the City Council and approved by the Mayor.

The Fiscal Year 2022 budget was adopted by the City Council on May 1, 2021 and signed by the Mayor on May 17, 2021. See "Adopted Budget for Fiscal Year 2022" herein.

## **Internal Controls**

Management of the City is responsible for establishing and maintaining a control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. In addition, City management is responsible for monitoring the various City departments for compliance with the City Charter, ordinances and all other policies and procedures.

As a recipient of Federal, State and local financial assistance, the City is also responsible for ensuring that adequate internal control policies and procedures are in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management.

## **Audit**

State statutes require an annual audit by independent certified public accountants. In compliance with these requirements, the City Council again selected Blum, Shapiro & Company, PC, (which was acquired by and now known as CliftonLarsonAllen LLP) pursuant to a bid for a three-year contract, to perform the audit for Fiscal Year 2021. The City's Fiscal Year 2020 audit was issued in a timely basis on December 23, 2020. The General Purpose Financial Statements for Fiscal Year 2020 and schedules are included as Appendix A of this Official Statement. The auditor's reports which relate specifically to the Federal and State Single Audit Acts are included in separate documents, which are available upon request. Audited results for Fiscal Year 2020 show that the general unrestricted fund balance improved significantly over the past several years with the undesignated unreserved fund balance increasing by over \$11 million from Fiscal Year 2016 to a total of approximately \$27 million as of June 30, 2020. Unaudited results for Fiscal Year 2021 reflect an additional increase in undesignated unreserved fund balance by \$6 million resulting in an approximate total of \$34 million as of June 30, 2021.

## Pension Programs

### Single Employer Defined Benefit Plans

The City maintains and administers four single employer defined benefit pension plans which cover substantially all of the employees of the City with the exception of those covered under the Connecticut Municipal Employees' Retirement Fund ("CMERF") and the State Teachers' Retirement System. The four City plans and the number of plan participants as of June 30, 2020 are as follows:

- (i) Public Safety Plan A Investment and Pension Trust ("Plans A") – 603 participants
- (ii) Police Retirement Plan B – 129 participants
- (iii) Firefighters' Retirement Plan B – 69 participants
- (iv) Janitors' and Engineers' Retirement Fund – 15 participants

### *PENSION PLANS A*

Plans A are partially funded through an Investment Trust (the "Investment Trust") created from the proceeds of the City's \$350,000,000 Pension Obligation Bonds issued in 2000 and the City's \$124,405,000 Pension Obligation Bonds issued at the end of October 2019 (discussed below). The net benefits paid under Plans A in Fiscal Year 2020 were approximately \$30.5 million. These amounts include \$0.5 million in proceeds from an annuity contract for Plans A purchased in 1985. Actuarial projections indicate that the net benefits to be paid under Plans A will decline significantly in future years due to the aging of retirees remaining in Plans A. The City's liability for the actuarially determined pension contribution requirements in excess of actual contributions made since 1986 is recorded as a noncurrent liability in the government-wide financial statements. Plans A is a closed plan, and no new enrollments are covered by this plan. The City's actuary, Segal Consulting, calculated the City's aggregate actuarial accrued liability under Plans A to be \$276,782,652 as of June 30, 2020. The actuarial value of assets held in Plans A as of June 30, 2020 is \$158,869,403, resulting in an unfunded actuarial accrued liability of \$117,913,249. The assumed annual rate of return on the Plans A assets is 6.75%, unchanged since July 2017. The assumed cost of living adjustment within the actuarial determination of plan liabilities and contribution requirements is 2.25%.

The following table shows the actuarial value of assets, the actuarial accrued liabilities and other relevant information for the Plans A for the last seven completed fiscal years based upon the City's Actuarial Valuation and Review reports:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL) (b) - (a)</b>	<b>Funded Ratio (a) / (b)</b>
07/01/2014	\$ 119,631,213	\$ 294,737,010	\$ 175,105,797	40.59%
07/01/2015	97,991,000	351,341,616	253,350,616	27.89%
07/01/2016	76,643,488	327,252,219	250,608,731	23.42%
07/01/2017	71,029,447	311,235,137	240,205,690	22.82%
07/01/2018	63,271,230	298,311,407	235,040,177	21.21%
07/01/2019	54,306,653	288,133,174	233,826,521	18.85%
07/01/2020	158,869,403	276,782,652	117,913,249	57.40%

\*Plan closed – no active employees. Actuarial discount rate assumption is 6.75%.

The table below shows the City's actuarially determined contributions and actual contributions to the Plans A for the last seven fiscal years based upon the City's Actuarial Valuation and Review reports:

**Schedule of Employer Contributions**

<b>Plan Year Ended June 30</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contributions</b>	<b>Percentage Contributed</b>
2015	\$11,407,599	\$11,407,599	100.00%
2016	15,488,177	15,488,177	100.00%
2017	15,945,203	15,944,213	100.00%
2018	15,596,475	15,600,000	100.00%
2019	15,983,052	15,983,572	100.00%
2020	16,703,922	133,655,805*	800.00%
2021	8,879,528	9,050,000	101.92%

\*Includes net proceeds of \$120 million contributed from the issuance of the City's \$125,405,000 General Obligation Bonds (Federally Taxable) dated October 29, 2019.

In Fiscal Year 2021, \$9.050 million was contributed for Plans A, which represents 101.92% of the actuarially determined contribution of \$8.9 million. The Fiscal Year 2022 adopted budget contains \$10.7 million for contributions to Plans A. The July 2021 actuarial report will be issued in the autumn of 2021.

In August 2000, the City issued \$350,000,000 non-callable General Obligation Taxable Pension Bonds, 2000 Series B (the "2000 Pension Bonds") to finance approximately 79% of the City's then unfunded actuarial accrued liability for benefits under Plans A. The 2000 Pension Bonds were issued pursuant to Section 7-374c of the Connecticut General Statutes (the "Act"). The net proceeds of the 2000 Pension Bonds were deposited into the Investment Trust with the corpus and any earnings of such Investment Trust utilized to pay pension benefits to the beneficiaries of Plans A. The Trustees of the Investment Trust are the City's Mayor, Director of Finance and Treasurer. The assets of the Investment Trust are invested in equities, bonds and other financial instruments.

Pursuant to the Act, the City was obligated to make certain contributions to the Investment Trust and to maintain certain actuarially determined funding obligations during the term of the 2000 Pension Bonds. Under state statutes governing pension obligation bonds, the City was required to make its "Actuarially Recommended Contribution," defined as the lesser of the Employer's Normal Cost or the Annual Required Contribution as defined by the Governmental Accounting Standards Board ("GASB") Statement No. 25. In addition, under the Act, the City was required to make additional contributions to fund Plans A at approximately the same funding level as immediately following the issuance of the 2000 Pension Bonds (79%).

Special legislation was passed by the Connecticut General Assembly in 2009 which permitted the City to limit its pension contribution for Plans A. During the 2011 legislative session, the Connecticut General Assembly approved legislation which replaced the original funding requirements of the Act for the City. For Fiscal Year 2013 and subsequent fiscal years, the legislation requires the City to make an annual contribution to Plans A based on: (A) a calculation by the City's actuary of the Plans A unfunded actuarial accrued liability at the beginning of each fiscal year, applying standard methods and assumptions used in actuarial practice, and a level percentage amortization of the unfunded actuarial accrued liability with a 5% growth rate; (B) a 24-year amortization period starting in Fiscal Year 2013 and declining by one year in each subsequent fiscal year; and (C) an annual recalculation of the contribution to take into account any gains and losses experienced by Plans A in determining its unfunded actuarial accrued liability for the year, and amortizing them over the remaining period. Since Fiscal Year 2015 the City has made at least 100% of its required contributions in every fiscal year. In Fiscal 2020 the City contributed \$133 million, well in excess of its required contribution, due to proceeds contributed from the issuance its \$125,405,000 General Obligation Bonds (Federally Taxable) (the "2019 Pension Bonds") to support Plans A. \$120 million of the proceeds of these bonds was invested in Plans A, structurally improving the City's balance sheet relating to pension liabilities and debt service. This initiative increased the funded status of Plans A from 18.85% to 57.4%. In particular, the structure of these 2019 Pension Bonds restored adequate funding levels of the City's Plans A assets while smoothing the City's liabilities attributable to payments otherwise to be made to Plans A beneficiaries from the City's general fund. This plan of

finance created net present value savings and years of annualized general fund budgetary savings for the City attained from the net difference between the new lower levels of actuarially determined contributions from the City's general fund to the Plans A as compared to the additional annual debt service on the 2019 Pension Bonds to be paid from the City's general fund. Prevailing low interest rates enabled the City to complete this transaction in a fiscally prudent manner. Approximately \$70,000,000 of the \$120,000,000 (55%) of fund proceeds from the 2019 Pension Bonds have been invested through June 30, 2021, with relatively positive impact on Plans A portfolio due to investment performance. Given that Plans A is a closed plan to new participants, the actuarial analysis conducted by Segal Consulting demonstrated that Plans A is expected to become fully funded by 2035, given that the Plans A will eventually no longer have retiree members and assuming the investment return assumptions in the analysis are realized.

The asset investment performance of Plans A has been strong in recent years through June 30, 2021. Assets and funding ratios are stable, at over 60% of liabilities. The City's current pension benefit payment under Plans A is approximately \$30 million per year.

### *PENSION PLANS B*

The City, police, and firefighters' union negotiated a contract whereby all active bargaining unit members were transferred to CMERF. The Firefighters transfer was effective April 1, 2012 and the Police transfer was effective July 1, 2013. The City transferred \$80.2 million from the Police Retirement Plan B and \$40.1 million from the Firefighter's Retirement Plan B to the State of Connecticut Retirement Commission fund the City's obligation to CMERF for past service of these active employees.

Upon the transfer of active Police and Fire members to CMERF only retired police and firefighters not covered by Plans A participate in Police Retirement Plan B and Firefighters' Retirement Plan B. The Police Retirement Plan B and Firefighters' Retirement Plan B are funded on an actuarial basis and the Janitors' and Engineers' Retirement Fund is funded on a "pay as you go" basis that is, the City's contribution to the plan is the amount necessary to pay annual benefits. Based on the most recent actuarial valuation as of June 30, 2020, the Firefighters' Retirement Plan B was funded at 108%, held assets with an actuarial value equal to approximately \$38,479,320 as of June 30, 2020 and has an overfunded actuarial accrued liability of \$2,826,373 as of June 30, 2020. Based on the most recent actuarial valuation of as of June 30, 2020, the Police Retirement Plan B was funded at 78%, held assets with an actuarial value equal to approximately \$60,023,513 as of June 30, 2020 and has an unfunded actuarial accrued liability of \$16,498,321 as of June 30, 2020. The City made contributions of \$1,275,000 and \$1,500,000 for Police Retirement Plan B in Fiscal Years 2020 and 2021, respectively, which were more than the actuarially determined contributions for such years. The City made a contribution of \$40,000 for Firefighters' Retirement Plan B in both Fiscal Year 2020 and Fiscal Year 2021.

The City's contributions to the Janitors' and Engineers' Retirement Fund was funded by the Board of Education and amounted to \$861,495 for Fiscal Year 2015, \$796,380 for Fiscal Year 2016, \$731,496 for Fiscal Year 2017, \$632,714 for Fiscal Year 2018, \$602,269 for Fiscal Year 2019 and \$506,115 for Fiscal Year 2020. Due to the small remaining unfunded liability of approximately \$5.75 million, the City's contributions to the Janitors' and Engineers' Retirement Fund are made on a pay as you go basis.

Following the transfer of the City's pension obligations for the then active police and firefighters to CMERF, a subsequent review of the assets transferred by the City to CMERF revealed a substantial accrued unfunded actuarial liability owed by the City to CMERF. At that time, the City and CMERF agreed that the City could pay the unfunded liability in periodic annual payments on an extended twenty-eight year amortization schedule including an interest component at 8% per annum. During the 2017 State legislative session, the City secured state legislation which was enacted into law in June 2017 to permit the City to issue bonds to fund the accrued unfunded actuarial liability to CMERF. In January 2018, the City issued \$99.5 million General Obligation Bonds (Federally Taxable), 2017 Series D to fully fund the accrued unfunded actuarial liability to CMERF. As of January 2018, the CMERF unfunded actuarial liability of over \$230 million was eliminated and was not included in the City's financial statements as of June 30, 2018. The City's share of the CMERF UAAL long term liabilities increased by approximately \$30 million through June 30, 2020 to \$278.5 million due primarily to changes in the methodology and discount rate used by the CMERF actuaries.

### Connecticut Municipal Employees' Retirement Fund

All current full-time employees of the City, except for Board of Education certified personnel, participate in CMERF, a cost-sharing multiple employer public employee retirement system administered by the State of Connecticut.

Employees are eligible to participate in CMERF provided they work at least 20 hours per week if hired after September 30, 1969. If hired prior to that date there is no minimum hourly requirement. All benefits vest after 5 years of continuous service. Members who retire after age 55 with 15 years of service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life, in an amount for each year of service equal to:

- If not covered by Social Security: 2% of the average of earnings for the three highest paid years of service.
- If covered by Social Security: 1-1/6% of the average of earnings not in excess of the taxable wage base for the 10 highest paid years, plus 2% of the average of earnings for the three highest paid years of service which is in excess of the average of earnings not in excess of the taxable wage base for the 10 highest paid years.

CMERF also provides death and disability benefits.

Benefits and other plan provisions are established by State statute. Covered employees are required by Connecticut statute to contribute 2-1/4% of earnings upon which social security tax is paid plus 5% of earnings upon which no social security tax is paid. The share of employee contributions deducted from payroll totaled \$7.9 million for Fiscal Year 2020. The City is required to make contributions as set by the State Retirement Commission to fund the remaining cost. The employer contribution represented from 15% to 23.59% of covered payroll for Fiscal Years 2016 to Fiscal Year 2020 for Police and Fire employees including the portion of unfunded accrued liability and 11% to 19.02% for other City and Board of Education employees, including the portion of unfunded accrued liability. The combined City and BOE's Fiscal Year 2020 contributions totaled \$25.7 million. The combined City and BOE's contributions in total for Fiscal Years 2019, 2018, 2017 and 2016 were \$21.7 million, 21.5 million, \$22.7 million, and \$22.2 million, respectively, equal to the actuarially required contributions for each year. The City and Board of Education have budgeted a combined City and BOE's contribution of approximately \$30 million for Fiscal Year 2021 due to increases in CMERS rates, and have been making such payments on a monthly basis, based upon a State employer required contribution of approximately 23.6% for Police and Fire employees and 19% for other City and Board of Education employees. The payroll for City and BOE employees covered by this plan for each of Fiscal Years 2019 through 2021 remained approximately \$130 million per annum. The financial statements of the plan are available from the State Retirement Commission for the CMERF Fund.

In Fiscal Year 2019, the CMERF system revised its actuarial methodology to decrease the assumed discount rate to 6.5% and to increase each member municipality's share of liabilities based upon the CMERF June 30, 2019 UAAL. The City of Bridgeport's share of the CMERF UAAL long term liabilities increased by approximately \$170 million for such fiscal year due to these changes. These changes primarily related to Police and Fire members of CMERF. In Fiscal Year 2020, the City's share of CMERF UAAL long term liabilities is \$278.5 million.

### State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Section 10-183 of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age 60 and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The payroll for City education employees covered by this plan for Fiscal Year 2020 was approximately \$67 million. The financial statements of the plan are available from the Connecticut Office of the State Comptroller, 55 Elm Street, Hartford, CT 06106.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The City does not and is not legally responsible for contributing to the plan.

For more information regarding the City's pension plans, please see Note 11 to the City's General Purpose Financial Statements attached hereto as Appendix B.

Other Post-Employment Benefits

The City, in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The plan covers City, Board of Education, Police and Fire employees as further defined in the collective bargaining agreements and other written materials.

Currently, the City funds its other post-employment benefit (OPEB) costs on a pay-as-you-go basis. The City established an OPEB Trust Fund in June 2018. The OPEB Trust Fund was funded with an initial contribution of \$100,000. In each of the Fiscal Years 2019, 2020, and 2021, the City contributed the sum of \$100,000 into the OPEB Trust Fund. In Fiscal Year 2022, the City increased the annual funding amount to the OPEB Trust Fund to \$700,000. For Fiscal Year 2020, approximately \$32.8 million was contributed for OPEB costs, representing 47.6% of the Actuarilly Determined Contribution. For Fiscal Years 2019 and 2018, the contributions were approximately \$31.7 million and \$27.2 million, respectively, and the Actuarilly Determined Contribution percentages were 39.9% and 34.5%, respectively. The City is in compliance with the requirements of GASB Statements 43 and 45, which require municipalities and other governmental entities to undertake a biannual actuarial evaluation of their OPEB plans and include information concerning the valuation of such plans in their financial statements. The City retains an outside actuarial consulting firm, AON, to prepare the valuation of its OPEB plans. Based on the most recent actuarial valuation report as of June 30, 2020, the City's total unfunded liability for its OPEB plans is \$1.07 billion and the actuarilly determined contribution for Fiscal Year 2020 was \$68,912,083, of which the City actually contributed \$32,832,826. The City's biannual 2020 actuarial valuation was completed for June 30, 2020 by AON as required by GASB, and the results of such report are included in the City's Annual Report as of June 30, 2020. The City has budgeted \$700,000 in Fiscal Year 2022 for the OPEB Trust Fund, to offer a slightly higher rate of contribution for this new Fiscal Year.

The following table shows the plan fiduciary net position, the total and net OPEB liabilities and other relevant information for the City's OPEB plans as of July 1, 2012, July 1, 2014, July 1, 2016, July 1, 2018, July 1, 2019 and July 1, 2020:

Actuarial Valuation Date	Plan Fiduciary Net Position (a)	Total OPEB Liability (b)	Net OPEB Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	OAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2012	\$ -	\$ 723,711,649	\$ 723,711,649	0.0	221,438,910	326.8%
7/1/2014	-	1,003,337,378 *	1,003,337,378 *	0.0	236,179,687	424.8
7/1/2016	-	804,740,362	804,740,362 *	0.0	245,409,264	327.9
7/1/2018	100,013.00	942,079,091	941,979,078 *	0.01%	245,409,264	384.0
7/1/2019	202,459.00	863,189,704	862,987,285 *	0.02	241,223,464	357.8
7/1/2020	305,035.00	1,075,863,052	1,075,558,017 *	0.03	221,550,040	485.5

\*For the July 1, 2014 valuation, the actuary reduced the discount rate from 7.0% to 4.5% and such rate was employed in the July 1, 2016 update and has since been reduced to the current rate of 3.87%.

For the July 1, 2016 actuarial valuation, the decrease in the OPEB liability reflects the fact that the City negotiated so that all employees contribute at least 25% of the cost of medical and prescription benefits (health). New employees have experienced an increase of 1% per year in their contribution for health benefits and currently pay 30%-33% of such premium cost, until they reach the maximum contribution rate of 50%. In Fiscal Year 2020 over 70% of city employees contributed 32%-35% of the cost of medical and prescription benefits (health) and Board of Education employees contributed 25%-54% of such cost. These percentages increase 1% per annum each fiscal year pursuant to current collective bargaining agreements.

The table below shows the City’s actuarially determined contributions versus the pay-as-you-go costs incurred for OPEB for the five fiscal years 2015 through 2020:

<b>Year Ended</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2015	70,570,886	33,345,101	47.3%
2016	71,905,518	31,891,398	44.4
2017	61,998,950	29,153,378	47.0
2018	78,841,802	27,190,667	34.5
2019	79,303,894	31,671,920	39.9
2020	68,912,083	32,832,826	47.6

For more information regarding the City’s OPEB plans, please see Note 12 to the City’s General Purpose Financial Statements attached hereto as Appendix B.

#### Compensated Absences

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability is typically paid out of the City’s General Fund.

#### **City Investment Policy**

Eligible investments for Connecticut municipalities are governed by the Connecticut General Statutes. It is the policy of the City to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all statutes governing the investment of funds. The City’s investment of cash and cash equivalents consist primarily of money market investments as well as money invested in the State’s Short-Term Investment Fund (“STIF”).

Because the Connecticut General Statutes do not specify permitted investments for municipal pension funds, the investment of pension funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. In accordance with its policy for pension fund investments, the City seeks a long-term, above-average total return consisting of capital appreciation and income, while placing an emphasis on preservation of principal.

For additional information regarding the City’s investments and policies, see Note 3 of the City’s General Purpose Financial Statements attached hereto as Appendix B.

## **CITY FINANCES**

### **GAAP Basis for Fiscal Years 2018-2020 – General Fund**

A summary of the General Fund Operations of the City for Fiscal Years 2018-2020 on a GAAP basis follows. The selected financial information was obtained from the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds contained in the CAFR for the Fiscal Years 2018-2020. (See “APPENDIX A-COMPREHENSIVE ANNUAL FINANCIAL REPORT” herein.)

For a discussion of Fiscal Year 2018-2020 results, see the section entitled “Fiscal Results on a Budgetary Basis for Fiscal Years 2018-2020” below. For a discussion of Fiscal Year 2021, see the section entitled “Adopted Budget and Unaudited Results for Fiscal Year 2021” below. For a discussion of Fiscal Year 2022, see the section entitled “Adopted Budget for Fiscal Year 2022”.



**Revenues, Expenditures and Changes in Fund Balance – General Fund**  
**Summary of Financial Operations (GAAP Basis)**

	<u>Audited Results</u> <u>Fiscal Year 2018</u>	<u>Audited Results</u> <u>Fiscal Year 2019</u>	<u>Audited Results</u> <u>Fiscal Year 2020</u>
<b>Revenues:</b>			
Property Taxes	\$ 311,378,677	\$ 314,691,798	\$ 326,796,475
Intergovernmental	272,473,344	244,517,351	259,752,739
Fees, Permits and Licenses	18,136,529	17,559,059	19,925,131
Interest	526,679	1,118,845	625,221
Other	5,214,991	7,070,725	649,703
<b>Total Revenues</b>	<b>\$ 607,730,220</b>	<b>\$ 584,957,778</b>	<b>\$ 607,749,269</b>
<b>Expenditures:</b>			
General Government <sup>1</sup>	51,478,229	54,868,137	56,260,053
Public safety	139,352,315	137,560,411	258,447,899 <sup>4</sup>
Public Facilities	38,983,342	38,846,819	39,680,916
Health and social services	4,747,608	4,670,695	7,112,056 <sup>5</sup>
Education <sup>2</sup>	-	-	-
Special Services	917,362	706,197	558,582
Debt Service	69,893,493	71,334,727	71,435,347
<b>Total Expenditures</b>	<b>\$ 305,372,349</b>	<b>\$ 307,986,986</b>	<b>\$ 433,494,853</b>
Revenues Over (Under)			
Expenditures	302,357,871	276,970,792	174,254,416
<b>Other Financing Sources (Uses):</b>			
Transfers In <sup>3</sup>	99,894,391	405,843	300,000
Transfers out <sup>2,3</sup>	(401,491,920)	(274,667,882)	(293,763,867)
Bond Refunding Issue	79,975,000	-	35,980,000
Premium on Bond Refunding	6,941,186	-	3,604,954
Bonds Issued	-	-	122,505,000
Payment to Escrow Agent	(85,928,224)	-	(38,960,495)
<b>Total other Financing Sources (Uses)</b>	<b>\$ (300,609,567)</b>	<b>\$ (274,262,039)</b>	<b>\$ (170,334,408)</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,748,304</b>	<b>\$ 2,708,753</b>	<b>\$ 3,920,008</b>
<b>Fund Balance - GAAP Basis, Beginning</b>	<b>\$ 19,266,129</b>	<b>\$ 21,014,433</b>	<b>\$ 23,723,186</b>
<b>Fund Balance - GAAP Basis, Ending</b>	<b>\$ 21,014,433</b>	<b>\$ 23,723,186</b>	<b>\$ 27,643,194</b>

Source: City of Bridgeport – Comprehensive Annual Financial Report

1. Includes all General Government, Economic Development and Libraries.
2. For presentation purposes education expenditures are included as transfers out.
3. Payments to MERS and Bonds issued to pay MERS liabilities are not included in expenditures, but rather as transfers out and transfers in.
4. Includes 2019 Pension Bonds proceeds.
5. Includes expenses of Lighthouse Summer Recreation Program.

**GAAP Basis for Fiscal Years 2018-2020 – All Governmental Funds**

A summary of the Governmental Funds' Operations of the City for Fiscal Years 2018-2020 on a GAAP basis follows. The selected financial information was obtained from the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds contained in the CAFR for the Fiscal Years 2018-2020. (See "APPENDIX A-COMPREHENSIVE ANNUAL FINANCIAL REPORT" herein.)

**Revenues, Expenditures and Changes in Fund Balance – All Governmental Funds**  
**Summary of Financial Operations (GAAP Basis)**

	<u>Audited Results</u> <u>Fiscal Year 2018</u>	<u>Audited Results</u> <u>Fiscal Year 2019</u>	<u>Audited Results</u> <u>Fiscal Year 2020</u>
<b>Revenues:</b>			
Property Taxes	\$ 311,378,677	\$ 314,691,798	\$ 326,796,475
Intergovernmental	429,798,854	342,214,834	352,007,017
Fees, Permits and Licenses	18,136,529	17,559,059	19,925,131
Interest	1,387,642	3,822,982	3,506,496
Other	6,384,907	8,581,945	1,855,772
<b>Total Revenues</b>	<b>\$ 767,086,609</b>	<b>\$ 686,870,618</b>	<b>\$ 704,090,891</b>
<b>Expenditures:</b>			
Current			
General Government <sup>1</sup>	53,239,267	55,144,940	56,430,562
Protection of Person and Property	139,352,315	137,560,411	258,447,899
Health and social services	5,769,652	6,932,039	9,024,334
Public Facilities	38,983,342	38,846,919	39,680,916
Education	381,561,975	351,494,628	369,668,190
Special Services	10,149,883	11,929,804	8,125,258
Debt Service			
Principal Retirements	37,205,672	33,404,187	32,171,390
Interest and other Charges	39,599,033	42,953,342	44,304,294
Capital Outlay	97,226,365	49,910,976	38,738,804
<b>Total Expenditures</b>	<b>\$ 803,087,504</b>	<b>\$ 728,177,246</b>	<b>\$ 856,591,647</b>
Revenues Over (Under)			
Expenditures	(36,000,895)	(41,306,628)	(152,500,756)
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	2,719,351	926,700	300,000
Operating Transfers Out	(2,719,351)	(926,700)	(300,000)
Operating Transfers Out (MERS) <sup>2</sup>	(98,582,467)	-	-
Bonds Issued	133,480,773	60,105,000	174,975,000
Bond Refunding Issue	97,385,000	-	35,980,000
Premiums on Bond Issuance	13,600,652	7,697,461	9,032,357
Payment to Escrow Agent	(85,928,224)	-	(38,960,495)
<b>Total Other Financing Sources (Uses)</b>	<b>59,955,734</b>	<b>67,802,461</b>	<b>181,026,862</b>
<b>Net Change in Fund Balances</b>	<b>\$ 23,954,839</b>	<b>\$ 26,495,833</b>	<b>\$ 28,526,106</b>
Fund Balances, Beginning	\$ 129,521,762	\$ 153,476,601	\$ 179,972,534
<b>Fund Balances, Ending</b>	<b>\$ 153,476,601</b>	<b>\$ 179,972,434</b>	<b>\$ 208,498,640</b>

Source: City of Bridgeport – Comprehensive Annual Financial Report

1. Includes all General Government, Economic Development, Libraries and Human Resources Development.

2. Payments to MERS and Bonds issued to pay MERS liabilities are reflected within Other Financing Sources (Uses), not included in the expenditures section.

### **Fiscal Results on a Budgetary Basis for Fiscal Years 2018-2020**

A summary of the General Fund Operations of the City for Fiscal Years 2018-2020 on a budgetary basis follows. The selected financial information was obtained from the Statement of Revenues and Other Financing Uses contained in the General Purpose Financial Statements of the City for Fiscal Years 2018-2020.

For Fiscal Year 2018, the City reported a General Fund operating surplus of revenues and other financing sources less expenditures and other financing uses of \$1,748,304 on a budgetary basis. In Fiscal Year 2018, actual revenues and other financing sources on a budgetary basis were approximately \$548.8 million, approximately \$18.4 million below budget. This was solely due to final State aid revenues realized being below the adopted budget. Tax collections for current and overdue taxes came in at budgeted levels. Actual expenditures and other financing uses on a budgetary basis were approximately \$547.1 million, or \$20.1 million under budget. The City undertook a successful program to reduce expenses in Fiscal Year 2018 within the various operations of the City. This program was achieved primarily through attrition, a hiring freeze, a freeze on certain discretionary expenditures and savings from bond refundings. The City's adopted mill rates in Fiscal Year 2018 were 54.37 mills for real and personal property, and 43 mills for motor vehicles pursuant to state statute.

For Fiscal Year 2019, the City reported a General Fund operating surplus of revenues and other financing sources, less expenditures and other financing uses, of \$2,708,753 on a budgetary basis. In Fiscal Year 2019, actual revenues and other financing sources on a budgetary basis were approximately \$558.8 million, approximately \$1.5 million above budget. Tax collections for current and overdue taxes came in slightly above budgeted levels. Actual expenditures and other financing uses on a budgetary basis were approximately \$556.2 million, or \$1.3 million under budget. The City undertook a successful program to reduce expenses in Fiscal Year 2019 within the various operations of the City. This program was achieved primarily through attrition, a hiring freeze, a freeze on certain discretionary expenditures and savings from bond refundings. The City's adopted mill rates in Fiscal Year 2019 were 54.37 mills for real and personal property, which was the same as the prior year, and 45 mills for motor vehicles.

For Fiscal Year 2020, the City reported a General Fund operating surplus of revenues and other financing sources, less expenditures and other financing uses, of \$3,920,008 on a budgetary basis. In Fiscal Year 2020, actual revenues and other financing sources on a budgetary basis were approximately \$560.5 million, approximately \$3.4 million below budget. Tax collections for current and overdue taxes came in at \$3.5 million above budgeted levels. However, non-tax revenues were \$6.9 million below budgeted levels due to the Covid-19 pandemic curtailing fee and other revenues. Actual expenditures and other financing uses on a budgetary basis were approximately \$556.6 million, or \$7.3 million under budget. The City undertook a successful program to reduce expenses in Fiscal Year 2020 within the various operations of the City to enable the City to remain fiscally stable during the Covid-19 pandemic. This program was achieved primarily through attrition, a hiring freeze, and a freeze on certain discretionary expenditures. The City's adopted mill rates in Fiscal Year 2020 were 53.99 mills for real and personal property, a reduction of 0.38 mills from the prior year, and 45 mills for motor vehicles, the same as the prior fiscal year.

**Revenues and Other Financing Sources over Expenditures and Other Financing Uses**  
**Summary of Financial Operations (Budgetary Basis)**

	<b><u>Audited Results</u></b> <b><u>Fiscal Year 2018</u></b>	<b><u>Audited Results</u></b> <b><u>Fiscal Year 2019</u></b>	<b><u>Audited Results</u></b> <b><u>Fiscal Year 2020</u></b>
<b>Revenues and Other Financing Sources:</b>			
Property Taxes	\$ 311,378,677	\$ 314,691,798	\$ 326,796,475
Intergovernmental	213,168,065	218,032,346	212,214,520
Fees, Permits and Licenses	18,136,529	17,559,059	16,068,913
Interest	526,679	1,118,845	625,221
Other	5,214,991	7,070,725	4,505,921
Transfers In	394,391	405,843	300,000
Total revenue and other financing sources	<u>\$ 548,819,332</u>	<u>\$ 558,878,616</u>	<u>\$ 560,511,050</u>
<b>Expenditures, Encumbrances and Other Financing Uses:</b>			
General Government <sup>1</sup>	\$ 58,125,605	\$ 63,149,938	\$ 63,244,686
Protection of Person and Property	171,292,783	167,819,481	168,615,743
Conservation of Health	4,747,611	4,670,695	7,112,056
Public Facilities	50,738,018	51,269,344	50,876,416
Education	259,972,848	264,472,614	261,988,733
Parks and Recreation	-	-	-
Special Services and Transfers Out	2,194,163	4,787,791	4,753,408
Total Expenditures and Encumbrances	<u>\$ 547,071,028</u>	<u>\$ 556,169,863</u>	<u>\$ 556,591,042</u>
Revenues and other financing sources over expenditures and encumbrances	<u>\$ 1,748,304</u>	<u>\$ 2,708,753</u>	<u>\$ 3,920,008</u>

Source: City of Bridgeport – Comprehensive Annual Financial Report

1. Includes all General Government, Economic Development, Libraries and Human Resources Development.

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order or other commitment is issued and accordingly, encumbrances outstanding at year-end are recognized in budgetary reports as expenditures of the current year. Generally all unencumbered appropriations lapse at year-end.

**Adopted Budget and Unaudited Results for Fiscal Year 2021**

The City adopted a balanced operating budget of \$571.9 million for the Fiscal Year 2021, which was approved by the City Council on May 4, 2020 and signed by the Mayor on May 20, 2020. The Fiscal Year 2021 budget was approximately 1.3% more than the Fiscal Year 2020 budget, with this increase due to contractual personnel cost of living and benefit cost increases and small increases in the City's debt service level. The City has adopted two general contingency accounts in Fiscal Year 2021, the first for \$1 million with the expectation that this sum shall be contributed to the accumulated fund balance of the City at fiscal year-end, and a second contingency account for possible costs related to collective bargaining related matters. State aid to the City remained stable for Fiscal Year 2021. The Board of Education received an additional \$1.5 million in state aid for Fiscal Year 2021, and the City kept its contribution to the Board of Education stable, while adding approximately \$0.7 million within the City budget for school related transportation and maintenance costs. The City mill rate for real and personal property taxes was adopted at 53.99 mills, the same as the previous year. The motor vehicle mill rate remained at 45 mills.

The City projects that Fiscal Year 2021 will end with a surplus in excess of \$6.0 million, or 1.05% of budget. This surplus is partially attributable to tax collections above budget by \$5 million partially due to a lien sale which had been deferred from the prior fiscal year until September 2021. Non-tax revenues on an unaudited basis are approximately \$1 million below budgeted revenues. The City's annual expenditures on an unaudited basis are projected to be \$2 million under budget, due primarily to vacancy hold backs during the COVID- 19 pandemic. The City also benefited from CARES Act funds passed through the State of Connecticut Coronavirus Relief Grant program for municipalities, which has provided over \$4 million in Fiscal Year 2021 to address unexpected costs relative to the COVID-19 pandemic. The City's cash position has strengthened significantly over the past few years and Fiscal Year 2021 is ending with over \$110 million in cash and cash equivalents at year-end, of which \$55 million was received in May and June 2021 from federal American Rescue Plan Act (ARPA) funding.

### **Adopted Budget for Fiscal Year 2022**

The City adopted a balanced budget of \$598.1 million for Fiscal Year 2022 on May 11, 2021. The Mayor signed the adopted budget immediately on May 11, 2021. The budget is 3.6% more than the City's Fiscal Year 2021 budget. The City also completed a five year revaluation of the 2020 Grand List on October 1, 2020, effective for the new Fiscal Year 2022, which is reflected within the adopted budget. The Grand List grew to \$8.0 billion from the prior year's \$6.5 billion, a 23% increase due to the reassessment process which valued all properties on a 2020 appraised basis versus the prior 2015 revaluation appraised basis. The increased Grand List provided the opportunity for the City to reduce the mill rate significantly. The City Council on May 11, 2021 adopted the Fiscal Year 2022 mill rate at 43.45 mills for all real, personal, and motor vehicle property, a decrease of 10.5 mills from the prior Fiscal Year 2021 mill rate of 53.99 for real and personal property. The state legislature adopted a significant recurring source of state aid assistance for municipalities in Fiscal Year 2022 through a restructuring and an increase in permanent payment in lieu of tax revenue to municipalities which provides the City with \$10.8 million in new annual state aid revenues. In addition, the state legislature and Governor have pledged up to \$13 million of one-time State assistance from remaining federal stimulus CARES Act funds that the State is planning to allocate in a special session later this summer for use toward the annual budget. Various expenditure increases are due to a series of factors: wage increases averaging 2%, increased benefit costs primarily from CMERF pension contributions required of the City and the CT Partnership Plan health care cost increase passed onto the City, the twin effects totaling an approximate \$6 million increase on a combined basis. Annual debt service is increased by approximately \$6.4 million due to the City's recent prior year issuances of capital project bonds and pension bonds. The adopted budget also includes an additional \$2 million in City funding to the Board of Education and a required \$1.9 million increase for City libraries. The City also budgeted operating expenditures totaling \$3.5 million for one-time capital items such as vehicles, computer systems and police equipment, to help reduce this fiscal year's Capital Plan. The budget contains a contingency account of \$1 million, which is anticipated to be contributed to the City's fund balance at the end of Fiscal Year 2022. In addition to the operating budget, the City has received approximately \$55 million of the \$110 million in federal stimulus funds allocated to the City from the American Rescue Plan Act (ARPA). This funding to the City commenced in May 2021 and the second half of funding is expected between June 2022 and December 2022. The funds may be programmed and expended by the City from 2021 through 2024. The City budget for Fiscal Year 2022 includes the assumed use of only \$5 million from the ARPA funds and up to \$10 million of such funds in Fiscal Years 2023 and 2024. The City is in the process of planning allocations of the remainder of these funds between programmatic needs and capital needs over the next three fiscal years. The City Council has approved allocating up to \$21 million of ARPA funds in Fiscal Year 2022 for community, health, public safety, and social service program needs and up to \$15 million for capital infrastructure needs such as broadband, sewer and water.

The Fiscal Year 2022 adopted budget reflected below is balanced and has been created to provide enough flexibility to manage the current fiscal and economic environment.

REVENUES:		
Property Taxes	\$	329,913,422
Intergovernmental Revenue		203,701,118
Payment In Lieu of Taxes-exempt		27,041,100
Payments in Lieu of Tax -comml		14,448,780
Licenses/Permits		726,015
Non Business Licenses/Fees		3,139,300
Fines and Penalties		3,156,300
Fees and Charges for Services		7,226,650
Property Sales/Rents/Leases		1,721,783
Investments		300,000
Reimbursements		5,921,300
Other Revenues		816,800
		<hr/>
Total Revenues	\$	598,112,568
EXPENSES:		
General Government	\$	49,276,352
Public Safety		181,489,979
Public Facilities		57,273,522
Planning and Development		12,260,929
Health and Social Svces		7,507,103
Misc Debt/Other Uses		8,172,802
Libraries		9,814,545
Education		235,235,977
Food Services		20,431,353
BOE Debt Service		16,650,006
		<hr/>
Total Exepnses:	\$	598,112,568

### Fund Balance Plans and Policies

In an effort to replenish the City's fund balance, the City in 2012 implemented a fund policy establishing a goal of a fund balance at 8% of annual operating expenditures of the prior audited Fiscal Year. The City contributed over \$4.6 million into the fund balance for Fiscal Year 2017. In Fiscal Year 2018 and Fiscal Year 2019, the City contributed a total of an additional approximately \$4 million into fund balance. For Fiscal Year 2020, the City achieved an increase in unreserved fund balance of \$3.9 million resulting in a cumulative fund balance of \$28 million as of June 30, 2020. Undesignated Fund Balance is now approximately 5% of budgeted expenditures, with an anticipated addition of over \$6 million at the end of Fiscal Year 2021 upon completion of the audit. The City expects and has pledged to continue to add annual surpluses to the fund balance and has no plans to use Undesignated Fund Balance for any purposes.

## DEBT AND CAPITAL PROGRAMS

The City of Bridgeport, Connecticut has never defaulted in the payment of its debt obligations on either principal or interest.

As of June 30, 2021, the principal balance of the City's outstanding bonds, equaled \$889,435,000.

### Principal Amount of Indebtedness - Long Term Debt As of June 30, 2021

Bond Series	Date of Issuance	Original Par Amount	Final Maturity	Outstanding Par Amount
Series 2000B <sup>1</sup>	8/29/2000	\$350,000,000	1/15/2030	\$191,945,000
Series 2004C	8/12/2004	58,580,000	8/15/2021	3,225,000
Series 2012A <sup>2</sup>	6/14/2012	67,930,000	2/15/2027	20,760,000
Series 2014A	8/28/2014	66,580,000	7/1/2034	49,645,000
Series 2014B	11/18/2014	32,435,000	10/1/2026	19,945,000
Series 2016A	3/17/2016	23,195,000	8/15/2035	15,915,000
Series 2016B	3/17/2016	36,570,000	8/15/2025	28,535,000
Series 2016C	5/17/2016	23,070,000	8/15/2024	13,905,000
Series 2016D	11/22/2016	57,510,000	8/15/2046	48,545,000
Series 2016E	11/22/2016	4,260,000	8/15/2026	3,055,000
Series 2017A	11/30/2017	34,785,000	11/1/2037	29,280,000
Series 2017B	11/30/2017	41,415,000	8/15/2029	39,015,000
Series 2017C	11/30/2017	17,410,000	8/15/2028	17,410,000
Series 2017D <sup>1</sup>	1/4/2018	99,500,000	7/1/2045	95,400,000
Series 2018A	6/12/2018	34,315,000	8/15/2030	34,315,000
Series 2018B	6/12/2018	4,245,000	8/15/2030	4,245,000
Series 2018C	7/18/2018	24,250,000	7/15/2048	24,250,000
Series 2019A	2/11/2019	33,950,000	2/1/2049	33,950,000
Series 2019B	2/11/2019	4,000,000	2/1/2039	4,000,000
Series 2019C <sup>1</sup>	10/29/2019	125,405,000	9/15/2044	125,405,000
Series 2019D	10/29/2019	22,965,000	9/15/2031	22,965,000
Series 2019E	10/29/2019	13,015,000	9/15/2030	13,015,000
Series 2020A	6/2/2020	37,615,000	6/1/2040	37,615,000
Series 2020B	6/2/2020	13,095,000	7/1/2039	13,095,000
<b>TOTAL</b>		<b>\$1,226,095,000</b>		<b>\$889,435,000</b>

Source: City of Bridgeport

Note: Total may not add due to rounding.

<sup>1</sup> Pension Obligation Bonds

<sup>2</sup> Excludes City general obligation debt in the amount of \$7,066,103 reimbursed by the WPCA and does not include Urban Renewal Section 108 loans.

## **Other Long Term Commitments**

### Connecticut Resources Recovery Authority / Solid Waste and Recyclables Disposal

In 2014, Bridgeport City Council authorized and directed the Mayor to enter into a Greater Bridgeport Regional Solid Waste Interlocal Agreement (“Interlocal Agreement”) which creates the Greater Bridgeport Regional Solid Waste Committee (“Operating Committee”) as a public body comprised of various southwest Connecticut municipalities (including but not limited to Bridgeport, Trumbull, Fairfield, Milford and Westport) for the purpose of, and with the authority to, contract with a solid waste facility for the disposal of municipal solid waste.

Wheelabrator, the operator of the solid waste facility, and the Operating Committee have entered into a contract which in 2021 provides for a disposal fee of \$64.77 per ton up to 60,000 aggregate annual City tonnage for a term of up to 20 years with a \$1.00 per ton decrease for each new 25,000 tons the Operating Committee attracts and an annual Consumer Price Index escalator at 75% of the change.

Bridgeport is also part of an Inter-Community Agreement dated September 15, 1989 establishing a regional recycling program. The Southwest Connecticut Regional Recycling Operating Committee (SWEROC) was established to implement a regional recycling program to meet the State of Connecticut mandated program for recycling, per Sections 22a-241 through 22a-241i of the Connecticut General Statutes. This program was restructured in Fiscal Year 2018 with SWEROC now reorganized and named The Greater Bridgeport Regional Recycling Operating Committee (GBRRO). A contract with a new vendor, Oak Ridge Inc., was signed in autumn 2018. Bridgeport is one of thirteen "Contracting Communities" participating in the GBRRO recycling program. The City is committed to supply recyclables annually consisting of: food and beverage containers made of glass, metal and certain plastics, and newspapers. Other defined residential recyclables are cardboard, waste oil, storage batteries and scrap metal.

## **Water Pollution Control**

The City is contingently liable on the debt obligations of the WPCA. The City expects these obligations to be satisfied out of the user fees and other revenues of the WPCA. Loans to the WPCA under the State’s Clean Water Fund program are guaranteed, however, by the full faith and credit of the City. Loans to the WPCA from City bond proceeds are made under agreements between the City and the WPCA by which the WPCA agrees to repay to the City the debt service on the bonds from user fees. As of June 30, 2021 the balance of WPCA loans outstanding was \$32.3 million. This amount represents \$25,218,599 of the outstanding loan balance for completed and active major CWF projects and the outstanding balance of certain bonds of the City. The City Council in Fiscal Year 2019 and Fiscal Year 2021 authorized up to \$395 million in Clean Water funding over the next seven years. These projects will be financed through the State of Connecticut’s Clean Water SRF Fund which is expected to include a combination of 40% in grants and 60% in 2% interest loans. With design for the new \$300 million West Side plant commencing in Fiscal Year 2022, the plan envisions SRF borrowing to commence in Fiscal Year 2025 phased in over three to four future years. Further the Department of Energy and Environmental Protection requires sewer overflow work to occur after this plant is constructed. (see WPCA below)



**Detail of WPCA Borrowings  
As of June 30, 2021**

<b>WPCA Major Project Loans</b>			
<b>CWF No.</b>	<b>Date of Loan</b>	<b>Loan Amount<sup>1</sup></b>	<b>Loan Balance as of June 30, 2021</b>
<b>CLEAN WATER FUND PROJECTS:</b>			
Completed Projects			
416C	7/23/2004	3,384,911	351,670
572C	1/31/2006	624,067	142,376
102CSL	6/30/2010	4,608,318	1,766,522
625CSL	1/31/2011	1,672,257	717,643
613C	3/31/2011	960,201	450,682
409D	4/3/2001	611,285	51,052
409C	10/31/2006	1,911,688	485,007
559C	1/31/2006	1,236,190	251,913
575C	3/31/2009	2,323,916	779,998
621D	7/31/2009	1,260,771	681,232
452C2	3/7/2008	6,824,081	3,744,495
213CSL	2/28/2013	3,115,301	2,183,373
658C	12/31/2015	325,921	234,386
621C	1/31/2016	3,956,483	2,657,638
628C	5/31/2017	7,456,219	5,902,832
681C	11/30/2018	1,561,171	1,381,036
Total Completed Projects		<u>\$41,832,780</u>	<u>\$21,781,855</u>
Active Projects	706DC	6/30/2021	
		<u>3,436,744</u>	<u>3,436,744</u>
Total Active CWF Project Loans		<u>\$3,436,744</u>	<u>\$3,436,744</u>
<b>TOTAL CWF DEBT</b>		<u><b>\$45,269,524</b></u>	<u><b>\$25,218,599</b></u>
2009 Bonds		1,845,000	999,073
2010 Bonds		425,300	233,324
2012 Bonds		1,564,217	1,064,418
2016 Bonds		800,000	758,268
2017 Bonds		821,000	776,020
2018 Bonds		1,245,000	1,245,000
2019 Bonds		850,000	850,000
2020 Bonds		1,140,000	1,140,000
<b>TOTAL WPCA DEBT</b>		<u><b>\$7,066,105</b></u>	<u><b>\$32,284,711</b></u>

Source: WPCA for the City of Bridgeport

1. Constitutes the maximum amount that can be borrowed and not the actual amount borrowed in respect of the loan.

Loans under the Clean Water Fund are payable over 20 years at a 2% interest rate.

The operations, maintenance and debt service cost of the wastewater treatment facilities and the sanitary and storm collection system are funded by user fees. The WPCA Board and the City Council approve financing that is also secured by the full faith and credit of the City.

The City's long-term operations and management contract with Inframark LLC and the contract operation of certain WPCA functions (See "THE CITY – Private and State Operation of Certain Facilities") does not have an impact on WPCA borrowings set forth in the above chart.

**TREND OF CAPITAL INDEBTEDNESS**  
**Principal Amount of Outstanding Debt**  
**(\$ in thousands)**

<b><u>Fiscal Year</u></b>	<b><u>2021<sup>(3)</sup></u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Bond Anticipation Notes <sup>(1)</sup>	\$ --	\$ --	\$ --	\$ --	\$ --
Long-Term Debt <sup>(2)</sup>	<u>889,435</u>	<u>920,305</u>	<u>797,745</u>	<u>768,195</u>	<u>658,990</u>
<b>Total</b>	<b><u>\$889,435</u></b>	<b><u>\$920,305</u></b>	<b><u>\$797,745</u></b>	<b><u>\$768,195</u></b>	<b><u>\$658,990</u></b>

Source: City of Bridgeport Annual Financial Report

1. Excludes Tax Anticipation Notes and Grant Anticipation Notes.
2. Includes City general obligation debt for WPCA projects, but does not include Section 108 loans.
3. Unaudited.

**DEBT STATEMENT**  
**As of June 30, 2021**

**General Obligation Debt:**

General Purpose Bonds	\$341,972,463
School Bonds	134,712,537
Pension Obligation Bonds <sup>1</sup>	<u>412,750,000</u>
<b>Total General Obligation Debt<sup>2</sup></b>	<b><u>\$889,435,000</u></b>

Source: City of Bridgeport

1. See the "FINANCIAL INFORMATION -- Pension Programs" herein.
2. Excludes WPCA self-supporting debt and HUD Section 108 Loans

**CURRENT DEBT RATIOS****As of June 30, 2021**

Population <sup>1</sup>	147,629
Net Taxable Grand List 10/1/20 (70%) <sup>2</sup>	\$ 8,027,697,000
Estimated Full Value of Taxable Grand List 10/1/20 (100%)	\$ 11,319,103,000
Equalized Net Taxable Grand List 10/1/19 <sup>3</sup>	\$ 6,485,590,000
Personal Income Per Capita <sup>1</sup>	\$ 50,104

- 
1. Source: US Department of Commerce, Census Bureau
  2. Subject to change following results of tax appeals.
  3. Awaiting information from the State for 10/1/2020

	<u>Total Debt</u>	<u>Net Total Debt</u>	<u>Total Debt (excluding Pension Obligation Bonds)</u>	<u>Net Total Debt (excluding Pension Obligation Bonds)</u>
Per Capita	\$6,188	\$6,025	\$3,392	\$3,229
Ratio to Net Taxable Grand List	11.38%	11.08%	6.24%	5.94%
Ratio to Estimated Full Value	8.07%	7.86%	4.42%	4.21%
Ratio to Equalized Net Taxable Grand List	14.09%	13.71%	7.72%	7.35%
Per Capita to Personal Income Per Capita	12.35%	12.02%	6.77%	6.44%

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

<u>Fiscal Year</u>	<u>Annual Debt Service<sup>1</sup></u>	<u>General Fund Expenditures</u>	<u>Percent</u>
2020	\$71,435,887	\$607,749,269	11.75%
2019	71,334,727	556,169,863	12.83%
2018	69,893,493	547,071,028	12.78%
2017	74,817,558	550,206,133	13.60%
2016	71,557,934	534,527,763	13.39%
2015	77,557,896	528,272,438	14.68%
2014	74,023,395	549,445,907	13.47%
2013	67,172,412	511,511,329	13.13%
2012	70,974,002	497,630,374	14.26%
2011	71,949,542	470,136,457	15.30%

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Source: City of Bridgeport Comprehensive Annual Financial Reports.

1. Includes debt service related to the City's outstanding Pension Bonds.

**DEBT LIMITATION AND DEBT MARGIN COMPUTATION****Statement of Statutory Debt Limitation and Debt Margin****As of June 30, 2020****Debt Limitation Base**

Audited total tax collections (including interest and lien fees) for the year ended June 30, 2020	\$325,858,672
Plus Reimbursement for revenue loss:	
Tax Relief for the elderly	<u>\$ 863,544</u>
Base	\$326,722,216
Debt Limit (7 x Base)	\$2,287,055,513

**Computation of Debt Limitation and Debt Margin**

	<u>General Purpose</u>	<u>Unfunded Past Benefit Obligation</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
<b>Multiple of Base</b>					
2 ¼ times base	\$735,124,986				
3 times base	--	\$980,166,648			
4 ½ times base	--	--	\$ 1,470,249,973		
3 ¾ times base	--	--	--	\$ 1,225,208,311	
3 ¼ times base	--	--	--	--	\$ 1,061,847,202
Total Debt Limitation	<u>\$735,124,986</u>	<u>\$980,166,648</u>	<u>\$1,470,249,973</u>	<u>\$1,225,208,311</u>	<u>\$ 1,061,847,202</u>
<b>Indebtedness (as of June 30, 2020)</b>					
Bonds and Notes Payable	\$344,595,310	\$427,245,000	\$135,274,690	\$33,484,379 <sup>(2)</sup>	\$ 430,000
Bond Anticipation Notes	--	--	--	--	--
Grant Anticipation Notes	--	--	21,000,000	--	--
Bonds authorized-but-unissued	29,050,000	--	--	--	--
Less: School construction grants <sup>(1)</sup>	--	--	21,000,000	--	--
Total Net Indebtedness	<u>373,645,310</u>	<u>427,245,000</u>	<u>177,274,690</u>	<u>33,484,379</u>	<u>430,000</u>
Total Bonding Availability	<u>\$361,479,676</u>	<u>\$552,921,648</u>	<u>\$1,292,975,283</u>	<u>\$1,191,723,932</u>	<u>\$1,061,417,202</u>

Source: City of Bridgeport Finance Department.

- (1) School construction grants are now receivable in full as soon as State grant audits are completed and obtained from the Grants Management Office, State of Connecticut. The total is as of June 30, 2020.
- (2) Includes both State clean water bonds and general obligation bonds, See "Detail of WPCA Borrowings" herein.

**Debt Limitation in Excess of Outstanding and Authorized Debt**

In accordance with Connecticut General Statutes, municipalities may not incur indebtedness through the issuance of bonds which will cause aggregate indebtedness to be exceeded by class as outlined above and in no case shall total indebtedness exceed seven times the Debt Limitation Base calculated above, or \$2,287,055,513. Total net indebtedness currently issued or authorized, is \$1,012,079,379.

**Debt Authorization**

The City has the power to incur indebtedness as provided by the Connecticut General Statutes and the City Charter. The issuance of bonds and notes is authorized by the City Council upon the recommendation of the City's Mayor and the Director of Finance. Notes and bonds may be issued to meet certain emergency appropriations as provided in the Connecticut General Statutes.

With certain exceptions, and provided certain statutory principal reductions are made prior to the third anniversary of the initial borrowing date of bond anticipation notes and each anniversary thereafter such notes may be renewed for a period of up to ten years from their original date of issue. Generally, bond anticipation notes must be permanently refunded not later than ten years from the initial borrowing date. The Connecticut General Statutes also provide for the issuance of temporary notes in anticipation of State and Federal grants with respect to a project.

**Five-Year Capital Plan City FY 2022-2026**

The City's Five-Year Capital Plan for Fiscal Years 2022 - 2026 was approved by the City Council on May 11, 2021 and includes anticipated capital expenditures of approximately \$83 million over the next five years. Approximately \$18 million is approved and authorized for Fiscal Year 2022. Future borrowing plans will be phased in at lower amounts as compared to prior issues, as total Capital Improvement Program requests have diminished. The capital improvements in the City's five year plan are broken down into four distinct categories: Board of Education, Economic Development, Public Facilities and Other Departments.

PROJECT DESCRIPTIONS	FY2022	FY2023	FY2024	FY2025	FY2026	Total Council Adopted Capital Plan FY2022- FY2026
	Council Adopted Capital Plan	Council Adopted Capital Plan	Council Adopted Capital Plan	Council Adopted Capital Plan	Council Adopted Capital Plan	
<b>BOARD OF EDUCATION:</b>						
Nutrition Center-Roof Replacement (21% City Share)	\$ 554,000	\$ -	\$ -	\$ -	\$ -	\$ 554,000
Maplewood School -Roof Replacement (21% ) City Share	-	-	1,300,000	-	-	1,300,000
Cesar Battalia - Replace Ice Storage Syst.w/Chiller	-	-	-	-	-	-
Jettie Tisdale -Replace Ice Storage Syst. w/Chiller	-	-	-	-	-	-
Curiale School-Roof Replacement( 21% ) City Share	378,000	-	-	-	-	378,000
Edison School - Roof Replacement ( 21% ) City Share	-	900,000	-	-	-	900,000
Blackham - Masonry-Outside Pool Wall/Heating Syst.	-	-	-	-	-	-
Hallen School - Roof Replcement (21% ) City Share	-	-	1,800,000	-	-	1,800,000
<b>TOTAL BOARD OF EDUCATION</b>	<b>932,000</b>	<b>900,000</b>	<b>3,100,000</b>	<b>-</b>	<b>-</b>	<b>4,932,000</b>
<b>ECONOMIC DEVELOPMENT:</b>						
Land Management / Acquisition	-	1,000,000	-	1,000,000	-	2,000,000
Amphitheater Additional Funding	-	-	-	-	-	-
City Owned Properties-Development Ready Program	-	-	-	-	1,000,000	1,000,000
Lafayette Blvd/Fairfield Ave./Redesign-(10 % City Match)	650,000	-	-	-	-	650,000
Remington Arms Site Improvement(FY20 Amendment)*	3,000,000	2,000,000	-	-	-	5,000,000
Gateway To South End/Citywide Strategic Acquisition	1,000,000	1,000,000	-	-	-	2,000,000
Blight / Demolition / Clean Up/Property Management	-	1,000,000	1,000,000	1,000,000	-	3,000,000
Jetland St. Parking Garage Addition/Expansion	500,000	1,000,000	-	-	-	1,500,000
Seaview Ave Corridor/Waterfront Proj(20% city match)(Amended)*	-	-	-	-	-	-
<b>TOTAL ECONOMIC DEVELOPMENT</b>	<b>5,150,000</b>	<b>6,000,000</b>	<b>1,000,000</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>15,150,000</b>
<b>PUBLIC FACILITIES:</b>						
Roadway Paving, Culverts, Intersections(Amendment)*	3,000,000	3,000,000	2,000,000	2,000,000	2,000,000	12,000,000
City / Neighborhood Beautification	-	150,000	-	150,000	-	300,000
Wonderland of Ice - Roof Replacement	1,000,000	-	-	-	-	1,000,000
Police Hq -Upper & Lower Parking Decks/Rooftop	1,336,000	-	-	-	-	1,336,000
Public Facilities Equipment	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Muni Bldg. HVAC / Heating / Elec/ Facilities	-	-	-	-	-	-
City Wide Building & Security Improvements	-	-	-	-	-	-
New East Side Senior Center-Old Engine 10/Putnam St.	2,500,000	-	-	-	-	2,500,000
Klein Memorial Auditorium -Masonry/Roof Replacement	1,126,000	-	-	-	-	1,126,000
Facilities Assessments /Planning Studies	-	-	150,000	-	-	150,000
Energy Conservation /Conversion Program	-	-	250,000	-	-	250,000
Harbor Yard Ballpark Upgrades	-	-	1,000,000	-	-	1,000,000
752 East Main Street Demolition/ Rehabilitation	-	-	-	-	-	-
Street Lights Wattage Upgrade	-	-	500,000	-	-	500,000
Various Airport Improvements/Equipment's Projects	213,000	217,500	207,000	156,000	-	793,500
Parks Maintenance Equip(Include Golf Course)	340,000	-	667,000	-	-	1,007,000
Various Parks Improvements - Citywide	-	615,000	485,000	610,000	575,000	2,285,000
Side Walks/Street scape Replacements	-	-	1,000,000	-	-	1,000,000
Citywide Deco Lights	-	-	500,000	-	-	500,000
Traffic Lights Upgrades	-	125,000	-	-	-	125,000
Perry Memorial Arch.	-	-	500,000	-	-	500,000
Tennis Courts Improvement - Citywide	-	-	170,000	-	225,000	395,000
Kennedy Stadium	-	-	100,000	-	-	100,000
Park Restrooms - Citywide	-	-	200,000	-	200,000	400,000
Went Field Park Improvement	-	570,000	-	-	-	570,000
Golf Course Improvements	150,000	300,000	950,000	1,000,000	-	2,400,000
Beardsley Zoo Improvements	-	175,000	590,000	-	400,000	1,165,000
Police Fit-Up of Fac./Regional Training Ctr. (If no State Grant)	-	-	3,000,000	-	-	3,000,000
Chopsey Hill Road Bridge Design-City Match	-	-	-	-	-	-
Woodrow Avenue Bridge Design - City Match+50% City Share	150,000	250,000	-	-	-	400,000
Island Brook Ave/ Over Pequonnock Design-City Match	250,000	-	-	-	-	250,000
Beardsley Park Entrance/Nob Ave. Roundabout Design-City Match	-	-	-	-	-	-
Old Town Road-Design Realignment/Reconfig. 50% Trumbull	-	250,000	-	-	-	250,000
Citywide Bridges Engineering Assessment	-	500,000	-	-	-	500,000
Rooster River Conduit - Design/Rehab/Flood Control	-	-	200,000	2,000,000	-	2,200,000
Johns on Creek Flood Control	-	-	-	1,000,000	-	1,000,000
Other City Wide Flood Control	-	-	-	1,000,000	-	1,000,000
Island Brook Flood Control - Design- City Share	-	-	2,000,000	-	-	2,000,000
Northeast Flood Control - Design City Share	-	-	-	2,000,000	-	2,000,000
Ox Brook Flood Control - Design City Share	-	-	-	-	2,000,000	2,000,000
<b>TOTAL PUBLIC FACILITIES</b>	<b>11,065,000</b>	<b>7,152,500</b>	<b>15,469,000</b>	<b>10,916,000</b>	<b>6,400,000</b>	<b>51,002,500</b>
<b>OTHER DEPARTMENTS:</b>						
Fire Apparatus Replacement Program/ Vehicles	750,000	1,725,000	892,000	850,000	-	4,217,000
WPCA Capital Improvements (Amended)*	-	980,000	1,280,000	1,005,000	400,000	3,665,000
Emergency Operations / Technology upgrade	-	-	514,650	153,000	-	667,650
Bpt. Library Proj.-Computers, floor,furniture,electrical,windows	-	-	825,000	175,000	40,000	1,040,000
New North End/Reservoir Avenue Library/Study/Design	100,000	-	2,000,000	-	-	2,100,000
<b>TOTAL OTHER DEPARTMENTS</b>	<b>850,000</b>	<b>2,705,000</b>	<b>5,511,650</b>	<b>2,183,000</b>	<b>440,000</b>	<b>11,689,650</b>
<b>TOTAL ALL DEPARTMENTS</b>	<b>\$17,997,000</b>	<b>\$16,757,500</b>	<b>\$25,080,650</b>	<b>\$15,099,000</b>	<b>\$ 7,840,000</b>	<b>\$ 82,774,150</b>

### Water Pollution Control Authority

The WPCA is a technical and administrative body which manages the collection and treatment of the City's sewage. The WPCA's annual revenues derived from user fees are used for the WPCA's annual operating and debt service expenditures. The WPCA portion of the City's bond issuances is reimbursed from user fees.

	<b>Budget Fiscal</b>	<b>Actual Fiscal</b>	<b>Actual Fiscal</b>
	<b><u>Year 2021</u></b>	<b><u>Year 2020</u></b>	<b><u>Year 2019</u></b>
<b>Revenues</b>			
User Fees	\$ 37,322,881	\$ 34,942,966	\$ 34,688,772
Income From Operations	<u>5,870,858</u>	<u>1,033,889</u>	<u>1,656,354</u>
<b>Total Revenues</b>	<b>\$ 43,193,739</b>	<b>\$ 35,976,855</b>	<b>\$ 36,345,126</b>
<b>Expenditures</b>			
Operating	\$ 38,373,744	\$ 35,557,223	\$ 34,909,079
Bad Debt	1,469,323	132,471	103,622
Debt Service <sup>1</sup>	595,776	550,614	407,525
State Loan Funding	<u>2,754,896</u>	<u>4,323,525</u>	<u>4,504,067</u>
<b>Total Expenditures</b>	<b>\$ 43,193,739</b>	<b>\$ 40,563,833</b>	<b>\$ 39,924,293</b>

Source: City of Bridgeport WPCA

1. Debt Service: Includes costs related to City GO Bonds.

The WPCA approved rates per hundred cubic feet were \$5.946 in Fiscal Year 2016 and \$5.945 in Fiscal Years 2017 through Fiscal Year 2020. This rate has remained unchanged at \$5.945 for Fiscal Year 2020. For Fiscal Year 2021, the WPCA Board adopted a budget on April 28, 2020 with a rate increase of 3%, a modest increase given the rate had not changed in the previous seven years.

The City of Bridgeport's WPCA currently has a long-term operations and management contract with Inframark, Inc. which began on January 1, 2014 for the operation of the wastewater treatment and field operations function of WPCA. The areas covered by the contract operation represent approximately 70% of WPCA's Fiscal Year 2020 budget, which includes the billing and collection of current sewer user invoices, and budgeted operation and maintenance expenses. The WPCA is engaged in a long-term capital program that over the past two decades has cost approximately \$219 million through Fiscal Year 2021 in total, of which \$135 million is from State low-cost loans, \$80 million from State grants, and \$4 million provided by the City. All such debt service is reimbursed by the WPCA budget. To date, \$214 million of projects costs have been expended leaving \$31 million of CSO project costs to be completed over the next several years. In addition, the WPCA anticipates it will seek \$395 million in new Clean Water Fund amounts between Fiscal Year 2023 through Fiscal Year 2028 to finance plant improvements, including the upgrade of the West Side sewer treatment plant, as well as some continued CSO projects. Of this plan, \$395 million has been approved by the City Council to date for the WPCA to issue through the Clean Water Fund program, consisting of \$345 million for plant improvements and \$50 million for sewer overflows. These capital programs are mandated by a consent decree between the Connecticut Department of Energy and Environmental Protection and the City with respect to the wastewater treatment facility and the sanitary and storm collection system as a result of a court settlement. It is anticipated that \$237 million of these future project costs for wastewater treatment facilities will be borrowed from the State at an interest rate of 2%, with the remaining \$158 million of future project costs to be 100% funded by the State's CWF grant program, according to the project engineering firm for this project. The \$25 million of sewer overflow projects will be funded by the same State CWF program at 2% interest. Such borrowings and any future borrowings are considered general obligations of the City with repayments expected to be fully made from sewer user fees imposed by the WPCA.

## TAX BASE DATA

### Assessments

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the City for inclusion onto the Grand List are the responsibilities of the Assessor's Office. The Grand List represents the total of assessed value for all taxable real property, personal property and motor vehicles located within the City as of October 1. Assessments for real property are computed at 70% of the estimated market value at the time of the last general revaluation.

The new full measure revaluation has been completed for the October 1, 2020 Grand List which is effective for the budget Fiscal Year 2022. The revaluation was completed by Municipal Valuation Services. The entire revaluation process and all new property valuations were completed by January 15, 2021.

The Assessor filed the most recent Grand List on January 31, 2021 for the Grand List period ending October 1, 2020. This current Grand List totals approximately \$8.03 billion, an approximately \$1.4 billion increase from the prior year. This increase was due to the revaluation of all real and personal property from the prior 2015 valuation. All appeals for the 2020 Grand List have been filed with the City's Board of Assessment Appeals (BAA) and have received an appeal hearing, and in May received final determinations of a denial or of any increase or decrease from the property's original assessment. Taxpayers may further make appeals in civil court up until three months after the date of the letter of any BAA decision made on any appeal. To date, no tax appeals have been filed with the City that could have a material impact on the City's finances. The City's Fiscal Year 2022 adopted budget tax levy calculations include a small reserve offset for such appeals.

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. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last general revaluation. The property depreciation and obsolescence factors are also considered when arriving at an equitable value.

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

**Motor Vehicles.** Motor vehicle lists are furnished to the City by the State of Connecticut Department of Motor Vehicles and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officers. Section 12-71b of the Connecticut General Statutes, as amended, provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but prior to the first day of August in such assessment year, are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. If such registration occurs subsequent to November 1 but prior to the following August 1, the tax is prorated, and the proration is based on the period of time from the date of registration to the next succeeding October 1. Cars purchased in August and September are not taxed until the next October 1 Grand List. Assessments for motor vehicles are computed at 70% of the present true and actual value.

Connecticut General Statutes Section 12-71e, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property and creates a cap on the local property tax mill rate for motor vehicles. The City's mill rate for motor vehicles for the assessment year commencing October 1, 2020 (the Fiscal Year ending June 30, 2022) is 43.45 mills as adopted by the City Council in May 2021.

Connecticut General Statutes Section 4-661, as amended ("Section 4-661"), 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, exceed the spending limit specified in the general statutes. 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 4-661 requires each municipality to



annually certify to the Secretary of OPM whether the municipality has exceeded the spending limit, and if so, the amount by which the limit 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.

### Levy

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of each fiscal year. Real and personal property taxes are generally payable in two installments on July 1 and January 1, except that motor vehicle taxes and real and personal property taxes under \$100 are payable in one installment on July 1. Motor vehicle supplemental bills are payable on January 1. An 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 dates are delinquent, with interest charged at the rate of one and one-half percent per month from the due date of 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. Tax accounts are transferred to suspense accounts no later than 15 years after the due date in accordance with State statutes. Fiscal Year 2022 tax bills were mailed to all taxpayers in late June, 2021 for July 1, 2021 (Fiscal Year 2022) taxes due.

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) 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.

Pursuant to the Governor's Executive Order 7S, the Bridgeport City Council adopted a program which provides that taxpayers who do not have mortgages will be charged substantially lower interest rates on late tax payments for a few months. This action could cause some of the affected taxpayers to delay the making of their tax payments from July until August or September. This program lapsed on October 1, 2020, and all unpaid tax balances reverted back to the higher normal 18% per annum interest rate charged on such late payments. Sixty-five per cent of taxpayer payments are not affected by this program, as such payments are received from escrowed accounts held by banks and mortgage companies. This program had a minimal impact on the City's tax collections.

Section 12-165 of the Connecticut General Statutes requires each municipality to write off, on an annual basis, the property taxes which are deemed to be uncollectable.

### Comparative Assessed Valuations of Taxable Property

<u>Grand List 10/1</u>	<u>Fiscal Year</u>	<u>Real Estate Property Percent</u>	<u>Personal Property Percent</u>	<u>Motor Vehicle Percent</u>	<u>Gross Taxable Grand List (000's Omitted)</u>	<u>Less Exemptions (000's Omitted)</u>	<u>Net Taxable Grand List (000's Omitted)</u>	<u>Percent Increase/Decrease</u>
2020	2022	78.8%	14.4%	6.8%	\$8,181,182	\$153,485	\$8,027,697	23.8%
2019	2021	74.1	18.2	7.7	6,632,324	146,733	6,485,590	2.09
2018	2020	75.2	16.9	7.9	6,510,006	156,614	6,353,392	4.70
2017	2019	77.2	14.5	8.3	6,211,800	147,137	6,064,663	0.64
2016	2018	78.6	13.3	8.1	6,153,886	127,853	6,026,033	(0.30)
2015	2017	79.0	13.0	8.0	6,160,313	114,953	6,045,360	(13.90)
2014	2016	83.5	10.3	6.2	7,146,507	125,798	7,020,709	2.00
2013	2015	84.1	9.8	6.1	7,111,268	124,597	6,986,671	(0.94)
2012	2014	84.1	9.9	5.9	7,193,167	141,048	7,052,118	0.94
2011	2013	84.9	9.2	5.9	7,152,536	166,364	6,986,172	(0.52)

### Property Tax Levies and Collections

<u>Grand List 10/1</u>	<u>Fiscal Year</u>	<u>Net Taxable Grand List (000's Omitted)</u>	<u>Mill Rate</u>	<u>Adjusted Annual Levy<sup>1</sup></u>	<u>Estimated Percent of Annual Levy Collected at End of Fiscal Year</u>	<u>Percent of Annual Levy Uncollected at End of Fiscal Year</u>
2020 <sup>(2)</sup>	2022	\$8,027,697	\$43.45	\$331,132,599	NA	NA
2019	2021	6,485,590	53.99	326,850,887	98.70%	1.30%
2018	2020	6,353,392	53.99	318,088,019	98.70	1.30
2017	2019	6,064,663	54.37	307,164,691	98.70	1.30
2016	2018	6,026,033	54.37	305,652,121	98.80	1.20
2015 <sup>(3)</sup>	2017	6,045,360	42.20	312,546,911	98.10	1.90
2014	2016	7,020,709	42.198	300,101,354	98.00	2.00
2013	2015	6,986,771	42.198	298,189,222	97.80	2.20
2012	2014	7,052,118	41.855	298,129,882	96.96	3.04
2011	2013	6,986,171	41.11	285,048,701	97.25	2.75

Source: City of Bridgeport.

1. Adjusted Annual Levy includes amounts levied against Payment in Lieu of Taxes (PILOT) properties, but do not included collection of 'prior year' tax receipts. Adjustments are processed throughout the year based upon actual payment date of PILOT receipts.
2. Implementation of the October 1, 2020 revaluation.
3. Implementation of the October 1, 2015 revaluation.

### THE CITY'S TAX BASE

The City Assessor submitted the Assessor's 2020 Grand List on January 31, 2021. The official Board of Assessment Appeals Grand List was filed on May 20, 2021. For additional information, please reference "TAX BASE DATA – Assessments".

#### Principal Taxpayers

#### Net Grand List as of October 1, 2020

<u>Principal Taxpayers</u>	<u>Nature of Business</u>	<u>2020 Assessed Value</u>	<u>Percentage of Assessed Value</u>
PSEG Power Connecticut LLC	Utility	\$ 445,971,644	5.45%
United Illuminating Co. Inc.	Utility	335,013,870	4.09
Bridgeport Energy LLC	Utility	204,380,230	2.50
Wheelabrator BPT LLP	Utility	129,479,340	1.58
People's United Bank	Bank	50,581,600	0.62
Southern CT Gas Co.-Energy EA	Utility	47,973,950	0.59
Connecticut Light & Power	Utility	47,065,168	0.58
Aquarion Water Co. of CT	Utility	42,042,620	0.51
Fuel Cell Energy Inc.	Utility	29,845,000	0.36
Brookside (E&A) LLC	Commercial	<u>25,800,710</u>	<u>0.32</u>
Total 2020 Net Grand List		<u>\$1,358,082,132</u>	<u>16.60%</u>

Source: City of Bridgeport Assessor

## ECONOMIC AND DEMOGRAPHIC INFORMATION

### Age Distribution of the Population

<u>Age</u>	<u>City of Bridgeport</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
0-4	10,728	7.4%	180,598	5.1%
5-19	31,129	21.6	648,330	18.2
20-34	32,722	22.7	684,448	19.2
35-54	36,131	25.0	907,532	25.5
55-64	15,727	10.9	515,347	14.5
65+	<u>17,928</u>	<u>12.4</u>	<u>629,032</u>	<u>17.5</u>
Total	<u>144,365</u>	<u>100.0%</u>	3,565,287	<u>100.0%</u>

<u>Median Age</u>	<u>2010</u>	<u>2019</u>
City of Bridgeport	32.6	33.9
Fairfield County	39.5	40.6
State of Connecticut	40.0	41.2

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates.

### Income Distribution

<u>Income for Households</u>	<u>City of Bridgeport</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$5,000	2,107	4.2 %	38,416	2.8 %
\$5,000 to \$9,999	3,457	6.9	34,940	2.5
\$10,000 to \$14,999	3,992	8.0	48,946	3.6
\$15,000 to \$19,999	2,522	5.0	44,499	3.2
\$20,000 to \$24,999	4,004	8.0	55,066	4.0
\$25,000 to \$34,999	4,693	9.4	93,446	6.8
\$35,000 to \$49,999	6,523	13.00	136,499	9.9
\$50,000 to \$74,999	10,189	20.3	208,524	15.1
\$75,000 to \$99,999	3,438	6.9	168,812	12.3
\$100,000 to \$149,999	5,808	11.6	234,307	17.0
\$150,000 or more	<u>3,370</u>	<u>6.7</u>	<u>313,711</u>	<u>22.8</u>
	50,103	100 %	1,377,166	100 %

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates.

**Educational Attainment**  
(Years of School Completed, Age 25 and over)

<b><u>Educational Attainment</u></b>	<b><u>City of Bridgeport</u></b>		<b><u>State of Connecticut</u></b>	
	<b><u>Number</u></b>	<b><u>Percent</u></b>	<b><u>Number</u></b>	<b><u>Percent</u></b>
Less than 9 <sup>th</sup> grade	13,750	15.1 %	99,132	4.0 %
9 <sup>th</sup> to 12 <sup>th</sup> grade, no diploma	9,570	10.5	132,826	5.3
High school graduate	31,634	34.7	668,361	26.8
Some college, no degree	14,182	15.6	410,972	16.5
Associate's degree	5,980	6.6	190,700	7.6
Bachelor's degree	9,127	10.0	549,166	22.0
Graduate or professional degree	6,914	7.6	445,382	17.8
Percent high school graduate or higher	67,837	74.4 %	2,264,581	90.7 %
Percent Bachelor's degree or higher	16,041	17.6 %	994,548	39.8 %

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates.

**Number and Size of Households**

<b><u>Household Characteristics</u></b>	<b><u>City of Bridgeport</u></b>		<b><u>State of Connecticut</u></b>	
	<b><u>Number</u></b>	<b><u>Percent</u></b>	<b><u>Number</u></b>	<b><u>Percent</u></b>
Persons in households	141,280	--	3,467,987	--
Persons per household (average)	2.79	--	2.53	--
Persons per family	3.50	--	3.12	--
Family households	32,066	63.7%	893,438	65.2%
Non-family households	<u>18,572</u>	36.7	<u>477,308</u>	34.8
All households	<u>50,638</u>	<u>100.0%</u>	<u>1,370,746</u>	<u>100.0%</u>
Family households by type:				
Married couple	16,469	51.4%	659,513	73.8%
Female householders, no spouse	11,876	37.0	171,916	19.2
Male householder, no spouse	<u>3,721</u>	<u>11.6</u>	<u>62,009</u>	7.0
Total family households	<u>32,066</u>	<u>100.0%</u>	<u>893,438</u>	<u>100.0%</u>
Non-family households by type:				
Householders living alone	14,932	80.4%	390,438	81.8%
Other	<u>3,640</u>	<u>19.6</u>	<u>86,870</u>	<u>18.2</u>
Total non-family households	<u>18,572</u>	<u>100.0%</u>	<u>477,308</u>	<u>100.0%</u>

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates.

### Age Distribution of Housing

<b>Year Built</b>	<b>City of Bridgeport</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
Built 2014 or later.....	537	1.1 %	33,549	2.2 %
Built 2010 to 2013.....	427	0.9	21,350	1.4
Built 2000 to 2009.....	1,218	2.4	99,122	6.5
Built 1980 to 1999.....	7,748	15.5	306,517	20.1
Built 1960 to 1979.....	11,334	22.6	407,164	26.7
Built 1940 to 1959.....	12,701	25.3	327,866	21.5
Built 1939 or earlier.....	16,138	32.2	329,391	21.6
	50,103	100.0 %	1,524,959	100.0 %

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates.

### Number of Housing Units

<b>Fiscal Year</b>	<b>New Construction</b>	<b>Net Increase (Reduction)<sup>1</sup></b>	<b>Total Housing Units</b>
2020	71	71	57,299
2019	45	(37)	57,228
2018	54	(50)	57,265
2017	41	(4)	57,315
2016	119	(16)	57,319
2014	134	120	57,335
2013	16	(25)	57,215
2012	175	1,662	57,240
2011	126	61	55,578
2010	69	67	55,517

Source: State of Connecticut, Connecticut Department of Housing, Connecticut Housing Production and Permit Authorized Construction and City of Bridgeport Building Department.

1. Represents the difference between the reduction and construction of housing units.

### Housing Unit Inventory and Vacancy Rates

<b>Housing Units</b>	<b>City of Bridgeport</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Units in structure:				
1 unit, detached	15,928	27.6%	889,358	58.3%
1 unit, attached	5,027	8.7	83,539	5.5
2 units	7,454	12.9	120,980	7.9
3 to 4 units	10,230	17.8	134,603	8.8
5 to 9 units	4,390	7.6	82,042	5.4
10 to 19 units	3,211	5.6	59,136	3.9
20 or more units	<u>11,146</u>	19.3	<u>144,071</u>	9.4
Mobile home, trailer, other	224	0.4	10,931	0.7
Boat, rv, other	<u>0</u>	0.0	<u>299</u>	0.0
Total Units	<u>57,610</u>	<u>100.0%</u>	<u>1,524,959</u>	<u>100.0%</u>
Occupied housing units <sup>1</sup>	50,103	87.0	1,377,038	90.3
Vacant housing units <sup>1</sup>	<u>7,507</u>	<u>13.0</u>	<u>147,921</u>	<u>9.7</u>
Total units <sup>1</sup>	<u>57,610</u>	<u>100.0%</u>	<u>1,524,959</u>	<u>100.0%</u>
Mean number of rooms per unit	4.6	--	5.6	--
Homeowner vacancy rate	--	2.6%	--	1.5%
Rental vacancy	--	8.9%	--	6.4%

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates.

### Owner-Occupied Housing Units

	<b>City of Bridgeport</b>	<b>State of Connecticut</b>
Total owner-occupied units	20,446	895,594
Persons per unit	3.03	2.65
Median number of rooms	4.6	5.6
Lower quartile	\$ 122,400	\$ 186,000
Median quartile	\$ 206,300	\$ 285,900
Upper quartile	\$ 240,200	\$ 423,500

<i>Specified owner-occupied units</i>	<b>City of Bridgeport</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000	1,346	6.6 %	18,004	2.0 %
\$50,000 to \$99,999	2,291	11.2	25,427	2.8
\$100,000 to \$149,999	2,758	13.5	67,575	7.5
\$150,000 to \$199,999	4,176	20.4	131,502	14.7
\$200,000 to \$299,999	6,661	32.6	251,366	28.1
\$300,000 to \$499,000	2,772	13.6	249,711	27.9
\$500,000 to \$999,999	91	0.4	107,606	12.0
\$1,000,000 or more	351	1.7	44,403	5.0
	<u>20,446</u>	<u>100.0 %</u>	<u>895,594</u>	<u>100.0 %</u>

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates.

### Building Permits

<u>Fiscal Year</u>	<u>Number</u>	<u>Value</u>
2020	2,927	\$95,674,308
2019	3,500	100,718,381
2018	3,266	136,075,649
2017	3,100	173,964,671
2016	3,451	285,958,105
2015	1,868	69,922,173
2014	2,942	175,166,590 <sup>(1)</sup>
2013	3,114	78,809,066
2012	3,346	65,398,271
2011	2,425	48,862,472

Source: Provided by Building Department, City of Bridgeport.

(1) Includes several large non-recurring public projects and private developments.

### Land Use Summary

<u>Land Use Category</u>	<u>Acres</u>	<u>Percent</u>
Residential	5,135.3	50.0%
Commercial	846.7	8.2
Mixed Use	177.3	1.7
Industrial	965.4	9.4
Parks/Open Space/Recreation	1,242.7	12.1
Institutional/Public	718.9	7.0
Utilities/Infrastructure	133.5	1.3
Vacant	1,050.5	10.3
<b>Total</b>	<b>10,276.6</b>	<b>100.0%</b>

Source: City of Bridgeport, Master Plan of Conservation & Development

## LEGAL AND OTHER INFORMATION

### Litigation

The City, its officers and its employees are defendants in a number of lawsuits. The ultimate disposition and fiscal consequences of these lawsuits are not presently determinable. The City Attorney's Office has reviewed the status of the pending litigation and reports that it is the opinion of the City Attorney that such pending litigation will not be finally determined to result individually or in the aggregate in any final judgment against the City, or settlement which would materially adversely affect its financial position.

#### Personal Injury and Other Actions

There are presently pending certain major personal injury and other claims and lawsuits that the City is actively defending for which, in the event the City is held liable, the amount of recovery could under certain circumstances total between \$10 and \$20 million dollars in the aggregate. Any recovery under such actions will be paid by the City, which is self-insured for such risks.

### 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.

## **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. 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.

While there was a slight drop in the City’s revenues in Fiscal Year 2020 due to the pandemic, the City ended the 2020 Fiscal Year with a surplus of \$3,920,008 due to various expenditure savings. There has been no materially adverse financial effect on the City for Fiscal Year 2021 as a result of COVID-19. The City’s finances and financial plans remain healthy and stable. Annual revenues for Fiscal Year 2021 have exceeded the annual budget target, with the collection of property taxes for Fiscal Year 2021 over budget by approximately \$5 million. The City is projecting a surplus for Fiscal Year 2021 of at least \$6 million. In addition, the City received over \$5 million in reimbursements from FEMA and from the CARES Act State CRF program which has reimbursed supplemental City direct expenses and certain health budget expenses incurred solely due to the COVID-19 pandemic, including the reimbursement of necessary protective personal equipment purchases.

The potential impact of the national, State and City response to COVID-19 to date, and the continued spread of COVID-19 and the national, State and City response thereto, cannot be predicted at this time, but could have a materially adverse effect on the economies of the State and its political subdivisions, including the City, and the City’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 deferred tax payments and benefit assessments by three months for taxpayers based on a showing of need, while the other program reduced 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. The City adopted the “Low Interest Rate Program” which lowered the interest rate from 18% to 3% per annum (0.25% monthly) for three months on any unescrowed taxes on real estate, motor vehicles, and personal property as well as unescrowed municipal utility charges (the “Taxes and Charges”) that are due between April 1, 2020 and July 1, 2020 and were not paid on time and also those which were already delinquent before April 1, 2020.

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 City was deemed to have adopted the Low Interest Rate Program. The Low Interest Rate Program applied the reduced interest rate to Taxes and Charges that were due on or before January 1, 2021 through and to April 1, 2021 and were not paid on time.



Election by the City of the “Low Interest Rate Program” did not result in a material decrease in property tax revenues. As of June 30, 2021, the City had collected approximately 98.70% of Fiscal Year 2021 budgeted taxes, with 98.70% having been collected at the same time in Fiscal Year 2020 and 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 provides in excess \$2 trillion of relief to industries and entities throughout the country, including state and local governments. Under the CARES Act, \$150 billion was appropriated to states and other units of government for activities that are directly related to COVID-19; the amount paid to each state is based on population with a minimum payment of \$1.25 billion. The State received approximately \$1.4 billion in such funding, however, those funds were directed to the State which has the discretion to provide those funds to local governments. In addition, the CARES Act provides \$454 billion to the Federal Reserve to purchase business, state or municipal securities in order to provide a level of liquidity to the municipal market. Other financial relief affecting states and local governments includes \$30.9 billion for education, \$10 billion for airports, \$25 billion for transit providers, and \$17 billion for housing, including \$5 billion for Community Development Block Grants for COVID-19 related services. The City has received to date from this federal aid approximately \$5.4 million in CARES funding passed through the State of Connecticut’s Coronavirus Relief Fund (CRF), \$2.0 million of Community Block (CDBG) Grants, and \$934,000 of Community Block Grant Emergency Shelter Housing Grants. The Board of Education has received \$9.1 million in funding passed through the State of Connecticut’s Elementary and Secondary School Emergency Relief Fund (ESSER).

In addition, the State plans to allocate to all municipalities and school districts additional CARES funding for Fiscal Year 2022 and 2023. The City is expected to receive \$13 million of this additional CARES CRF funding in Fiscal Year 2022. The Board of Education is expected to receive an additional \$22 million in CARES ESSER funding per year in Fiscal Year 2022 and Fiscal Year 2023.

On April 24, 2020, President Trump signed into law the Paycheck Protection Program and Health Care Enhancement Act. The legislation included \$484 billion of additional funding to support small businesses, hospitals and to enhance COVID-19 testing.

On March 28, 2020, President Trump approved Governor Lamont’s request for a disaster declaration for the State of Connecticut. Under the declaration, it is expected that federal funding will be made available to state, tribal and eligible local governments and certain private nonprofit organizations for emergency protective measures, including direct federal assistance, for all areas of Connecticut impacted by COVID-19. The impacted agencies and municipalities will be reimbursed for 75 percent of the costs associated with their response and emergency protective measures. The City has received federal FEMA funding in the amount of approximately \$0.8 million reimbursing it for expenses either incurred or anticipated within the Fiscal Year 2020. The City has submitted a request for an additional \$0.5 million to FEMA relating to Fiscal Year 2021 expenditures.

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 City expects to receive \$110 million in federal funding as a result of the Rescue Plan, along with \$130 million for the Board of Education. The City received its first installment of \$55 million in funding from this program. All such funding must be expended over a four-year period through December 2024. The criteria and guidelines for expending such funding was issued in June 2021 by the U.S. Treasury Department based upon the

Rescue Plan, with some funding to be utilized to reimburse budgetary revenue losses and all other related COVID-19 emergency needs. Within the various Rescue Plan programs that benefit the City, the community and the school district, some allocations have been deemed eligible for reimbursing certain capital project needs that are expected to slightly reduce future borrowings for sewer, broadband, and air quality issues in schools and buildings.

### **Cybersecurity**

The City, like many other public and private entities, relies on technology to conduct its operations. The City 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 mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the City invests in various forms of cybersecurity and operational controls, including a comprehensive policy relating to the security of the City's government networks. In the past year, enhanced two-factor authentication and other malware prevention software was implemented. 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 City digital networks and systems and the costs of remedying any such damage could be substantial.

### **Climate Change**

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The City's location in southern Connecticut on the Long Island Sound increases its vulnerability to flooding, including storm water flooding. In addition to flooding, the City faces other threats due to climate change, including damaging wind that could become more severe and frequent. The City cannot predict the timing, extent or severity of climate change and its impact on its operations and finances.

In an effort to mitigate any damage from future storms and water damage, the State and the City are using a \$50 million resiliency grant received from the federal government to develop cutting-edge, national-demonstration projects in the City's south end, including major green oriented infrastructure (berms, swales, water retention systems), to prevent future storm water flooding all designed to integrate into the existing park system and to connect the City's south end downtown within two years. The State Department of Housing is managing this project, with design for this work almost completed and construction expected in 2022. In addition, the City is planning to allocate some ARPA funding resources towards waterway flooding, pollution and storm water runoff reduction.

**APPENDIX B – COMPREHENSIVE ANNUAL REPORT**

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CITY OF BRIDGEPORT, CONNECTICUT  
**COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT**



**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020**

# CITY OF BRIDGEPORT, CONNECTICUT



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year  
July 1, 2019 to June 30, 2020

Prepared By:  
DEPARTMENT OF FINANCE

Kenneth A. Flatto  
Director of Finance/CFO

**CITY OF BRIDGEPORT, CONNECTICUT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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JUNE 30, 2020**

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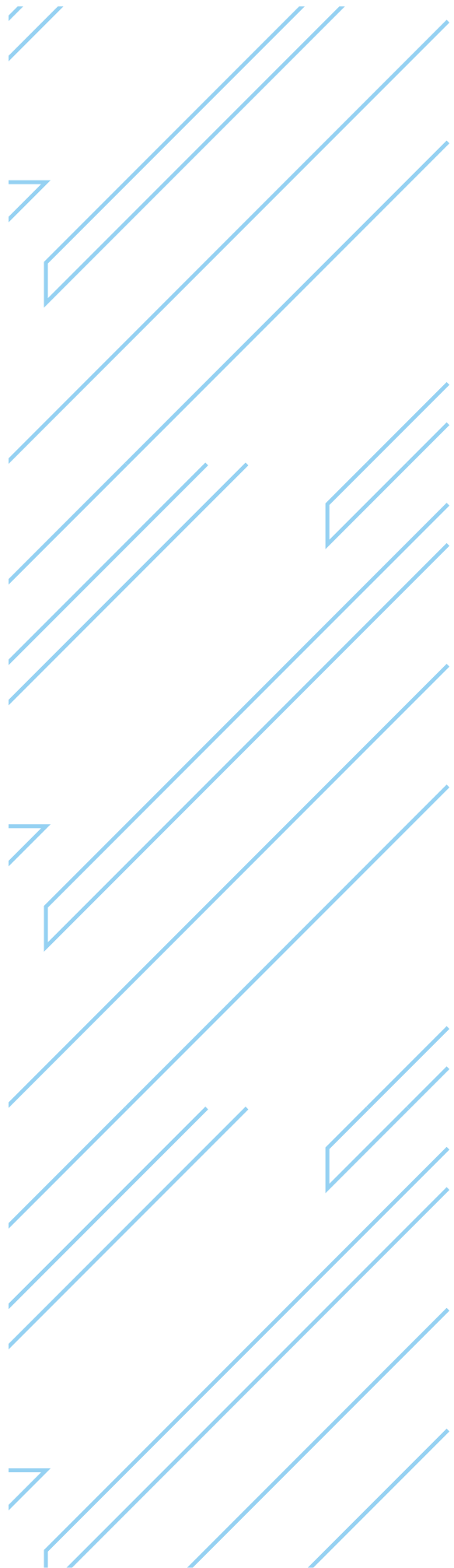
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# Introductory Section





JOSEPH P. GANIM  
Mayor

CITY OF BRIDGEPORT  
**DEPARTMENT OF FINANCE**  
**MARGARET E. MORTON GOVERNMENT CENTER**  
999 Broad Street  
Bridgeport, Connecticut 06604  
Telephone 203-576-7251 Fax 203-576-7067

KENNETH A. FLATTO  
Finance Director/CFO

December 23, 2020

Honorable Joseph Ganim, Mayor

Members of the City Council

Citizens of Bridgeport

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

Blum Shapiro has issued an unmodified (“clean”) opinion on the City of Bridgeport, Connecticut’s financial statements for the year ended June 30, 2020. The independent auditors’ report is located at the front of the financial section of this report.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. There were no material or significant findings issued this year.

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

**Profile of the Government**

The City of Bridgeport was incorporated in 1836 and annexed portions of the neighboring towns of Stratford and Fairfield in the late 1800’s. The City of Bridgeport is located on the northern shore of the Long Island Sound, approximately 60 miles northeast of New York City and 60 miles southwest of Hartford. The City is the crossroads of one of the best land, sea, rail and air transportation systems in the Northeast. Bridgeport Harbor is one of the three deep-water ports in Connecticut. Amtrak and Metro-North provide passenger service to the City from the downtown Transportation Center. With a 2010 U.S. Census population of 144,229 residents, Bridgeport is the largest city in the State of Connecticut, averaging almost 7,500 people per square mile. Encompassing an area of 19.38 square miles (approximately 16.0 square miles of land and 3.38 square miles of water), Bridgeport’s 57,000 housing units are the most of any municipality in the State of Connecticut.

Bridgeport operates under and is governed by the laws of the State of Connecticut and its own City charter, which was originally adopted in 1907. The last major revision to the City's charter was adopted in 1992 and streamlined governmental processes and provided for greater administrative accountability. The Charter provides for a Mayor-Council form of government. The Mayor is the chief executive officer of the City. The City Council, which serves as the City's legislative body, consists of 20 council members elected to two-year terms. The Charter provides for four-year terms for the Mayor, City Clerk and Town Clerk.

The City provides a full range of services to its citizens, businesses and visitors. These include: police and fire protection; sewer and sanitation; education; library; airport; highways, streets and infrastructure maintenance; parks and recreation; economic development and housing; health and welfare; and general administrative services.

### **Budget, Finances and Long-Term Planning**

The annual budget serves as the foundation for the City of Bridgeport's financial planning and control. Budget-to-actual comparisons for FY2020 are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on RSI-1 and RSI-2 as part of the required supplementary information for the General Fund.

The City ended the June 30, 2020 fiscal year with a positive \$3.9 million budgetary surplus, consistent with commitments made to rating agencies. This was attained in large measure by various Administration actions taken last year, along with a healthy rate of tax collections. The City continues to strengthen general fund balances, as recommended by rating agencies, so that the City nears its goal of attaining its long-term fund balance policy. The City has also taken steps to ensure that it has ample contingencies to meet fiscal challenges and any possible emergency needs. The City receives significant state aid for education program purposes, some state aid for city operating purposes, and state bonded aid for large school capital project needs. The City is fully funding all required pension obligations, as recommended by actuaries or required by statute. In fiscal year 2020, the City contributed an additional \$100,000 investment into the Other Post-Employment Benefits (OPEB) Trust, while paying current annual expenditures for OPEB benefits on a pay as you go basis. Information presented in the financial statements is perhaps best understood from the broader perspective of the specific environment within which the City operates.

The City maintains budgetary controls and Charter and Code regulations that prohibit the City from overspending the annual adopted budget. In addition, the City Code does not allow management to make intra departmental or interdepartmental budget line transfers within the annual budget, except for small transfers within specific department budget functional categories, unless such transfers are approved by the City Council. The City has put into place certain long term planning measures, including the adoption of an annual five-year capital plan. In addition, the City uses multi-year planning for internal purposes for forecasting future budget needs. The City enters into multi-year contracts for various services when beneficial with utility providers, certain health care providers, non-profit organizations, and with developers seeking to revitalize City owned sites. The City implements multi-year collective bargaining contracts on a regular basis.

### **Reassessment and Mill Rates**

The City's fiscal year property tax mill rate for FY2021 was adopted in May 2020 at 53.99 mills, the same level of property tax mill rate as the FY2020 year. This was the fifth consecutive budget year that the mill rate either remained the same or was reduced. The mill rate for motor vehicles was set at 45 mills for FY 2021 as well as the prior FY2020, based upon the State legislative mandated cap for car tax mill

rates. The City receives state reimbursement for much of the lost revenues from this reduced vehicle mill rate. The last citywide revaluation was implemented for the October 1, 2015 Grand List Year, and a new revaluation is underway for the October 2020 Grand List to be effective for the 2021-2022 Fiscal Year. The Net Taxable Grand List as of October 1, 2019 was adopted at a full value of approximately \$6.45 billion. While real property values have increased, the Grand List is still based upon 2015 values are required by state statute, and the slightly improvements the past few years are due to new grand list growth development realized. The new Revaluation process for the October 2020 Grand List was fifty per cent complete as of June 30, 2020 and shall be fully completed and this new 2020 Grand List shall be certified by January 31, 2021.

### **Local Economy**

The City is a major medical, legal, industrial, financial and entertainment center. Two medical centers, the Hartford Healthcare St. Vincent's Medical Center and the Bridgeport Hospital of the Yale-New Haven hospital system, provide for many of the health care needs of the Greater Bridgeport area. Federal and State courthouses are located within the central business district. Corporate and regional business offices are located downtown, including the national headquarters office of People's United Bank. Other major employers residing within the City's boundaries include PSE&G, Goodwin University-Bridgeport University, Housatonic College, Jewish Senior Services, Bridgeport Health Care Center, Bass Pro Shop, Sikorsky Industries, Pullman & Comley, Wades Dairy, and several major service industry firms. The City remains the home to more than 200 manufacturing companies and thousands of local retail and commercial businesses.

The Greater Bridgeport area hosts four institutions of higher learning: Housatonic Community College, Goodwin University-University of Bridgeport, Fairfield University, and Sacred Heart University. These educational institutions provide the City's corporate and business communities with skilled personnel and enhance the area's cultural and community activities. The Workplace Inc. is a major multi-state job training and enterprise non-profit center.

Bridgeport is the home of numerous attractions that enhance the City's economic fortunes. The Webster Bank Arena and other downtown venues usually bring hundreds of thousands of visitors annually to Bridgeport's Downtown to watch minor league hockey, college basketball, college hockey, concerts and other entertainment. The Beardsley Zoo, Connecticut's only zoo, is one of the most visited tourist attractions in the State. The Barnum Museum showcases the life and times of the City Mayor and renowned showman, P.T. Barnum. A new LiveNation concert amphitheater has been completed at the former Harbor Yard and is scheduled to open as soon as public health conditions allow. Some of these venues have been impacted by the covid crisis, however they remain a key part of the City's vibrant future.

The City's economic development plans have focused on diversification of the local economic base, tailored to the City's strengths of geographic location and skilled workforce availability. New light manufacturing is looking at Bridgeport as a favored destination. The City's strategy of identifying growth industries such as medical, financial services, construction, and technology is proving successful. To enhance the infrastructure that serves the industrial and commercial base of the City, the City has assembled land and facilities necessary to provide for the expansion of existing corporations and to accommodate new business, redevelopment and private investment. Over 500,000 square feet of new development have been developed the past four years, including a major new natural gas power plant and properties at Steel Point district, and more are underway and in developmental and marketing stages,

### **Waterfront Development/Steel Point**

Investment in Steel Point has come to fruition and continues expanding. Approximately 200,000 square foot of retail, including Bass Pro Shops, Starbucks, Chipotle, T-Mobile and Boca Oyster seafood restaurant and Dolphin marina. Phase Two was completed in FY2020, with a new commercial building above the restaurants. New housing expected to be complete and opened within another year.

Other plans include robust public improvements such as an approximately 70-foot-wide greenway along the South End waterfront. Property tax-based Tax Increment Financing will be used to fund some of these improvements. The Steel Point Infrastructure Improvement District (the "District") and BDL are expanding development efforts nearby which included BDL's purchase of the former Derektor shipyard site from the City.

### **Downtown Development**

Downtown Bridgeport is at the nexus of road, rail, transit, and water related transportation infrastructure. Its location and existing assets provide the opportunity for Bridgeport to become the transit-oriented development hub of Fairfield County. Bridgeport is increasingly an option for residents and businesses seeking a cost effective and convenient location to live and work. Census data also shows that Bridgeport has the second highest percentage of millennial aged population in southwestern Connecticut.

The City has received a State grand of \$6 million and bonded funds to design and complete a new Congress Street bridge, and the city is remediating the Seaview Avenue corridor, and considering downtown parking improvements, alongside other Bridgeport downtown improvements. \$25 million in state and federal funding is being spent over the next two years including a major upgrade to Lafayette Circle and Boulevard and Main Street traffic light upgrades. The City's Intermodal Transportation Center and a 1,400-car commuter parking facility help link the various modes of transportation (such as Amtrak, Metro North, water ferries, city buses and taxis). Downtown Bridgeport and the South End is receiving a \$40 million grant to upgrade flood protection and resilience efforts. A plan for a high-speed ferry dock along Water Street is also planned by the Port Authority for the future.

Housatonic Community College has doubled the size of its downtown facilities over the past decade. The college's enrollment has increased to over 6,000 students. Significant private investment is occurring along Main Street and Main Street North, including a joint venture of the *Spinnaker Group* and *Forstone Capital* along sections of downtown real estate from People's United Bank to Main Street North. Forstone's renovation of the former Mechanics & Farmers Bank Complex on State Street into 32 housing units, professional offices, the Stress Factory comedy club and adjoining restaurant opened. A \$12 million project 333 State Street development created 65 rental apartments and 15,000 square feet of street-level commercial space. The Kuchma Corporation (developer of Bijou Square) has built nearly 30 residential units, a restaurant, and built a new City public senior center for city residents.

A major historic multi \$ million plan to revitalize the Majestic and Poli Theaters and to build two landmark eighteen story apartment towers has been agreed with the City and design and remediation started. Mixed-use buildings have been refurbished into new office and retail space and inter-connected buildings and adding to the downtown residential housing stock *along* the Securities block. Just north of those buildings, the city has helped to start redevelopment of five city blocks, including both historic buildings and vacant land, with joint developers Spinnaker, POKO, Urban Green Builders, and Navarino. These projects include 105 housing units and retail space, have commenced remediation and reconstruction.

### **Industrial Development and Housing Projects**

In the City's West End Redevelopment area, significant industrial investment has occurred. The \$70 million Bridgeport Fuel Cell Energy Park produces enough electricity for 15,000 homes. An Eco-Technology Park is located in the West End and South End neighborhoods. Adjacent to the Eco-Technology Park, a block of vacant industrial buildings is being repurposed as a mixed-use neighborhood. The block attracted \$1.2 million in state brownfield assistance.

The Cherry Street Associate redevelopment has renovated several former dilapidated industrial buildings and plans to create approximately 325 units of mixed-income housing, space for a charter school, and approximately 20,000 square feet of retail space. The first phase underway includes 157 units of housing, the charter school, and open space.

### **Medical Sector and Senior Living Projects**

As the center for hospital care in Eastern Fairfield County, the City's health care industry continues to grow. Bridgeport Hospital part of the Yale New Haven Center, employs over 2,500 people and is constantly innovating. St. Vincent's Medical Center, acquired by Hartford Healthcare last year, employs more than 2,600, after construction of a \$140 million expansion project.

Jewish Senior Services (JSS) thrives in a \$95 million building on Park Avenue, a combination of a 367,000 square foot skilled nursing and an assisted living facility. Nearly 300 jobs were moved to Bridgeport.

### **Public Education**

The City and Bridgeport Public Schools are completing the most comprehensive school upgrade program in decades. New high schools, middle schools and elementary schools are now complete, with the new Harding High School and renovated Central High School reopened this autumn. Design for a completely new Bassick High School complex adjacent to Bridgeport University is underway. The city public school system is striving to improve student outcomes while simultaneously taking steps to conserve budget resources. The City and State support Bridgeport Public Schools in many ways, both fiscally and with supportive services.

### **Bridgeport's Major Financial Initiatives**

The City has instituted annual significant cost-saving initiatives through financial system upgrades, improvement of revenue collection, restructuring of employee benefits, and interim budget freezes on hiring. The City added new Purchasing controls over the past several years. The City has completed technology and software upgrades to improve public customer services including online payment systems, web-based operations and cybersecurity safeguards and is adding fiber optic connectivity.

The major historic economic development initiatives described above will provide a significant boost to the tax base and to budgetary revenues over the next decade. The City revenue enhancements including improved tax collections, and new federal grants, have attained millions of new revenues. A Mayoral anti-blight program is successfully cleaning up the city.

### **Revenue Collection Initiatives**

The City implements innovative strategies for enhancing its tax revenues, accelerating its receipt of delinquent taxes, non-tax revenues and controlling costs. The City increased collection of real estate taxes, through heightened enforcement and the sale of tax liens. Tax lien sales have proven to be an effective management tool for collecting current and arrears taxes, interest and penalties. The City conducted its last tax lien sales in May 2020 netting over \$3 million.

### **Internal Service Fund & OPEB Fund**

The City, by Ordinance, established an Internal Service Fund (ISF) and an Other Post Employment Benefits Fund (OPEB) to account for self-insured health benefit activities of the City, Board of Education and all other departments. Governmental Accounting Standards allow for the use of Internal Service Funds for risk financing activities. The ISF is a proprietary type fund which utilizes the accrual basis of accounting. The use of an Internal Service Fund, for self-insured benefit activities can help smooth the impact of claims fluctuations. Funding of the Internal Service Fund is provided through the annual Board of Education budget, the City General Budget, the Library, WPCA Budget, and by employee contributions. As of June 30, 2019, the fund continues to have a deficit which considered in the calculation of contributions to be made to the Fund in future years. The long-term liability increased \$3 million from the previous year, solely due to one-time workmen's compensation claims. It is expected that deficits will be reduced over a reasonable period of years. The OPEB Trust Fund was established with an annual deposit from the General Fund as the City plans to deal with this long-term challenge. The City has reined in and restructured health costs by joining the CT Partnership Health Plan in FY2020.

### **City Investment Policies**

Eligible investments for Connecticut municipalities are governed by the Connecticut General Statutes. It is the policy of the City to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all statutes governing the investment of funds. The City's investment of cash and cash equivalents consist primarily of FDIC insured money market investments and funds invested in the State Short-Term Investment Fund ("STIF").

Because the Connecticut General Statutes do not specify permitted investments for municipal pension funds, the investment of pension funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. In accordance with its policy for pension fund investments, the City seeks a long-term, above-average total return consisting of capital appreciation and income, while placing an emphasis on preservation of the principal.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded another Certificate of Achievement for Excellence in Financial Reporting to the City of Bridgeport, Connecticut for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019, and is applying for fiscal year 2020. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easy to read and well-organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. The City of Bridgeport has received a Certificate of

Achievement in each of the last 16 years. We believe our current report continues to conform to the Certificate of Achievement program requirements.

In addition to the award for the Financial Reporting, the Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Bridgeport, Connecticut for the FY2020 Annual Budget.

The preparation of the Comprehensive Annual Financial Report was made possible by the tremendous dedication and hard work of the entire staff of the Finance Department, particularly the Comptroller's and Finance Offices, the City Treasurer's Office, Tax Collectors Office and In-Plant Print Shop. We want to express our appreciation for the cooperation, assistance and support of all other City departments and to the City Council Budget and Appropriations Committee. Thanks to all the Finance department employees who helped to ensure that this audit report is complete and accurate.

For more information on the City of Bridgeport, as well as financial documents, economic development updates, and other matters, please visit the City's redesigned web site at: [www.bridgeportct.gov](http://www.bridgeportct.gov).

We would like to acknowledge the thorough and professional nature of our independent auditors, Blum Shapiro, who conducted this annual audit and assisted with the CAFR. The leadership and support of the Mayor and City Council has helped to ensure that our professional and dedicated Finance department continues to perform at its best.

Respectfully submitted,



Kenneth A. Flatto  
Director of Finance/CFO





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Bridgeport  
Connecticut**

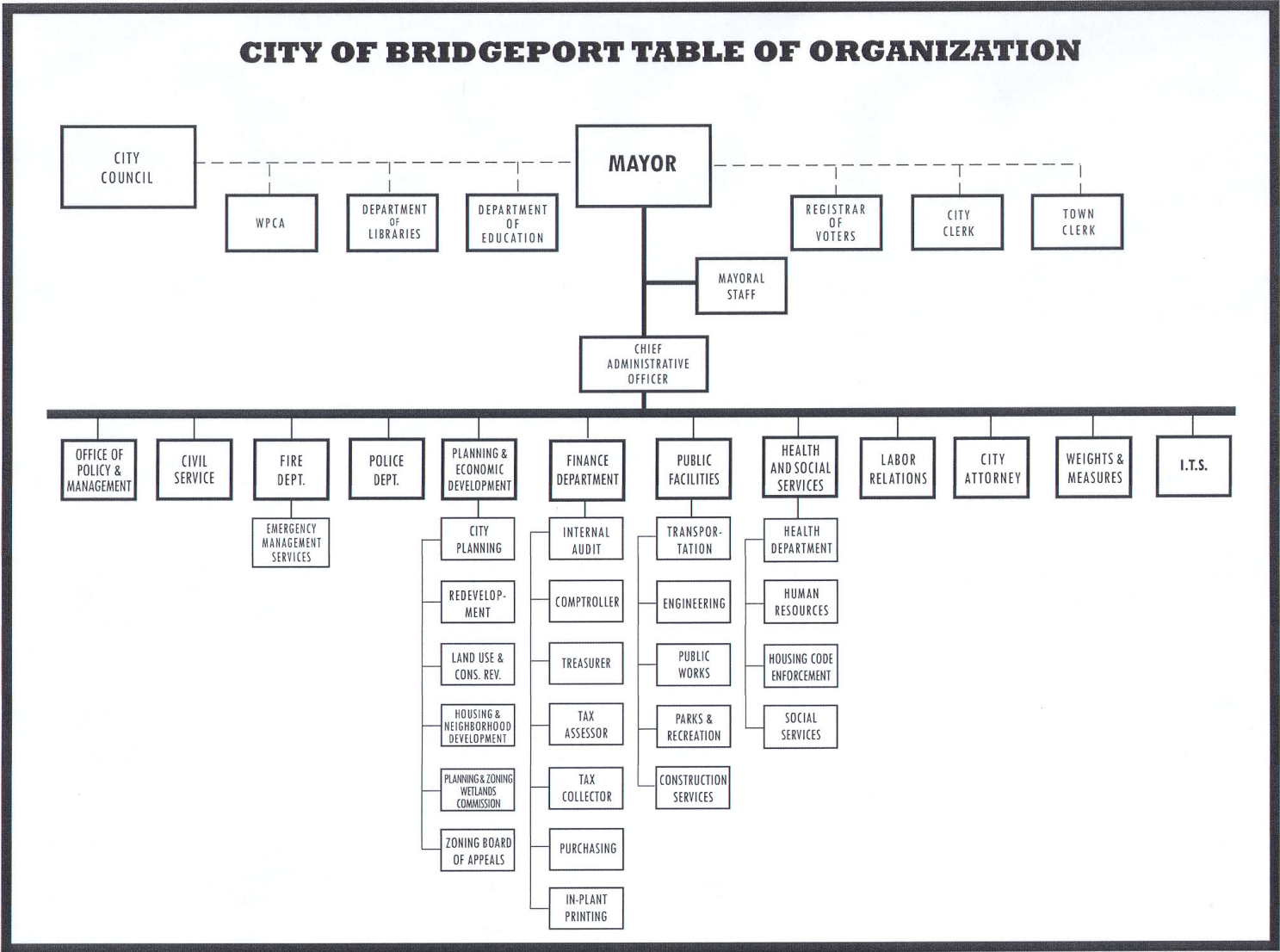
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

### CITY OF BRIDGEPORT TABLE OF ORGANIZATION



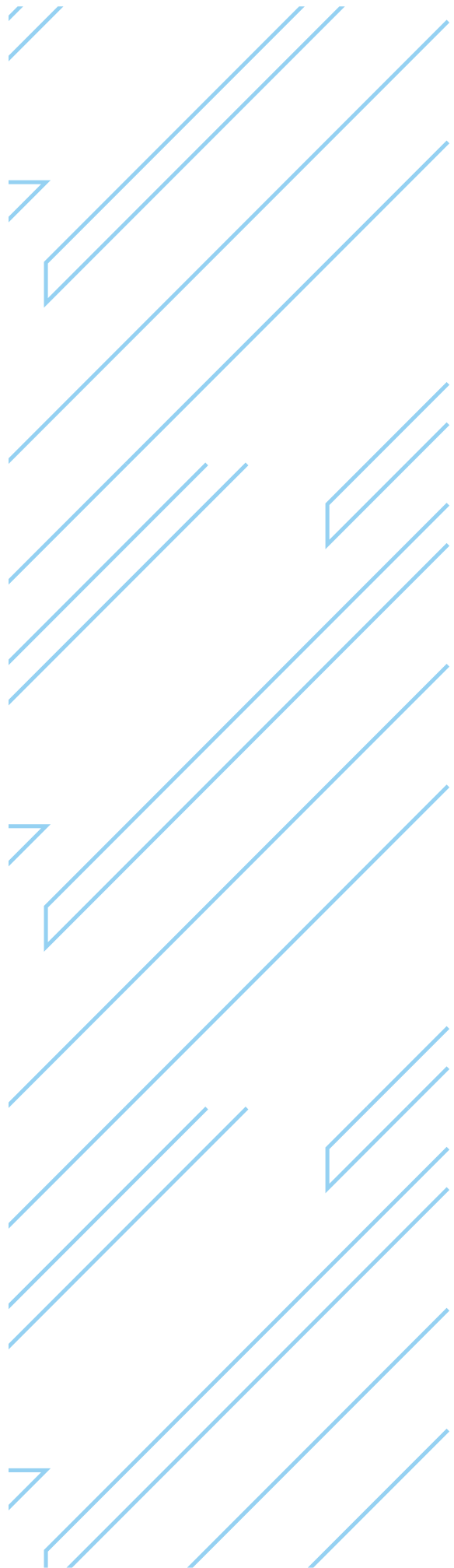
**CITY OF BRIDGEPORT, CONNECTICUT**

**LIST OF PRINCIPAL OFFICERS**

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<u>Office</u>	<u>Name</u>	<u>Manner of Selection and Term</u>
Mayor	Joseph P. Ganim	Elected - 4 Year Term
City Clerk	Lydia Martinez	Elected - 4 Year Term
Town Clerk	Charles Clemons	Elected - 4 Year Term
Chief Administrative Officer	Janene Hawkins	Appointed by Mayor
Deputy CAO	John Gomes	Appointed by Mayor
Director of Finance/CFO	Kenneth Flatto	Appointed by Mayor
Director of Office of Policy & Management	Nestor Nkwo	Appointed by Mayor
City Treasurer	Terri Coward	Appointed by Mayor
City Attorney	R. Christopher Meyer	Appointed by Mayor
Superintendent of Schools	Michael Testani	Appointed Bd. of Education

# Financial Section



## Independent Auditors' Report

To the Honorable Mayor and Members of the City Council  
City of Bridgeport, Connecticut

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bridgeport, Connecticut, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Bridgeport, Connecticut's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bridgeport, Connecticut, as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Bridgeport, Connecticut, as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated December 26, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund balance sheet as of June 30, 2019 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2019 financial statements. The accompanying General Fund balance sheet has been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund balance sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020 on our consideration of the City of Bridgeport, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Bridgeport, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bridgeport, Connecticut's internal control over financial reporting and compliance.

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

West Hartford, Connecticut  
December 23, 2020

**City of Bridgeport, Connecticut  
Management's Discussion and Analysis  
June 30, 2020**

As management of the City of Bridgeport, Connecticut (the City) we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

**Financial Highlights**

- ◆ On a government-wide basis, the assets and deferred outflows of resources of the City were less than its liabilities and deferred inflows of resources, resulting in total net position at the close of the fiscal year of \$(741.1) million. Total net position for Governmental Activities at fiscal year-end was \$(831.2) million and total net position for Business-Type Activities was \$90.2 million. The change from prior year is primarily due to increases in long term outflows relating to the City's Other Post Employment Benefits (OPEB) liabilities and the Municipal Employee Retirement System (MERS) pension liabilities. These outflow adjustments related primarily to a lowering of the actuarial discount rate, due to historic lower investment interest rates prevailing during the year ended June 30, 2020. The primary reason for a slight \$4.6 million decrease in net position for Business Activities is due to capital related depreciation expenses for the ongoing operation of the Water Pollution Control Authority and its assets.
- ◆ On a government-wide basis, during the year, the City's net position decreased by \$61.7 million from \$(679.4) million to \$(741.1) million. The change from prior year is primarily due to an increase in the OPEB liability due to a lowering of actuarial discount rate due to historic lower investment interest rates prevailing during the year ended June 30, 2020, as well as changes to the MERS pension system liability due to a drop in the assumed discount rate fiscal year for 2020. Net position decreased by \$57.1 million for Governmental Activities and decreased by \$4.6 million for Business-Type Activities. Government-wide expenses for governmental activities were \$776.8 million, while revenues were \$719.7 million, while business activities reduced by \$4.6 million. The total unrestricted net deficit at June 30, 2020 was \$(1.77) billion primarily due to the ongoing costs of long term OPEB and pension obligations. The decrease in net position for Government-wide Activities is due to the increase in net pension liabilities described above as well as steps taken by management to strengthen the financial condition and other long-term liabilities of the city.
- ◆ At the close of the year, the City's governmental funds reported, on a current financial resource basis, combined ending total fund balances of \$208.5 million, an increase of \$28.5 from the prior fiscal year. This improvement in total fund balances is due to a combination of surplus generated from general fund operations of \$3.9 million, an increase in other governmental funds operations of \$2.2 million, and an increase in capital fund surplus from bonding of \$22.3 million. Of the total fund balance as of June 30, 2020, \$32.4 million represents the restricted fund balance, \$148.5 million committed or assigned, and \$27.6 million is unassigned in the general fund, special revenue funds, capital projects fund and permanent trust fund. The unassigned \$27.6 million fund balance represents the positive fund balance that is available for spending at the City's discretion. This unassigned fund balance represents 4.9% of the City's General Fund budgeted expenditures, excluding other financing sources.
- ◆ At the end of the current fiscal year, the total fund balance for the General Fund alone was \$27.6 unassigned. This improvement of \$3.9 million from the prior year is due to the favorable results from general operations. The available unassigned general fund balance at year-end represents 3.61% of total general fund expenditures and other financing sources of \$766.2 million. The City pledged to continue improving fund balances with the goal of attaining city policies for a high level of fund balance as a per cent of annual budget.
- ◆ The City's total long-term debt increased by \$35.3 million during fiscal year 2020 due to the net issuance of additional capital project bonds for city wide and school infrastructure improvements.



## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information and a statistical section as well as the basic financial statements. The statistical section provides comparisons of selected information beginning with fiscal year 2010.

### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. All resources the City has at its disposal are shown, including major assets such as buildings and infrastructure. A thorough accounting of the cost of government is rendered because the statements present all costs, not just how much was collected and disbursed. They provide both long-term and short-term information about the City's overall financial status.

The statement of net position presents information on all the City's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating. It speaks to the question of whether the City is better or worse off because of this year's activities. Other non-financial factors will need to be considered, however, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All the current year's revenues and expenses are considered regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period, uncollected taxes and earned but unused vacation leave are examples.

Both of the government-wide financial statements distinguish functions of the City that are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

- ◆ Governmental activities of the City encompass most of the City's basic services and include governmental and community services, administration, public safety, health and welfare, operations and education. Property taxes, charges for services and state and federal grants finance most of these activities.
- ◆ Business-type activities of the City consist of the Water Pollution Control Authority. It is reported here, as the City charges a user fee to customers to help cover all or most of the cost of operations.

The government-wide financial statements (statement of net position and statement of activities) can be found on Exhibits I and II of this report.

## Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City has three types of funds:

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

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

The City maintains 19 individual governmental funds. The General Fund, Education Grants Fund, and the Capital Projects Funds are considered major funds. Information for each of the major governmental funds is provided in the balance sheet - governmental funds and statement of revenues, expenditures and changes in fund balances - governmental funds on Exhibits III and IV. Data from other governmental funds are combined into a single, aggregated presentation as non-major Governmental Funds. Other non-major governmental funds for the City include the Health and Sanitation Fund, the Public Safety Fund, the Miscellaneous and Facility Fund, the Social Services Fund, the Community Development Block Grant Fund, the Housing Opportunities Aids Fund, the Home Program Fund, the Section 108 Loan Guarantee Fund, the Development Administration, the Library Fund, The Education Fund, the Miscellaneous Grants Fund, General Government Fund, all of which are considered Special Revenue Funds. Permanent Trust Funds consist of the Library Fund and the Education Fund. Individual fund data for each of these non-major governmental funds is provided in the combining balance sheets on Exhibit B-1 and in the combining statement of revenues, expenditures and changes in fund balance on Exhibit B-2.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the authorized budget. The schedule of revenues and other financing sources, and the schedule of expenditures and other financing uses on a budgetary basis can be found on exhibits RSI-1 and RSI-2.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on Exhibits III and IV of this report.

**Proprietary funds.** The City of Bridgeport maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. The City of Bridgeport uses an enterprise fund to account for its Water Pollution Control Authority. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City of Bridgeport's various functions. The City of Bridgeport uses an internal service fund to account for its health, workers compensation and heart and hypertension self-insurance plan including its liability for employees and retirees of the City. Because this service predominantly benefits governmental functions rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found on Exhibits V - VII of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the City's constituency. The City has four pension trust funds. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits VIII and IX of this report.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-84 of this report.

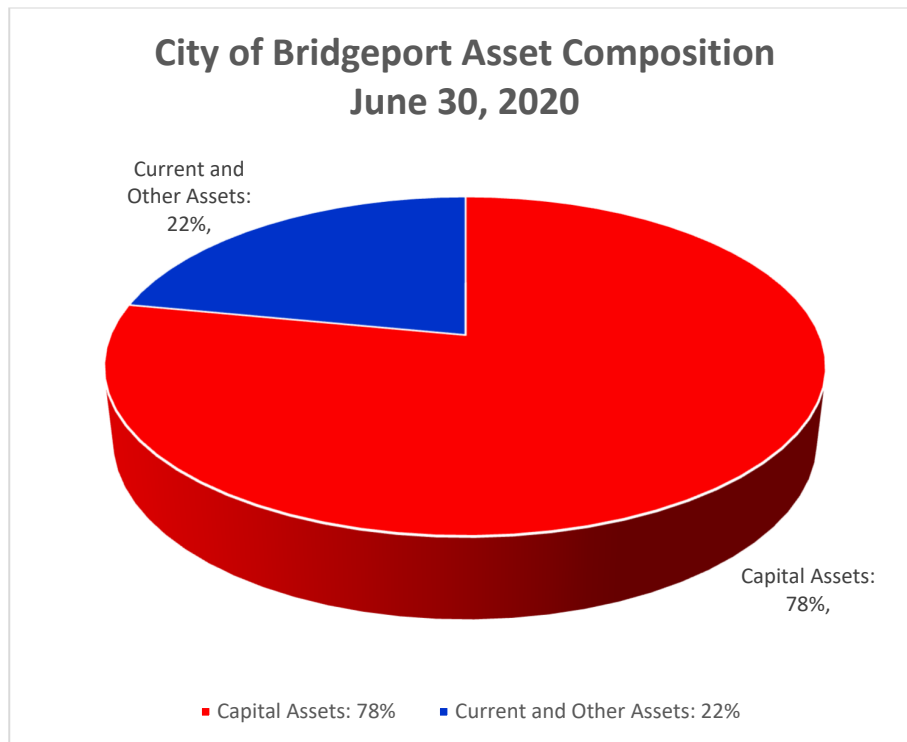
The notes to this report also contain certain information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over the long term as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. On a government-wide basis, the City's assets and deferred inflows of resources were less than its liabilities and deferred outflows of resources by (\$741.1) million at June 30, 2020. This is a decrease of \$61.7 million from last year's net position of \$(679.4) million. The change from prior year is primarily due to an increase in the OPEB liability due to a lowering of actuarial discount rate due to historic lower investment interest rates prevailing during the year ended June 30, 2020, as well as changes to the MERS pension system liability due to a drop in the assumed discount rate fiscal year for 2020.

#### CITY OF BRIDGEPORT, CONNECTICUT NET POSITION (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 364,926	\$ 324,788	\$ 13,355	\$ 16,266	\$ 378,281	\$ 341,054
Capital assets	1,297,340	1,287,518	115,937	120,501	1,413,277	1,408,019
Total assets	<u>1,662,266</u>	<u>1,612,306</u>	<u>129,292</u>	<u>136,767</u>	<u>1,791,558</u>	<u>1,749,073</u>
Deferred outflows of resources	<u>331,970</u>	<u>184,161</u>			<u>331,970</u>	<u>184,161</u>
Other liabilities	129,975	123,875	3,431	3,686	133,406	127,561
Long-term debt outstanding	<u>2,572,113</u>	<u>2,289,755</u>	<u>35,695</u>	<u>38,220</u>	<u>2,607,808</u>	<u>2,327,975</u>
Total liabilities	<u>2,702,088</u>	<u>2,413,630</u>	<u>39,126</u>	<u>41,906</u>	<u>2,741,214</u>	<u>2,455,536</u>
Deferred inflows of resources	<u>123,375</u>	<u>156,976</u>	<u>-</u>	<u>107</u>	<u>123,375</u>	<u>157,083</u>
Net position:						
Net investment in capital assets	914,383	921,978	82,354	84,166	996,737	1,006,144
Restricted	29,258	27,684			29,258	27,684
Unrestricted	<u>(1,774,868)</u>	<u>(1,723,801)</u>	<u>7,812</u>	<u>10,588</u>	<u>(1,767,056)</u>	<u>(1,713,213)</u>
Total Net Position	<u>\$ (831,227)</u>	<u>\$ (774,139)</u>	<u>\$ 90,166</u>	<u>\$ 94,754</u>	<u>\$ (741,061)</u>	<u>\$ (679,385)</u>

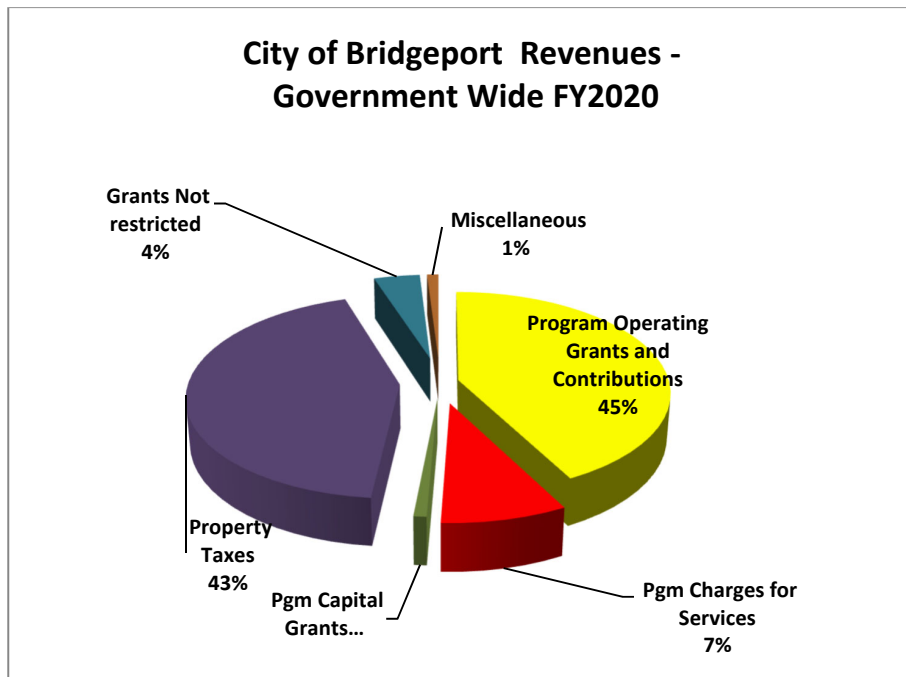


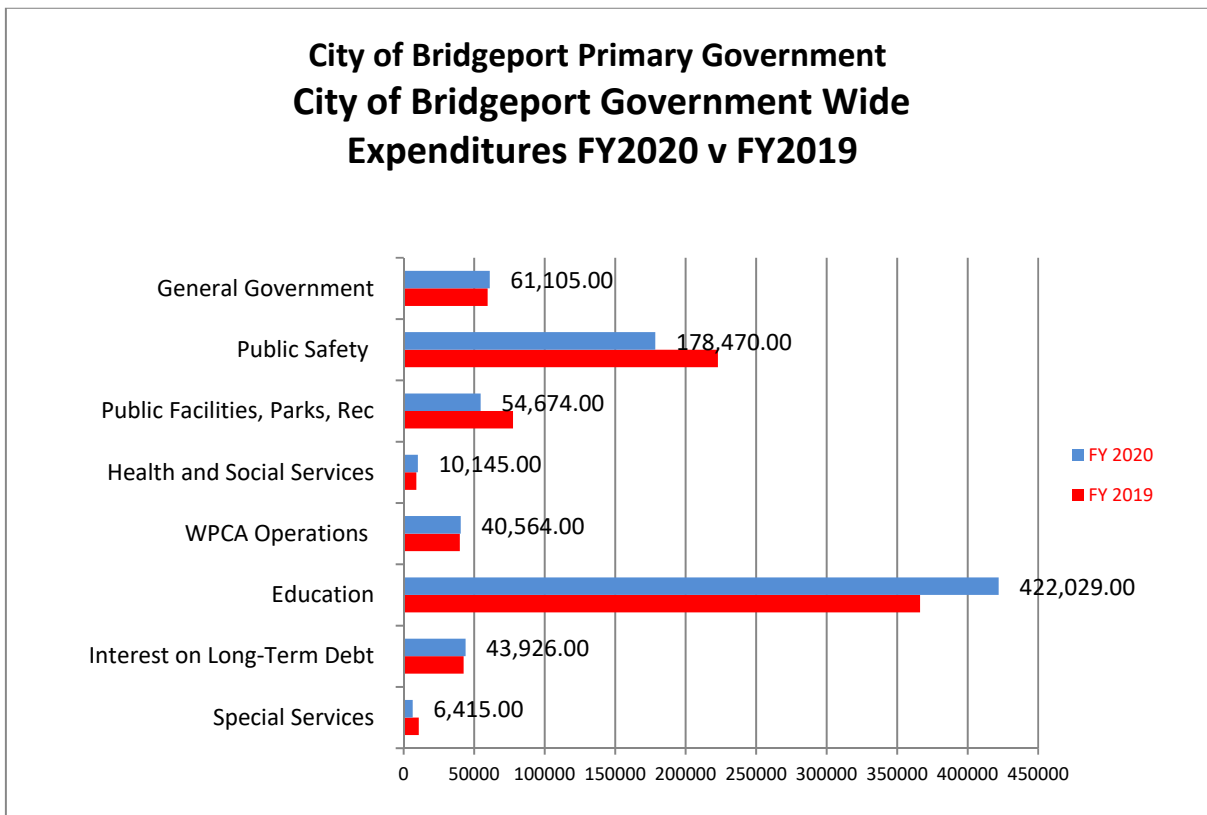
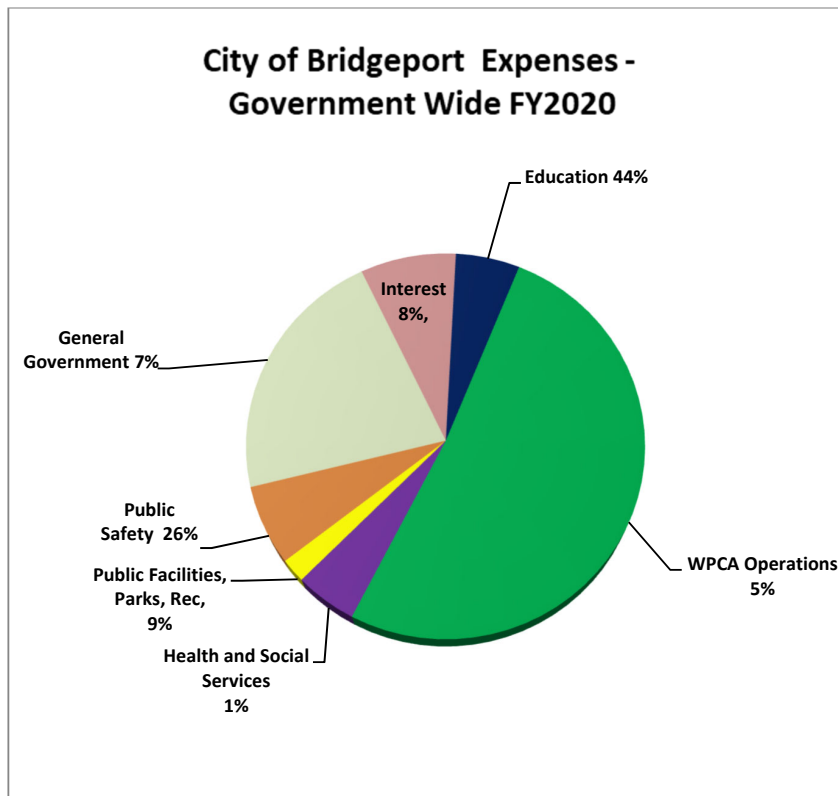
The portion of the City's net position in capital assets, \$996.7 million, reflects its investment in such capital assets (e.g., land, buildings, infrastructure, machinery and equipment), net of any outstanding debt related to these assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- ◆ The portion of the City's net position that is restricted, \$29.3 million, represents resources that are subject to external restrictions on how they may be used. Unrestricted net deficit of \$(1.77) billion may not be used to meet the government's ongoing obligations to citizens and creditors, due to the negative balance. The primary reason for the large negative balance is due to the level of long-term pension liabilities, pursuant to GASB 68, and OPEB liabilities, and the remaining balance in outstanding debt from the August 2000 issuance of General Obligation Taxable Pension Bonds which were issued to properly fund pension plans previously funded on a "pay-as-you-go" basis.
- ◆ The increase in net position in capital assets can primarily be explained by an increase in long term assets due to improvements to capital infrastructure, primarily to school buildings.

**CITY OF BRIDGEPORT, CONNECTICUT  
CHANGES IN NET POSITION  
(In Thousands)**

	Governmental		Business-Type		Total	
	Activities		Activities		Government-Wide	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 20,163	\$ 24,888	\$ 35,819	\$ 35,864	\$ 55,982	\$ 60,752
Operating grants and contributions	335,535	304,862			335,535	304,862
Capital grants and contributions	5,721	8,291	145	464	5,866	8,755
General revenues:						
Property taxes	325,476	316,184			325,476	316,184
Grants not restricted to specific programs	27,989	29,238			27,989	29,238
Unrestricted investment earnings	3,506	3,876	12	17	3,518	3,893
Miscellaneous	1,285	831			1,285	831
Total revenues	<u>719,675</u>	<u>688,170</u>	<u>35,976</u>	<u>36,345</u>	<u>755,651</u>	<u>724,515</u>
Expenses:						
General government	61,105	76,337			61,105	76,337
Public safety	178,470	205,509			178,470	205,509
Public facilities, parks and recreation, planning and development	54,674	57,102			54,674	57,102
Health and social services	10,144	9,029			10,144	9,029
Operations			40,564	39,924	40,564	39,924
Education	422,029	387,403			422,029	387,403
Interest on long-term debt	43,926	42,576			43,926	42,576
Special services	6,415	10,764			6,415	10,764
Total expenses	<u>776,763</u>	<u>788,720</u>	<u>40,564</u>	<u>39,924</u>	<u>817,327</u>	<u>828,644</u>
Change in net position	(57,088)	(100,550)	(4,588)	(3,579)	(61,676)	(104,129)
Net Position, beginning	<u>(774,139)</u>	<u>(673,589)</u>	<u>94,754</u>	<u>98,333</u>	<u>(679,385)</u>	<u>(575,256)</u>
Net Position, Ending	<u>\$ (831,227)</u>	<u>\$ (774,139)</u>	<u>\$ 90,166</u>	<u>\$ 94,754</u>	<u>\$ (741,061)</u>	<u>\$ (679,385)</u>





## Governmental Activities

Program operating and capital revenues represented 45% of total revenues, followed by property taxes at 43%, other unrestricted grants at 4%, program charges for service at 7%, and other miscellaneous revenues at 1%.

Major revenue factors included:

- ◆ Property tax revenues recorded for fiscal year 2020 of \$325.5 million represents an increase of \$9.3 million from the prior fiscal year ended June 30, 2019, with a property tax mill rate of 53.99 mills adopted for FY2020, a reduction of 0.38 mills from the prior fiscal year. Program operating revenues of \$335.5 million increased \$30.7 million for fiscal year 2020 from the prior fiscal year to \$304.9 million. The increase was primarily due to more federal and state aid to schools and other general and capital fund revenues.

For Government-Wide Activities, 44% of the City's expenses relate to education; 26% relate to public safety; 1% relate to special services; 5% relate to interest payments on long-term debt; 10% relate to public facilities, libraries and parks and recreation; 5% related to Water Pollution Control Authority operations; 7% relate to general government; 1% relates to policy and development; and 1% relate to health and welfare.

Major expense factors include:

- ◆ During the 2019-2020 budget process, discretionary expenses slightly decreased as general government spending was kept minimal. In addition, savings was achieved by staff vacancy efforts.
- ◆ Police, fire and other public safety staffing and operations slightly increased however other expenses slightly decreased due to efficiencies in safety community programming during the year.

## Financial Analysis of the Fund Financial Statements

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

### Governmental funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$208.5 million, an increase of \$28.5 million from the prior year. Total General Fund balance increased from \$23.7 million to \$27.6 million, a significant increase of \$3.9 million. The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned and assigned fund balance of the General Fund was \$27.6 million. This \$27.6 million general fund balance constitutes unassigned fund balance that is available for spending at the City's discretion. As a measure of the General Fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. Total General Fund balance represents 3.61% of total General Fund expenditures and represents 4.9% of the General Fund adopted expenditures, excluding other financing sources.

The Capital Bond Issue Fund has a total fund balance at June 20, 2020 of \$172.6 million up \$22.4 million from \$150.2 million in the prior year. This change in fund balance can be explained primarily by the issuance of new capital bonds for infrastructure projects and the timing of resources in and out of this fund for ongoing projects.

The Other Governmental Funds have a total fund balance at June 30, 2020 of \$8.3 million, up \$2.2 million in the prior year, due to fewer committed funds and additional special services expenses for the year.

### **Proprietary funds**

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Net position of the proprietary fund consisting of the Water Pollution Control Authority at June 30, 2020 was \$90.2 million, as compared to \$94.8 million in the prior year.

The unrestricted net position of the Water Pollution Control Authority as of June 30, 2020 was \$7.8million. The Water Pollution Control Authority experienced operating revenues of \$35.8 million from user fees. There was a total operating income for the WPCA of (\$3.9) million before interest expenditures of \$(0.7) million and capital contributions of \$0.1million. The net position for the fiscal year ended June 30, 2020 decreased \$(4.6) million for fiscal year ended June 30, 2020, due primarily to capital maintenance needs.

Net position of the Internal Service Fund was \$(54.9) million, as compared to \$(65.7) million in the prior year. This decrease was due to increased estimates in the workmen's compensation program, offset by negotiated lower benefit costs to the city.

### **General Fund Budgetary Highlights**

The City's fiscal 2020 budget was a balanced budget, with fiscal year results producing a healthy annual surplus of \$3.9 million. The FY2020 budget lowered the mill rate at 53.99, a 0.38 mill reduction from the prior year. The tax levy includes a 1 mill budget set aside for the library funding per a voter-approved millage requirement.

The total expenditures and other financing use budget was \$557.4 million versus actual expenditures of \$556.1 million showing total expenditures and other financing uses lower than budget by \$1.3 million. Both the City and the Bridgeport Board of Education managed finances to ensure annual results were in balance with a healthy annual surplus and contributions to the Internal Service Fund to meet future obligations. The Board of Education School Nutrition fund realized an approximately \$1.8 million decrease in both revenues collected and expenditures incurred versus budget due to the COVID pandemic causing a curtailment of in person school student food operations during spring 2020 for nearly three months (these school food program budget variances are reflected in RSI schedules).

The COVID pandemic created some challenges for the city, as was the case throughout the nation. The City managed finances in a fiscally responsible fashion during fiscal year 2020 to limit spending during this pandemic period, while successfully managing all risks to revenue collections. This is reflected in the improvement to fund balance at the end of this fiscal year, in addition to setting aside some reserve funds for covid-19 expense related needs to protect the public.

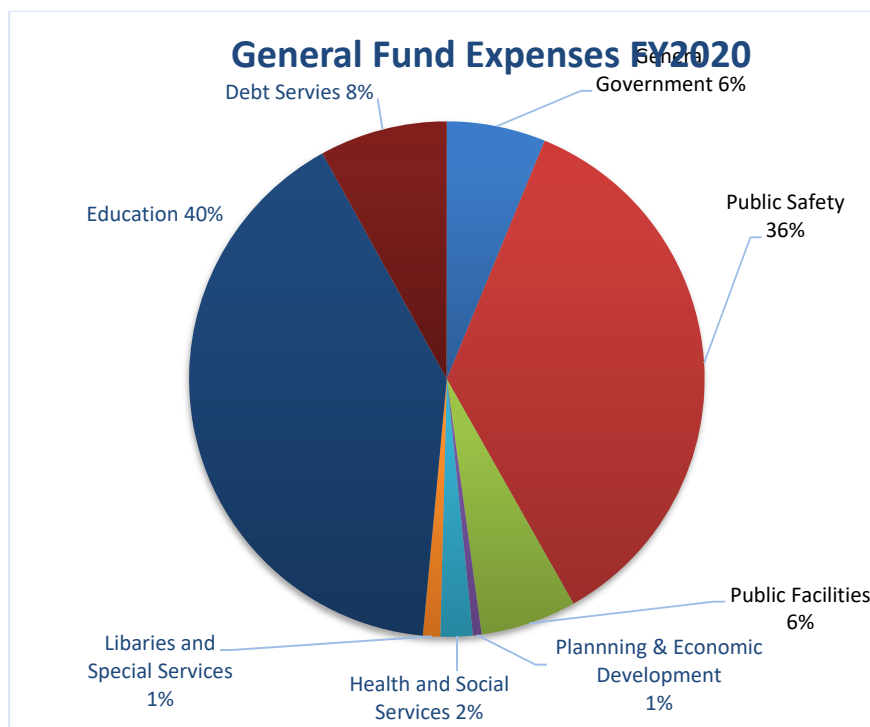
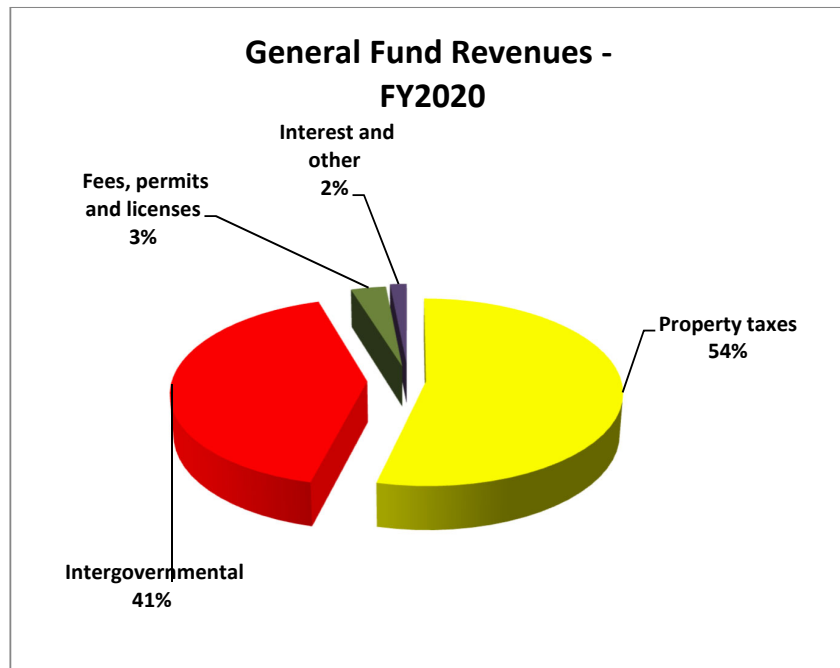
Total revenues and other financing sources had a budgetary basis of \$563.8 million versus an actual result of \$560.5 resulting in total actual revenues slightly below budgetary revenues by \$3.3 million. Overall total property taxes were slightly higher than the budgetary results for fiscal year 2020 by \$4.3 million, due to stronger tax collections from grand list growth and additional tax lien sales, which reduced city exposure. Current year tax collection rates were quite strong at a 99.2% rate including lien sales. Other revenues decreased \$7.6 million due to one-time impact of school nutrition fund revenues and expenditure lower and less program fees collected primarily due to the 2020 COVID pandemic.



Total expenditures and other financing sources had a budgetary basis of \$563.8 million versus an actual result of \$556.6 resulting in total actual expenditures below budgetary revenues of \$7.2 million. This expenditure decrease below budget was due primarily to management efforts to reduce expenditures during the COVID pandemic as well as unexpended contingency funds returned to fund balance.

The City of Bridgeport’s General Fund ended the fiscal year 2020 with a positive general fund surplus of \$3.9 million and a total unassigned fund balance of \$27.6 million.

The fiscal year 2021 annual budget in the amount \$571.9 was adopted by the City in May 2020, with the adopted mill rate remaining at 53.99 mills.



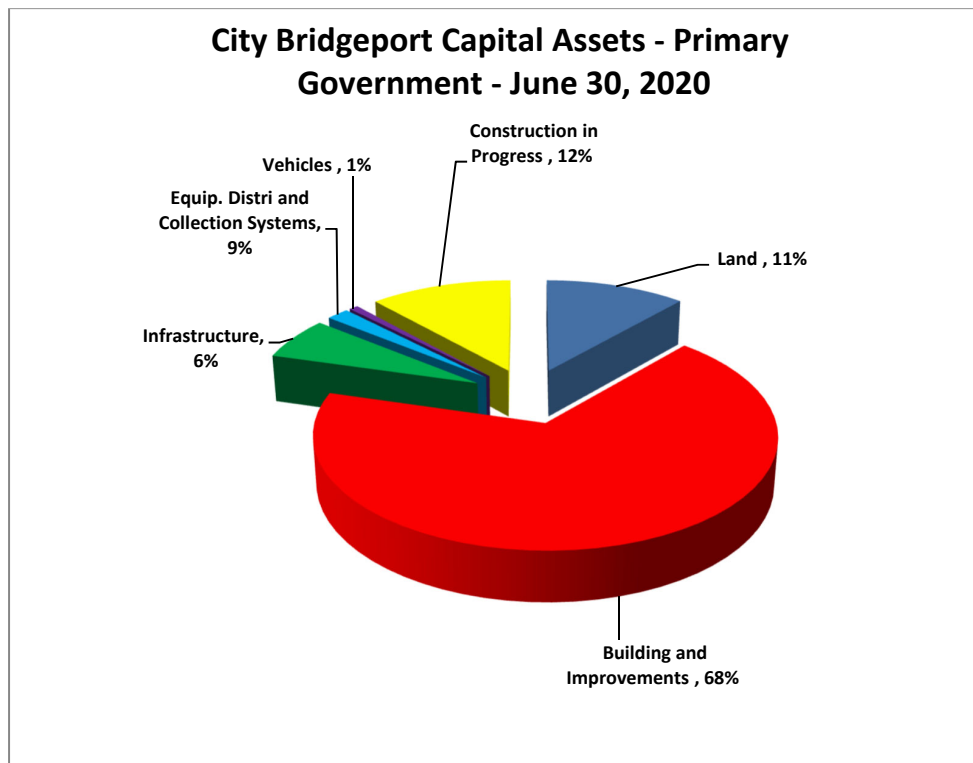
## Capital Asset and Debt Administration

### Capital Assets

The City's investment in capital assets for its governmental and business-type activities, as of June 30, 2020, amounted to \$1.41 billion, net of accumulated depreciation. This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges. The total increase in the City's investment in capital assets for the current fiscal year was \$5.3 million.

**CITY OF BRIDGEPORT, CONNECTICUT**  
**CAPITAL ASSETS (Net of Depreciation)**  
(In Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u> <u>Primary Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 149,133	\$ 146,543	\$	\$	\$ 149,133	\$ 146,543
Buildings and improvements	881,464	658,454	30,887	34,812	912,351	693,266
Infrastructure	82,403	88,966			82,403	88,966
Equipment, distribution and collection systems	23,960	27,628	78,313	81,035	102,273	108,663
Vehicles	9,580	11,454	604	596	10,184	12,050
Construction in progress	150,800	354,473	6,133	4,058	156,933	358,531
<b>Total</b>	<b>\$ 1,297,340</b>	<b>\$ 1,287,518</b>	<b>\$ 115,937</b>	<b>\$ 120,501</b>	<b>\$ 1,413,277</b>	<b>\$ 1,408,019</b>



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

- ◆ Construction, improvements and renovations to school buildings and facilities.
- ◆ Continued rehabilitation of playgrounds and athletic fields.
- ◆ Infrastructure improvements including roads, bridges, and sanitary and sewer projects.
- ◆ Acquisition of parcels and remediation efforts for ongoing city development projects.

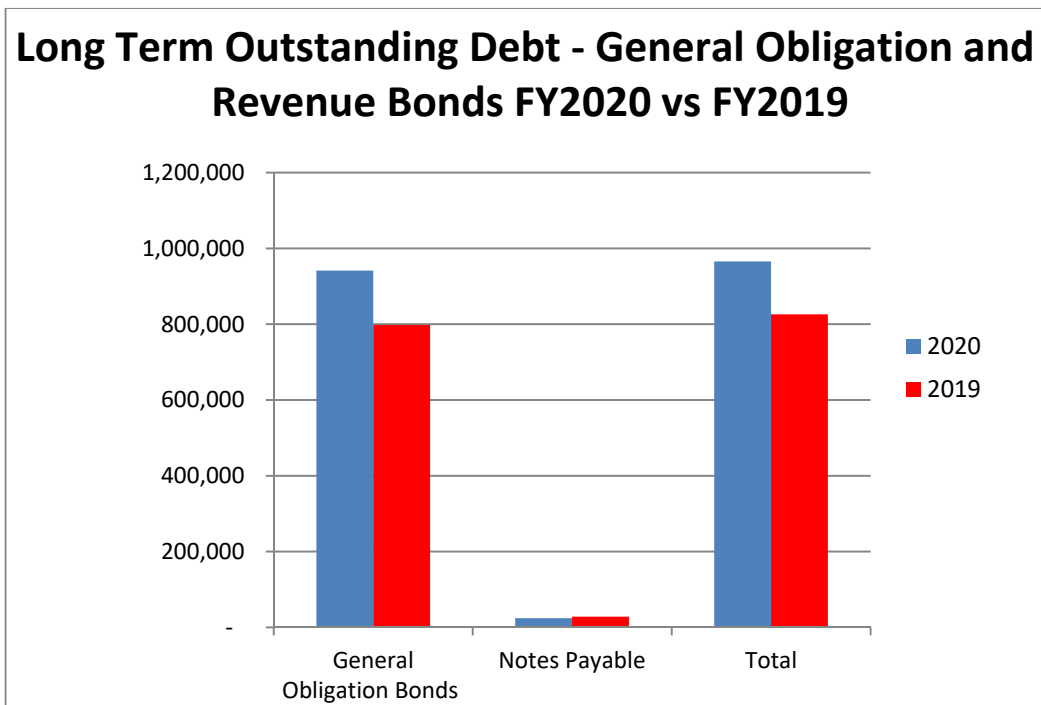
Additional information on the City's capital assets can be found in Note 7 of this report.

### Long-term debt

At the end of the 2020 fiscal year, the City had total bonded debt outstanding of \$933.9 million. 100% of this debt is backed by the full faith and credit of the City government. The Water Pollution Control Authority is expected to reimburse the City \$31.4 million of this long-term debt through ongoing user fee charges.

#### CITY OF BRIDGEPORT, CONNECTICUT OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds \$	933,930,033	791,386,420	7,299,967	6,358,578	941,230,000	797,744,998
Notes payable			24,075,940	27,906,866	24,075,940	27,906,866
<b>Totals</b>	<b>\$ 933,930,033</b>	<b>\$ 791,386,420</b>	<b>\$ 31,375,907</b>	<b>\$ 34,265,444</b>	<b>\$ 965,305,940</b>	<b>\$ 825,651,864</b>



The City's total long-term debt increased by \$139.7 million during fiscal 2020 due to issuance of annual capital project improvement bonds and the issuance of \$120 million in pension obligations bonds used to replenish the City's Pension Plan A fund assets, thus significantly increasing the funded status of this pension plan.

Standard & Poor's Rating Group (Standard & Poor's), Fitch Ratings, Inc. (Fitch), and Moody's Investors Service, Inc. (Moody's), have each assigned their underlying municipal bond rating of "A-", "A", and Baa1, respectively, to the City. With respect to long-term debt of the City that is insured by Assured Guaranty Corp. or Assured Guaranty Municipal Corp. (formally FSA), Moody's and Standard & Poor's have each assigned their municipal bond rating of "A2" and "AA-", respectively, with the understanding that there is an insurance policy insuring the payment when due of the principal and interest on the bonds. Fitch does not currently rate Assured Guaranty Corp. or Assured Guaranty Municipal Corp.

The overall statutory debt limit for the City is equal to seven times the annual receipts from taxation or \$2.17 billion. As of June 30, 2020, the City recorded long-term debt of \$791.4 million related to Governmental Activities and \$34.3 million related to Business-Type Activities, well below its statutory debt limit.

Additional information on the City of Bridgeport's long-term debt can be found in Note 8 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The City, surrounding towns, and the State are still recuperating from the effects of the national economic downturn, but all are starting to show a small improvement in their unemployment rate. As of June 30, 2020, the unemployment rate for the City of Bridgeport was 7.4%, up from 5.3% from the prior year due to the covid-19 health pandemic. Connecticut's overall unemployment rate increased to 6.3% from 4.0% in the previous year.

### **Requests for Information**

The financial report is designed to provide a general overview of the City's finances for all those with an interest in government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Kenneth Flatto, Director of Finance/CFO, 999 Broad Street, Bridgeport, CT 06604 or emailed to [kenneth.flatto@bridgeportct.gov](mailto:kenneth.flatto@bridgeportct.gov).

*Kenneth A. Flatto*

Director of Finance/CFO

## Basic Financial Statements

**CITY OF BRIDGEPORT, CONNECTICUT  
STATEMENT OF NET POSITION  
JUNE 30, 2020**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 233,767,502	\$ 4,488,595	\$ 238,256,097
Restricted cash and cash equivalents	28,724,143		28,724,143
Investments	1,571,944		1,571,944
Receivables, net of allowances for collection losses:			
Property taxes	34,914,764		34,914,764
Sewer user fees and liens		8,275,076	8,275,076
Federal and state governments	56,763,751	239,419	57,003,170
Other	3,103,104	2,861,700	5,964,804
Internal balances	2,720,429	(2,720,429)	-
Prepaid and other assets	534,152	210,940	745,092
Total current assets	<u>362,099,789</u>	<u>13,355,301</u>	<u>375,455,090</u>
Noncurrent:			
Net pension asset	2,826,373		2,826,373
Capital assets not being depreciated	299,933,129	6,133,384	306,066,513
Capital assets being depreciated, net of depreciation	997,406,697	109,803,999	1,107,210,696
Total noncurrent assets	<u>1,300,166,199</u>	<u>115,937,383</u>	<u>1,416,103,582</u>
Total assets	<u>1,662,265,988</u>	<u>129,292,684</u>	<u>1,791,558,672</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	9,906,512		9,906,512
Deferred outflows related to PERS	6,315,656		6,315,656
Deferred outflows related to MERS	137,128,886		137,128,886
Deferred outflows related to OPEB	178,618,767		178,618,767
Total deferred outflows of resources	<u>331,969,821</u>	<u>-</u>	<u>331,969,821</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued expenses	79,470,696	3,430,777	82,901,473
Unearned revenue	8,619,194		8,619,194
Note payable	21,000,000	2,108,471	23,108,471
Accrued interest payable	20,885,243		20,885,243
Current maturities of long-term obligations	73,302,397	2,527,940	75,830,337
Total current liabilities	<u>203,277,530</u>	<u>8,067,188</u>	<u>211,344,718</u>
Noncurrent liabilities:			
Due in more than one year	<u>2,498,810,653</u>	<u>31,058,891</u>	<u>2,529,869,544</u>
Total liabilities	<u>2,702,088,183</u>	<u>39,126,079</u>	<u>2,741,214,262</u>
Deferred Inflows of Resources:			
Deferred inflows related to PERS	908,676		908,676
Deferred inflows related to MERS	9,124,901		9,124,901
Deferred inflows related to OPEB	113,340,929		113,340,929
Total deferred inflows of resources	<u>123,374,506</u>	<u>-</u>	<u>123,374,506</u>
Net Position:			
Net investment in capital assets	914,383,241	82,354,330	996,737,571
Restricted for:			
Self-insured claims	534,152		534,152
Future debt payments	28,724,143		28,724,143
Unrestricted	<u>(1,774,868,416)</u>	<u>7,812,275</u>	<u>(1,767,056,141)</u>
Total Net Position	<u>\$ (831,226,880)</u>	<u>\$ 90,166,605</u>	<u>\$ (741,060,275)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF BRIDGEPORT, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ (61,105,004)	\$ 6,582,507	\$ 15,000	\$	\$ (54,507,497)	\$	\$ (54,507,497)
Public safety	(178,469,959)	5,167,166	619,624		(172,683,169)		(172,683,169)
Public facilities, parks and recreation	(49,584,075)	4,446,556	1,512,123	4,943,033	(38,682,363)		(38,682,363)
Planning and economic development	(5,089,882)	2,804,783			(2,285,099)		(2,285,099)
Health and social services	(10,144,594)	728,715	1,778,617		(7,637,262)		(7,637,262)
Education	(422,029,223)	218,941	322,559,551	777,797	(98,472,934)		(98,472,934)
Special services	(6,414,953)	214,306	8,596,113		2,395,466		2,395,466
Interest on long-term debt	(43,925,903)		454,442		(43,471,461)		(43,471,461)
Total governmental activities	(776,763,593)	20,162,974	335,535,470	5,720,830	(415,344,319)	-	(415,344,319)
Business-type activities:							
Water Pollution Control Authority	(40,563,833)	35,819,246		145,393		(4,599,194)	(4,599,194)
<b>Total</b>	<b>\$ (817,327,426)</b>	<b>\$ 55,982,220</b>	<b>\$ 335,535,470</b>	<b>\$ 5,866,223</b>	<b>(415,344,319)</b>	<b>(4,599,194)</b>	<b>(419,943,513)</b>
General revenues:							
Property taxes					325,475,989		325,475,989
Grants and contributions not restricted to specific programs					27,988,915		27,988,915
Unrestricted investment earnings					3,506,496	12,216	3,518,712
Miscellaneous					1,285,424		1,285,424
Total general revenues					358,256,824	12,216	358,269,040
Change in Net Position					(57,087,495)	(4,586,978)	(61,674,473)
Net Position at Beginning of Year					(774,139,385)	94,753,583	(679,385,802)
Net Position at End of Year					\$ (831,226,880)	\$ 90,166,605	\$ (741,060,275)

The accompanying notes are an integral part of the financial statements

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

	<u>General Fund</u>	<u>Education Grants</u>	<u>Capital Bond Issue</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 54,522,274	\$ 269,065	\$ 167,549,548	\$ 9,191,582	\$ 231,532,469
Restricted cash			28,724,143		28,724,143
Investments				1,571,944	1,571,944
Receivables, net:					
Property taxes	34,914,764				34,914,764
Intergovernmental	23,420,330	2,667,079	22,933,524	7,742,818	56,763,751
Other	2,312,831		212,751	577,522	3,103,104
Due from other funds	35,492,820	3,493,901	2,632,935	3,192,905	44,812,561
Total Assets	<u>\$ 150,663,019</u>	<u>\$ 6,430,045</u>	<u>\$ 222,052,901</u>	<u>\$ 22,276,771</u>	<u>\$ 401,422,736</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 48,430,579	\$ 3,300,861	\$ 6,054,684	\$ 1,293,947	\$ 59,080,071
Accrued payroll liabilities	19,535,564	333,551		45,793	19,914,908
Due to other funds	18,805,634	756,867	22,437,875	8,074,000	50,074,376
Unearned revenues	2,012,501	2,038,766		4,567,927	8,619,194
Notes payable			21,000,000		21,000,000
Total liabilities	<u>88,784,278</u>	<u>6,430,045</u>	<u>49,492,559</u>	<u>13,981,667</u>	<u>158,688,549</u>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	34,235,547				34,235,547
Fund Balances:					
Restricted			28,724,143	3,669,001	32,393,144
Committed			143,836,199	4,626,103	148,462,302
Unassigned	27,643,194				27,643,194
Total fund balances	<u>27,643,194</u>	<u>-</u>	<u>172,560,342</u>	<u>8,295,104</u>	<u>208,498,640</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 150,663,019</u>	<u>\$ 6,430,045</u>	<u>\$ 222,052,901</u>	<u>\$ 22,276,771</u>	<u>\$ 401,422,736</u>

The accompanying notes are an integral part of the financial statements



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

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

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

Fund balances - total governmental funds	\$ 208,498,640
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Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 1,817,762,508	
Less accumulated depreciation	<u>(520,422,682)</u>	
Net capital assets		1,297,339,826

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

Property tax receivables greater than 60 days	17,632,262
Interest receivable on property taxes	16,603,285
Deferred outflows related to PERS	6,315,656
Deferred outflows related to MERS	137,128,886
Deferred outflows related to OPEB	178,618,767
Net pension assets - PERS	2,826,373

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

(54,925,792)

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

Bonds and notes payable	(933,930,033)
Bond issuance premiums	(50,209,263)
Deferred amounts for refunding	9,906,512
Compensated absences	(30,313,994)
Interest payable on bonds and notes	(20,885,243)
Net OPEB liability	(1,073,445,768)
Net pension liability - PERS	(140,158,930)
Net pension liability - MERS	(278,853,558)
Deferred inflows related to PERS	(908,676)
Deferred inflows related to MERS	(9,124,901)
Deferred inflows related to OPEB	<u>(113,340,929)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ (831,226,880)</u>
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The accompanying notes are an integral part of the financial statements

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

	General Fund	Education Grants	Capital Bond Issue	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 326,796,475	\$	\$	\$	\$ 326,796,475
Intergovernmental	259,752,739	75,904,323	6,174,770	10,175,185	352,007,017
Fees, permits and licenses	19,925,131				19,925,131
Interest	625,221		2,163,572	717,703	3,506,496
Other	649,703		207,432	998,637	1,855,772
Total revenues	<u>607,749,269</u>	<u>75,904,323</u>	<u>8,545,774</u>	<u>11,891,525</u>	<u>704,090,891</u>
Expenditures:					
Current:					
General government	44,947,524			1,440	44,948,964
Public safety	258,447,899				258,447,899
Public facilities	39,680,916				39,680,916
Planning and economic development	4,031,922				4,031,922
Health and social services	7,112,056			1,912,278	9,024,334
Libraries	7,280,607			169,071	7,449,678
Education	293,763,867	75,904,323			369,668,190
Special services	558,582			7,566,674	8,125,256
Debt service:					
Principal retirements	32,171,390				32,171,390
Interest and other charges	39,263,957		5,040,337		44,304,294
Capital outlay			38,738,804		38,738,804
Total expenditures	<u>727,258,720</u>	<u>75,904,323</u>	<u>43,779,141</u>	<u>9,649,463</u>	<u>856,591,647</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(119,509,451)</u>	<u>-</u>	<u>(35,233,367)</u>	<u>2,242,062</u>	<u>(152,500,756)</u>
Other Financing Sources (Uses):					
Transfers in	300,000				300,000
Transfers out			(300,000)		(300,000)
Bonds issued	122,505,000		52,470,000		174,975,000
Bond refunding issue	35,980,000				35,980,000
Premium on refunding bonds issued	3,604,954				3,604,954
Premium on bonds issued			5,427,403		5,427,403
Payment to escrow agent	(38,960,495)				(38,960,495)
Total other financing sources (uses)	<u>123,429,459</u>	<u>-</u>	<u>57,597,403</u>	<u>-</u>	<u>181,026,862</u>
Net Change in Fund Balances	3,920,008	-	22,364,036	2,242,062	28,526,106
Fund Balances at Beginning of Year	<u>23,723,186</u>	<u>-</u>	<u>150,196,306</u>	<u>6,053,042</u>	<u>179,972,534</u>
Fund Balances at End of Year	<u>\$ 27,643,194</u>	<u>\$ -</u>	<u>\$ 172,560,342</u>	<u>\$ 8,295,104</u>	<u>\$ 208,498,640</u>

The accompanying notes are an integral part of the financial statements

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

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 28,526,106
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	41,728,353
Depreciation expense	(31,906,298)

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

Property tax receivable - accrual basis change	2,799,515
Property tax interest and lien revenue - accrual basis change	(4,120,001)
Net pension asset	240,282
Deferred outflows related to PERS	6,315,656
Deferred outflows related to MERS	(15,364,214)
Deferred outflows related to OPEB	157,837,216

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

General obligation bonds issued	(174,975,000)
Refunding bonds issued	(35,980,000)
Payment to escrow agent	38,960,495
Bond and note principal payments	29,450,892
Premiums on refunding bonds issued	(3,604,954)
Premiums on bonds issued	(5,427,403)

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

Change in unamortized issuance premiums	6,356,464
Change in deferred amounts on refunding	(979,631)
Compensated absences	(1,361,447)
Accrued interest	(2,277,944)
Net OPEB liability	(212,343,438)
Net pension liability - PERS	112,707,633
Net pension liability - MERS	(38,039,376)
Deferred inflows related to PERS	2,450,582
Deferred inflows related to MERS	3,307,137
Deferred inflows related to OPEB	27,843,343

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

<u>10,768,537</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (57,087,495)</u>
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The accompanying notes are an integral part of the financial statements

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

	<b>Business-Type Activities Enterprise Fund - WPCA</b>	<b>Governmental Activities Internal Service Fund</b>
<b>Assets:</b>		
Current:		
Cash and cash equivalents	\$ 4,488,595	\$ 2,235,033
Receivables, net:		
Unbilled usage charges	8,275,076	
Intergovernmental	239,419	
Other receivables	2,861,700	
Due from other funds		7,982,244
Prepaid asset	210,940	534,152
Total current assets	<u>16,075,730</u>	<u>10,751,429</u>
Noncurrent:		
Capital assets not being depreciated	6,133,384	
Capital assets being depreciated, net of accumulated depreciation	109,803,999	
Total noncurrent assets	<u>115,937,383</u>	<u>-</u>
Total assets	<u>132,013,113</u>	<u>10,751,429</u>
<b>Liabilities:</b>		
Current:		
Accounts payable and accrued expenses	3,019,554	475,717
Accrued interest payable	175,472	
Construction contracts payable	235,751	
Note payable	2,108,471	
Due to other funds	2,720,429	
Claims payable - current portion		10,532,754
Current portion of bonds payable, bond premiums and notes payable	2,527,940	
Total current liabilities	<u>10,787,617</u>	<u>11,008,471</u>
Noncurrent:		
Claims payable - noncurrent portion		54,668,750
Bonds payable, bond premiums and notes payable noncurrent portion	28,946,642	
Net OPEB liability	2,112,249	
Total noncurrent liabilities	<u>31,058,891</u>	<u>54,668,750</u>
Total liabilities	<u>41,846,508</u>	<u>65,677,221</u>
<b>Net Position:</b>		
Net invested in capital assets	82,354,330	
Restricted for self-insured claims		534,152
Unrestricted	7,812,275	(55,459,944)
Total Net Position	<u>\$ 90,166,605</u>	<u>\$ (54,925,792)</u>

The accompanying notes are an integral part of the financial statements

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

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Fund - WPCA</b>	<b>Internal Service Fund</b>
Operating Revenues:		
Sewer user fees	\$ 34,942,966	\$
Miscellaneous income	876,280	
Charges for services		129,254,722
Total operating revenues	<u>35,819,246</u>	<u>129,254,722</u>
Operating Expenses:		
Operation and maintenance	30,993,136	
Depreciation	8,819,131	
Claims		118,486,185
Total operating expenses	<u>39,812,267</u>	<u>118,486,185</u>
Operating Income (Loss)	<u>(3,993,021)</u>	<u>10,768,537</u>
Nonoperating Revenue (Expense):		
Interest income	12,216	
Interest expense	<u>(751,566)</u>	
Total nonoperating expense	<u>(739,350)</u>	<u>-</u>
Income (Loss) Before Capital Contributions	(4,732,371)	10,768,537
Capital Contributions	<u>145,393</u>	
Change in Net Position	(4,586,978)	10,768,537
Net Position at Beginning of Year	<u>94,753,583</u>	<u>(65,694,329)</u>
Net Position at End of Year	<u>\$ 90,166,605</u>	<u>\$ (54,925,792)</u>

The accompanying notes are an integral part of the financial statements

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

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Fund - WPCA</b>	<b>Internal Service Fund</b>
Cash Flows from Operating Activities:		
Receipts from customers and users	\$ 34,652,231	\$
Payments to suppliers	(30,447,944)	
Payments to employees	(992,784)	
Cash received for interfund services used	2,535,912	
Cash paid for interfund services used		(10,869,370)
Cash received from charges for services		129,254,722
Cash paid to vendors and beneficiaries		(118,026,081)
Net cash provided by (used in) operating activities	<u>5,747,415</u>	<u>359,271</u>
Cash Flows from Capital and Related Financing Activities:		
Principal payments on debt	(4,029,537)	
Interest paid on debt	(678,210)	
Proceeds from bonds issued	1,140,000	
Proceeds from notes payable	145,393	
Proceeds received on capital grants	145,393	
Purchase of capital assets	(4,023,837)	
Net cash provided by (used in) capital and related financing activities	<u>(7,300,798)</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest received on investments	12,216	
Net increase (decrease) in cash and cash equivalents	(1,541,167)	359,271
Cash and Cash Equivalents at Beginning of Year	<u>6,029,762</u>	<u>1,875,762</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,488,595</u>	<u>\$ 2,235,033</u>
Reconciliation to Statement of Net Position:		
Cash and cash equivalents	<u>\$ 4,488,595</u>	<u>\$ 2,235,033</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ (3,993,021)	\$ 10,768,537
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	8,819,131	
(Increase) decrease in accounts receivable and unbilled usage charges	(858,974)	
(Increase) decrease in other receivables	(308,041)	
(Increase) decrease in prepaids	408	1,927,388
(Increase) decrease in due to (from) other funds	2,535,912	(10,869,370)
Increase (decrease) in accounts payable and accrued expenses	(568,157)	430,366
Increase (decrease) in claims payable		(1,897,650)
Increase (decrease) in deferred inflows of resources	(107,177)	
Increase (decrease) in net OPEB liability	227,334	
Net Cash Provided by (Used in) Operating Activities	<u>\$ 5,747,415</u>	<u>\$ 359,271</u>

The accompanying notes are an integral part of the financial statements

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

	<b>Pension and Other Post Employment Benefits Trust Funds</b>	<b>Agency Fund</b>
	<u>                    </u>	<u>                    </u>
Assets:		
Cash and cash equivalents	\$ <u>13,465,646</u>	<u>771,162</u>
Investments:		
U.S. government agencies	824,400	
U.S. government securities	13,765,455	
Corporate bonds	18,920,955	
Common stocks	93,818,245	
Mutual funds	111,248,305	
Alternative investments	<u>5,572,248</u>	
Total investments	<u>244,149,608</u>	<u>-</u>
Contributions receivable	<u>65,450</u>	
Total assets	<u>257,680,704</u>	\$ <u><u>771,162</u></u>
Liabilities:		
Due to student groups		\$ <u>771,162</u>
Total liabilities	<u>-</u>	\$ <u><u>771,162</u></u>
Net Position:		
Restricted for Pensions Benefits	257,375,669	
Restricted for OPEB Benefits	<u>305,035</u>	
Total net position	\$ <u><u>257,680,704</u></u>	

The accompanying notes are an integral part of the financial statements

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

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	<b><u>Pension and Other Post Employment Benefits Trust Funds</u></b>
Additions:	
Contributions:	
Employer	\$ 168,309,746
Annuity proceeds	546,398
Total contributions	<u>168,856,144</u>
Investment income:	
Net change in fair value of investments	447,404
Interest and dividends	3,929,391
	<u>4,376,795</u>
Less investment expenses:	
Investment management fees	<u>1,111,545</u>
Net investment income	<u>3,265,250</u>
Total additions	172,121,394
Deductions:	
Benefits	<u>71,958,807</u>
Change in Net Position	100,162,587
Net Position at Beginning of Year	<u>157,518,117</u>
Net Position at End of Year	<u>\$ 257,680,704</u>

The accompanying notes are an integral part of the financial statements



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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Bridgeport, Connecticut (the City) was founded in 1639, incorporated as a town in 1821, and as a city in 1836. The City operates under a Mayor - City Council form of government.

Accounting principles generally accepted in the United States of America require that the reporting entity include 1) the primary government, 2) organizations for which the primary government is financially accountable, and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in the Codification, Section 2100, have been considered, and, as a result, there are no agencies or entities that should be, but are not, combined with the basic financial statements of the City.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported, instead, as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for Agency Funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied for. Intergovernmental grants and entitlements and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period.

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

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For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, except for debt service expenditures and expenditures related to compensated absences, which are recorded only when payment is due (matured).

Property taxes when levied for intergovernmental revenues, when eligibility requirements are met, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable only when cash is received by the City.

The City reports the following major governmental funds.

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

The Education Grants Fund accounts for U.S. Department of Education grants as well as State and local grants relating to education.

The Capital Bond Issue Fund accounts for various construction projects that are funded out of proceeds from the capital bond issues and other sources of revenue.

The City reports the following major proprietary fund:

The Water Pollution Control Authority of the City of Bridgeport (the WPCA) accounts for the activities of the two sewage treatment plants, sewage pumping stations and collection systems of the City.

Additionally, the City reports the following fund types:

The Internal Service Fund accounts for the revenues and related expenses for the health, workers compensation and heart and hypertension self-insurance plan for the employees and retirees of the City.

The Pension and Other Post Employment Trust Funds account for the activities of the City's four defined benefit pension plans and the Other Post Employment Benefit (OPEB) Trust Fund, which accumulate resources for pension and health benefit payments to qualified employees.

The Agency Fund accounts for monies held as a custodian for outside groups.

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

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

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

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

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

**D. Cash and Cash Equivalents**

The City considers all highly liquid short-term investment funds, including those that are classified as restricted assets, and all certificates of deposit and treasury bills with an original maturity of three months or less, to be cash equivalents.

**E. Restricted Cash and Cash Equivalents**

Certain assets are classified as restricted because their use is limited. Restricted cash and cash equivalents in the Capital Bond Issue Fund is to be used for debt service purposes.

**F. Investments**

Investments are primarily stated at fair value using quoted market prices.

**G. Property Taxes**

Property taxes are assessed as of October 1, are levied on the following July 1, and are due in two installments - July 1 and the following January 1. Liens are filed on the last day of the fiscal year.

**H. Capital Assets**

In the government-wide and proprietary fund financial statements, capital assets include property, plant, equipment and infrastructure assets. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. Purchased and constructed assets are recorded at cost. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the WPCA during the current fiscal year was \$751,566. Of this amount, \$44,261 was included as part of the cost of capital assets under construction in connection with wastewater treatment facilities' construction projects.

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

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Property, plant and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Vehicles	3-5
Office equipment	5
Computer equipment	5

In the governmental fund financial statements, capital assets are reported as expenditures and no depreciation expense is reported.

**I. Deferred Outflows/Inflows of Resources**

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

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

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

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**J. Claims and Judgments**

This liability relates to the City's self-insurance programs. The obligation consists of claims incurred and incurred but not reported for medical self-insurance, the estimated loss for probable general liability matters and an actuarial estimate for claims incurred and incurred but not reported for workers compensation claims. This liability is paid out of the Internal Service Fund.

**K. Compensated Absences**

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability is typically paid out of the General Fund.

**L. Long-Term Obligations**

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

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

**M. Net Pension Liability (Asset)**

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

**N. Net OPEB Liability**

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

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

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**O. Fund Equity and Net Position**

In the government-wide financial statements, net position is classified in the following categories:

**Net Investment in Capital Assets**

This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

**Restricted Net Position**

This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

**Unrestricted Net Position**

This category represents the amount not restricted for any project or other purpose or the deficiency that will need to be provided for from future operations.

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

**Nonspendable Fund Balance**

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

**Restricted Fund Balance**

This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments.

**Committed Fund Balance**

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (City Council). Amounts remain committed until action is taken by the City Council (resolution) to remove or revise the limitations.

**Assigned Fund Balance**

This represents amounts constrained for the intent to be used for a specific purpose by City Council, which has been delegated authority to assign amounts by the City Charter.

**Unassigned Fund Balance**

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

**P. Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as either restricted, committed or assigned fund balance depending on the level of restriction, as they do not constitute expenditures or liabilities.

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

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**Q. Accounting Estimates**

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

**R. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 23, 2020.

**2. BUDGETS AND BUDGETARY ACCOUNTING**

The City follows the procedures outlined below in establishing its General Fund budget:

**Mayor Recommended Preparation**

City departments begin preparation and documentation processes for the budget in January. The Office of Policy & Management reviews all submitted department requested documents, verifies contractual obligation thresholds, calculates all formula-driven data, and presents a draft budget to the Mayor and selected staff. In accordance with the City Charter, Chapter 9, Section 5(c) the Mayor, no later than the first Tuesday in April of each year, must present to the City Council a proposed budget for the ensuing fiscal year as prescribed in that same section.

**City Council Process**

The City Council's Budget and Appropriations Committee, under City Council rules, will set a schedule for budget deliberations and in accordance with City Charter, shall hold at least one public hearing before taking final action on the proposed budget and mill rate. The City Council Budgets & Appropriations Committee reports its changes to the Council as a whole in the form of a budget amendment resolution. The City Council has the power to reduce or delete any item in the budget recommended by the Mayor by a majority vote of the council members present and voting. It shall have the power to increase any item in said budget or add new items to said budget only on a two-thirds (2/3) affirmative vote of the entire membership of the Council. The budget adopted by the City Council shall be submitted to the Mayor not later than the second Tuesday in May of each year. The Mayor shall sign the adopted budget or within fourteen days after adoption of the budget, the Mayor may veto any action taken by the City Council. The veto power of the Mayor shall be that of line item veto only, and any such veto may be overridden by a two-thirds (2/3) vote of the entire membership of the City Council. If the Mayor shall disapprove any action of the City Council, he shall, no later than the close of business of the fourteenth day, return the proposed budget to the City Council with a statement of objections. Thereupon, the President of the City Council shall call a meeting to be held no later than seven days after the receipt of the Mayor's veto. If the City Council fails to adopt a budget by the second Tuesday in May of any year, the proposed budget of the Mayor shall become the budget of the City for the ensuing year.

In the General Fund, encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order or other commitment is issued, and, accordingly, encumbrances outstanding at year-end are recognized in budgetary reports as expenditures of the current year. Generally, all unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the next year.

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General governmental revenues and expenditures accounted for in the General Fund are controlled by formal integrated budgetary accounting systems in accordance with various legal requirements which govern the City's operations. The City is required to adopt a budget for its General Fund. The City is not required to prepare budgets for special revenue, capital project, proprietary and trust funds. Accordingly, the budget and actual comparisons are only presented for the General Fund.

For financial statement comparisons, budgetary results have been reconciled to GAAP. The differences between the budgetary and GAAP basis of accounting are as follows:

- State of Connecticut payments on behalf of City of Bridgeport teachers for the State Teachers' Retirement System and OPEB Plan are reported for GAAP purposes only.
- The Board of Education does not budget for the excess cost, magnet schools and vocational agriculture grants payments. For budgetary reporting those payments are recorded against expenditures. For GAAP reporting those payments are recorded as revenues and expenditures.

Budgeted amounts are as originally adopted or as amended by the City Council. During the year ended June 30, 2020, there were no supplemental budget amendments made to the adopted fiscal year 2020 General Fund budget.

During the year ended June 30, 2020, the following line items had overexpended appropriations:

	<u>Final Appropriation</u>	<u>Expenditures, Encumbrances and Other Financing Uses</u>	<u>Balance Overexpended</u>
Registrar of voters	\$ 783,660	\$ 824,532	\$ 40,872
City attorney	5,295,248	6,245,723	950,475
Labor relations/benefits/pensions	21,242,345	21,547,775	305,430
Information technology service	4,354,391	4,429,469	75,078
Fire Department	64,643,408	65,192,105	548,697
Weights and measures	173,613	176,178	2,565
Roadway	5,004,937	5,019,219	14,282
Sanitation	6,244,834	6,457,723	212,889
Parks administration	325,811	327,804	1,993
Health and social services administration	387,059	502,245	115,186
Vital statistics	423,883	451,967	28,084
COVID-19		1,154,645	1,154,645
Board of education debt service	15,618,392	15,763,085	144,693

**Special Revenue Funds**

The City does not have legally adopted annual budgets for its special revenue funds. Budgets for the various special revenue funds that are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets are nonlapsing and may comprise more than one fiscal year.



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**Capital Projects Fund**

Legal authorization for expenditures of the Capital Projects Fund is provided by the related bond ordinances. Capital appropriations do not lapse until completion of the applicable projects.

**Deficit Fund Equity**

For the year ending June 30, 2020, the City reported a negative net position for the Internal Service Fund of \$55,229,048. The City anticipates eliminating the deficit through future revenues.

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

**Deposits**

**Deposit Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

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Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$162,120,631 of the City's bank balance of \$163,672,208 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 145,758,552
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>16,362,079</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 162,120,631</u>

**Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2020, the City's cash equivalents amounted to \$124,218,846. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<u>Standard &amp; Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm
People's Securities*	
UBS*	
Raymond James*	
Merrill Lynch*	
Morgan Stanley*	
US Bank*	
Fidelity*	
People's United Bank*	

\* Not rated

**B. Investments**

The investment and credit risk policies of the City conform to the policies as set forth by the State of Connecticut. The City policy allows investments in the pension funds in the following: 1) equity securities, including exchange-traded and over-the-counter common and preferred stocks, warrants, rights, convertible securities, depository receipts and shares, trust certificates, limited partnership interests, shares of other investment companies and real estate investment trusts and equity participations; 2) securities of certain foreign entities and securities quoted or denominated in foreign currencies; 3) fixed income securities, including bonds, notes, mortgage-related and asset-backed securities, CMOs, convertible securities, Eurodollar and Yankee dollar instruments, preferred stocks and money market instruments subject to approved issuance requirements and credit and diversification restrictions; 4) fixed income securities that are within approved credit ratings; 5) unrated securities of the U.S. Treasury and U.S. Government Agencies are permitted; 6) money market funds and money market instruments of an investment grade commonly held in money market funds such as

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repurchase agreements, bankers' acceptances, and commercial paper; 7) SEC registered mutual funds and bank and insurance company commingled funds that invest in stocks and bonds; 8) closed end SEC registered mutual funds that invest within the overall policy of allowable investments; 9) real estate properties determined to be appropriate for investment, including appropriate limited partnerships and real estate investment trusts; 10) futures contracts only when used by the fund as a hedge against portfolio loss, or if used by an equity index fund as a temporary substitute for investment in equity securities, or if used by a debt index fund as a temporary substitute for investment in debt securities; and 11) notwithstanding other limitations included herein, assets may be invested in certain hedge fund investments subject to the guidelines set forth in the Supplemental Investment Policy Statement for Hedge Fund Investments that may be adopted by the Trustees. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund.

The pension fund asset allocation parameters are explained in more detail in Note 11.

**Concentrations**

The City's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from overconcentration of assets in a specific issuer.

**Custodial Credit Risk**

This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) in a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City and the pension funds do not have a custodial credit risk policy for investments.

Investments of the City consist of the following at June 30, 2020:

Investments:	
Special Revenue Fund:	
U.S. Government Securities	\$ <u>1,571,944</u> *
Pension Trust Funds:	
U.S. Government Agencies	824,400 *
U.S. Government Securities	13,765,455 *
Corporate Bonds	18,920,955 *
Common Stocks	93,818,245 *
Mutual Funds	111,248,305 *
Alternative Investments	<u>5,572,248</u> *
Total Pension Trust Funds	<u>244,149,608</u>
Total Investments	\$ <u><u>245,721,552</u></u>

\* These investments are uninsured and unregistered, with securities held by the counterparty's trust department or agent, but not in the City's name.

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Cash and investments are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and cash equivalents	\$ 238,256,097
Restricted cash and cash equivalents	28,724,143
Investments	<u>1,571,944</u>
	<u>268,552,184</u>
Fiduciary funds:	
Cash and cash equivalents	14,236,808
Investments	<u>244,149,608</u>
	<u>258,386,416</u>
 Total Cash, Cash Equivalents and Investments	 <u>\$ 526,938,600</u>

**Interest Rate Risk**

The City and pension funds have policies to limit their exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools.

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Information about the exposure of the City's debt type investments to this risk using the segmented time distribution model is as follows:

	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1-10 Years</u>	<u>Over 10 Years</u>
Interest-bearing investments:				
U.S. Government Securities	\$ 15,337,399	\$ 1,393,481	\$ 11,719,211	\$ 2,224,707
U.S. Government Agencies	824,400	2,346	528,543	293,511
Corporate Bonds	<u>18,920,955</u>	<u>1,223,025</u>	<u>11,599,041</u>	<u>6,098,889</u>
Total	<u>\$ 35,082,754</u>	<u>\$ 2,618,852</u>	<u>\$ 23,846,795</u>	<u>\$ 8,617,107</u>

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**Credit Risk**

Generally, credit risk is the risk that an issuer of a debt-type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. As indicated above, the City investment policies conform to the policies set forth by the State of Connecticut. The City has no investment policy that would further limit investment choices as a means of managing its exposure to fair value losses arising from increasing interest rates, however exposure is limited when compared to total assets. Presented below is the rating of investments for each debt type investment.

<u>Average Rating</u>	<u>Corporate Bonds</u>	<u>U.S. Government Securities</u>	<u>U.S. Government Agencies</u>
Aaa	\$ 338,759	\$ 15,337,399	\$ 824,400
Aa1	477,013		
Aa2	216,092		
Aa3	474,520		
A1	1,483,466		
A2	3,130,932		
A3	3,248,491		
Baa1	2,334,129		
Baa2	2,550,120		
Baa3	1,540,487		
Ba1	273,611		
Ba3	405,665		
B1	269,000		
Caa2	6,062		
Caa3	95,613		
Ca	88,745		
C	3,615		
Unrated	1,984,635		
	<u>\$ 18,920,955</u>	<u>\$ 15,337,399</u>	<u>\$ 824,400</u>

**CITY OF BRIDGEPORT, CONNECTICUT  
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**Fair Value**

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

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government Securities	\$ 15,337,399	\$ 15,337,399	\$	\$
U.S. Government Agencies	824,400	824,400		
Corporate Bonds	18,920,955	18,920,955		
Common Stock	93,818,245	93,818,245		
Mutual Funds	<u>111,248,305</u>	<u>111,248,305</u>		
 Total investments by fair value level	 240,149,304	 <u>\$ 240,149,304</u>	 <u>\$ -</u>	 <u>\$ -</u>
 (NAV)				
Other - Alternative Investments	<u>5,572,248</u>			
 Total Investments Measured at Fair Value	 <u>\$ 245,721,552</u>			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The valuation process for alternative investments takes into consideration factors such as interest rate changes, movement in credit spreads, default rate assumptions, prepayment assumptions, type and quality of collateral and market dislocation.

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

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Alternative Investments	\$ <u>5,572,248</u>	\$ -	Quarterly	30-60 days

The above includes investments in alternative investments which invest in various types of investments. The fair value of the investments in this type have been determines using the NAV per share of the investments.

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**4. RECEIVABLES - FUND BASIS**

Receivables at June 30, 2020 for the City's individual major funds and nonmajor and fiduciary funds in aggregate, including the applicable allowances for collection losses, are as follows:

	<u>General</u>	<u>Education Grants</u>	<u>Capital Bond Issue</u>	<u>Enterprise</u>	<u>Nonmajor and Other Funds</u>	<u>Totals</u>
Property taxes	\$ 39,034,864	\$	\$	\$	\$	\$ 39,034,864
Interest on property taxes	16,603,285					16,603,285
Contributions					65,450	65,450
Sewer user fees				13,442,619		13,442,619
Intergovernmental	23,420,330	2,667,079	22,933,524	239,419	7,742,818	57,003,170
Other	2,312,831		212,751	2,861,700	577,522	5,964,804
Gross receivables	<u>81,371,310</u>	<u>2,667,079</u>	<u>23,146,275</u>	<u>16,543,738</u>	<u>8,385,790</u>	<u>132,114,192</u>
Less allowance for uncollectable amounts	<u>20,723,385</u>			<u>5,167,543</u>		<u>25,890,928</u>
Net Receivables	<u>\$ 60,647,925</u>	<u>\$ 2,667,079</u>	<u>\$ 23,146,275</u>	<u>\$ 11,376,195</u>	<u>\$ 8,385,790</u>	<u>\$ 106,223,264</u>

**CITY OF BRIDGEPORT, CONNECTICUT  
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**5. INTERFUND ACCOUNTS**

As of June 30, 2020, amounts due from and to other funds were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 35,492,820	\$ 18,805,634
Education Grants	<u>3,493,901</u>	<u>756,867</u>
Capital Bond Issue Fund	<u>2,632,935</u>	<u>22,437,875</u>
Special Revenue Funds:		
Health and sanitation	471,317	
Public safety		1,830,373
Facility and miscellaneous		2,281,370
Social services	461,108	
Community Development Block Grant		212,721
Housing Opportunities AIDS		1,323,642
HOME Program		640,441
Section 108 Loan Guarantee		470,998
Development administration state grant	4,130	1,314,455
Library	6,662	
Library operations	1,873,664	
Miscellaneous grants	49,390	
General government	325,866	
Education Scholarships	768	
Total special revenue funds	<u>3,192,905</u>	<u>8,074,000</u>
Enterprise Funds:		
WPCA		<u>2,720,429</u>
Internal Service Fund:		
City health insurance	<u>7,982,244</u>	<u>-</u>
Nonmajor Governmental Fund elimination	<u>-</u>	<u>-</u>
Total	<u>\$ 52,794,805</u>	<u>\$ 52,794,805</u>

The balances, as stated above, are the result of the time lag between the dates payments occur between funds for various activities. Such balances are expected to be paid or collected within one year.



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Interfund transfers during the year ended June 30, 2020 were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Capital Bond Issue	\$ <u><u>300,000</u></u>

Transfers are used for regularly recurring operation transfers. Interfund transfers are used to supplement revenues to other funds such as the General Fund, Capital Bond Issue Fund and Nonmajor Governmental Funds in accordance with budget authorizations.

## 6. BULK LIEN SALES

During the year ended June 30, 2020, the City executed bulk sales of property tax liens and collected proceeds totaling \$5,879,778. The City retains no interest in the assigned liens. The purchaser bears all risks relating to its ability to collect the amounts owed and, should it acquire title to the underlying real estate through foreclosure or otherwise, will bear all risks associated with the ownership and sale of the real property.

## 7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Disposal/ Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 146,542,763	\$ 2,589,989	\$	\$ 149,132,752
Construction in progress	354,473,230	38,680,588	(242,353,441)	150,800,377
Total capital assets not being depreciated	<u>501,015,993</u>	<u>41,270,577</u>	<u>(242,353,441)</u>	<u>299,933,129</u>
Capital assets being depreciated:				
Buildings and improvements	927,737,810	241,981,952		1,169,719,762
Machinery and equipment	79,392,586	480,818	(43,200)	79,830,204
Infrastructure	212,304,550			212,304,550
Vehicles	55,938,473	348,447	(312,057)	55,974,863
Total capital assets being depreciated	<u>1,275,373,419</u>	<u>242,811,217</u>	<u>(355,257)</u>	<u>1,517,829,379</u>
Less accumulated depreciation for:				
Buildings and improvements	269,284,413	18,971,524		288,255,937
Machinery and equipment	51,764,118	4,149,599	(43,200)	55,870,517
Infrastructure	123,338,846	6,562,567		129,901,413
Vehicles	44,484,264	2,222,608	(312,057)	46,394,815
Total accumulated depreciation	<u>488,871,641</u>	<u>31,906,298</u>	<u>(355,257)</u>	<u>520,422,682</u>
Total capital assets being depreciated, net	<u>786,501,778</u>	<u>210,904,919</u>	<u>-</u>	<u>997,406,697</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,287,517,771</u>	<u>\$ 252,175,496</u>	<u>\$ (242,353,441)</u>	<u>\$ 1,297,339,826</u>

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	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Disposals/ Transfers</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 4,058,123	\$ 2,075,261	\$ -	\$ 6,133,384
Capital assets being depreciated:				
Buildings and improvements	120,328,215	961,476		121,289,691
Machinery and equipment	14,902,195	497,825		15,400,020
Distribution and collection systems	109,253,358	519,127		109,772,485
Vehicles	3,486,615	201,426		3,688,041
Total capital assets being depreciated	<u>247,970,383</u>	<u>2,179,854</u>	<u>-</u>	<u>250,150,237</u>
Less accumulated depreciation for:				
Buildings and improvements	85,516,617	4,886,339		90,402,956
Machinery and equipment	12,699,198	867,358		13,566,556
Distribution and collection systems	30,420,715	2,872,114		33,292,829
Vehicles	2,890,577	193,320		3,083,897
Total accumulated depreciation	<u>131,527,107</u>	<u>8,819,131</u>	<u>-</u>	<u>140,346,238</u>
Total capital assets being depreciated, net	<u>116,443,276</u>	<u>(6,639,277)</u>	<u>-</u>	<u>109,803,999</u>
Business-Type Activities Capital Assets, Net	<u>\$ 120,501,399</u>	<u>\$ (4,564,016)</u>	<u>\$ -</u>	<u>\$ 115,937,383</u>

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

Governmental Activities:	
General government	\$ 5,365,358
Public safety	3,047,406
Public facilities, parks and recreation	7,701,819
Health and social services	2,559
Libraries	276,378
Education	<u>15,512,778</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 31,906,298</u>
Business-Type Activities:	
WPCA	<u>\$ 8,819,131</u>

**CITY OF BRIDGEPORT, CONNECTICUT  
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**8. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 791,386,420	\$ 210,955,000	\$ 68,411,387	\$ 933,930,033	\$ 51,561,139
Premium	47,533,370	9,032,357	6,356,464	50,209,263	3,630,005
Total bonds payable	<u>838,919,790</u>	<u>219,987,357</u>	<u>74,767,851</u>	<u>984,139,296</u>	<u>55,191,144</u>
Claims and judgments	67,099,154	116,128,431	118,026,081	65,201,504	10,532,754
Compensated absences	28,952,547	8,599,584	7,238,137	30,313,994	7,578,499
Net OPEB liability	861,102,330	212,343,438		1,073,445,768	
Net pension liability - MERS	240,814,182	38,039,376		278,853,558	
Net pension liability - PERS	<u>252,866,563</u>		<u>112,707,633</u>	<u>140,158,930</u>	
Governmental Activity Long-Term Liabilities	<u>\$ 2,289,754,566</u>	<u>\$ 595,098,186</u>	<u>\$ 312,739,702</u>	<u>\$ 2,572,113,050</u>	<u>\$ 73,302,397</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 6,358,578	\$ 1,140,000	\$ 198,611	\$ 7,299,967	\$ 233,861
Premiums	106,497		7,822	98,675	
Total bonds payable	<u>6,465,075</u>	<u>1,140,000</u>	<u>206,433</u>	<u>7,398,642</u>	<u>233,861</u>
Clean water notes	27,906,866		3,830,926	24,075,940	2,294,079
Net OPEB liability	<u>1,884,915</u>	<u>227,334</u>		<u>2,112,249</u>	
Business-Type Activity Long-Term Liabilities	<u>\$ 36,256,856</u>	<u>\$ 1,367,334</u>	<u>\$ 4,037,359</u>	<u>\$ 33,586,831</u>	<u>\$ 2,527,940</u>

Governmental activities liabilities for bonds, claims and judgements, compensated absences, net OPEB liability and net pension liability are generally liquidated by the General Fund.

**General Obligation Bonds**

As of June 30, 2020, the City had the following general obligation bonds outstanding:

Governmental Activities:	
Pension, 2.5% to 7.6%	\$ 429,325,000
General Purpose, 2.5% to 6.6%	342,715,931
School, 4.0% to 6.8%	135,274,690
Sewer, 4.0% to 6.8%	26,184,412
Urban Renewal, 5%	<u>430,000</u>
	<u>\$ 933,930,033</u>
Business-Type Activities:	
General Purpose, 1.68% to 6.388%	<u>\$ 7,299,967</u>

**CITY OF BRIDGEPORT, CONNECTICUT  
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A schedule of bonds at June 30, 2020 is presented below:

<u>Date</u>	<u>Type</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2020</u>	<u>Fiscal Year Maturity</u>
08/29/00	Pension Obligation Bonds	6.92 - 7.64%	\$ 350,000,000	\$ 206,440,000	2030
08/12/04	General Obligation Bonds	3.0 - 5.50%	58,580,000	6,270,000	2022
12/15/09	General Obligation Bonds	3.98 - 6.571%	29,135,000	20,105,000	2029
06/14/12	General Obligation Bonds	3.0 - 5.0%	67,930,000	23,945,000	2027
07/12/12	General Obligation Refunding Bonds	2.0 - 5.0%	55,225,000	70,000	2021
08/28/14	General Obligation Bonds	3.525%	66,580,000	50,450,000	2035
11/18/14	General Obligation Refunding Bonds	4.0-4.5%	32,435,000	21,555,000	2026
03/04/16	General Obligation Bonds	2.125 - 5.0%	23,195,000	15,915,000	2036
03/04/16	General Obligation Refunding Bonds	4.0 - 5.0%	36,600,000	28,535,000	2026
03/04/16	General Obligation Refunding Bonds	4.0 - 5.0%	23,070,000	17,585,000	2025
10/26/16	General Obligation Bonds	4.0 - 5.0%	57,510,000	50,045,000	2047
10/26/16	General Obligation Bonds	1.82 - 3.08%	4,260,000	3,055,000	2027
11/14/17	General Obligation Bonds	5.00%	34,785,000	30,500,000	2038
11/14/17	General Obligation Refunding Bonds	5.00%	41,415,000	39,015,000	2030
11/14/17	Crossover Refunding Bonds	5.00%	17,410,000	17,410,000	2029
01/14/18	Pension Obligation Bonds (MERS)	2.84 - 4.32%	99,500,000	97,480,000	2046
06/08/18	General Obligation Refunding Bonds	4.03 - 4.13%	34,315,000	34,315,000	2031
06/08/18	General Obligation Refunding Bonds	5.00%	4,245,000	4,245,000	2031
07/18/18	General Obligation Bonds	5.00%	24,250,000	24,250,000	2049
02/11/19	General Obligation Bonds	5.00%	33,950,000	33,950,000	2049
02/11/19	General Obligation Bonds	5.00%	4,000,000	4,000,000	2039
10/29/19	Pension Obligation Bonds	2.96 - 3.8%	125,405,000	125,405,000	2045
10/29/19	General Obligation Refunding Bonds	2.91 - 3.16%	22,965,000	22,965,000	2032
10/29/19	General Obligation Refunding Bonds	5.00%	13,015,000	13,015,000	2031
05/29/20	General Obligation Bonds	4.0 - 5.0%	37,615,000	37,615,000	2040
05/29/20	General Obligation Bonds	1.90 - 4.20%	13,095,000	13,095,000	2040
	<b>Total</b>		<b>\$ 1,310,485,000</b>	<b>941,230,000</b>	
	Less amount representing business-type activities			<u>(7,299,967)</u>	
	<b>Total Outstanding, Governmental Activities</b>			<b><u>\$ 933,930,033</u></b>	

**Clean Water Notes Payable**

Clean Water Notes payable as of June 30, 2020 includes the following:

**Business-Type Activities:**

Clean Water Program, due in varying installments,  
plus interest at 2% through 2039

**\$ 24,075,940**

**CITY OF BRIDGEPORT, CONNECTICUT  
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**Designation of 2010 Series B Bonds as Build America Bonds**

The federal American Recovery and Reinvestment Act of 2009, Pub. L No. 111-5, 123 Stat. 115 (2009), enacted February 17, 2009 (the Recovery Act) permits the City to issue taxable bonds referred to as "Build America Bonds" to finance capital expenditures for which it could otherwise issue tax-exempt bonds, and to elect to receive payments from the federal government equal to 35% of the corresponding interest payable on such taxable bonds (the BAB Subsidy Payments). The City elected to designate the 2010 Series B Bonds as "Build America Bonds" for purposes of the Recovery Act and to receive BAB Subsidy Payments from the United States Treasury in connection therewith. BAB Subsidy Payments for the 2010 Series B Bonds will be paid to the City on or about each interest payment date; the holders of the 2010 Series B Bonds are not entitled to a tax credit. Such BAB Subsidy Payments are not pledged to pay the 2010 Series B Bonds, nor is their receipt by the City a condition of payment of any portion of the principal and interest on the 2010 Series B Bonds. For the fiscal year ended June 30, 2020, the City received \$454,442 in interest subsidy.

**General Obligation Bonds Refunding**

On October 19, 2019, the City issued \$22,965,000 (2019, Series D) of general obligation refunding bonds with interest rates ranging from 2.91 to 3.16%. The bonds were issued to refund portions of the outstanding principal amounts of the 2012 Series A general obligation bonds, 2012 Series B general obligation refunding bonds, 2014 Series B general obligation bonds, 2016 Series B general obligation refunding bonds, 2016 Series D general obligation bonds and 2017 Series B general obligation refunding bonds. The net proceeds of \$22,576,571 (after payments of \$388,429 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated October 10, 2019 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase portfolio of the United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited into escrow for payment of the refunded bonds. The City refunded the above bonds to reduce total debt service payments over the next 8 years by \$13,644,024. The City total debt service has increased by \$4,523,869 for the life of the bonds ending in 2032. The City obtained an economic loss (difference between the present value of the debt service payments on the old and new debt) of \$452,580. As of June 30, 2020 the amount of defeased debt outstanding from this refunding was \$20,590,000 and the escrow balance is \$22,199,409. This amount is removed from the governmental activities column of the statement of net position.

On October 19, 2019, the City issued \$13,015,000 (2019, Series E) of general obligation refunding bonds with an interest rate of 5.0%. The bonds were issued to refund portions of the outstanding principal amounts of the 2009 RZEDB's and 2010 Series B Build America Bonds. The net proceeds of \$16,383,924 (after an original issue premium of \$3,604,954 and payment of \$236,030 in underwriter's fees and other issuance costs) were deposited in an irrevocable trust fund under an escrow agreement dated October 10, 2019 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase portfolio of the United States Treasury State and Local Government Securities. All investment income on and the maturing principal of the escrow securities held in the escrow deposit fund will be irrevocably deposited into escrow for payment of the refunded bonds. The City total debt service has decreased by \$256,074 for the life of the bonds ending in 2031. The City obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,076,835. As of June 30, 2020, the amount of defeased debt outstanding from this refunding was \$15,650,000 and the escrow balance is \$15,908,832. This amount is removed from the governmental activities column of the statement of net position.

**CITY OF BRIDGEPORT, CONNECTICUT  
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**Prior Year Defeasance of Debt**

In prior years, the City defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2020, \$52,105,000 of prior bonds outstanding is considered defeased and the escrow balance is \$526,948,662.

The annual debt service requirements relative to the outstanding general obligation bonds are as follows:

Year Ending June 30	General Obligations Bonds					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021 *	\$ 51,561,139	\$ 48,871,625	\$ 100,432,764	\$ 233,861	\$ 364,616	\$ 598,477
2022	35,227,761	44,766,395	79,994,156	317,239	351,635	668,874
2023	41,538,928	42,598,553	84,137,481	371,073	334,814	705,887
2024	48,263,552	40,040,342	88,303,894	391,448	314,802	706,250
2025	53,614,382	37,203,460	90,817,842	420,617	293,356	713,973
2026-2030	322,705,329	134,614,725	457,320,054	2,399,672	1,123,835	3,523,507
2031-2035	171,868,688	61,877,037	233,745,725	1,681,311	570,082	2,251,393
2036-2040	114,620,287	31,940,636	146,560,923	1,374,712	177,946	1,552,658
2041-2045	83,651,405	11,626,048	95,277,453	78,595	17,684	96,279
2046-2049	10,878,562	565,198	11,443,760	31,439	1,572	33,011
Total	\$ 933,930,033	\$ 454,104,019	\$ 1,388,034,052	\$ 7,299,967	\$ 3,550,342	\$ 10,850,309

\*Includes payments on a crossover refunding in the amount of \$18,115,000 for Governmental Activities.

The City's WPCA issues State of Connecticut Clean Water Fund serial notes. These notes were issued to finance improvements to the sewer plant, pump stations and the water distribution infrastructure in the business-type activities. The annual debt service requirements relative to the outstanding clean water notes payable are as follows:

Year Ending June 30	Notes Payable		
	Business-Type Activities		
	Principal	Interest	Total
2021	\$ 2,294,079	\$ 460,705	\$ 2,754,784
2022	2,229,273	415,897	2,645,170
2023	2,219,197	370,345	2,589,542
2024	2,042,643	329,736	2,372,379
2025	2,027,799	287,454	2,315,253
2026-2030	8,673,789	873,681	9,547,470
2031-2035	3,644,093	260,389	3,904,482
2036-2040	945,067	21,776	966,843
Total	\$ 24,075,940	\$ 3,019,983	\$ 27,095,923

**CITY OF BRIDGEPORT, CONNECTICUT  
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**Legal Debt Limit**

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 716,257,652	\$ 371,765,931	\$ 344,491,721
Schools	1,432,515,303	135,274,690	1,297,240,613
Sewers	1,193,762,753	179,514,334	1,014,248,419
Urban renewal	1,034,594,386	430,000	1,034,164,386
Unfunded pension benefit obligation	955,010,202	429,325,000	525,685,202

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$2,228,357,138. All long-term debt obligations are retired through General Fund appropriations or user charges.

Indebtedness above includes bonds authorized, but not issued as follows:

General purpose	\$ 29,050,000
Sewer	<u>119,845,544</u>
	<u>\$ 148,895,544</u>

**Notes Payable**

The City issued grant and tax anticipation notes payable to fund cash flows for operating expenses. The activity related to the notes payable and balance at June 30, 2020 is summarized in the table below:

Description	Date Issued	Maturity Date	Interest Rate (%)	Balance July 1, 2019	Issued	Retired	Balance June 30, 2020
Grant Anticipation Notes	12/12/2018	12/11/2019	2.45	\$ 22,500,000	\$	\$ 22,500,000	\$ -
Tax Anticipation Note	12/11/2019	2/3/2020	2.30		10,000,000	10,000,000	-
Grant Anticipation Notes	12/11/2019	12/10/2020	2.00		<u>21,000,000</u>		<u>21,000,000</u>
	Total			<u>\$ 22,500,000</u>	<u>\$ 31,000,000</u>	<u>\$ 32,500,000</u>	<u>\$ 21,000,000</u>

In addition, the City has a note payable of \$2,108,471 reported in the business-type activities, which was issued for sewer construction projects. The note carries a 2% interest rate and the principal becomes payable upon the permanent refinancing of the note payable.

**CITY OF BRIDGEPORT, CONNECTICUT  
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**9. FUND BALANCE**

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

	<u>General Fund</u>	<u>Education Grants Fund</u>	<u>Capital Bond Issue Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Restricted for:					
Future debt payments	\$	\$	\$ 28,724,143	\$	\$ 28,724,143
Grants				3,029,449	3,029,449
Library trust fund				530,822	530,822
Education scholarship fund				108,730	108,730
Committed to:					
General government projects			7,489,860		7,489,860
Public safety projects			8,710,705		8,710,705
Public facilities projects			63,386,450		63,386,450
OPED and other projects			59,284,320		59,284,320
Library			4,964,864	4,070,863	9,035,727
General special revenue				324,426	324,426
Education				230,814	230,814
Unassigned	<u>27,643,194</u>				<u>27,643,194</u>
Total Fund Balances	\$ <u>27,643,194</u>	\$ <u>-</u>	\$ <u>172,560,342</u>	\$ <u>8,295,104</u>	\$ <u>208,498,640</u>

**10. COMMITMENTS AND CONTINGENCIES**

The City, its officers and its employees are defendants in a number of lawsuits annually. The ultimate disposition and fiscal consequences of these lawsuits are not presently determinable. The City Attorney's Office has reviewed the status of the pending litigation and reports that it is the opinion of the City Attorney that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the City, or settlement that would materially adversely affect its financial position, except that adverse judgment in cases described below could have a fiscal impact in the aggregate and in certain circumstances which might be significant.

**Personal Injury and Other Actions**

There are presently pending certain major personal injury and other claims and lawsuits that the City is actively defending for which, in the event the City is held liable, the amount of recovery could, under certain circumstances, total between \$5 and \$15 million dollars in the aggregate. Any recovery under such actions would be paid by the City over a number of years through operations or bonding or through using legal reserve accruals set for certain large cases. The City is self-insured for such risks.



**CITY OF BRIDGEPORT, CONNECTICUT  
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**Wheelabrator Bridgeport, L.P. Real and Personal Property Tax Valuation Appeal Judgment**

Wheelabrator Bridgeport L.P. (Wheelabrator), operator of the solid waste to energy facility which is currently one of the City's largest taxpayers. The City and Wheelabrator reached a full and final legal settlement tax valuation appeals relating to the 2007 through 2015 Tax Grand Lists, stipulated into a Judgment in Superior Court in spring 2017. The City stipulated to issue certain future tax credits against future tax bills, in lieu of any prior period tax refunds, for a period of years commencing in Fiscal Year 2017 to 2022. In addition, the City and Wheelabrator agreed to final assessed valuations for the grand list 2015 and Wheelabrator stipulated to eliminate all rights to any future tax appeals against the city until after the next citywide revaluation in October 2020. Any tax credits due to Wheelabrator per annum are applied annually against normal taxpayer annual bills and have been budgeted and expensed in annual fiscal year results. Such tax credit amounts are not material to the City's tax levy or to the City's financial condition.

**Beardsley Zoo**

On May 13, 1997, the City sold the land, buildings, equipment and animals comprising the Beardsley Zoological Gardens (the Zoo) to the Connecticut Zoological Society (the Society). Under the sale agreement, if the Society is no longer willing or able to operate and maintain the Zoo, the responsibilities associated with it, and the trust assets, will revert back to the City.

The City also entered into a service agreement with the Society in which the City is required to provide operating assistance to the Society for such costs as personnel, supplies, services, materials, utilities, maintenance, equipment and vehicles, that it currently provides to the Zoo, which approximated \$1.5 million during the year ended June 30, 2020, before the subsidy referred to below. These levels can be adjusted up or down depending on changes to the Zoo such as expansion. In return, the City receives all State aid subsidy payments eligible to the Zoo and received from the State annually. A subsidy of \$203,000 was projected for the year ended June 30, 2020, but the Zoological Society is currently keeping such funds due to the COVID-19 crisis and it is unclear when the City may be reimbursed for such funds. The Society retains any revenues from admissions, vending, concessions, other grants or bequests.

**WPCA Privatization Agreement**

On October 8, 2013 the WPCA entered into a ten-year agreement (the Agreement) with a new independent contractor Severn Trent (the Contactor) to provide operations, maintenance and management services to its two wastewater treatment facilities and collection system. This agreement took effect on January 1, 2014 and expires on December 31, 2023. The Agreement was amended in 2017 to include a two-year early termination clause should the city seek any regionalization or other restructuring of the wastewater plant and treatment system. The City has an agreement with the Town of Trumbull, whereby all Trumbull located sewers are allowed to connect into the Bridgeport WPCA sewer system. Trumbull pays a portion of user fees collected from Trumbull residents to the Bridgeport WPCA at an agreed upon annual rate total billed by the WPCA to Town of Trumbull.

**CITY OF BRIDGEPORT, CONNECTICUT  
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**WPCA Consent Decrees**

Under various consent decrees issued by the State of Connecticut Department of Environmental Protection (consent decrees), the WPCA is required to bring both of its treatment facilities in compliance with federal standards and eliminate certain combined storm and sanitary sewers. As of June 30, 2020, approximately \$210,000,000 relating to these projects has been incurred and included in property and equipment values. Funding for these improvements are provided by the State of Connecticut's Clean Water Fund (CWF) in the form of loans and grants, with such grants paying at least 20% of all project costs and the remainder of approved project costs up to 80 % are provided from the CWF by WPCA annually in the form of loans at 2% interest all of the remaining loan debt service of which are paid back as debt service by the WPCA and its ratepayers in annual WPCA budgets. An additional \$119 million in capital funds, fully eligible from the CWF grant and loan program, was authorized by the City Council in FY2019 to plan and upgrade the two main WPCA plants infrastructure, with another \$200 million expected to be needed from CWF grant and loan programs. Preliminary design is underway for the West Side Plant upgrade and construction of these projects expected to start by FY2023 and be completed within the next seven years. As of June 30, 2020, the State has committed to providing the WPCA additional funding in the form of loans and grants for infiltration programs of approximately \$8,000,000.

**Municipal Solid Waste Service Agreement**

Bridgeport is one of twelve municipalities that has entered into a Greater Bridgeport Regional Solid Waste Interlocal Agreement (Interlocal Agreement) which creates the Greater Bridgeport Regional Solid Waste Committee (Operating Committee) as a public body comprised of various southwest Connecticut municipalities (including but not limited to Bridgeport, Trumbull, Fairfield, Milford and Westport) for the purpose of, and with the authority to, contract with a solid waste facility for the disposal of municipal solid waste after June 30, 2014. In 2014, Wheelabrator agreed serve as the waste to energy plant for the consortium and contract terms were set of approximately \$60 per ton up to 175,000 aggregate annual tonnage for a term of up to 20 years with a \$1.00 per ton decrease for each new 25,000 tons the Operating Committee attracts and an annual Consumer Price Index escalator at 75% of the change, subject to an executable contract and Wheelabrator Board approvals.

Bridgeport is also part of an Inter-Community Agreement establishing a regional recycling program. The Greater Bridgeport Regional Recycling Interlocal Agreement, dated as of June 21, 2018 (the Interlocal Agreement) was established to implement a regional recycling program to meet the State of Connecticut mandated program for recycling, per Sections 22a-241 through 22a-241i of the Connecticut General Statutes. Bridgeport is one of twelve "Contracting Communities" participating in this recycling program (Bridgeport and Milford, and the Towns of East Haven, Easton, Fairfield, Monroe, Orange, Stratford, Southbury, Westport, Woodbridge and Trumbull). Prior to Fiscal 2019, the City had participated in a predecessor Solid Waste Recycling (SWEROC) consortium which was disbanded in June 2018. The City is committed to supply recyclables annually consisting of: food and beverage containers made of glass, metal and certain plastics, and newspapers. Other defined residential recyclables are cardboard.

**CITY OF BRIDGEPORT, CONNECTICUT  
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**11. PENSION PLANS**

**A. Municipal Employees' Retirement System**

**Plan Description**

All full-time employees of the City, except for Board of Education personnel, police, firefighters, janitors and engineers who participate in other plans described below, participate in the Municipal Employees' Retirement System (MERS). MERS is a cost-sharing multiple-employer public employee retirement system established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits to employees of participating municipalities. Chapters 7-425 to 7-451 of the State of Connecticut General Statutes, which can be amended by legislative action, establishes MERS benefits, member contribution rates and other plan provisions. MERS is considered to be part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports can be obtained at [www.ct.gov](http://www.ct.gov).

**Benefit Provisions**

The plan provides retirement, disability and death benefits and annual cost-of-living adjustments to plan members and their beneficiaries. Employees are eligible to retire at age 55 with 5 years of continuous active service, or 15 years of active non-continuous aggregate service. In addition, compulsory retirement is at age 65 for police and fire members. Employees under the age of 55 are eligible to retire with 25 years of service.

**Normal Retirement**

For members not covered by social security, retirement benefits are calculated as 2% of the average of the three highest paid years of service times the years of service. For members covered by social security, retirement benefits are calculated as 1 1/2% of the average of the three highest paid years of service not in excess of the year's breakpoint plus 2% of average of the three highest paid years of service in excess of the year's breakpoint, times years of service. The year's breakpoint is defined as \$10,700 increased by 6.0% each year after 1982, rounded to the nearest multiple of \$100. Maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually.

If any member covered by social security retires before age 62, the member's benefit until the member reaches age 62, or a social security disability award is received, is computed as if the member is not under social security.

**Early Retirement**

Members must have 5 years of continuous or 15 years of active aggregate service. Benefits are calculated as a service retirement allowance on the basis of the average of the three highest paid years of service to the date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

**Disability Retirement - Service Connected**

Employees who are totally and permanently disabled and such disability has arisen out of an in the course of employment with the municipality. Disability due to heart and hypertension in the case of fire and police, who began employment prior to July 1, 1996, is presumed to have been suffered in the line of duty. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability with a minimum benefit (including worker's compensation benefits) of 50% of compensation at the time of disability. are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

**CITY OF BRIDGEPORT, CONNECTICUT  
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**Disability Retirement - Non-Service Connected**

This applies to employees who have 10 years of service and are totally and permanently disabled. Benefits are calculated as a service retirement allowance based on compensation and service to the date of the disability.

**Death Benefit**

The plan offers a lump-sum return of contributions with interest or if vested and married, the surviving spouse will receive a lifetime benefit.

**Contributions**

*Member*

Contributions for members not covered by social security are 5% of compensation; for members covered by social security, 2.25% of compensation up to the social security taxable wage base plus 5%, if any, in excess of such base.

*Employer*

Participating employers make annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment, which covers the liabilities of MERS not met by member contributions. In addition, there is also an annual administrative fee per active and retired member.

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

At June 30, 2020, the City reports a total liability of \$278,853,558 in Exhibit I for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The actuarial assumptions used in the June 30, 2019 valuation were based on results of an actuarial experience study for the period July 1, 2012 through June 30, 2017. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participants, actuarially determined. At June 30, 2020, the City's proportion of liability is 27.01%. The increase in proportion from the prior year is 1.83%.

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For the year ended June 30, 2020, the City recognized pension expense of \$75,350,846 in Exhibit II. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
City contribution after the measurement date	\$ 25,726,055	\$
Change in assumptions	70,363,841	
Change in proportionate share	4,751,230	4,221,290
Net difference between projected and actual earnings on pension plan	11,344,361	
Differences between expected and actual experience	<u>24,943,399</u>	<u>4,903,611</u>
Total	<u>\$ 137,128,886</u>	<u>\$ 9,124,901</u>

Amounts reported as deferred outflows of resources related to City contributions after the measurement date of \$25,726,055 will be recognized as a reduction of the net pension liability in the subsequent year. Amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	
2021	\$ 37,843,569
2022	27,072,120
2023	32,264,138
2024	<u>5,098,103</u>
Total	<u>\$ 102,277,930</u>

**Actuarial Assumptions**

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

Inflation	2.50%
Salary increase	3.50-10.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on:

RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees.

RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire.

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For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

Future cost-of-living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	20.0%	5.3%
Developed market international	11.0%	5.1%
Emerging market international	9.0%	7.4%
Core fixed income	16.0%	1.6%
Inflation linked bond	5.0%	1.3%
Emerging market debt	5.0%	2.9%
High yield bond	6.0%	3.4%
Real estate	10.0%	4.7%
Private equity	10.0%	7.3%
Alternative investments	7.0%	3.2%
Liquidity fund	1.0%	0.9%
	<hr/>	
Total	<u>100.0%</u>	

### **Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
City's Proportionate Share of the Net Pension Liability (Asset) \$	\$ <u>405,276,237</u>	\$ <u>278,853,558</u>	\$ <u>173,024,819</u>

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

**Plan Description**

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

**Benefit Provisions**

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

**Normal Retirement**

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

**Early Retirement**

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

**Disability Retirement**

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

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**Contributions**

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

*Employer (School Districts)*

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

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$38,038,733 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees*

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

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

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

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

City's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the City	<u>502,528,522</u>
Total	<u>\$ 502,528,522</u>

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

For the year ended June 30, 2020, the City recognized pension expense and revenue of \$61,719,068 in Exhibit II.



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**Actuarial Assumptions**

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

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

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

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

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

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

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

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

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

### Discount Rate

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

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

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

### Other Information

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

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**C. Single Employer Defined Benefit Plans**

**Pension Trust Funds**

The City maintains and administers four Public Employee Retirement System (PERS), single employer defined benefit pension plans, that cover substantially all of the employees of the City with the exception of those covered under Municipal Employees' Retirement System and the Connecticut State Teachers' Retirement System. The costs of administering the plans are paid by each individual plan. Stand-alone plan reports are not available for these plans. The four City plans are as follows:

- i) Public Safety Plan A Investment and Pension Trust (Plan A)
- ii) Police Retirement Plan B
- iii) Firefighters' Retirement Plan B
- iv) Janitors' and Engineers' Retirement Plan

Management of the plans rests with the Trustees for each pension plan. The Trustees of pension Plan A consist of 3 members, The Mayor, The Finance Director and the Treasurer. The police commissioners for plan B consist of seven members and are also the Trustees for Police pension plan B. The Mayor, in December of each odd numbered year, shall appoint with the approval of the City Council. The Fire commissioners for plan B consist of seven members and are also the Trustees for the Fire pension plan B. The Mayor, in December of each odd numbered year, shall appoint with the approval of the city council. The Board of Education committee members are also the trustees for the Engineers and Janitors pension plan. The committee consists of nine members.

The Police Retirement Plan B and Firefighters' Retirement Plan B are funded on an actuarial basis; the Janitors' and Engineers' Retirement Plan is funded on a "pay-as-you-go" basis; that is, the City's contribution to the plan is the amount necessary to pay annual benefits. The City makes contributions to Plan A as is actuarially determined. Plan A is a closed plan and as such no new enrollments have been allowed since January 1, 1984.

In August 1985, the City purchased an annuity contract for approximately \$75 million to fund a portion of the net pension liability for Plan A. The plan assets available for benefits and the net pension liability amounts for Plan A exclude the plan assets and pension liability covered by the above-mentioned annuity contract. For the year ended June 30, 2020, \$544,307 of benefits was provided through this annuity contract.

In August 2000, the City issued \$350,000,000 of taxable general obligation pension funding bonds. The proceeds of these bonds were transferred into Plans A's Investment Trust (the A Trust). The proceeds and any future investment earnings are to be used to make contributions to the Plan A or to pay benefits on behalf of the Plan. The City can, however, withdraw from the Plan A Trust the greater of: 1) 20% of the amount by which the Plan A Trust assets exceed the present value of accrued Plan benefits (\$288,133,174 based on the June 30, 2020 actuarial valuation) or 2) the amount of the Plan A Trust assets in excess of 110% of the present value of accrued Plan benefits.

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Under State statutes regarding pension obligation bonds, the City shall make a contribution to such pension plan as follows: (a) at the beginning of each fiscal year, the City's actuary shall determine the unfunded actuarial accrued liability for such pension plan using actuarial methods and assumptions based on actuarial standards of practice, and a level per cent amortization of the unfunded actuarial accrued liability using a five per cent growth rate; (b) the amortization period shall be twenty-four years for the fiscal year ended June 30, 2013, and shall decline by one year annually for each subsequent fiscal year; and (c) the amount of contribution shall be recalculated each fiscal year, so any gains and losses experienced by such pension plan are taken into account. For the fiscal year ended June 30, 2020, the actuarially required contribution is \$16,703,922. The City contributed \$133,655,805, which included net proceeds of \$120,000,000 from the 2019 Series C, General Obligation Bonds (Federally Taxable).

<b>Provisions of Pension Plans</b>	<b>Public Safety Plan A</b>	<b>Police Retirement Plan B</b>	<b>Firefighters' Retirement Plan B</b>	<b>Janitors' and Engineers' Retirement Plan</b>
Employees covered	All police and fire employed before 6/4/81 and 1/1/84, respectively	All police employed on or after 6/4/81	All firefighters employed on or after 1/1/84	All employees hired before 1985
Plan Status	Closed	Closed, Active participants transferred to CMERS effective July	Closed, Active participants transferred to CMERS effective	Closed
Benefit provisions	50% of compensation plus 2-1/2% for each year of service in excess of 20 years, maximum 75%	2% of annual salary for each full year of service plus 50% of subsequent compensation increase, maximum 70%	2% of annual salary for each year of service plus 50% of subsequent compensation increase, maximum 70%	2% of 3 year average compensation for each year of service, up to 33 years plus 1% of 3 year compensation thereafter
Definition of "Compensation"	Maximum yearly compensation currently being paid to members in the department in the same position that the employee held at the time of retirement	Maximum yearly compensation currently being paid to members in the department in the same position which the employee held at the time of retirement	Maximum yearly compensation currently being paid to members in the department in the same position which the employee held at the time of retirement	Average of three highest years
Eligibility requirements	Vest after 10 years of service	Vest after 5 years of service	Vest after 5 years of service	Vest after the earlier of 10 years of continuous or 15 years of aggregate service
Obligation to contribute in accordance with funding policy:				
Employee	8% of earnings	6% of earnings	6% of earnings	5% of earnings
Employer	\$ 16,703,922 (Normal Cost)	\$ 1,174,409	\$ -	Pay as you go
Authority under which benefit provisions established	Contract negotiation	Contract negotiation	Contract negotiation	Contract negotiation

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At June 30, 2020, Plan membership consisted of the following:

	<b>Public Safety Plan A</b>	<b>Police Retirement Plan B</b>	<b>Firefighters' Retirement Plan B</b>	<b>Janitors' and Engineers' Retirement Plan</b>
Inactive employees or beneficiaries currently receiving benefits	603	129	69	15
Inactive employees entitled to but not yet receiving benefits	—	6	5	—
Total Number of Participants	<u>603</u>	<u>135</u>	<u>74</u>	<u>15</u>

**Summary of Significant Accounting Policies**

**Basis of Accounting**

Financial statements are prepared using the accrual basis of accounting for the three defined benefit pension plans. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

**Method Used to Value Investments**

Investments are reported at market value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

**Investments**

**Investment Policy**

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

**Rate of Return**

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

Public Safety Plan A	1.13%
Police Retirement Plan B	-0.33%
Firefighters' Retirement Plan B	5.38%

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

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**Net Pension Liability (Asset) of the City**

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

	<u>Public Safety Plan A</u>	<u>Police Retirement Plan B</u>	<u>Firefighters' Retirement Plan B</u>	<u>Janitors' and Engineers' Retirement Plan</u>	<u>Total</u>
Total pension liability	\$ 276,782,652	\$ 76,521,834	\$ 35,652,947	\$ 5,750,793	\$ 394,708,226
Plan fiduciary net position	<u>158,869,403</u>	<u>60,023,513</u>	<u>38,479,320</u>	<u>3,433</u>	<u>257,375,669</u>
Net Pension Liability (Asset)	<u>\$ 117,913,249</u>	<u>\$ 16,498,321</u>	<u>\$ (2,826,373)</u>	<u>\$ 5,747,360</u>	<u>\$ 137,332,557</u>
Plan fiduciary net position as a percentage of the total pension liability	57.40%	78.44%	107.93%	0.06%	65.21%

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

	<u>Net Pension Liability</u>
Public Safety Plan A	\$ 117,913,249
Police Retirement Plan B	16,498,321
Janitors' and Engineers' Retirement Plan	<u>5,747,360</u>
Total	<u>\$ 140,158,930</u>

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2020, and the total pension liability was used to calculate the net pension liability as of that date, using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Public Safety Plan A</u>	<u>Police Retirement Plan B</u>	<u>Firefighters' Retirement Plan B</u>	<u>Janitors' and Engineers' Retirement Plan</u>
Inflation	2.0%	2.0%	2.0%	N/A
Salary increases including inflation	N/A	N/A	N/A	N/A
Investment rate of return	N/A - All participants are inactive	N/A - All participants are inactive	N/A - All participants are inactive	N/A - All participants are inactive

RP-2014 (adjusted back to 2006) projected generationally with scale MP-2019.

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

<b>Public Safety, Plan A</b>		
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long Term Expected Real Rate of Return</b>
Domestic equity	50.0%	6.40%
Core fixed income	12.5%	1.15%
High yield fixed income	12.5%	3.65%
International equity	10.0%	7.05%
Hedge funds and alternatives	10.0%	3.32%
Emerging market equity	5.0%	9.00%
Total	<u>100.0%</u>	

<b>Police Retirement Plan B</b>		
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long Term Expected Real Rate of Return</b>
Domestic equity	79.3%	6.40%
Short term government & money market	12.4%	0.65%
Core fixed income	8.3%	1.15%
Total	<u>100.0%</u>	

<b>Firefighters' Retirement Plan B</b>		
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long Term Expected Real Rate of Return</b>
Domestic equity	58.7%	6.40%
Short term government & money market	20.3%	0.65%
Core fixed income	21.0%	1.15%
Total	<u>100.0%</u>	

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**Discount Rate**

The discount rate used to measure the total pension liability was 6.75% for Public Safety Plan A, 6.25% for Police Retirement Plan B, 6.25% for Firefighters' Plan B and 2.21% for Janitors' and Engineers' Retirement Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability (Asset)**

	<b>Public Safety Plan A</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of July 1, 2019	\$ 288,133,174	\$ 54,306,653	\$ 233,826,521
Changes for the year:			
Interest on total pension liability	18,418,292		18,418,292
Differences between expected and actual experience	2,319,031		2,319,031
Changes in assumptions	(1,548,663)		(1,548,663)
Employer contributions		133,655,805	(133,655,805)
Net investment income (loss)		1,446,127	(1,446,127)
Benefit payments, including refund to employee contributions	(30,539,182)	(30,539,182)	-
Net changes	<u>(11,350,522)</u>	<u>104,562,750</u>	<u>(115,913,272)</u>
Balances as of June 30, 2020	\$ <u>276,782,652</u>	\$ <u>158,869,403</u>	\$ <u>117,913,249</u>
	<b>Police Retirement Plan B</b>		
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
Balances as of July 1, 2019	\$ 77,084,303	\$ 64,232,436	\$ 12,851,867
Changes for the year:			
Interest on total pension liability	4,652,847		4,652,847
Differences between expected and actual experience	288,168		288,168
Changes in assumptions	(225,987)		(225,987)
Employer contributions		1,275,000	(1,275,000)
Net investment income (loss)		(206,426)	206,426
Benefit payments, including refund to employee contributions	(5,277,497)	(5,277,497)	-
Net changes	<u>(562,469)</u>	<u>(4,208,923)</u>	<u>3,646,454</u>
Balances as of June 30, 2020	\$ <u>76,521,834</u>	\$ <u>60,023,513</u>	\$ <u>16,498,321</u>



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**Firefighters' Retirement Plan B**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a)-(b)
Balances as of July 1, 2019	\$ 36,187,045	\$ 38,773,136	\$ (2,586,091)
Changes for the year:			
Interest on total pension liability	2,188,040		2,188,040
Differences between expected and actual experience	(251,412)		(251,412)
Changes in assumptions	(113,937)		(113,937)
Employer contributions		40,000	(40,000)
Net investment income (loss)		2,022,973	(2,022,973)
Benefit payments, including refund to employee contributions	(2,356,789)	(2,356,789)	-
Net changes	<u>(534,098)</u>	<u>(293,816)</u>	<u>(240,282)</u>
Balances as of June 30, 2020	<u>\$ 35,652,947</u>	<u>\$ 38,479,320</u>	<u>\$ (2,826,373)</u>

**Janitors' and Engineers' Retirement Plan**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2019	\$ 6,191,608	\$ 3,433	\$ 6,188,175
Changes for the year:			
Interest on total pension liability	207,849		207,849
Differences between expected and actual experience	(488)		(488,276)
Changes in assumptions	345,727		345,727
Employer contributions		506,115	(506,115)
Benefit payments, including refund to employee contributions	(506,115)	(506,115)	-
Net changes	<u>(440,815)</u>	<u>-</u>	<u>(440,815)</u>
Balances as of June 30, 2020	<u>\$ 5,750,793</u>	<u>\$ 3,433</u>	<u>\$ 5,747,360</u>

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

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

Public Safety Plan A

	<b>1% Decrease 5.75%</b>	<b>Current Discount Rate 6.75%</b>	<b>1% Increase 7.75%</b>
Net Pension Liability	\$ <u>139,689,267</u>	\$ <u>117,913,249</u>	\$ <u>98,918,076</u>

Police Retirement Plan B

	<b>1% Decrease 5.25%</b>	<b>Current Discount Rate 6.25%</b>	<b>1% Increase 7.25%</b>
Net Pension Liability	\$ <u>26,403,743</u>	\$ <u>16,498,321</u>	\$ <u>8,415,316</u>

Firefighters' Retirement Plan B

	<b>1% Decrease 5.25%</b>	<b>Current Discount Rate 6.25%</b>	<b>1% Increase 7.25%</b>
Net Pension Liability (Asset)	\$ <u>1,445,203</u>	\$ <u>(2,826,373)</u>	\$ <u>(6,358,819)</u>

Janitors' and Engineers' Retirement Plan

	<b>1% Decrease 2.50%</b>	<b>Current Discount Rate 3.50%</b>	<b>1% Increase 4.50%</b>
Net Pension Liability	\$ <u>6,303,937</u>	\$ <u>5,747,360</u>	\$ <u>5,271,765</u>

**CITY OF BRIDGEPORT, CONNECTICUT  
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**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

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

	<u>Public Safety Plan A</u>	<u>Police Retirement Plan B</u>	<u>Firefighters' Retirement Plan B</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>				
Net difference between projected and actual earning on pension plan investments	\$ 4,369,244	\$ 1,946,412	\$ -	\$ 6,315,656
	<u>Public Safety Plan A</u>	<u>Police Retirement Plan B</u>	<u>Firefighters' Retirement Plan B</u>	<u>Total</u>
<b>Deferred Inflows of Resources</b>				
Net difference between projected and actual earning on pension plan investments	\$ -	\$ -	\$ 908,676	\$ 908,676

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

<u>Year Ended June 30</u>	<u>Public Safety Plan A</u>	<u>Police Retirement Plan B</u>	<u>Firefighters' Retirement Plan B</u>	<u>Total</u>
2021	\$ 327,773	\$ (168,259)	\$ (495,281)	\$ (335,767)
2022	1,129,326	480,311	(245,483)	1,364,154
2023	1,471,468	815,185	(233,502)	2,053,151
2024	1,440,677	819,175	65,590	2,325,442
Total	\$ 4,369,244	\$ 1,946,412	\$ (908,676)	\$ 5,406,980

For the year ended June 30, 2020, the City recognized pension expense of \$13,762,767 as follows:

	<u>Pension Expense</u>
Public Safety Plan A	\$ 13,108,809
Police Retirement Plan B	1,159,678
Firefighters' Retirement Plan B	(571,020)
Janitors' and Engineers' Retirement Plan	65,300
Total	\$ 13,762,767

**CITY OF BRIDGEPORT, CONNECTICUT  
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**Combining Schedule of Pension and OPEB Plans Net Position - June 30, 2020**

	Pension Trust Funds					Total
	Pension Trust Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	OPEB Trust Fund	
Assets:						
Cash and cash equivalents	\$ 10,040,428	\$ 2,350,607	\$ 766,143	\$ 3,433	\$ 305,035	\$ 13,465,646
Investments, at fair value:						
U.S. Government Agencies			824,400			824,400
U.S. Government Securities	2,769,892	4,755,676	6,239,887			13,765,455
Corporate bonds	5,814,071	5,058,843	8,048,041			18,920,955
Common stocks	53,252,432	17,964,964	22,600,849			93,818,245
Mutual funds - equities	81,354,882	29,893,423				111,248,305
Alternative investments	5,572,248					5,572,248
Total investments	<u>148,763,525</u>	<u>57,672,906</u>	<u>37,713,177</u>	<u>-</u>	<u>-</u>	<u>244,149,608</u>
Contributions receivable	65,450					65,450
Total assets	<u>158,869,403</u>	<u>60,023,513</u>	<u>38,479,320</u>	<u>3,433</u>	<u>305,035</u>	<u>257,680,704</u>
Total Net Position	<u>\$ 158,869,403</u>	<u>\$ 60,023,513</u>	<u>\$ 38,479,320</u>	<u>\$ 3,433</u>	<u>\$ 305,035</u>	<u>\$ 257,680,704</u>

**Combining Schedule of Pension and OPEB Plans Changes in Net Position for the Year Ended June 30, 2020**

	Pension Trust Fund					Total
	Pension Trust Plan A	Police Retirement Plan B	Firefighters' Retirement Plan B	Janitors' and Engineers' Retirement Plan	OPEB Trust Fund	
Additions:						
Contributions:						
Employer	\$ 133,655,805	\$ 1,275,000	\$ 40,000	\$ 506,115	\$ 32,832,826	\$ 168,309,746
Annuity proceeds	546,398					546,398
Total contributions	<u>134,202,203</u>	<u>1,275,000</u>	<u>40,000</u>	<u>506,115</u>	<u>32,832,826</u>	<u>168,856,144</u>
Investment income:						
Net change in fair value of investments	246,345	(1,099,952)	1,301,011			447,404
Interest and dividends	1,923,435	1,012,164	991,216		2,576	3,929,391
	2,169,780	(87,788)	2,292,227	-	2,576	4,376,795
Less investment management fees	(723,653)	(118,638)	(269,254)			(1,111,545)
Net investment income	<u>1,446,127</u>	<u>(206,426)</u>	<u>2,022,973</u>	<u>-</u>	<u>2,576</u>	<u>3,265,250</u>
Total additions	<u>135,648,330</u>	<u>1,068,574</u>	<u>2,062,973</u>	<u>506,115</u>	<u>32,835,402</u>	<u>172,121,394</u>
Deductions:						
Benefits	<u>31,085,580</u>	<u>5,277,497</u>	<u>2,356,789</u>	<u>506,115</u>	<u>32,732,826</u>	<u>71,958,807</u>
Change in net position	104,562,750	(4,208,923)	(293,816)	-	102,576	100,162,587
Net Position - Beginning of Year	<u>54,306,653</u>	<u>64,232,436</u>	<u>38,773,136</u>	<u>3,433</u>	<u>202,459</u>	<u>157,518,117</u>
Net Position - End of Year	<u>\$ 158,869,403</u>	<u>\$ 60,023,513</u>	<u>\$ 38,479,320</u>	<u>\$ 3,433</u>	<u>\$ 305,035</u>	<u>\$ 257,680,704</u>

**CITY OF BRIDGEPORT, CONNECTICUT  
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**Aggregate Pension Information**

The City recognizes the following amounts related to pension plans as of and for the year ended June 30, 2020:

<u>Plan</u>	<u>Net Pension Liability</u>	<u>Net Pension Asset</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Pension Expense</u>
Public Safety Plan A	\$ 117,913,249	\$	4,369,244		13,108,809
Police Retirement Plan B	16,498,321		1,946,412		1,159,678
Firefighters' Retirement Plan B		2,826,373		908,676	(571,020)
Janitors' and Engineers' Retirement Plan	5,747,360				65,300
Connecticut Teachers Retirement Plan					61,719,068
Municipal Employees' Retirement System	<u>278,853,558</u>		<u>137,128,886</u>	<u>9,124,901</u>	<u>75,350,846</u>
Total	\$ <u>419,012,488</u>	\$ <u>2,826,373</u>	\$ <u>143,444,542</u>	\$ <u>10,033,577</u>	\$ <u>150,832,681</u>

**12. OTHER POSTEMPLOYMENT BENEFITS**

**A. OPEB Fund**

**Plan Description**

The City, in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The plan covers City, Board of Education, Police and Fire employees as further defined in collective bargaining agreements and other written materials. Eligibility and premium sharing information is detailed in the various collective bargaining agreements. The postemployment health care benefits plan is a single-employer plan administered by the City of Bridgeport. The City does not issue separate stand-alone financial statements for the plan.

Management of the Other Post Employment Benefits (OPEB) plan is vested with the City Finance Director. Policy oversight and management of the OPEB Fund is vested with the City Finance Director and an OPEB Trustees, as established by city ordinance, which consists of seven members: three of whom specialize in the fields of employee benefits and finance, one from the City Council, one from the Board of Education and the Mayor.

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

Number of members:	
Inactive employees currently receiving benefit payments	3,298
Active employees	<u>3,605</u>
Total	<u><u>6,903</u></u>

**Funding Policy and Benefits Provided**

The City currently pays for postemployment health care benefits on a pay-as-you-go basis. During fiscal year June 30, 2018 the City established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines.

**CITY OF BRIDGEPORT, CONNECTICUT  
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The contribution requirements of plan members and the City are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

**Eligibility:**

- City employees can retire on or after reaching the earlier of 25 years of service or age 55 and completing 15 years of service.
- Board of Education (non-teachers) employees can retire the earlier of 25 years of service or age 55 and 15 years of service.
- Board of Education (teachers) employees can retire the earlier of 35 years of service or age 60 and 25 years of service.
- If an employee is a police or fire employee, attainment of age 45 and 25 years.

**Medical Benefit:**

- Medical coverage continues for the lifetime of the retiree.
- Substitute Teachers, Part-time employees and Crossing Guards are not eligible for coverage.
- The eligible retirees pay a percentage of the cost of coverage calculated at the time of retirement. The percentage, based on group, is shown below:

<u>Group</u>	<u>Level</u>	<u>Retiree Contribution Varies with Actives</u>
AFSCME	12%	No
NAGE	12%	No
Social Workers*	12%	No
Unaffiliated	12%	No
Appointed	12%	No
BCSA	12%	No
Elected	12%	No
BCAS	30%	Yes
BEA	60%	Yes
Building Trades	12%	Yes
Attorneys	12%	Yes
Hygienists	12%	Yes
LIUNA	12%	Yes
Nurses	12%	Yes
Printers	12%	Yes
Teamsters	12%	Yes
Firefighters*	12%	No
Police	12%	Partial

\*Assumed from current negotiations, currently Social Workers are at 2.5% and Firefighters pay \$78/month.

- Spousal coverage is available for life of the retiree, based on the percentages above.

**CITY OF BRIDGEPORT, CONNECTICUT  
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**Investment Policy**

The OPEB Benefits Plan Fund policy in regard to the allocation of invested assets is established under the OPEB Trust Agreement and may be amended by the OPEB Trustees by a majority vote of its members. It is the policy of the Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Fund's investment policy discourages the use risky investments and aims to refrain from dramatically shifting asset class allocations over short time spans. The initial Trust Fund account has been established in a money market investment account with further investments to be made over time.

**Rate of Return**

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 0.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability of the City**

For the year ended June 30, 2020 the City recognized a net OPEB Liability of \$1,075,558,017, of which \$1,073,445,768 was reported in the governmental activities and \$2,112,249 in the business-type activities. The City's net OPEB liability was measured at June 30, 2020. The components of the net OPEB liability of the City at June 30, 2020 were as follows:

Total OPEB liability	\$	1,075,863,052
Plan fiduciary net position		<u>305,035</u>
Net OPEB Liability	\$	<u><u>1,075,558,017</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		0.03%

**Actuarial Assumptions**

The total OPEB liability at June 30, 2020 was determined by an actuarial valuation as of September 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	4.50%
Investment rate of return	1.10%, net of OPEB plan investment expense, including inflation
Discount rate	2.21%
Healthcare cost trend rates:	
Medical and Prescription	7.00% decreasing to 4.50%
Medicare Advantage	7.25% decreasing to 4.50%
Dental	4.00%
Medicare Part B	4.50%
Mortality	PUB-2010 Headcount Weighted Mortality Table projected generationally with MP-2020 from central year

The plan has not had a formal actuarial experience study performed.

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

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	<u>100.0%</u>

**Discount Rate**

The discount rate used to measure the total OPEB liability was 2.21%. The discount rate was based on the Bond Buyer 20 GO Bond Index.

**Changes in the Net OPEB Liability**

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a)-(b)</u>
Balances as of July 1, 2019	\$ 863,189,704	\$ 202,459	\$ 862,987,245
Changes for the year:			
Service cost	21,187,818		21,187,818
Interest on total OPEB liability	30,472,144		30,472,144
Differences between expected and actual experience	1,877,461		1,877,461
Changes in assumptions	191,868,751		191,868,751
Employer contributions		32,832,826	(32,832,826)
Net investment income (loss)		2,576	(2,576)
Benefit payments	(32,732,826)	(32,732,826)	-
Net changes	<u>212,673,348</u>	<u>102,576</u>	<u>212,570,772</u>
Balances as of June 30, 2020	\$ <u>1,075,863,052</u>	\$ <u>305,035</u>	\$ <u>1,075,558,017</u>



**CITY OF BRIDGEPORT, CONNECTICUT  
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**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

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

	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Total OPEB Liability	\$ <u>1,269,940,021</u>	\$ <u>1,075,558,017</u>	\$ <u>923,501,806</u>

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

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend</u>	<u>1% Increase</u>
Total OPEB Liability	\$ <u>887,782,937</u>	\$ <u>1,075,558,017</u>	\$ <u>1,319,943,946</u>

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$59,615,862 of which \$59,402,520 was reported in the governmental activities and \$213,342 in the business-type activities/enterprise fund. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earning on OPEB plan investments	\$ 754	\$ -	\$ -	\$ -	\$ 754	\$ -
Difference between actual and expected experience	18,358,611	-	-	-	18,358,611	-
Changes of assumptions or other inputs	<u>160,259,402</u>	<u>113,340,929</u>	<u>-</u>	<u>-</u>	<u>160,259,402</u>	<u>113,340,929</u>
Total	<u>\$ 178,618,767</u>	<u>\$ 113,340,929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,618,767</u>	<u>\$ 113,340,929</u>

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

<u>Year Ended June 30</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2020	\$ 7,958,676	\$	\$ 7,958,676
2021	7,958,678		7,958,678
2022	7,958,677		7,958,677
2023	12,493,383		12,493,383
2024	26,674,118		26,674,118
Thereafter	2,234,306		2,234,306
Total	\$ <u>65,277,838</u>	\$ <u>-</u>	\$ <u>65,277,838</u>

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

**Plan Description**

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

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

**Benefit Provisions**

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

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

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

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

**Survivor Health Care Coverage**

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

**Eligibility**

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

**Credited Service**

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

**Normal Retirement**

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

**Early Retirement**

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

**Proratable Retirement**

Age 60 with 10 years of Credited Service.

**Disability Retirement**

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

**Termination of Employment**

Ten or more years of Credited Service.

**CITY OF BRIDGEPORT, CONNECTICUT  
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**Contributions**

*State of Connecticut*

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

*Employer (School Districts)*

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

For the year ended June 30, 2020, the amount of "on-behalf" contributions made by the State was \$1,039,630 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

*Employees/Retirees*

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

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

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

City's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the City		<u>78,372,159</u>
Total	\$	<u><u>78,372,159</u></u>

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

For the year ended June 30, 2020, the City recognized OPEB expense and revenue of \$(5,735,007.00) in Exhibit II.

**CITY OF BRIDGEPORT, CONNECTICUT  
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**Actuarial Assumptions**

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

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

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

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

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

**Discount Rate**

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rate and that contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members. No future State contributions were assumed to be made. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination.

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

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

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

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**Other Information**

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

**13. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for insurable risks related to property and casualty claims. The City is self-insured for general liability, workers' compensation and certain employees health and dental insurance. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage or budget reserves for litigation claim expenditures in any of the past three years.

**Workers' Compensation**

The City carries no insurance coverage for losses arising out of workers' compensation claims. These claims are paid from the Internal Service Fund. The City estimates a liability for workers' compensation claims payable and for claims incurred but not reported based on an actuarial valuation. This is accounted for in the Internal Service Fund.

**Group Health Insurance**

Over the last twenty years the City had established an Internal Service Fund, the Self-Insurance, to account for and finance the retained risk of loss for medical benefits coverage. Due to the City experiencing significant increases in claim payments over prior fiscal years the City converted to a fully insured plan for health coverage. Each union of the City has converted throughout the current fiscal year, with only a few retiree members still currently under the self-insured plan. Payments within the Internal Service Fund related to claims incurred and outstanding prior to July 1, 2019 were completed during the year ended June 30, 2020. Future liability claims incurred but not reported (IBNR) is limited to the retirees still in the self-insurance at June 30, 2020. At June 30, 2020 this amount is \$11,515.

The City maintains a group health plan providing both insured and self-insured medical, prescription drug, dental and vision plan benefits as described below:

The following programs are provided under fully-insured contracts until autumn 2018, at which time the City entered into a new self-insured administrative only contract with the Connecticut Partnership 2.0 plan, administered by through the State Comptroller to Connecticut municipalities:

- Medical benefits for all active employees of the City and Board of Education,
- Medical benefits for all Medicare-eligible retirees who retired after December 31, 2018,
- Medical benefits for all Non-Medicare Eligible Retirees,
- Prescription benefits for all employees and all retirees except Medicare-eligible fire and police retirees.

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

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The following programs are provided under fully-insured contracts:

- Prescription benefits for Medicare-eligible fire and police retirees who retired prior to December 31, 2018
- Dental HMO benefits for all active employees and retirees for the City and Board of Education
- Vision benefits for all City and BOE employees and retirees for the City and Board of Education

As of June 30, 2020, the amount of prepaid asset in the fund is \$461,540.

**Reconciliation of Liabilities**

The liability for general liability, workers' compensation includes all known claims reported plus a provision for those claims incurred but not reported, net of estimated recoveries. The liability is based on past experience adjusted for current trends and includes incremental claim expenditures. The liability for workers' compensation claims is calculated using actuarial methods. Changes in the reported liability are as follows:

		<b>Beginning of Fiscal Year Liability</b>		<b>Current Year Claims and Changes in Estimates</b>		<b>Claim Payments</b>		<b>End of Fiscal Year Liability</b>
2019	\$	64,380,988	\$	128,924,740	\$	126,206,574	\$	67,099,154
2020		67,099,154		116,128,431		118,026,081		65,201,504

The current portion of claims incurred but not reported as of June 30, 2020 is \$10,532,754, which relates to Group Health Insurance Claims of \$11,515 and \$10,521,239 of general liability and workmen's compensation claims and is reported in the Internal Service Fund. The remaining liability for general liability and workmen's compensation claims of \$54,668,750 is recorded as long-term liability.

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

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**14. TAX ABATEMENTS**

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

<b>Program:</b>	<b>Affordable Housing Tax Abatement Program</b>	<b>Economic Development Tax Abatement Program</b>
Purpose of program:	Generate citizen housing affordability	Generate Jobs and Tax Revenue
Tax being abated:	Real and Personal Property Tax	Real and Personal Property Tax
Authority under which abatement agreement is entered into:	City Council Approved Agreement Resolution under CT Statutes Section 8-215	City Council Approved Agreement Resolution under CT Statute 32-70
Criteria to be eligible to receive abatement:	Number of housing units created; Income limits eligibility	Amount of Net new Property Taxes after Abatement and Jobs created for Bridgeport
How recipients' taxes are reduced:	Through adjustments to annual property tax bills	Through adjustments to annual property tax bills
How amount of abatement is determined:	City Council Approved Agreement and Resolutions	City Council Approved Agreement and Resolutions
Provisions for recapturing abated taxes:	Abatement must be limited in duration and generate more taxes eventually than original property value.	Abatement must be limited in duration and generate more taxes eventually than original property value.
Types of commitments made by the City other than to reduce taxes:	None	None
Gross dollar amount (accrual basis) by which the City's taxes were reduced as a result of the abatement agreement/program:	\$1,545,590	\$2,572,491

**SUBSEQUENT EVENTS**

On December 17, 2020, the City issued General Obligation Tax Anticipation Note in the amount of \$15,000,000 to fund cash flows for operating expenses. The note matures on February 1, 2021 with an interest rate of .64%.

On December 10, 2020, the City issued a School construction grant anticipation note in the amount of \$21,000,000 to fund cash flows for school capital expenditures. The note matures on December 9, 2021 with an interest rate of 1.50%.



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

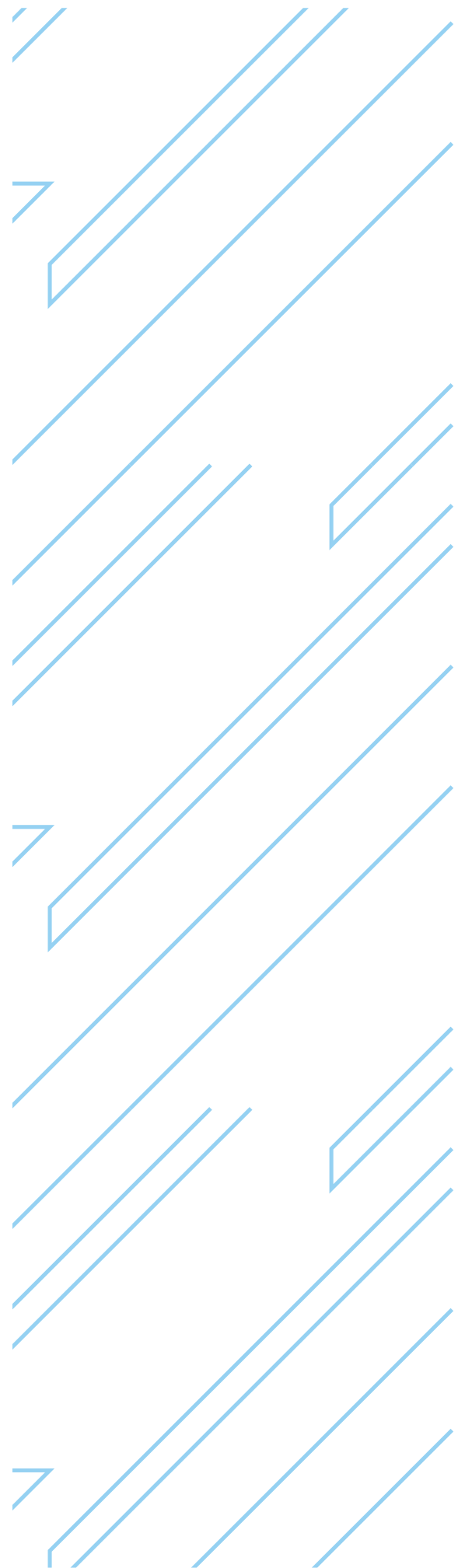
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**16. CORONAVIRUS (COVID-19)**

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

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

# Required Supplementary Information



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

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues and Other Financing Sources:				
Property taxes:				
Current taxes	\$ 318,708,853	\$ 318,708,853	\$ 322,832,954	\$ 4,124,101
Interest - current	1,800,000	1,800,000	1,435,192	(364,808)
Arrears - principal	1,300,000	1,300,000	720,123	(579,877)
Arrears - interest	400,000	400,000	1,642,076	1,242,076
Lien fees	295,000	295,000	166,130	(128,870)
Total property taxes	<u>322,503,853</u>	<u>322,503,853</u>	<u>326,796,475</u>	<u>4,292,622</u>
Intergovernmental:				
Elderly exemption refund	48,077	48,077	45,134	(2,943)
Elderly freeze program	8,000	8,000	4,000	(4,000)
Distressed municipalities			157,430	157,430
Education cost sharing	164,195,344	164,195,344	164,168,454	(26,890)
School construction refunds	1,150,000	1,150,000		(1,150,000)
Aid to non-public schools	135,000	135,000	198,628	63,628
Town aid roads	1,383,698	1,383,698	1,385,123	1,425
Miscellaneous PILOTs	2,119,245	2,119,245	2,767,005	647,760
Tax exempt colleges and hospitals	7,464,762	7,464,762	7,464,762	-
Breakfast program:				
State	98,395	98,395	100,347	1,952
Federal	4,103,586	4,103,586	3,213,940	(889,646)
Nutrition Center:				
State	157,907	157,907	149,849	(8,058)
Federal	12,441,209	12,441,209	11,556,592	(884,617)
Mashantucket Pequot funds	5,606,925	5,606,925	5,606,925	-
Municipal Share	12,447,295	12,447,295	12,447,295	-
EOC reimbursements	75,000	75,000	47,729	(27,271)
Beardsley Zoo subsidy	203,000	203,000	127,000	(76,000)
Build America Bonds subsidy	784,255	784,255	454,442	(329,813)
State-owned property	2,319,865	2,319,865	2,319,865	-
Total intergovernmental	<u>214,741,563</u>	<u>214,741,563</u>	<u>212,214,520</u>	<u>(2,527,043)</u>
Fees, permits and licenses:				
Finance:				
Comptroller Copies/Books/Miscellaneous	93,450	93,450	183,079	89,629
Comptroller Court Fine/CARC	50,000	50,000	59,397	9,397
Total finance	<u>143,450</u>	<u>143,450</u>	<u>242,476</u>	<u>99,026</u>
Town Clerk:				
Licenses and Town Fund	1,300	1,300	3,299	1,999
Notaries/late fees	2,500	2,500	3,750	1,250
Assignments	1,700,000	1,700,000	1,848,197	148,197
Certification/fees	595,000	595,000	513,315	(81,685)
Other licenses	2,200	2,200	8,960	6,760
Total town clerk	<u>2,301,000</u>	<u>2,301,000</u>	<u>2,377,521</u>	<u>76,521</u>
Building Department:				
Building permits	3,736,500	3,736,500	2,336,195	(1,400,305)
Sign permits	12,300	12,300	12,200	(100)
Certificate of occupancy fees	70,000	70,000	88,788	18,788
Copies	500	500	304	(196)
Total building department	<u>3,819,300</u>	<u>3,819,300</u>	<u>2,437,487</u>	<u>(1,381,813)</u>

(Continued on next page)

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

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Police Department:				
Photocopy fees	\$ 16,500	\$ 16,500	\$	(16,500)
Outside overtime	4,800,000	4,800,000	4,376,422	(423,578)
Overtime surcharge	535,000	535,000	292,100	(242,900)
Reclaimed dog fees	5,000	5,000	11,670	6,670
Vendor annual registration fees	21,000	21,000	16,120	(4,880)
Towing fines	108,000	108,000	80,076	(27,924)
Alarms	14,000	14,000	15,177	1,177
Other	96,800	96,800	71,959	(24,841)
Total police department	5,596,300	5,596,300	4,863,524	(732,776)
Public facilities:				
Dump license fees	11,000	11,000	14,200	3,200
Commercial dump fees	65,000	65,000	48,621	(16,379)
Street excavation license	1,000	1,000		(1,000)
Public facility enforcement	700	700	580	(120)
Sewer permits	4,000	4,000	3,100	(900)
Annual rent	23,650	23,650	25,827	2,177
Parking meters	415,000	415,000	364,860	(50,140)
Engineering map sales	5,000	5,000	2,458	(2,542)
Contractors license	1,570,000	1,570,000	1,060,405	(509,595)
Zoning appeals fees	31,850	31,850	18,379	(13,471)
Tavern zoning permits	256,400	256,400	276,490	20,090
Other revenues	271,300	271,300	103,504	(167,796)
Total public facilities	2,654,900	2,654,900	1,918,424	(736,476)
Parks and recreation:				
Golf course revenues	1,711,000	1,711,000	1,467,425	(243,575)
Wonderland of Ice	156,000	156,000	104,000	(52,000)
Kennedy Stadium	5,200	5,200		(5,200)
Leases/W.I.C.C.	25,000	25,000	15,650	(9,350)
Flea market/ball field	10,000	10,000	6,516	(3,484)
Miscellaneous	621,400	621,400	542,915	(78,485)
Parking stickers	54,740	54,740	37,435	(17,305)
Apartment rental	4,800	4,800	4,800	-
City concessions	5,000	5,000	4,750	(250)
Total parks and recreation	2,593,140	2,593,140	2,183,491	(409,649)
Civil service:				
Label/Admin fees	7,100	7,100	70,725	63,625
Health Department:				
Vital statistics	410,700	410,700	341,538	(69,162)
Business license	338,945	338,945	302,817	(36,128)
Housing code	110,500	110,500	81,480	(29,020)
Total health department	860,145	860,145	725,835	(134,310)

(Continued on next page)

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

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Education and Nutrition Center:				
Cafeteria	\$ 250,000	\$ 250,000	\$ 218,941	\$ (31,059)
Summer school tuition	25,000	25,000		(25,000)
Total Education and Nutrition Center	<u>275,000</u>	<u>275,000</u>	<u>218,941</u>	<u>(56,059)</u>
Sikorsky Airport:				
Airport fees	75,000	75,000	81,799	6,799
Shared revenue	80,000	80,000	81,212	1,212
Airport leases	725,700	725,700	652,326	(73,374)
Total Sikorsky Airport	<u>880,700</u>	<u>880,700</u>	<u>815,337</u>	<u>(65,363)</u>
Fire Department:				
Firewatch reimbursement	145,000	145,000	159,395	14,395
Copies	850	850	751	(99)
Permit	64,400	64,400	54,086	(10,314)
Tank installation	850	850	920	70
Total fire department	<u>211,100</u>	<u>211,100</u>	<u>215,152</u>	<u>4,052</u>
Total fees, permits and licenses	<u>19,342,135</u>	<u>19,342,135</u>	<u>16,068,913</u>	<u>(3,273,222)</u>
Interest	<u>675,000</u>	<u>675,000</u>	<u>625,221</u>	<u>(49,779)</u>
Other:				
Property rental	105,000	105,000	46,600	(58,400)
O.T.B. income	275,000	275,000	157,943	(117,057)
State Bingo	200	200		(200)
Weights and measures	107,000	107,000	88,490	(18,510)
Sale of City-owned property	75,000	75,000	649,703	574,703
Miscellaneous	13,500	13,500	4,011	(9,489)
Restitution	5,000	5,000	111,470	106,470
Comptroller miscellaneous revenue	5,652,000	5,652,000	3,447,704	(2,204,296)
Total other	<u>6,232,700</u>	<u>6,232,700</u>	<u>4,505,921</u>	<u>(1,726,779)</u>
Total revenues	563,495,251	563,495,251	560,211,050	(3,284,201)
Other financing sources:				
Transfers in	<u>350,000</u>	<u>350,000</u>	<u>300,000</u>	<u>(50,000)</u>
Total Revenues and Other Financing Sources	\$ <u>563,845,251</u>	\$ <u>563,845,251</u>	560,511,050	\$ <u>(3,334,201)</u>
Budgetary revenues are different than GAAP revenues because:				
On-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted:				
Pension			38,038,733	
OPEB			1,039,630	
The Board of Education does not budget for excess cost, magnet schools and vocational agriculture grant payments which are credited against expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.			8,459,856	
Proceeds from refunding bonds issued.			35,980,000	
Proceeds from bonds issued			122,505,000	
Proceeds from premium on bonds			<u>3,604,954</u>	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ <u>770,139,223</u>	

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

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget Positive (Negative)
General government:				
Mayor's office	\$ 886,417	\$ 886,417	\$ 876,367	\$ 10,050
Central grants	437,652	437,652	395,848	41,804
Finance divisions	6,250,168	6,250,168	6,080,870	169,298
Registrar of voters	783,660	783,660	824,532	(40,872)
City clerk	457,382	457,382	442,753	14,629
City attorney	5,395,248	5,295,248	6,245,723	(950,475)
Archives and records	14,580	14,580	8,608	5,972
Civil service	1,023,726	1,023,726	921,124	102,602
Labor relations/benefits/pensions	21,242,345	21,242,345	21,547,775	(305,430)
Town Clerk	851,701	851,701	838,821	12,880
Legislative department	253,946	253,946	199,444	54,502
Office of policy and management	773,791	773,791	684,536	89,255
Ethics commission	2,474	2,474		2,474
Chief administrative officer	1,174,613	1,174,613	1,131,418	43,195
Information technology service	4,354,391	4,354,391	4,429,469	(75,078)
Minority business enterprise office	343,940	343,940	320,236	23,704
Citistat	3,500	3,500		3,500
Total general government	<u>44,249,534</u>	<u>44,149,534</u>	<u>44,947,524</u>	<u>(797,990)</u>
Public Safety:				
Police department	102,312,652	102,312,652	97,610,580	4,702,072
Fire department	64,643,408	64,643,408	65,192,105	(548,697)
Weights and measures	173,613	173,613	176,178	(2,565)
Emergency Operation Center	6,201,327	6,201,327	5,636,880	564,447
Total public safety	<u>173,331,000</u>	<u>173,331,000</u>	<u>168,615,743</u>	<u>4,715,257</u>
Public facilities:				
Airport	1,425,809	1,425,809	1,333,712	92,097
Engineering	977,656	977,656	903,110	74,546
Harbor master	215,647	215,647	21,321	194,326
Maintenance	11,619,633	11,619,633	11,124,840	494,793
Municipal garage	2,605,476	2,605,476	2,487,005	118,471
Public facilities administration	14,276,896	14,276,896	14,204,908	71,988
Roadway	5,004,937	5,004,937	5,019,219	(14,282)
Sanitation	6,244,834	6,244,834	6,457,723	(212,889)
Transfer station	1,596,265	1,596,265	1,590,737	5,528
Recreation	1,439,849	1,439,849	1,327,012	112,837
Department on aging	664,548	664,548	616,592	47,956
Parks administration	325,811	325,811	327,804	(1,993)
Parks	2,582,815	2,582,815	2,546,963	35,852
Zoo	1,549,685	1,549,685	1,404,212	145,473
Golf course	1,648,747	1,648,747	1,511,258	137,489
Total public facilities	<u>52,178,608</u>	<u>52,178,608</u>	<u>50,876,416</u>	<u>1,302,192</u>

(Continued on next page)

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

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Planning and Economic Development:				
OPED administration	\$ 8,538,682	\$ 8,538,682	\$ 8,342,083	\$ 196,599
Building department	1,750,857	1,750,857	1,547,992	202,865
Zoning board of appeals	101,435	101,435	93,959	7,476
Zoning commission	712,206	712,206	559,901	152,305
Total planning and economic development	<u>11,103,180</u>	<u>11,103,180</u>	<u>10,543,935</u>	<u>559,245</u>
Health and social services:				
Health and social services administration	387,059	387,059	502,245	(115,186)
Vital statistics	423,883	423,883	451,967	(28,084)
Communicable disease clinic	369,369	369,369	319,521	49,848
Environmental health	885,982	885,982	716,856	169,126
Housing code enforcement	769,236	769,236	681,499	87,737
Lead prevention program	90,157	90,157	89,829	328
Human services administration	88,361	88,361	80,944	7,417
Persons with disabilities	89,888	89,888	45,291	44,597
Veterans' affairs	166,966	166,966	156,947	10,019
Lighthouse/Youth services	1,584,275	2,784,275	2,744,615	39,660
Social services	277,855	277,855	167,697	110,158
COVID-19			1,154,645	(1,154,645)
Total health and social services	<u>5,133,031</u>	<u>6,333,031</u>	<u>7,112,056</u>	<u>(779,025)</u>
Libraries	<u>7,753,227</u>	<u>7,753,227</u>	<u>7,753,227</u>	<u>-</u>
Special services:				
Supportive contributions	286,805	286,805	214,943	71,862
Citywide memberships	40,000	40,000	39,332	668
Debt service/contingencies	6,114,400	5,014,400	4,499,133	515,267
Total special services	<u>6,441,205</u>	<u>5,341,205</u>	<u>4,753,408</u>	<u>587,797</u>
Education:				
Schools	230,985,977	230,985,977	230,985,977	-
Food services	17,051,097	17,051,097	15,239,671	1,811,426
Board of education debt service	15,618,392	15,618,392	15,763,085	(144,693)
Total education	<u>263,655,466</u>	<u>263,655,466</u>	<u>261,988,733</u>	<u>1,666,733</u>
Total Expenditures and Other Financing Uses	<u>\$ 563,845,251</u>	<u>\$ 563,845,251</u>	556,591,042	<u>\$ 7,254,209</u>

Budgetary expenditures are different than GAAP expenditures because:

On-behalf payments to the Connecticut State Teachers'

Retirement System for Town teachers are not budgeted:

Pension

38,038,733

OPEB

1,039,630

The Board of Education does not budget for excess cost, magnet schools and vocational agriculture payments made by the State Department of Education, which are credited against expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.

8,459,856

Payment made to pension fund from issuance of bonds

120,000,000

Payment to escrow agent for refunding bonds

38,960,495

Bond refunding costs not budgeted by the City

3,129,459

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

\$ 766,219,215

**CITY OF BRIDGEPORT, CONNECTICUT  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
PUBLIC SAFETY PLAN A  
LAST SEVEN FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Interest	\$ 18,418,292	\$ 19,169,490	\$ 20,016,198	\$ 21,842,806	\$ 23,461,582	\$ 22,225,409	\$ 24,079,006
Differences between expected and actual experience	2,319,031	64,267	2,240,514	(6,996,385)	(3,217,484)	13,730,638	(22,337,660)
Changes of assumptions	(1,548,663)	(774,074)	(5,782,705)	(439,229)	(12,438,135)	54,487,379	(22,732,874)
Benefit payments, including refunds of member contributions	<u>(30,539,182)</u>	<u>(28,637,916)</u>	<u>(29,397,737)</u>	<u>(30,424,274)</u>	<u>(31,895,360)</u>	<u>(33,838,820)</u>	<u>(30,964,004)</u>
Net change in total pension liability	(11,350,522)	(10,178,233)	(12,923,730)	(16,017,082)	(24,089,397)	56,604,606	(51,955,532)
Total pension liability - beginning	<u>288,133,174</u>	<u>298,311,407</u>	<u>311,235,137</u>	<u>327,252,219</u>	<u>351,341,616</u>	<u>294,737,010</u>	<u>346,692,542</u>
Total pension liability - ending	<u>276,782,652</u>	<u>288,133,174</u>	<u>298,311,407</u>	<u>311,235,137</u>	<u>327,252,219</u>	<u>351,341,616</u>	<u>294,737,010</u>
Plan fiduciary net position:							
Contributions - employer	133,655,805	15,983,572	15,600,000	15,944,213	15,488,177	11,407,599	11,600,000
Contributions - member						12,334	143,974
Net investment income (loss)	1,446,127	3,689,767	6,039,520	8,866,020	(4,940,329)	778,674	15,837,803
Benefit payments, including refunds of member contributions	<u>(30,539,182)</u>	<u>(28,637,916)</u>	<u>(29,397,737)</u>	<u>(30,424,274)</u>	<u>(31,895,360)</u>	<u>(33,838,820)</u>	<u>(30,964,004)</u>
Net change in plan fiduciary net position	104,562,750	(8,964,577)	(7,758,217)	(5,614,041)	(21,347,512)	(21,640,213)	(3,382,227)
Plan fiduciary net position - beginning	<u>54,306,653</u>	<u>63,271,230</u>	<u>71,029,447</u>	<u>76,643,488</u>	<u>97,991,000</u>	<u>119,631,213</u>	<u>123,013,440</u>
Plan fiduciary net position - ending	<u>158,869,403</u>	<u>54,306,653</u>	<u>63,271,230</u>	<u>71,029,447</u>	<u>76,643,488</u>	<u>97,991,000</u>	<u>119,631,213</u>
Net Pension Liability - Ending	\$ <u>117,913,249</u>	\$ <u>233,826,521</u>	\$ <u>235,040,177</u>	\$ <u>240,205,690</u>	\$ <u>250,608,731</u>	\$ <u>253,350,616</u>	\$ <u>175,105,797</u>
Plan fiduciary net position as a percentage of the total pension liability	57.40%	18.85%	21.21%	22.82%	23.42%	27.89%	40.59%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule:**

Benefit changes: None

Assumption changes:

Mortality

RP-2014 (adjusted back to 2006) projected generationally with scale MP-2019.

Prior: RP-2014 (adjusted back to 2006) projected generationally with scale MP-2018.

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available



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

	2020	2019	2018	2017	2016	2015	2014
Total pension liability:							
Interest	\$ 4,652,847	\$ 4,741,157	\$ 4,537,651	\$ 4,212,914	\$ 4,622,718	\$ 4,100,080	\$ 4,435,830
Differences between expected and actual experience	288,168	(1,046,074)	1,411,913	(3,470,389)	715,864	7,644,858	(991,025)
Changes of assumptions	(225,987)	(244,629)	(18,929,991)	(20,849,995)	16,313,199	10,329,185	(6,081,926)
Benefit payments, including refunds of member contributions	(5,277,497)	(4,449,318)	(4,607,436)	(4,460,565)	(4,901,990)	(3,839,612)	(3,804,480)
Net change in total pension liability	(562,469)	(998,864)	(17,587,863)	(24,568,035)	16,749,791	18,234,511	(6,441,601)
Total pension liability - beginning	77,084,303	78,083,167	95,671,030	120,239,065	103,489,274	85,254,763	91,696,364
Total pension liability - ending	76,521,834	77,084,303	78,083,167	95,671,030	120,239,065	103,489,274	85,254,763
Plan fiduciary net position:							
Contributions - employer	1,275,000	1,400,000	1,850,000	2,002,000			
Contributions - member						44,368	181,840
Net investment income	(206,426)	3,886,843	5,386,091	6,698,898	176,428	427,232	9,633,316
Benefit payments, including refunds of member contributions	(5,277,497)	(4,449,318)	(4,607,436)	(4,330,048)	(4,901,990)	(3,839,612)	(3,852,737)
Administrative expense				(130,517)		(305,157)	(215,762)
Net change in plan fiduciary net position	(4,208,923)	837,525	2,628,655	4,240,333	(4,725,562)	(3,673,169)	5,746,657
Plan fiduciary net position - beginning	64,232,436	63,394,911	60,766,256	56,525,923	61,251,485	64,924,654	59,177,997
Plan fiduciary net position - ending	60,023,513	64,232,436	63,394,911	60,766,256	56,525,923	61,251,485	64,924,654
Net Pension Liability - Ending	\$ 16,498,321	\$ 12,851,867	\$ 14,688,256	\$ 34,904,774	\$ 63,713,142	\$ 42,237,789	\$ 20,330,109
Plan fiduciary net position as a percentage of the total pension liability	78.44%	83.33%	81.19%	63.52%	47.01%	59.19%	76.15%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule:**

Benefit changes: None

Assumption changes:

Mortality

RP-2014 (adjusted back to 2006) projected generationally with scale MP-2019.

Prior: RP-2014 (adjusted back to 2006) projected generationally with scale MP-2018.

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**CITY OF BRIDGEPORT, CONNECTICUT  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS  
FIREFIGHTERS' RETIREMENT PLAN B  
LAST SEVEN FISCAL YEARS\***

	2020	2019	2018	2017	2016	2015	2014
Total pension liability:							
Interest	\$ 2,188,040	\$ 2,194,434	\$ 2,287,399	\$ 2,199,953	\$ 2,476,699	\$ 2,281,088	\$ 2,283,352
Differences between expected and actual experience	(251,412)	148,806	(203,834)	(945,182)	(850,563)	130,083	(133,251)
Changes of assumptions	(113,937)	(104,213)	(1,286,736)	(6,714,794)	(1,461,547)	1,779,805	63,339
Benefit payments, including refunds of member contributions	(2,356,789)	(2,325,874)	(2,242,657)	(2,348,288)	(2,207,398)	(2,171,567)	(2,170,390)
Net change in total pension liability	(534,098)	(86,847)	(1,445,828)	(7,808,311)	(2,042,809)	2,019,409	43,050
Total pension liability - beginning	36,187,045	36,273,892	37,719,720	45,528,031	47,570,840	45,551,431	45,508,381
Total pension liability - ending	35,652,947	36,187,045	36,273,892	37,719,720	45,528,031	47,570,840	45,551,431
Plan fiduciary net position:							
Contributions - employer	40,000	20,000	180,000	302,100			
Contributions - member							
Net investment income (loss)	2,022,973	3,756,084	2,312,510	3,416,479	(285,465)	942,785	5,310,728
Benefit payments, including refunds of member contributions	(2,356,789)	(2,325,874)	(2,242,657)	(2,348,288)	(2,207,398)	(2,171,567)	(2,170,390)
Administrative expense						(4,879)	(23,230)
Net change in plan fiduciary net position	(293,816)	1,450,210	249,853	1,370,291	(2,492,863)	(1,233,661)	3,117,108
Plan fiduciary net position - beginning	38,773,136	37,322,926	37,073,073	35,702,782	38,195,645	39,429,306	36,312,198
Plan fiduciary net position - ending	38,479,320	38,773,136	37,322,926	37,073,073	35,702,782	38,195,645	39,429,306
Net Pension Liability (Asset) - Ending	\$ (2,826,373)	\$ (2,586,091)	\$ (1,049,034)	\$ 646,647	\$ 9,825,249	\$ 9,375,195	\$ 6,122,125
Plan fiduciary net position as a percentage of the total pension liability	107.93%	107.15%	102.89%	98.29%	78.42%	80.29%	86.56%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability (asset) as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule:**

Benefit changes: None

Assumption changes:

Mortality

RP-2014 (adjusted back to 2006) projected generationally with scale MP-2019

Prior: RP-2014 (adjusted back to 2006) projected generationally with scale MP-2018

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**CITY OF BRIDGEPORT, CONNECTICUT  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
JANITORS' AND ENGINEERS' RETIREMENT PLAN  
LAST SEVEN FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Interest	\$ 207,849	\$ 235,866	\$ 283,618	\$ 256,507	\$ 315,328	\$ 361,880	\$ 401,794
Differences between expected and actual experience	(488,276)		(1,338,204)		(115,639)		
Changes of assumptions	345,727	162,159	(155,488)	(652,369)	1,270,097	330,555	226,706
Benefit payments, including refunds of member contributions	(506,115)	(602,269)	(632,714)	(731,496)	(796,380)	(861,495)	(889,803)
Net change in total pension liability	(440,815)	(204,244)	(1,842,788)	(1,127,358)	673,406	(169,060)	(261,303)
Total pension liability - beginning	6,191,608	6,395,852	8,238,640	9,365,998	8,692,592	8,861,652	9,122,955
Total pension liability - ending	<u>5,750,793</u>	<u>6,191,608</u>	<u>6,395,852</u>	<u>8,238,640</u>	<u>9,365,998</u>	<u>8,692,592</u>	<u>8,861,652</u>
Plan fiduciary net position:							
Contributions - employer	506,115	602,269	632,714	731,496	796,380	861,495	889,803
Benefit payments, including refunds of member contributions	(506,115)	(602,269)	(632,714)	(731,496)	(796,380)	(861,495)	(889,803)
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	3,433	3,433	3,433	3,433	3,433	3,433	3,433
Plan fiduciary net position - ending	<u>3,433</u>	<u>3,433</u>	<u>3,433</u>	<u>3,433</u>	<u>3,433</u>	<u>3,433</u>	<u>3,433</u>
Net Pension Liability - Ending	<u>\$ 5,747,360</u>	<u>\$ 6,188,175</u>	<u>\$ 6,392,419</u>	<u>\$ 8,235,207</u>	<u>\$ 9,362,565</u>	<u>\$ 8,689,159</u>	<u>\$ 8,858,219</u>
Plan fiduciary net position as a percentage of the total pension liability	0.06%	0.06%	0.05%	0.04%	0.04%	0.04%	0.04%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule:**

Benefit changes: None

Assumption changes:

Investment rate of return

2.21%; Prior: 3.50%

Discount rate

2.21%; Prior: 3.50%

Mortality:

RP-2014 (adjusted back to 2006) projected generationally with scale MP-2019.

Prior: RP-2014 (adjusted back to 2006) projected generationally with scale MP-2018.

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**CITY OF BRIDGEPORT, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
PUBLIC SAFETY PLAN A  
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 16,703,922	\$ 15,983,052	\$ 15,596,475	\$ 15,945,203	\$ 15,488,177	\$ 11,407,599	\$ 12,623,967	\$ 11,554,504	\$ 9,794,368	\$ 13,556,622
Contributions in relation to the actuarially determined contribution	<u>133,655,805</u> *	<u>15,983,572</u>	<u>15,600,000</u>	<u>15,944,213</u>	<u>15,488,177</u>	<u>11,407,599</u>	<u>11,600,000</u>	<u>10,500,000</u>	<u>7,000,000</u>	<u>5,000,000</u>
Contribution Deficiency (Excess)	\$ <u>(116,951,883)</u>	\$ <u>(520)</u>	\$ <u>(3,525)</u>	\$ <u>990</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,023,967</u>	\$ <u>1,054,504</u>	\$ <u>2,794,368</u>	\$ <u>8,556,622</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 1,675,494	\$ 2,076,760	\$ 2,556,092
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	626.68%	337.06%	195.61%

**Notes to Schedule:**

Valuation date: June 30, 2020

Measurement date: June 30, 2020

Valuation timing: Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported

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

Actuarial cost method	N/A. All participants are inactive.
Amortization method	Closed, increasing 5% per year
Remaining amortization period	17 years as of July 1, 2019
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.75%
Inflation	2.0%
Salary increases	N/A
Cost of living adjustment	2.25%
Mortality	RP - 2014 (adjusted back to 2006), projected generationally with Scale MP-2019. (MP-2018 in prior year)

\* The City's contribution of \$133,655,805 included net proceeds of \$120,000,000 from the 2019 Series C, General Obligation Bonds (Federally Taxable).

**CITY OF BRIDGEPORT, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE RETIREMENT PLAN B  
LAST TEN FISCAL YEARS**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 1,174,409	\$ 1,306,701	\$ 1,611,277	\$ 2,099,288	\$ 2,002,083	\$ 1,333,325	\$ 1,851,758	\$ 7,792,559	\$ 6,314,039	\$ 5,351,197
Contributions in relation to the actuarially determined contribution	1,275,000	1,400,000	1,850,000	2,002,000				5,895,224	5,474,826	6,176,243
Contribution Deficiency (Excess)	\$ (100,591)	\$ (93,299)	\$ (238,723)	\$ 97,288	\$ 2,002,083	\$ 1,333,325	\$ 1,851,758	\$ 1,897,335	\$ 839,213	\$ (825,046)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 26,876,411	\$ 25,620,273
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20.37%	24.11%

**Notes to Schedule:**

Valuation date: June 30, 2020

Measurement date: June 30, 2020

Valuation timing: Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported

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

Actuarial cost method: N/A. All participants are inactive.

Amortization method: Closed level dollar for remaining unfunded liability

Remaining amortization period: 19 years as of June 30, 2019

Asset valuation method: Market value of assets.

**Actuarial assumptions:**

Investment rate of return: 6.25%

Inflation: 2.0%

Salary increases: N/A

Cost of living adjustment: 2.25%

Mortality: RP - 2014 (adjusted back to 2006), projected generationally with Scale MP-2019. (MP-2018 in prior year)

**CITY OF BRIDGEPORT, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' RETIREMENT PLAN B  
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$	\$	\$ 56,129	\$ 239,304	\$ 310,155	\$ 515,442	\$ 518,934	\$	\$ 4,300,169	\$ 3,936,546
Contributions in relation to the actuarially determined contribution	40,000	20,000	180,000	302,100					2,939,362	4,207,055
Contribution Deficiency (Excess)	\$ <u>(40,000)</u>	\$ <u>(20,000)</u>	\$ <u>(123,871)</u>	\$ <u>(62,796)</u>	\$ <u>310,155</u>	\$ <u>515,442</u>	\$ <u>518,934</u>	\$ <u>-</u>	\$ <u>1,360,807</u>	\$ <u>(270,509)</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 15,917,577	\$ 16,162,733
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	18.47%	26.03%

**Notes to Schedule:**

Valuation date: June 30, 2020

Measurement date: June 30, 2020

Valuation timing: Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported

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

Actuarial cost method: N/A. All participants are inactive.

Amortization method: Closed level dollar for remaining unfunded liability

Remaining amortization period: 19 years as of June 30, 2019

Asset valuation method: Market value of assets

Actuarial assumptions:

Investment rate of return: 6.25%

Inflation: 2.0%

Salary increases: N/A

Cost of living adjustment: 2.25%

Mortality: RP - 2014 (adjusted back to 2006), projected generationally with Scale MP-2019. (MP-2018 in prior year)

**CITY OF BRIDGEPORT, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
JANITORS' AND ENGINEERS' RETIREMENT PLAN  
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 577,405	\$ 597,100	\$ 750,996	\$ 769,368	\$ 818,100	\$ 836,026	\$ 873,475	\$ 892,501	\$ 894,791	\$ 906,091
Contributions in relation to the actuarially determined contribution	<u>506,115</u>	<u>602,269</u>	<u>632,714</u>	<u>731,496</u>	<u>796,380</u>	<u>861,495</u>	<u>889,803</u>	<u>936,328</u>	<u>914,418</u>	<u>891,196</u>
Contribution Deficiency (Excess)	\$ <u>71,290</u>	\$ <u>(5,169)</u>	\$ <u>118,282</u>	\$ <u>37,872</u>	\$ <u>21,720</u>	\$ <u>(25,469)</u>	\$ <u>(16,328)</u>	\$ <u>(43,827)</u>	\$ <u>(19,627)</u>	\$ <u>14,895</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	- \$	- \$	- \$	- \$	-
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

Valuation date: June 30, 2020

Measurement date: June 30, 2020

Valuation timing: Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported

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

Actuarial cost method: N/A. All participants are inactive.

Amortization method: None

Remaining amortization period: N/A

Asset valuation method: Market Value

**Actuarial assumptions:**

Investment rate of return: 2.21%; Prior: 3.50%

Discount rate: 2.21%; Prior: 3.50%

Cost of living adjustment: 2.50%; Prior: 3.00%

Salary increases: N/A

Retirement age: N/A

Mortality: RP-2006 projected generationally with Scale MP-2019; Prior: RP-2006 projected generationally with Scale MP-2018

**CITY OF BRIDGEPORT, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
PENSION PLANS  
LAST SEVEN FISCAL YEARS\***

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expense:							
Public Safety Plan A	1.13%	6.48%	9.42%	12.77%	-5.52%	0.72%	14.26%
Police Retirement Plan B	-0.33%	6.28%	9.07%	12.11%	0.30%	0.68%	16.82%
Firefighters' Retirement Plan B	5.38%	10.38%	6.42%	9.85%	-0.77%	2.46%	15.11%

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available



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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the City	<u>502,528,522</u>	<u>387,478,686</u>	<u>410,941,334</u>	<u>433,546,254</u>	<u>329,265,255</u>	<u>304,339,743</u>
Total	<u>\$ 502,528,522</u>	<u>\$ 387,478,686</u>	<u>\$ 410,941,334</u>	<u>\$ 433,546,254</u>	<u>\$ 329,265,255</u>	<u>\$ 304,339,743</u>
City's covered payroll	\$ 123,043,092	\$ 123,048,944	\$ 102,610,561	\$ 124,591,491	\$ 120,969,490	\$ 118,922,621
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

**Notes to Schedule:**

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

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**CITY OF BRIDGEPORT, CONNECTICUT  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
MUNICIPAL EMPLOYEES RETIREMENT FUND  
LAST SIX FISCAL YEARS\***

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015 (as Restated)</b>
City's proportion of the net pension liability	27.01%	25.18%	15.14%	18.69%	16.21%	2.98%
City's proportionate share of the net pension liability	\$ 278,853,558	\$ 240,814,182	\$ 37,584,211	\$ 62,160,092	\$ 31,237,539	\$ 2,935,498
City's covered payroll	\$ 150,976,960	\$ 149,864,951	\$ 154,745,655	\$ 146,586,378	\$ 145,741,934	\$ 139,687,029
City's proportionate share of the net pension liability as a percentage of its covered payroll	184.70%	160.69%	24.29%	42.41%	21.43%	2.10%
Plan fiduciary net position as a percentage of the total pension liability	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**CITY OF BRIDGEPORT, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS - MUNICIPAL EMPLOYEES RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 25,726,055	\$ 21,747,700	\$ 21,545,140	\$ 22,690,385	\$ 22,169,395	\$ 24,404,803	\$ 20,033,088	\$ 12,847,194	\$ 9,589,103	\$ 7,199,397
Contributions in relation to the actuarially determined contribution	25,726,055	21,747,700	21,545,140	22,690,385	22,169,395	24,404,803	20,033,088	12,847,194	9,589,103	7,199,397
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 151,045,968	\$ 150,976,960	\$ 149,864,951	\$ 154,745,655	\$ 146,586,378	\$ 145,741,934	\$ 139,687,029	\$ 110,276,343	\$ 82,309,897	\$ 75,783,126
Contributions as a percentage of covered payroll	17.03%	14.40%	14.38%	14.66%	15.12%	16.75%	14.34%	11.65%	11.65%	9.50%

**Notes to Schedule:**

Valuation date: June 30, 2019

Measurement date: June 30, 2019

The actuarially determined contributions are calculated as of June 30, each biennium for the fiscal years ending two and three years after the valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level dollar, closed
Single equivalent amortization period	21 years
Asset valuation method	5 years smoothed market (20% write up)
Inflation	3.25%
Salary increases	4.25% - 11%, including inflation
Investment rate of return	8%, net of investment related expense
Changes in assumptions:	In 2019, the latest experience study for the System updated most of the actuarial assumptions utilized in the June 30, 2019 valuation to include: rates of inflation, real investment return mortality, withdrawal, disability, retirement and salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2017

**CITY OF BRIDGEPORT, CONNECTICUT  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND  
LAST THREE FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:			
Service cost	\$ 21,187,818	\$ 24,728,712	\$ 25,759,877
Interest	30,472,144	36,810,344	34,443,682
Change of benefit terms		1,278,654	
Differences between expected and actual experience	1,877,461	24,599,964	
Changes of assumptions	191,868,751	(134,735,141)	(40,814,162)
Benefit payments, including refunds of member contributions	(32,732,826)	(31,571,920)	(27,090,667)
Net change in total OPEB liability	212,673,348	(78,889,387)	(7,701,270)
Total OPEB liability - beginning	863,189,704	942,079,091	949,780,361
Total OPEB liability - ending	<u>1,075,863,052</u>	<u>863,189,704</u>	<u>942,079,091</u>
Plan fiduciary net position:			
Contributions - employer	32,832,826	31,671,920	27,190,667
Net investment income	2,576	2,446	13
Benefit payments, including refunds of member contributions	(32,732,826)	(31,571,920)	(27,090,667)
Net change in plan fiduciary net position	102,576	102,446	100,013
Plan fiduciary net position - beginning	202,459	100,013	-
Plan fiduciary net position - ending	<u>305,035</u>	<u>202,459</u>	<u>100,013</u>
Net OPEB Liability - Ending	<u>\$ 1,075,558,017</u>	<u>\$ 862,987,245</u>	<u>\$ 941,979,078</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.03%	0.02%	0.01%
Covered-employee payroll	\$ 221,550,040	\$ 241,223,464	\$ 245,409,264
Net OPEB liability as a percentage of covered-employee payroll	485.47%	357.75%	383.84%

**Notes to Schedule:**

Assumption changes:

Discount rate	2.21%; Prior: 3.51%
Salary increases	4.50%; Prior: 5.50%
Mortality	PUB - 2010 Headcount-Weighted Mortality Table projected generationally with MP-2020 from the central year Previous: PUB - 2010 Headcount-Weighted Mortality Table projected generationally with MP-2019 from the central year

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

**CITY OF BRIDGEPORT, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND  
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 68,912,083	\$ 79,303,894	\$ 78,841,802	\$ 61,998,950	\$ 71,905,518	\$ 70,570,886	\$ 51,062,573	\$ 47,743,386	\$ 61,100,372	\$ 57,100,111
Contributions in relation to the actuarially determined contribution	<u>32,832,826</u>	<u>31,671,920</u>	<u>27,190,667</u>	<u>29,153,378</u>	<u>31,891,398</u>	<u>33,345,101</u>	<u>28,451,770</u>	<u>25,803,694</u>	<u>33,074,646</u>	<u>29,617,984</u>
Contribution Deficiency (Excess)	<u>\$ 36,079,257</u>	<u>\$ 47,631,974</u>	<u>\$ 51,651,135</u>	<u>\$ 32,845,572</u>	<u>\$ 40,014,120</u>	<u>\$ 37,225,785</u>	<u>\$ 22,610,803</u>	<u>\$ 21,939,692</u>	<u>\$ 28,025,726</u>	<u>\$ 27,482,127</u>
Covered-employee payroll	\$ 221,550,040	\$ 241,223,464	\$ 245,409,264	\$ 245,409,264	\$ 236,179,686	\$ 236,179,686	\$ 221,438,910	\$ 221,438,910	\$ 180,948,566	\$ 180,948,566
Contributions as a percentage of covered-employee payroll	14.82%	13.13%	11.08%	11.88%	13.50%	14.12%	12.85%	11.65%	18.28%	16.37%

**Notes to Schedule:**

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

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

Actuarial cost method: Entry Age Normal  
Amortization method: Level percent of payroll  
Remaining amortization period: 30 years, open  
Asset valuation method: Fair value  
Actuarial assumptions:  
Investment rate of return: 1.10%, net of OPEB plan investment expense, including inflation  
Discount rate: 2.21%; Prior: 3.51%  
Healthcare cost trend rate:  
Medical and Prescription: 7.00% decreasing to 4.50%  
Medicare Advantage: 7.25% decreasing to 4.50%  
Dental: 4.00%  
Medicare Part B: 4.50%  
Inflation: 2.25%  
Salary increases: 4.50%; Prior: 5.50%  
Mortality: PUB - 2010 Headcount-Weighted Mortality Table projected generationally with MP-2020 from the central year

**CITY OF BRIDGEPORT, CONNECTICUT  
 SCHEDULE OF INVESTMENT RETURNS  
 OTHER POST-EMPLOYMENT BENEFITS TRUST FUND  
 LAST THREE FISCAL YEARS<sup>1</sup>**

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	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense:	0.00%	0.00%	0.00%

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

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

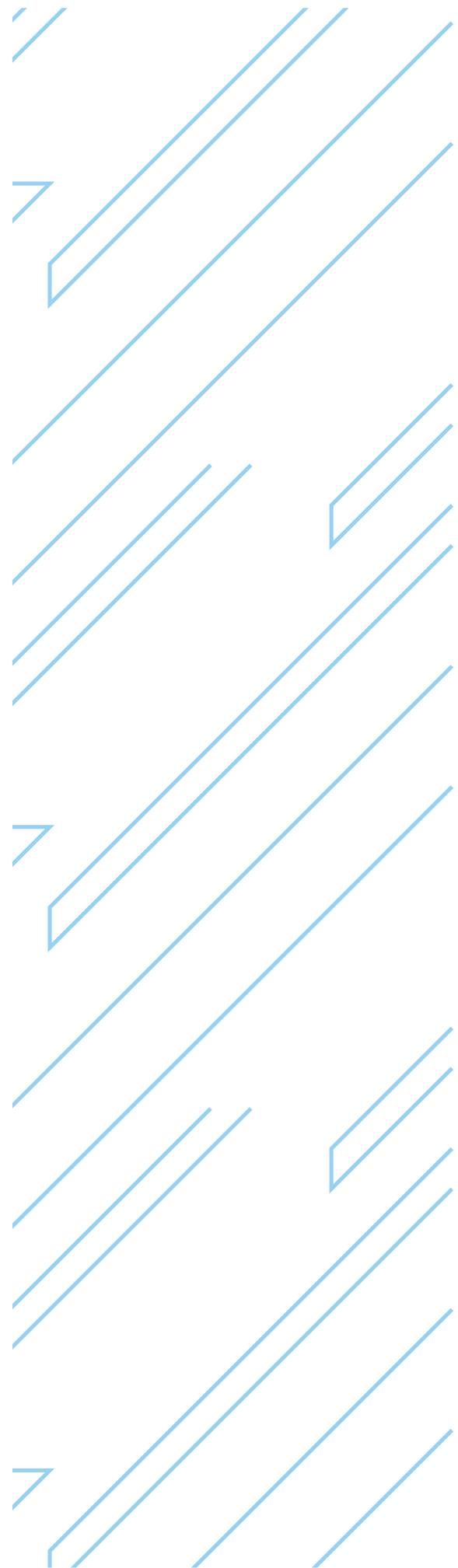
	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net OPEB liability	0.00%	0.00%	0.00%
City's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the City	<u>78,372,159</u>	<u>77,459,404</u>	<u>105,771,643</u>
Total	<u>\$ 78,372,159</u>	<u>\$ 77,459,404</u>	<u>\$ 105,771,643</u>
City's covered payroll	\$ 123,043,092	\$ 123,048,944	\$ 102,610,561
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	2.08%	1.49%	1.79%

**Notes to Schedule:**

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

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

# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES





## General Fund

**GENERAL FUND**

The General Fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund.

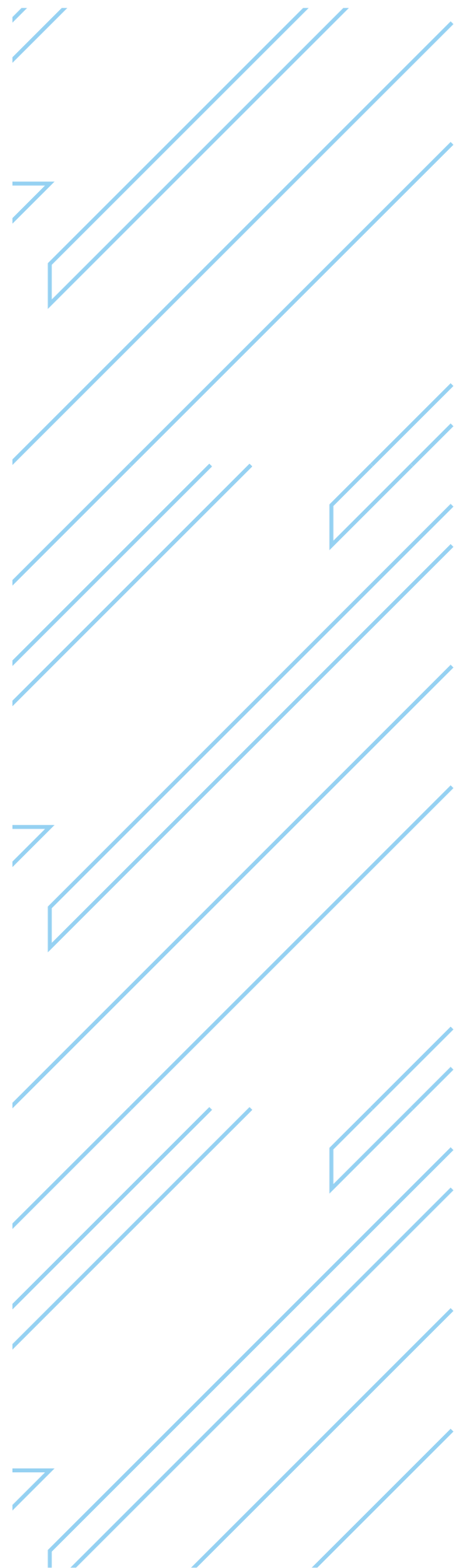
**CITY OF BRIDGEPORT, CONNECTICUT  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 54,522,274	\$ 41,296,938
Investments		
Receivables:		
Property taxes, net of allowance for uncollectible amounts of \$20,723,385 in 2020 and \$19,059,201 in 2019	34,914,764	36,152,323
Intergovernmental	23,420,330	24,580,836
Other	2,312,831	1,935,701
Due from other funds	<u>35,492,820</u>	<u>22,054,309</u>
Total Assets	<u>\$ 150,663,019</u>	<u>\$ 126,020,107</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
Liabilities:		
Accounts and other payables	\$ 48,430,579	\$ 35,905,260
Accrued liabilities	19,535,564	20,775,541
Due to other funds	18,805,634	7,063,565
Unearned revenue	<u>2,012,501</u>	<u>2,996,522</u>
Total liabilities	88,784,278	66,740,888
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	<u>34,235,547</u>	<u>35,556,033</u>
Fund Balances:		
Unassigned	<u>27,643,194</u>	<u>23,723,186</u>
Total fund balances	<u>27,643,194</u>	<u>23,723,186</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 150,663,019</u>	<u>\$ 126,020,107</u>

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

Grand List Year	Balance Uncollected July 1, 2019	Current Levy	Net Adjustments	Transfers to Suspense	Adjusted Taxes Collectible	Collections				Balance Uncollected June 30, 2020
						Taxes	Interest	Lien Fees	Total	
2004	\$ 1,240,038		\$ (1,368)	\$	\$ 1,238,670	\$ 14,245	\$ 43,796	\$ 843	\$ 58,884	\$ 1,224,425
2005	1,401,996		(890)	(602)	1,400,504	13,896	33,727	637	48,260	1,386,608
2006	1,785,639		(2,204)	(2,295)	1,781,140	12,918	35,565	510	48,993	1,768,222
2007	2,675,600		(3,292)	(6,794)	2,665,514	23,116	47,533	825	71,474	2,642,398
2008	2,027,596		(1,598)	(5,805)	2,020,193	30,219	50,245	636	81,100	1,989,974
2009	2,141,061		(8,748)	(6,446)	2,125,867	23,566	34,018	670	58,254	2,102,301
2010	1,946,849		(1,574)	(3,607)	1,941,668	21,501	35,358	583	57,442	1,920,167
2011	1,975,206		(8,448)	(3,249)	1,963,509	55,933	70,319	946	127,198	1,907,576
2012	1,935,025		(7,065)	(3,048)	1,924,912	39,878	45,634	867	86,379	1,885,034
2013	1,785,570		(7,276)	(1,920)	1,776,374	58,413	62,891	1,359	122,663	1,717,961
2014	1,914,402		(11,047)	(2,311)	1,901,044	90,153	70,969	1,976	163,098	1,810,891
2015	2,371,584		(81,639)	(10,505)	2,279,440	195,355	152,292	2,176	349,823	2,084,085
2016	3,776,934		(369,985)	(8,686)	3,398,263	485,994	462,458	7,206	955,658	2,912,269
2017	6,542,254		(264,406)	(6,502)	6,271,346	2,017,485	513,327	43,559	2,574,371	4,253,861
2018		343,246,435	(9,426,269)		333,820,166	324,391,074	1,384,660	77,041	325,852,775	9,429,092
	<u>\$ 33,519,754</u>	<u>\$ 343,246,435</u>	<u>\$ (10,195,809)</u>	<u>\$ (61,770)</u>	<u>\$ 366,508,610</u>	<u>\$ 327,473,746</u>	<u>\$ 3,042,792</u>	<u>\$ 139,834</u>	<u>\$ 330,656,372</u>	<u>\$ 39,034,864</u>

## Nonmajor Governmental Funds



## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Health and Sanitation Fund** - is used to account for U.S. Department of Health and Human Services, U.S. Department of Agriculture and Connecticut Department of Health Services grants, as well as local grants relating to health services.

**Public Safety Fund** - is used to account for state and federal grants used for public safety programs such as victim assistance, weed and seed; JAG; and other homeland security special revenues.

**Facility and Miscellaneous Fund** - is used to account for state and local grants for such programs as Veteran Affairs and Light House programs; School Security and other special revenue projects.

**Social Services Fund** - is used to account for U.S. Department of Labor, U.S. Department of Health and Human Services and Connecticut Office of Policy and Management grants for such programs as employment for senior citizens, summer feeding for school-age children and home care maintenance for the handicapped.

**Community Development Block Grant Fund** - is used to account for U.S. Department of Housing and Urban Development (HUD) and Connecticut Department of Housing grants used for such activities as housing programs, community facilities, economic development and public services.

**Housing Opportunities AIDS** - is used to account for the U.S. Department of Housing and Urban Development (HUD) grant used for such activities as devising long-term strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome (AIDS).

**HOME Program Fund** - is used to account for HUD grants used to expand the supply of affordable housing including home ownership opportunities, rental housing and tenant based rental assistance.

**Section 108 Loan Guarantee Fund** - is used to account for development projects funded through the HUD Section 108 Loan Guarantee Program.

**Development Administration State Grant Fund** - is used to account for Connecticut Department of Social Services and Connecticut Department of Economic Development grants used for such programs as community centers, low and middle income housing, and neighborhood rehabilitation.

**Library Fund** - is used to account for donations and income from the investments of donations and endowments restricted for library-related activities.

**Library Operations Fund** - is used to account for charges for services, donations and income from miscellaneous sources to fund library-related activities.

**Education Fund** - is used to account for donations and income from the investment of donations restricted for scholarship grants to qualified recipients.

**Miscellaneous Grants Fund** - is used to account for Local Capital Improvement (LOCIP), as well as other miscellaneous federal and state grants.

**General Government Fund** - is used to account for special revenues for Library Historic Document Preservation; Business Expo and other general government grants.

**Library Fund** - is used to account for endowments and donations, the income from which is restricted for library-related activities.

**Education Scholarship Fund** - is used to account for endowments and donations, the income from which is restricted for scholarship grants to qualified recipients.

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

	Special Revenue Funds								
	Health and Sanitation	Public Safety	Facility and Miscellaneous	Social Services	Community Development Block Grant	Housing Opportunities AIDS	HOME Program	Section 108 Loan Guarantee	Development Administration State Grant
<b>ASSETS</b>									
Cash and cash equivalents	\$	\$ 885,550	\$ 3,367,354	\$	\$ 85,900	\$ 657,651	\$ 540,732	\$ 11,109	\$ 2,154,746
Investments									
Intergovernmental		2,497,293	1,213,098	3,000	831,562	1,177,838	180,875	459,918	1,379,234
Other						577,522			
Due from other funds	471,317			461,108					4,130
Total Assets	\$ 471,317	\$ 3,382,843	\$ 4,580,452	\$ 464,108	\$ 917,462	\$ 1,835,489	\$ 1,299,129	\$ 471,027	\$ 3,538,110
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable and other liabilities	\$ 93,233	\$ 459,630	\$ 31,795	\$ 117,033	\$ 161,468	\$ 88,442	\$ 234,560	\$	\$ 106,346
Accrued payroll liabilities	13,659			2,281	27,929	519	1,405		
Due to other funds		1,830,373	2,281,370		212,721	1,323,642	640,441	470,998	1,314,455
Unearned revenues	341,024		2,225,388	220,859	30,351		308,431		1,441,874
Total liabilities	447,916	2,290,003	4,538,553	340,173	432,469	1,412,603	1,184,837	470,998	2,862,675
Fund Balances:									
Restricted	23,401	1,092,840	41,899	123,935	484,993	422,886	114,292	29	675,435
Committed									
Total fund balances	23,401	1,092,840	41,899	123,935	484,993	422,886	114,292	29	675,435
Total Liabilities and Fund Balances	\$ 471,317	\$ 3,382,843	\$ 4,580,452	\$ 464,108	\$ 917,462	\$ 1,835,489	\$ 1,299,129	\$ 471,027	\$ 3,538,110

(Continued on next page)



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

	Special Revenue Funds						Total Nonmajor Governmental Funds	
	Library	Library Operations	Education	Miscellaneous Grants	General Government	Library		Education Scholarships
<b>ASSETS</b>								
Cash and cash equivalents	\$ 618,593	\$	\$ 230,814	\$ 349	\$	\$ 530,822	\$ 107,962	9,191,582
Investments	1,571,944							1,571,944
Intergovernmental								7,742,818
Other								577,522
Due from other funds	6,662	1,873,664		49,390	325,866		768	3,192,905
<b>Total Assets</b>	<b>\$ 2,197,199</b>	<b>\$ 1,873,664</b>	<b>\$ 230,814</b>	<b>\$ 49,739</b>	<b>\$ 325,866</b>	<b>\$ 530,822</b>	<b>\$ 108,730</b>	<b>\$ 22,276,771</b>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable and other liabilities	\$	\$	\$	\$	1,440	\$	\$	1,293,947
Accrued payroll liabilities								45,793
Due to other funds								8,074,000
Unearned revenues								4,567,927
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,440</b>	<b>-</b>	<b>-</b>	<b>13,981,667</b>
Fund Balances:								
Restricted				49,739		530,822	108,730	3,669,001
Committed	2,197,199	1,873,664	230,814		324,426			4,626,103
<b>Total fund balances</b>	<b>2,197,199</b>	<b>1,873,664</b>	<b>230,814</b>	<b>49,739</b>	<b>324,426</b>	<b>530,822</b>	<b>108,730</b>	<b>8,295,104</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,197,199</b>	<b>\$ 1,873,664</b>	<b>\$ 230,814</b>	<b>\$ 49,739</b>	<b>\$ 325,866</b>	<b>\$ 530,822</b>	<b>\$ 108,730</b>	<b>\$ 22,276,771</b>

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

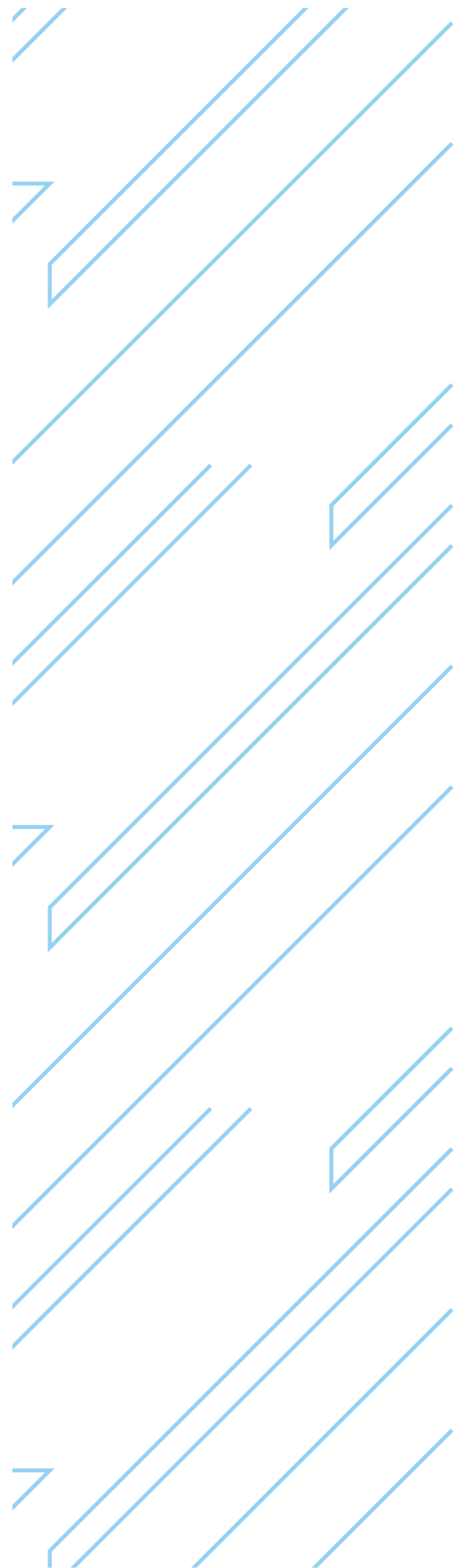
	Special Revenue								
	Health and Sanitation	Public Safety	Facility and Miscellaneous	Social Services	Community Development Block Grant	Housing Opportunities AIDS	HOME Program	Section 108 Loan Guarantee	Development Administration State Grant
Revenues:									
Intergovernmental	\$ 857,578	\$ 4,098,674	\$ 514,437	\$ 634,695	\$ 1,823,372	\$ 921,039	\$ 321,505	\$	\$ 1,003,885
Interest		6,270	36,663						7,191
Other	295,703	83,868	46,334	360,663				14	
Total revenues	<u>1,153,281</u>	<u>4,188,812</u>	<u>597,434</u>	<u>995,358</u>	<u>1,823,372</u>	<u>921,039</u>	<u>321,505</u>	<u>14</u>	<u>1,011,076</u>
Expenditures:									
General government									
Health and social services	1,263,093					649,185			
Libraries									
Special services		3,879,641	664,153	879,203	1,557,910		250,126		335,641
Total expenditures	<u>1,263,093</u>	<u>3,879,641</u>	<u>664,153</u>	<u>879,203</u>	<u>1,557,910</u>	<u>649,185</u>	<u>250,126</u>	<u>-</u>	<u>335,641</u>
Net Change in Fund Balances	(109,812)	309,171	(66,719)	116,155	265,462	271,854	71,379	14	675,435
Fund Balances at Beginning of Year	133,213	783,669	108,618	7,780	219,531	151,032	42,913	15	-
Fund Balances at End of Year	<u>\$ 23,401</u>	<u>\$ 1,092,840</u>	<u>\$ 41,899</u>	<u>\$ 123,935</u>	<u>\$ 484,993</u>	<u>\$ 422,886</u>	<u>\$ 114,292</u>	<u>\$ 29</u>	<u>\$ 675,435</u>

(Continued on next page)

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

	Special Revenue					Library	Education Scholarships	Total Nonmajor Governmental Funds
	Library	Library Operations	Education	Miscellaneous Grants	General Government			
Revenues:								
Intergovernmental	\$	\$	\$	\$	\$	\$	\$	\$ 10,175,185
Interest	89,784	558,649	25	5		19,105	11	717,703
Other	173,531				38,524			998,637
Total revenues	<u>263,315</u>	<u>558,649</u>	<u>25</u>	<u>5</u>	<u>38,524</u>	<u>19,105</u>	<u>11</u>	<u>11,891,525</u>
Expenditures:								
General government					1,440			1,440
Health and social services								1,912,278
Libraries	141,871	27,200						169,071
Special services								7,566,674
Total expenditures	<u>141,871</u>	<u>27,200</u>	<u>-</u>	<u>-</u>	<u>1,440</u>	<u>-</u>	<u>-</u>	<u>9,649,463</u>
Net Change in Fund Balances	121,444	531,449	25	5	37,084	19,105	11	2,242,062
Fund Balances at Beginning of Year	<u>2,075,755</u>	<u>1,342,215</u>	<u>230,789</u>	<u>49,734</u>	<u>287,342</u>	<u>511,717</u>	<u>108,719</u>	<u>6,053,042</u>
Fund Balances at End of Year	<u>\$ 2,197,199</u>	<u>\$ 1,873,664</u>	<u>\$ 230,814</u>	<u>\$ 49,739</u>	<u>\$ 324,426</u>	<u>\$ 530,822</u>	<u>\$ 108,730</u>	<u>\$ 8,295,104</u>

## Fiduciary Fund



## FIDUCIARY FUND

Fiduciary Funds are used to account for assets held in a trustee capacity for others, and include Agency Funds.

**Agency Funds -** Agency funds are custodial in nature (assets equal liabilities). The City's one Agency Fund is listed below:

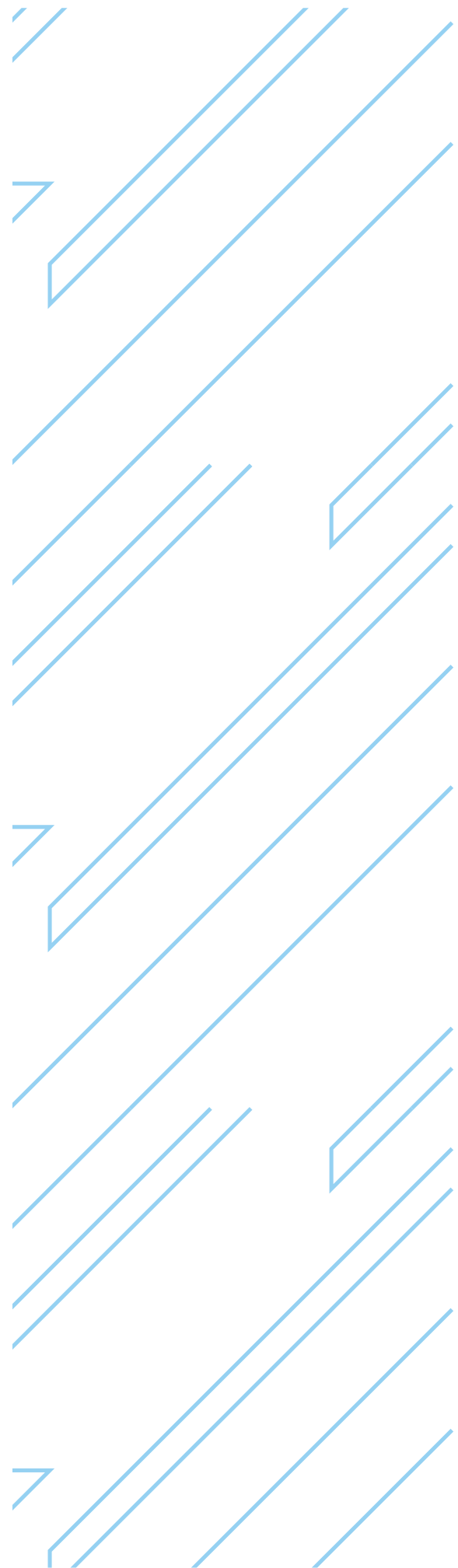
Student Activities Fund

**CITY OF BRIDGEPORT, CONNECTICUT  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

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	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<b>Student Activities Fund</b>				
Assets:				
Cash and Cash Equivalents	\$ 642,251	\$ 1,193,598	\$ 1,064,687	\$ 771,162
Liabilities:				
Due to Student Groups	\$ 642,251	\$ 1,193,598	\$ 1,064,687	\$ 771,162

## Statistical Section



## Statistical Section

This part of the City of Bridgeport, Connecticut's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### ***Financial Trends***

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

### ***Revenue Capacity***

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

### ***Debt Capacity***

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

### ***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

### ***Operating Information***

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

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



TABLE 1

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Net investment in capital assets	\$ 914,383,241	\$ 921,978,067	\$ 903,774,582	\$ 852,428,086	\$ 813,952,729	\$ 723,867,957	\$ 676,991,832	\$ 637,950,314	\$ 552,338,566	\$ 480,649,847
Restricted	29,258,295	27,683,903	24,249,409	8,969,778	3,068,563	3,092,595	3,119,552	5,161,248	3,161,264	3,161,236
Unrestricted	(1,774,868,416)	(1,723,801,352)	(1,601,612,985)	(1,094,796,887)	(1,061,684,357)	(1,023,449,030)	(443,964,841)	(439,224,801)	(400,754,807)	(343,798,284)
Total Governmental Activities Net Position	<u>(831,226,880)</u>	<u>(774,139,382)</u>	<u>(673,588,994)</u>	<u>(233,399,023)</u>	<u>(244,663,065)</u>	<u>(296,488,478)</u>	<u>236,146,543</u>	<u>203,886,761</u>	<u>154,745,023</u>	<u>140,012,799</u>
Business-type activities:										
Net investment in capital assets	82,354,330	84,166,380	88,269,353	88,089,862	91,021,576	86,399,421	85,819,063	83,954,414	80,642,078	75,601,133
Restricted										923,098
Unrestricted	<u>7,812,275</u>	<u>10,587,203</u>	<u>10,063,397</u>	<u>14,420,453</u>	<u>11,482,394</u>	<u>12,382,135</u>	<u>9,186,043</u>	<u>8,373,469</u>	<u>8,865,646</u>	<u>6,991,988</u>
Total Business-Type Activities Net Position	<u>90,166,605</u>	<u>94,753,583</u>	<u>98,332,750</u>	<u>102,510,315</u>	<u>102,503,970</u>	<u>98,781,556</u>	<u>95,005,106</u>	<u>92,327,883</u>	<u>89,507,724</u>	<u>83,516,219</u>
Primary Government:										
Net investment in capital assets	996,737,571	1,006,144,447	992,043,935	940,517,948	904,974,305	810,267,378	762,810,895	721,904,728	632,980,644	556,250,980
Restricted	29,258,295	27,683,903	24,249,409	8,969,778	3,068,563	3,092,595	3,119,552	5,161,248	3,161,264	4,084,334
Unrestricted	<u>(1,767,056,141)</u>	<u>(1,713,214,149)</u>	<u>(1,591,549,588)</u>	<u>(1,080,376,434)</u>	<u>(1,050,201,963)</u>	<u>(1,011,066,895)</u>	<u>(434,778,798)</u>	<u>(430,851,332)</u>	<u>(391,889,161)</u>	<u>(336,806,296)</u>
Total Primary Government Net Position	<u>\$ (741,060,275)</u>	<u>\$ (679,385,799)</u>	<u>\$ (575,256,244)</u>	<u>\$ (130,888,708)</u>	<u>\$ (142,159,095)</u>	<u>\$ (197,706,922)</u>	<u>\$ 331,151,649</u>	<u>\$ 296,214,644</u>	<u>\$ 244,252,747</u>	<u>\$ 223,529,018</u>

**CITY OF BRIDGEPORT, CONNECTICUT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 61,105,004	\$ 76,337,177	\$ 41,504,991	\$ 54,721,387	\$ 56,810,111	\$ 49,042,611	\$ 58,489,188	\$ 50,229,529	\$ 47,585,310	\$ 72,446,991
Public safety	178,469,959	205,509,355	154,714,714	161,664,408	153,074,372	215,031,986	129,070,130	128,334,652	127,416,487	123,045,441
Public facilities, parks and recreation	49,584,075	51,077,493	47,664,397	40,449,688	41,919,358	46,823,535	44,866,708	42,355,324	40,813,295	36,878,325
Planning and economic development	5,089,882	6,024,090	4,186,575	3,623,577	4,117,610	4,385,793	4,000,056	3,804,545	3,630,343	3,610,102
Health and social services	10,144,594	9,029,472	6,155,545	4,578,577	7,053,282	7,322,735	6,732,534	7,373,284	7,514,927	11,567,506
Education	422,029,223	387,402,577	407,535,202	407,493,688	422,865,095	395,326,952	374,610,065	358,684,463	341,738,042	343,046,242
Special services	6,414,953	10,764,337	7,413,753	16,261,348	11,369,812	15,057,650	17,238,984	21,196,639	16,736,988	20,432,503
Interest on long-term debt	43,925,903	42,575,950	35,712,209	32,760,018	31,583,840	38,508,401	33,248,783	36,008,703	41,869,525	41,407,157
Total governmental activities expenses	776,763,593	788,720,451	704,887,386	721,552,691	728,793,480	771,499,663	668,256,448	647,987,139	627,304,917	652,434,267
Business-type activities:										
Water Pollution Control Authority	40,563,833	39,924,293	39,687,374	39,180,368	37,237,285	35,943,716	35,625,341	28,399,775	26,387,727	26,011,481
Total primary government expenses	817,327,426	828,644,744	744,574,760	760,733,059	766,030,765	807,443,379	703,881,789	676,386,914	653,692,644	678,445,748
<b>Program revenue:</b>										
Governmental activities:										
Charges for services:										
General government	6,582,507	9,746,814	7,377,287	5,085,578	6,691,253	3,930,371	4,296,733	3,766,901	3,632,801	5,681,830
Public safety	5,167,166	6,488,472	6,125,456	5,718,407	6,933,320	5,604,016	6,418,090	6,077,391	6,263,832	6,217,889
Public facilities, parks and recreation	4,446,556	4,120,629	3,675,542	4,174,696	4,281,323	4,267,986	3,882,782	4,217,714	4,008,679	5,225,479
Planning and economic development	2,804,783	3,596,088	3,411,604	6,565,823	4,607,067	5,974,668	4,386,547	2,904,860	4,102,402	2,292,655
Health and social services	728,715	1,092,045	1,325,099	1,045,142	772,288	750,404	1,125,770	2,013,222	865,318	1,502,929
Education	218,941	280,956	542,899	631,266	668,925	787,178	735,122	704,164	702,587	756,596
Special services	214,306	(146,678)	29,115	702,364	(152,931)	(1,135,968)	549,529	1,468,921		832,216
Operating grants and contributions:										
General government	15,000	128,922	119,780	91,597	440,327	420,791	196,264	704,873	425,724	975,269
Public safety	619,624	117,600	115,052	38,098	189,018	43,870	58,274	64,006	77,404	530,148
Public facilities	1,512,123	4,275,563	6,344,113	1,508,372	5,966,045	11,990,437	11,210,773	1,619,514	4,279,642	1,560,017
Planning and economic development		5,809,764	3,627,369	6,113,859	6,046,274	8,558,403	11,141,789	12,587,947	12,320,951	7,291,614
Health and social services	1,778,617	1,875,864	1,270,964	1,696,616	2,139,543	2,217,947	4,920,034	3,892,593	5,916,291	8,662,148
Education	322,559,551	288,767,594	317,766,584	316,170,091	326,052,764	310,324,708	299,181,796	276,324,293	257,452,149	265,667,950
Special services	8,596,113	4,955,300	6,205,626	5,383,521	11,708,441	8,573,446	3,813,519	8,993,807	3,880,602	6,890,585
Interest on long-term debt	454,442	1,935,845	194,167	1,062,649	907,552	1,289,418	1,356,816	1,526,001	1,570,900	1,703,694
Capital grants and contributions:										
General government					18,100					
Education	777,797	2,323,891	59,559,689	36,223,067	74,399,240	37,877,509	29,876,935	60,215,806	35,750,724	26,475,637
Public facilities	4,943,033	3,494,894	4,105,414	3,279,698	1,133,287	1,756,685	3,522,581	1,205,943	1,188,554	324,725
Special services		18,732	10,437	29,502	66,670	7,799	251,000	310,000		
Total governmental activities program revenue	361,419,274	338,882,295	421,806,197	395,520,346	452,868,506	403,239,668	386,924,354	388,597,956	342,438,560	342,591,381

(Continued on next page)

TABLE 2

**CITY OF BRIDGEPORT, CONNECTICUT  
CHANGES IN NET POSITION (CONTINUED)  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Business-type activities:										
Charges for services:										
Water Pollution Control Authority	\$ 35,819,246	\$ 35,863,980	\$ 36,164,732	\$ 37,850,950	\$ 36,596,546	\$ 37,891,428	\$ 36,038,499	\$ 28,159,305	\$ 28,083,135	\$ 28,076,908
Capital grants and contributions:										
Water Pollution Control Authority	145,393	463,946	2,716,685	1,320,768	4,353,922	1,821,809	2,256,871	3,052,731	4,284,004	775,944
Total business-type activities program revenues	35,964,639	36,327,926	38,881,417	39,171,718	40,950,468	39,713,237	38,295,370	31,212,036	32,367,139	28,852,852
Total primary government program revenues	397,383,913	375,210,221	460,687,614	434,692,064	493,818,974	442,952,905	425,219,724	419,809,992	374,805,699	371,444,233
Net (expense) revenue:										
Governmental activities	(415,344,319)	(449,838,156)	(283,081,189)	(326,032,345)	(275,924,974)	(368,259,995)	(281,332,094)	(259,389,183)	(284,866,357)	(309,842,886)
Business-type activities	(4,599,194)	(3,596,367)	(805,957)	(8,650)	3,713,183	3,769,521	2,670,029	2,812,261	5,979,412	2,841,371
Total primary government net expense	(419,943,513)	(453,434,523)	(283,887,146)	(326,040,995)	(272,211,791)	(364,490,474)	(278,662,065)	(256,576,922)	(278,886,945)	(307,001,515)
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes	325,475,989	316,184,000	314,781,907	298,910,281	300,053,001	303,836,495	296,275,535	284,379,599	278,055,567	277,621,119
Grants and contributions not restricted to specific programs	27,988,915	29,271,631	29,725,039	36,455,578	25,146,880	20,206,133	22,591,287	23,820,702	21,237,067	21,546,933
Unrestricted investment earnings	3,506,496	3,822,982	1,387,642	749,011	279,984	251,486	259,308	307,620	305,947	468,605
Miscellaneous	1,285,424	9,147	236,045	1,181,517	2,270,522			23,000		
Transfers										14,211
Special item-Reduction of MERS liability for prior services			156,676,272							
Total governmental activities	358,256,824	349,287,760	502,806,905	337,296,387	327,750,387	324,294,114	319,126,130	308,530,921	299,598,581	299,650,868
Business-type activities:										
Investment earnings	12,216	17,200	18,555	14,995	9,231	6,929	7,194	7,898	12,093	22,836
Total primary government	358,269,040	349,304,960	502,825,460	337,311,382	327,759,618	324,301,043	319,133,324	308,538,819	299,610,674	299,673,704
Changes in Net Position:										
Governmental activities	(57,087,495)	(100,550,396)	219,725,716	11,264,042	51,825,413	(43,965,881)	37,794,036	49,141,738	14,732,224	(10,192,018)
Business-type activities	(4,586,978)	(3,579,167)	(787,402)	6,345	3,722,414	3,776,450	2,677,223	2,820,159	5,991,505	2,864,207
Total Primary Government	\$ (61,674,473)	\$ (104,129,563)	\$ 218,938,314	\$ 11,270,387	\$ 55,547,827	\$ (40,189,431)	\$ 40,471,259	\$ 51,961,897	\$ 20,723,729	\$ (7,327,811)

**CITY OF BRIDGEPORT, CONNECTICUT  
PROGRAM REVENUES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

Function/Program	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
General government	\$ 6,597,507	\$ 9,875,736	\$ 7,497,067	\$ 5,177,175	\$ 7,149,680	\$ 4,351,162	\$ 4,492,997	\$ 4,471,774	\$ 4,058,525	\$ 6,657,099
Public safety	5,786,790	6,606,072	6,240,508	5,756,505	7,122,338	5,647,886	6,476,364	6,141,397	6,341,236	6,748,037
Public facilities	10,901,712	11,891,086	14,125,069	8,962,766	11,380,655	18,015,108	18,616,136	7,043,171	9,476,875	7,110,221
Planning and economic development	2,804,783	9,405,852	7,038,973	12,679,682	10,653,341	14,533,071	15,528,336	15,492,807	16,423,353	9,584,269
Health and social services	2,507,332	2,967,909	2,596,063	2,741,758	2,911,831	2,968,351	6,045,804	5,905,815	6,781,609	10,165,077
Education	323,556,289	291,372,441	377,869,172	353,024,424	401,120,929	348,989,395	329,793,853	337,244,263	293,905,460	292,900,183
Special services	8,810,419	4,827,354	6,245,178	6,115,387	11,622,180	7,445,277	4,614,048	10,772,728	3,880,602	7,722,801
Interest on long-term debt	454,442	1,935,845	194,167	1,062,649	907,552	1,289,418	1,356,816	1,526,001	1,570,900	1,703,694
Total governmental activities	361,419,274	338,882,295	421,806,197	395,520,346	452,868,506	403,239,668	386,924,354	388,597,956	342,438,560	342,591,381
Business-type activities:										
Water Pollution Control Authority	35,964,639	36,327,926	38,881,417	39,171,718	40,950,468	39,713,237	38,295,370	31,212,036	32,367,139	28,852,852
Total Government	\$ 397,383,913	\$ 375,210,221	\$ 460,687,614	\$ 434,692,064	\$ 493,818,974	\$ 442,952,905	\$ 425,219,724	\$ 419,809,992	\$ 374,805,699	\$ 371,444,233

TABLE 4

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

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Nonspendable	\$		\$	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000
Assigned									3,222,700	5,222,700
Unassigned	<u>27,643,194</u>	<u>23,723,186</u>	<u>21,014,433</u>	<u>18,916,129</u>	<u>14,269,142</u>	<u>13,363,461</u>	<u>13,045,816</u>	<u>12,574,082</u>	<u>9,147,814</u>	<u>10,987,910</u>
Total General Fund	<u>\$ 27,643,194</u>	<u>\$ 23,723,186</u>	<u>\$ 21,014,433</u>	<u>\$ 19,266,129</u>	<u>\$ 14,619,142</u>	<u>\$ 13,713,461</u>	<u>\$ 13,395,816</u>	<u>\$ 12,924,082</u>	<u>\$ 12,720,514</u>	<u>\$ 16,560,610</u>
All Other Governmental Funds:										
Restricted	\$ 32,393,144	\$ 27,339,304	\$ 25,191,649	\$ 11,876,732	\$ 5,902,507	\$ 7,578,873	\$ 4,864,914	\$ 4,592,021	\$ 1,910,141	\$ 1,398,998
Committed	148,462,302	128,910,044	107,270,519	99,270,122	73,656,280	72,250,958	38,990,756	67,334,090	97,217,290	60,355,682
Unassigned				<u>(891,221)</u>	<u>(1,204,998)</u>	<u>(887,110)</u>	<u>(29,861)</u>	<u>(1,132,864)</u>	<u>(2,933,603)</u>	<u>(4,216,210)</u>
Total All Other Governmental Funds	<u>\$ 180,855,446</u>	<u>\$ 156,249,348</u>	<u>\$ 132,462,168</u>	<u>\$ 110,255,633</u>	<u>\$ 78,353,789</u>	<u>\$ 78,942,721</u>	<u>\$ 43,825,809</u>	<u>\$ 70,793,247</u>	<u>\$ 96,193,828</u>	<u>\$ 57,538,470</u>

TABLE 5

**CITY OF BRIDGEPORT, CONNECTICUT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues:</b>										
Property taxes	\$ 326,796,475	\$ 314,884,560	\$ 311,378,677	\$ 312,461,292	\$ 299,380,641	\$ 297,658,389	\$ 290,690,776	\$ 285,962,925	\$ 274,118,745	\$ 272,206,146
Intergovernmental	352,007,017	362,739,390	408,774,294	411,442,721	447,358,336	401,772,314	387,013,540	391,193,349	346,936,724	340,359,992
Fees, permits and licenses	19,925,131	24,808,516	18,136,529	19,752,714	22,139,661	19,169,677	17,937,764	15,953,121	16,664,394	15,355,420
Interest	3,506,496	3,876,090	1,387,642	749,006	279,985	251,486	259,308	307,039	305,673	467,604
Other	1,855,772	1,294,362	6,384,907	3,404,616	12,609,215	4,231,035	6,248,652	7,046,473	4,347,520	9,412,146
Total revenues	<u>704,090,891</u>	<u>707,602,918</u>	<u>746,062,049</u>	<u>747,810,349</u>	<u>781,767,838</u>	<u>723,082,901</u>	<u>702,150,040</u>	<u>700,462,907</u>	<u>642,373,056</u>	<u>637,801,308</u>
<b>Expenditures:</b>										
<b>Governmental and community services:</b>										
General government	44,948,964	43,963,252	42,668,409	41,861,010	36,079,269	35,060,037	39,060,527	39,691,634	39,935,817	38,663,676
Public safety	258,447,899	137,560,411	139,352,315	137,976,278	135,416,264	119,804,154	119,804,154	121,687,093	115,629,783	107,582,600
Public facilities	39,680,916	38,846,819	38,983,342	36,553,580	35,862,313	37,473,983	37,473,983	36,166,380	34,490,427	33,119,337
Planning and economic development	4,031,922	4,210,066	3,918,969	3,920,695	4,228,157	4,000,056	4,000,056	3,804,545	3,630,343	3,610,102
Health and social services	9,024,334	6,932,039	5,769,652	5,580,511	7,319,991	6,847,381	6,847,381	6,962,930	6,536,848	11,501,774
Libraries	7,449,678	6,971,623	6,651,889	5,614,656	7,485,850	6,576,900	6,576,900	6,166,881	6,034,045	5,392,768
Education	369,668,190	372,226,926	360,537,415	379,893,985	388,183,531	353,994,653	353,994,653	332,092,576	312,976,935	317,360,583
Special services	8,125,256	11,929,804	10,149,883	16,630,856	21,568,961	20,274,199	20,274,199	20,237,367	17,368,994	21,096,024
Debt service:										
Principal retirements	32,171,390	33,404,187	37,205,672	39,754,694	38,679,933	38,143,098	38,143,098	27,717,065	31,183,000	31,641,000
Interest and other charges	44,304,294	42,953,342	39,599,033	37,170,844	34,878,001	35,880,297	35,880,297	38,484,830	39,791,002	41,269,592
Capital outlay	38,738,804	49,910,976	97,226,365	76,499,225	95,861,461	66,802,507	66,802,507	93,042,777	74,551,555	45,222,964
Payment to MERS for prior service costs			98,582,467							
Total expenditures	<u>856,591,647</u>	<u>748,909,445</u>	<u>880,645,411</u>	<u>781,456,334</u>	<u>805,563,731</u>	<u>724,857,265</u>	<u>728,857,755</u>	<u>726,054,078</u>	<u>682,128,749</u>	<u>656,460,420</u>
Excess of revenues under expenditures	<u>(152,500,756)</u>	<u>(41,306,527)</u>	<u>(134,583,362)</u>	<u>(33,645,985)</u>	<u>(23,795,893)</u>	<u>(1,774,364)</u>	<u>(26,707,715)</u>	<u>(25,591,171)</u>	<u>(39,755,693)</u>	<u>(18,659,112)</u>
<b>Other financing sources (uses):</b>										
Transfers in	300,000	926,700	2,719,351	2,528,854	4,313,331	3,410,284	3,410,284	500,000	500,000	500,000
Transfers out	(300,000)	(926,700)	(2,719,351)	(2,528,854)	(5,813,331)	(3,410,284)	(3,410,284)	(500,000)	(500,000)	(500,000)
Bonds issued	174,975,000	60,105,000	133,480,773	60,970,000	23,195,000				67,930,000	19,440,000
Bond refunding issue	35,980,000		97,385,000		59,640,000	14,290,000	14,290,000	55,225,000		
Premium on refunding bonds issued	3,604,954									
Premium on bonds issued	5,427,403	7,697,461	13,600,652	9,224,816	12,337,545	1,150,189	1,150,189	4,874,093	6,641,055	
Payments to escrow agent	(38,960,495)		(85,928,224)		(69,559,903)	(15,228,178)	(15,228,178)	(59,704,935)		
Proceeds from notes payable										
Capital lease										
Total other financing sources	<u>181,026,862</u>	<u>67,802,461</u>	<u>158,538,201</u>	<u>70,194,816</u>	<u>24,112,642</u>	<u>212,011</u>	<u>212,011</u>	<u>394,158</u>	<u>74,571,055</u>	<u>19,440,000</u>
<b>Net Changes in Fund Balance</b>	<u>\$ 28,526,106</u>	<u>\$ 26,495,934</u>	<u>\$ 23,954,839</u>	<u>\$ 36,548,831</u>	<u>\$ 316,749</u>	<u>\$ (1,562,353)</u>	<u>\$ (26,495,704)</u>	<u>\$ (25,197,013)</u>	<u>\$ 34,815,362</u>	<u>\$ 780,888</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<u>9.4%</u>	<u>11.3%</u>	<u>9.6%</u>	<u>11.0%</u>	<u>10.5%</u>	<u>11.2%</u>	<u>11.2%</u>	<u>10.5%</u>	<u>11.7%</u>	<u>12.0%</u>

TABLE 6

**CITY OF BRIDGEPORT, CONNECTICUT  
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
(Unaudited)**

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Personal Property</u>	<u>Motor Vehicle</u>	<u>Total</u>
2009	230,926,963	24,496,725	14,343,553	269,767,241
2010	224,429,907	31,097,659	15,181,089	270,708,655
2011	235,380,246	31,814,553	14,853,112	282,047,911
2012	231,147,846	31,242,492	17,044,538	279,434,876
2013	237,452,454	28,608,729	20,026,111	286,087,294
2014	247,634,510	29,273,456	20,620,272	297,528,238
2015	249,909,726	30,117,975	21,608,636	301,636,337
2016	251,167,365	31,015,137	22,335,890	304,518,362
2017	258,466,001	44,695,896	20,667,952	323,829,849
2018	255,799,752	43,620,964	22,434,590	321,855,306
2019	257,366,589	43,934,685	26,591,985	327,893,259
2020	257,256,833	58,551,391	27,438,508	343,246,732
Change 2011-2020	<u>14.68%</u>	<u>41.28%</u>	<u>75.17%</u>	<u>21.12%</u>

TABLE 7

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

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Miscellaneous Land</b>	<b>Personal Property</b>	<b>Motor Vehicle</b>	<b>Total Taxable Assessed Value</b>	<b>Percent Growth</b>	<b>Total Direct Tax Rate</b>	<b>Actual Taxable Value</b>	<b>Value as a Percentage of Actual Value</b>
2010	4,084,631	922,699	578,540	75,833	784,502	382,974	6,829,179	0.4%	39.64	9,755,970	70.00%
2011	4,159,228	877,194	421,714	84,023	804,932	396,467	7,022,705	0.2%	39.64	10,159,571	70.00%
2012	4,089,937	1,192,378	564,301	119,384	636,574	412,029	7,014,603	0.0%	41.11	10,020,861	70.00%
2013	4,082,205	1,225,399	587,398	125,387	698,880	419,227	7,138,496	0.2%	41.86	10,197,851	70.00%
2014	4,085,344	1,197,586	552,296	124,698	714,071	430,836	7,104,831	0.0%	42.20	10,149,759	70.00%
2015	4,085,727	1,220,504	552,923	129,092	734,447	442,829	7,165,522	0.0%	42.20	10,236,460	70.00%
2016	3,105,335	1,166,716	441,566	122,995	822,259	460,091	6,118,962	(-) 14.6 %	54.37	8,741,375	70.00%
2017	3,104,031	1,180,193	357,015	121,630	802,342	486,016	6,015,227	(-) 1.1%	54.37	8,593,181	70.00%
2018	3,119,848	1,170,171	371,453	135,448	808,092	492,576	6,097,588	0.7%	54.37	8,710,840	70.00%
2019	3,121,651	1,167,939	370,642	169,603	1,070,621	508,422	6,408,878	5.1%	53.99	9,155,540	70.00%
2020	3,126,382	1,150,575	362,496	174,020	1,141,368	535,262	6,490,103	1.3%	53.99	9,271,575	70.00%

Source: City of Bridgeport Tax Assessor's Office



TABLE 8

**CITY OF BRIDGEPORT, CONNECTICUT  
PRINCIPAL PROPERTY TAXPAYERS - REAL PROPERTY  
FY 2020 and FY 2011  
(Unaudited)**

Taxpayer	FY 2020			FY 2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
PSEG Power Connecticut LLC* <sup>(1)</sup>	\$ 427,307,661	1	6.59%	\$ 52,663,326	6	5.16%
United Illuminating Co. Inc.	299,288,000	2	4.93%	132,181,954	2	12.96%
CRRA/US Bank National Association (real property Wheelabrator)	115,500,000	3	1.97%	140,046,244	1	13.73%
Bridgeport Energy LLC	91,749,954	4	1.82%	48,784,414	7	4.78%
Connecticut Light & Power	49,710,940	5	0.77%	45,923,653	8	4.50%
People's United Bank	49,443,840	6	0.76%	69,021,817	5	6.77%
Southern CT Gas Co.-Energy EA	43,507,490	7	0.67%	72,065,357	4	7.06%
Dominion Bpt Fuel Cell LLC	30,387,630	8	0.47%	n/a		
Aquarian Water Co. of CT*	22,425,580	9	0.35%	n/a		
Watermark 3030 Park LLC	21,000,000	10	0.32%	25,532,028	10	2.50%
Success Village Apts Inc.	20,907,235			26,762,580	10	2.62%
Shelbourne Lafayette (formerly BPT Lafayette 2005 LLC)	12,510,990			15,400,000	9	1.51%
AT&T Mobility	13,372,720			75,341,484	3	7.38%
Wheelabrator BPT LP (personal property)	271,900			288,528,884	1	28.28%
Cingular Wireless LLC (now declares to State - City gets PILOT from CT State)	n/a			80,663,062	2	7.91%
<b>Total</b>	<b>6,485,590,321</b>		<b>100.00%</b>	<b>\$ 1,020,251,477</b>		<b>100.00%</b>

\* Note: Name change occurred during period.

<sup>(1)</sup> Note: PSEG new power plant opened in FY2020.

Source: City of Bridgeport - Assessor's Office

TABLE 9

**CITY OF BRIDGEPORT, CONNECTICUT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30:	Grand List Year	Taxes Levied for the Tax Year	Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2011	2009	273,823,500	267,033,575	97.52%	1,969,582	269,003,157	98.23%
2012	2010	275,342,274	267,783,020	97.25%	2,463,132	270,246,152	98.15%
2013	2011	286,087,294	278,613,368	97.39%	2,826,411	281,439,779	98.38%
2014	2012	293,618,038	284,699,957	96.96%	4,559,726	289,259,683	98.52%
2015	2013	296,309,866	291,238,982	98.29%	2,686,607	293,925,589	99.20%
2016	2014	298,378,831	293,406,881	98.33%	1,810,121	295,217,001	98.94%
2017	2015	310,799,149	307,164,691	98.83%	2,827,411	309,995,102	99.74%
2018	2016	313,252,556	308,779,618	98.57%	1,493,803	310,273,421	99.05%
2019	2017	319,856,486	313,327,629	97.96%	1,335,496	314,663,125	98.38%
2020	2018	333,820,712	324,396,971	97.18%	3,082,673	327,479,644	98.10%

Source: City of Bridgeport - Tax Collector's Office

TABLE 10

**CITY OF BRIDGEPORT, CONNECTICUT**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
(In Thousands)  
(Unaudited)

Fiscal Year	Governmental Activities			Percentage of Actual Property Value	Debt Per Capita	Business-Type Activities			Total Primary Government	Percentage of Per Capita Income	Per Capita
	General Obligation Bonds	Less Amount Available in Debt Services	Net General Bonded Debt			CFW Loan Payable	General Obligation Bonds CWF	Revenue Bonds			
2010	\$ 669,140	\$	\$ 669,140	6.86%	\$ 4,796	\$ 44,509	\$ 2,255	\$	\$ 715,904	29.23%	\$ 5,131
2011	651,890		651,890	6.42%	4,520	43,621	2,152		697,663	29.66%	4,837
2012	689,265		689,265	6.80%	4,779	42,812	4,008		736,085	27.00%	5,104
2013	654,330		654,330	6.38%	4,493	44,866	3,874		703,070	24.00%	4,828
2014	636,625		636,625	6.08%	4,315	40,025	3,679		680,329	23.12%	4,618
2015	673,343		673,343	6.34%	4,399	38,276	3,595		715,214	23.26%	4,683
2016	662,157		662,157	7.57%	3,153	37,347	3,268		702,772	23.20%	4,873
2017	648,586		648,586	7.42%	3,143	34,332	3,854		686,772	22.19%	4,661
2018	763,761		763,761	8.77%	5,304	30,271	4,434		798,466	24.31%	5,537
2019	791,386		791,386	8.64%	5,274	27,907	6,358		825,651	23.15%	5,452
2020	933,930		933,930	10.20%	6,373	24,076	7,300		965,306	27.30%	6,605

Source: City of Bridgeport Finance Dept.

TABLE 11

**CITY OF BRIDGEPORT, CONNECTICUT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING BY TYPE  
LAST TEN FISCAL YEARS  
(In Thousands)  
(Unaudited)**

Fiscal Year	Governmental Activities		Percentage of Actual Property Value	Debt Per Capita	Business-Type Activities		Total Primary Government	Percentage of Per Capita Income	Per Capita
	General Obligation Bonds	Net General Bonded Debt			General Obligation Bonds CWF				
2010	\$ 669,140	\$ 669,140	6.86%	\$ 4,796	\$ 2,255	\$ 671,395	23.70%	\$ 5,131	
2011	651,890	651,890	6.42%	4,520	2,152	654,042	24.22%	4,837	
2012	689,265	689,265	6.80%	4,779	4,008	693,273	25.68%	5,104	
2013	654,330	654,330	6.38%	4,493	3,874	658,204	24.38%	4,828	
2014	636,625	636,625	6.08%	4,315	3,806	640,431	21.86%	4,618	
2015	673,343	673,343	6.34%	4,399	3,595	676,938	21.97%	4,423	
2016	662,157	662,157	10.3%	4,440	3,268	665,425	21.97%	4,400	
2017	648,586	648,586	7.8%	4,370	3,854	652,440	21.90%	4,370	
2018	763,761	763,761	8.8%	5,304	4,434	768,195	24.31%	5,327	
2019	791,386	791,386	8.6%	5,274	6,359	797,745	23.15%	5,327	
2020	933,930	933,930	10.2%	6,373	7,300	941,230	27.30%	6,423	

Source: City of Bridgeport Finance Dept.

TABLE 12

**CITY OF BRIDGEPORT, CONNECTICUT  
DIRECT GOVERNMENTAL ACTIVITIES DEBT  
FOR THE YEAR ENDED JUNE 30, 2020  
(Unaudited)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>
General obligation debt	\$ 965,305,940
Less school construction grants receivable - principal portion only	<u>(21,000,000)</u>
Total Direct Debt	<u>\$ 944,305,940</u>

Source: City records.

Note 1: The City is not subject to the debt of overlapping governments.

Note 2: School construction grants are receivable in substantially equal installments over the life of outstanding school bonds, obtained from the Office of Policy and Management, State of Connecticut.

Source: City of Bridgeport Finance Dept.

TABLE 13

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit	\$ 1,909,787	\$ 1,918,226	\$ 1,975,977	\$ 2,050,851	\$ 2,084,816	\$ 2,091,301	\$ 2,194,321	\$ 2,155,550	\$ 2,193,974	\$ 2,228,357
Total net debt applicable to limit	<u>717,376</u>	<u>755,691</u>	<u>870,367</u>	<u>689,996</u>	<u>761,541</u>	<u>934,134</u>	<u>818,169</u>	<u>913,150</u>	<u>1,127,323</u>	<u>1,116,310</u>
Legal debt margin	<u>\$ 1,192,411</u>	<u>\$ 1,162,535</u>	<u>\$ 1,105,610</u>	<u>\$ 1,360,855</u>	<u>\$ 1,323,275</u>	<u>\$ 1,157,167</u>	<u>\$ 1,376,152</u>	<u>\$ 1,242,400</u>	<u>\$ 1,066,651</u>	<u>\$ 1,112,047</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>37.56%</u>	<u>39.40%</u>	<u>44.05%</u>	<u>33.64%</u>	<u>36.53%</u>	<u>44.67%</u>	<u>37.29%</u>	<u>42.36%</u>	<u>51.38%</u>	<u>50.10%</u>

TABLE 14

**CITY OF BRIDGEPORT, CONNECTICUT  
COMPUTATION OF LEGAL DEBT LIMITATION  
JUNE 30, 2020**

Total tax collections (including interest and lien fees) for the year ended June 30, 2019					\$	317,473,190
Reimbursement for revenue loss:						
Tax relief for the elderly						<u>863,544</u>
Base					\$	<u>318,336,734</u>
Debt Limit					\$	<u>2,228,357,138</u>
						<b>Unfunded Past Benefit Obligation</b>
	<b>General Purpose</b>	<b>Schools</b>	<b>Sewer</b>	<b>Urban Renewal</b>		
Debt Limitation						
2-1/4 times base	\$ 716,257,652	\$	\$	\$	\$	
4-1/2 times base		1,432,515,303				
3-3/4 times base			1,193,762,753			
3-1/4 times base				1,034,594,386		
3 times base						955,010,202
Total debt limitation	<u>716,257,652</u>	<u>1,432,515,303</u>	<u>1,193,762,753</u>	<u>1,034,594,386</u>		<u>955,010,202</u>
Debt as Defined by Statute:						
Bonds and Notes Payable	342,715,931	135,274,690	57,560,319	430,000		429,325,000
Bond Anticipation Notes			2,108,471			
Grant Anticipation Notes		21,000,000				
Bonds authorized but unissued <sup>1</sup>	29,050,000		119,845,544			
Less: school construction grant rec. <sup>2</sup>		<u>(21,000,000)</u>				
Total indebtedness	<u>371,765,931</u>	<u>135,274,690</u>	<u>179,514,334</u>	<u>430,000</u>		<u>429,325,000</u>
Debt Limitation in Excess of Indebtedness	<u>\$ 344,491,721</u>	<u>\$ 1,297,240,613</u>	<u>\$ 1,014,248,419</u>	<u>\$ 1,034,164,386</u>	<u>\$</u>	<u>525,685,202</u>

1 Includes all bonds currently authorized.

2 School construction grants are now receivable in full as soon as State grant audits are completed and obtained from the Grants Management Office, State of Connecticut.

TABLE 15

**CITY OF BRIDGEPORT, CONNECTICUT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2010	139,529	54,313	20,302	31.4	20,407	12.9%
2011	144,229	48,088	18,721	32.1	19,993	13.98%
2012	144,229	48,088	18,721	32.1	20,338	12.57%
2013	144,229	48,088	18,721	32.1	20,320	12.37%
2014	144,229	48,088	19,854	32.1	21,180	10.1%
2015	144,229	48,088	20,132	32.1	20,918	8.5%
2016	144,229	48,088	21,002	32.1	21,127	8.4%
2017	144,229	48,088	21,002	32.1	21,076	7.4%
2018	144,229	48,088	21,816	32.1	21,004	6.3%
2019	144,229	48,088	22,785	32.1	20,486	5.59%



TABLE 16

**CITY OF BRIDGEPORT, CONNECTICUT  
PRINCIPAL EMPLOYERS  
2019 AND 2009  
(Unaudited)**

Employer	2020		2009	
	Employees	Rank	Employees*	Rank
Bridgeport Hospital, Inc.	2386 FT (2,027 FT, 356 Per Diem, & 3 Temp.)	1	2,700*	1
St. Vincent's Medical Center	2,325 (1,889 FT & 436 PT)****	2	2,200*	3
People's United Bank	1,338 (1,288 FT / 50 PT)***	3	2,400*	2
Sikorsky Aircraft	358	4	600*	5
Lacey Manufacturing Company	342 FT	5	350*	8
University of Bridgeport	340 FT	6	537**	6
Bridgeport Health Care Center	297****	7	1,100*	4
Prime Line Resources	220 (216 FT Reg. / 4 FT Temp.)	8	406*	7
Housatonic Community College	209 (195 Perm. FT / 14 Temp. FT)****	9	184*	10
Watermark	227 (109 FT / 56 On-Call / 62 PT)	10	300**	9

\*=2007 Data

\*\*=2008 Data

\*\*\*=2017 Data

\*\*\*\*=2019

**Note:** Rankings are based on Full Time Employees Only

**Sources:** City of Bridgeport - Finance Dept.

TABLE 17

**CITY OF BRIDGEPORT, CONNECTICUT**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Function/Program	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government:										
Office of the Mayor	7.5	7.5	7.5	7.5	9	9	9	9	8	8
Central Grants Office	4	6	5	6	8	5	5	5	6	6
Comptroller's Office	12	11	11	11	11	11	11	11	14.5	14.5
Finance Department	5	5	5	6	6	4.5	4	4	4	4
In-Plant Printing	5.5	5.5	5.5	6	6.5	6.5	6.5	7.5	7.5	7.5
Purchasing	5	6	6	6	6	6	6	5	6	6
Tax Collector	13	13	12	13	14	14	14	16	18	18
Tax Assessor	10	9.5	10	11	11	11	11	11	13	13
Treasurer's Office	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3.5	2	2
Registrar of Voters / Elections	6	7	7	5	5	5	5	5	5	5
City Clerk	5	5	6	6	6	6	5	6	5	6
City Attorney	19	19.5	20	22	21	20	20	18	21	21
Archives and Records	0	0	0	0	0.5	0.5	0.5	0.5	0.5	0.5
Civil Service	6	6	6	6	6	7	7	7	9	9
Grants Personnel / Benefits Administration	11	11	11	11	12	13.5	14	14	11	11
Labor Relations	5	5	5	6	6	6	6	6	6	6
Town Clerk	8	8	8	8	7	7	7	7	7	7
Legislative Department										
Office of Policy and Management	6	6	6	6	6.5	6.5	6.5	6.5	6.5	6.5
Chief Administrative Office / Citistat	7	10	8.5	10	8	8	8	8	7	7
Information Technology Services	14	14	13	14	14	15	15	15	16	15
Minority Business Resource Ctr	3	4	4	0	3	3	3	3	2	2
MIRA_Re-Entry Program	2	0	0	0	0	0	0	0	0	0
Public Safety:										
Police Department / Animal Shelter	484	485	486.5	488	492	491	471	471	479	473
Fire Department	318	314	313	305	296	296	277	281	295	299
Weights and Measures*	0	2	2	2	2	2	2	2	2	2
Emergency Operations Center	57	57	56	55	57	57	57	57	59	60
Public Facilities:										
Public Facilities Administration	21	21.5	19.5	14	18	17.5	16	16	15.5	15.5
Municipal Garage	12	10	10	10	10	10	10	10	10	10
Facilities Maintenance	32	32	32	32	32	33	33	31	31	31
Roadway Maintenance	47.5	49.5	49.5	37.5	37	37	37	44	45	45
Sanitation / Recycling	31	31	29	29	29	29	29	29	34	34
Transfer Station	5	5	5	1	1	1	1	1	1	1
Parks and Recreation:										
Recreation	4	4	4	3	3	3	3	3	3	3
Department on Aging**	0	10.5	10.5	8.5	7	7	7	7	6	6
Parks & Rec Administration	2	3	3	3	5	5	5	4	4	4
Parks Maintenance	15	14	14	14	14	14	14	15	16	17
Beardsley Zoological Gardens	12	12	12	12	12	12	12	12	13	13
Fairchild Wheeler G.C.	3	3	3	2	2	2	2	2	3	3

TABLE 17

CITY OF BRIDGEPORT, CONNECTICUT  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM (CONTINUED)  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Function/Program	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Transportation:										
Sikorsky Airport	12	12	11	12	13	13	13	13	14	14
City Engineer	10	9	9	7	6	5.25	6	5	6	6
Harbor Master	1	1	1	1	-	-	-	1	1	1
Planning & Development:										
Planning & Economic Development	17.5	14	14	15	21.5	20.5	20.5	20.5	19.5	18.5
Building Department	14	14	14	14	13	12.25	12	11	13	13
Zoning Board of Appeals	1	1	1	1	1	1	1	1	1	1
Zoning Commission	7	7	7	6	6	6	6	6	6	5
Health & Social Services:										
Health Administrative	4	3	4	5	6	4.5	3	2	2	2
Dental Hygiene	-	-	-	-	-	-	-	-	-	-
Vital Statistics	5	5	5	5	4.5	4.5	5	5	5	5
Communicable Diseases	4	3	3	4	5	5	5.2	5.2	5	5
Environmental Health	8.5	8.5	8.5	8	8	8	8	8	8	7
Housing Code	15	8	7	10	6	6	6	6	5	5
Lead Program	-	1	1	2.5	2	2	2	2	-	-
Public Health Nursing	-	-	-	-	-	-	-	-	-	-
Clinics	1	-	-	-	2	-	-	-	-	-
School Based Health Centers	-	-	-	-	-	-	-	-	-	-
Social Services	2.5	2.5	1.5	2	2	1.25	1.8	1.8	1	2
Weights & Measures*	2	-	-	-	-	-	-	-	-	-
Department on Aging**	9.5	-	-	-	-	-	-	-	-	-
Human Services:										
Human Services Administration	1.5	1.5	2.5	2.5	2	2	2	2	2	2
Persons with Disabilities	0.5	0.5	1	2	1	1	1	1	0.5	-
Veterans Affairs	2.5	2.5	2	2	2	2	2	2	2	1
Lighthouse / Youth Services	4	4	4	4	6	6	6	6	4	4
Parent Aide Program	-	-	-	-	-	-	-	-	-	-
Libraries	52	66.5	56	57	53	53	54	53	53	52
Total	<u>1374.5</u>	<u>1379</u>	<u>1,360.5</u>	<u>1,339</u>	<u>1,341</u>	<u>1,346</u>	<u>1,297</u>	<u>1,305</u>	<u>1,342</u>	<u>1,336</u>

\*/\*\* - Headcount transferred to Health & Social Services.

TABLE 18

**CITY OF BRIDGEPORT, CONNECTICUT  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Unaudited)**

Function/Program	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Police:</b>										
Calls for service	109,919	114,115	114,780	112,740	111,331	122,713	102,659	104,266	118,085	109,073
Adult arrest	4,237	4,230	6,422	3,771	3,047	2,964	3,369	4,574	6135	4597
Juvenile arrest	553	574	800	590	413	432	400	362	301	363
<b>Fire:</b>										
Total fire runs	10,180	12,648	9,394	9,262	10,130	5,781	3,981	1,026	489	529
Total rescue runs	3,166	4,838	8,810	5,660	8,650	4,167	7,602	11,678	12940	9878
Property loss	3,415,473	7,418,300	3,649,017	3,541,176	3,171,020	2,537,913	2,025,200	3,257,920	7,534,309	3,890,940
<b>Building safety:</b>										
Total building permits	2,425	N/A	3,127	2,939	3,199	3,461	3,520	3,263	4,233	2,919
Total value all permits	\$ 48,862,471.60	N/A	\$ 91,501,839.00	\$ 172,883,186.00	\$ 252,650,376.00	\$ 316,366,980.00	\$174,003,971.00	\$244,983,475.71	\$75,079,286.64	\$80,805,173.89
<b>Library, volumes in collection</b>	537,580	533,600	538,600	573,455	573,705	525,372	571,143	581,996	476,734	473,405
<b>Public service:</b>										
Garbage collected (ton)	60,436	58,736	55,698	55,538	55,224	57,218	55,088	53,660	54,730	54,544
Recycle collected (ton)	3,217	4,762	5,339	5,421	5,649	6,043	6,343	6,178	6,196	6,536
<b>Parks and recreation:</b>										
Recreation program attendance	1,950	2,000	2,000	1750	1750	1,750	1,675	1,700	1650	1500
Aquatics program attendance	700	700	750	750	750	750	700	700	700	500
Golf rounds played	54,776	59,286	50,703	52,884	53,284	59,154	51,684	49,247	43,698	45,108
Street trees maintained	1,800	1,800	1,700	1962	1990	1,900	1,962	1,850	1,900	2000

Source: City Records

Note: n/a - Indicator not available

\*\*\* - Construction limited rounds available to be played.

TABLE 19

**CITY OF BRIDGEPORT, CONNECTICUT  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Unaudited)**

Function/Program	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Police:</b>										
Stations	1	1	1	1	1	1	9	9	1	1
Police Officer Sector Terminals (POST)	4	3	3	3	4	4	4	5	4	4
Number of personnel and officers	469	456	473	454	429	349	388	394	392	436
Number of Divisions	11	11	11	11	11	11	11	11	11	11
<b>Fire:</b>										
Stations	8	8	8	8	8	8	8	8	8	8
Number of personnel and officers	366	296	283	282	284	272	291	296	299	293
Equipment (pieces)	28	28	30	30	30	30	31	31	31	32
<b>Refuse collection:</b>										
Collection Trucks	15	15	18	18	18	18	18	18	18	18
<b>Public facilities:</b>										
Streets (Miles)	829	829	829	829	829	829	829	829	829	829
Traffic Signals	1,750	1,750	1,750	1750	1800	1800	1840	1840	1965	2015
<b>Parks and recreation:</b>										
Playgrounds	19	21	21	19	24	24	24	22	22	22
Parks	45	46	46	46	47	47	47	47	47	47
Park Acreage	1,330	1,330	1,330	1330	1351.45	1351.45	1351.45	1351.45	1351.45	1351.45
Golf Courses	2	2	2	2	2	2	2	2	2	2
Swimming Pools	3	3	2	2	2	2	2	2	2	2
Tennis Courts	25	25	25	24	24	25	25	23	23	23
Museums	2	2	2	2	2	2	2	2	2	2
Zoo	1	1	1	1	1	1	1	1	1	1
Baseball/softball diamonds	31	30	30	25	25	27	27	25	25	27
Ice Skating Rinks	1	1	1	1	1	2	2	2	2	2
Soccer/Football Fields	21	26	28	17	17	20	20	17	17	19
<b>Library:</b>										
Facilities	5	5	5	5	5	5	5	5	5	5
Volumes	537,580	533,600	538,600	573,455	573,705	525,372	571,143	581,996	476,734	473,405
<b>Water:</b>										
Average Daily Consumption (MGPD)	12,318	11,716	11,447	11,457	11,572	11,428	11,401	11,053	11,238	11,027
<b>Wastewater:</b>										
Sanitary Sewers (miles)	160	170	170	170	170	170	170	170	170	170
Storm Sewers (miles)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Combination Sanitary and Storm (miles)	123	113	113	113	113	113	113	113	113	113
Number of sewer wells	55,050	55,050	55,050	55,050	55,050	55,050	55,050	55,050	55,050	55,050
Number of Treatment Plants	2	2	2	2	2	2	2	2	2	2

Source: City Records

Note: n/a - Indicator not available

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**APPENDIX C – FORMS OF LEGAL OPINIONS**

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**FORM OF LEGAL OPINION  
CITY OF BRIDGEPORT GENERAL OBLIGATION BONDS  
(TAX-EXEMPT), 2021 SERIES A**

August 10, 2021

City of Bridgeport  
999 Broad Street  
Bridgeport, Connecticut 06604

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Bridgeport, Connecticut (the “City”) in connection with the issuance of the City's \$28,130,000 General Obligation Bonds (Tax-Exempt), 2021 Series A (the “2021 Series A Bonds”), dated August 10, 2021.

The 2021 Series A Bonds are issued in the form of registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof. The 2021 Series A Bonds are originally registered in the name of Cede & Co., as nominee of the Depository Trust Company, for the purpose of affecting a book-entry system for ownership and transfer of the 2021 Series A Bonds.

The 2021 Series A Bonds are issued pursuant to Chapter 109 of the Connecticut General Statutes and various resolutions adopted by the Bridgeport City Council (the “Proceeding”). The 2021 Series A Bonds are subject to an Indenture of Trust dated as of May 1, 1996, by and between the City and Fleet National Bank, as amended and supplemented by a First Supplemental Indenture of Trust dated as of March 1, 1997, by and between the City and Fleet National Bank, as amended and supplemented by a Second Supplemental Indenture of Trust dated as of January 15, 2000, by and between the City and State Street Bank and Trust Company, successor to Fleet National Bank, as amended and supplemented by a Third Supplemental Indenture of Trust dated as of August 15, 2000, by and between the City and State Street Bank and Trust Company, as amended and supplemented by a Fourth Supplemental Indenture of Trust dated as of July 1, 2001, by and between the City and State Street Bank and Trust Company, as amended and supplemented by a Fifth Supplemental Indenture of Trust dated as of June 15, 2002, by and between the City and State Street Bank and Trust Company, as amended and supplemented by a Sixth Supplemental Indenture of Trust dated as of November 1, 2003, by and between the City and U.S. Bank National Association, as successor to State Street Bank and Trust Company, as amended and supplemented by a Seventh Supplemental Indenture of Trust dated as of August 12, 2004, by and between the City and U.S. Bank National Association, as amended and supplemented by an Eighth Supplemental Indenture of Trust dated as of April 15, 2006, by and between the City and U.S. Bank National Association, as amended and supplemented by a Ninth Supplemental Indenture of Trust dated as of June 1, 2006, by and between the City and U.S. Bank National Association, as amended and supplemented by a Tenth Supplemental Indenture of Trust dated as of June 1, 2007, by and between the City and U.S. Bank National Association, as amended and supplemented by an Eleventh Supplemental Indenture of Trust dated as of December 1, 2009, by and between the City and U.S. Bank National Association, as amended and supplemented by a Twelfth Supplemental Indenture of Trust dated as of July 1, 2010, by and between the City and U.S. Bank National Association, as amended and supplemented by a Thirteenth Supplemental Indenture of Trust dated as of June 1, 2012 by and between the City and U.S. Bank National Association, as amended and supplemented by a Fourteenth Supplemental Indenture of Trust dated as of July 1, 2012 by and between the City and U.S. Bank National Association, as amended and supplemented by a Fifteenth Supplemental Indenture of Trust dated as of July 1, 2013 by and between the City and U.S. Bank National Association, as

amended and supplemented by a Sixteenth Supplemental Indenture of Trust dated as of August 1, 2014 by and between the City and U.S. Bank National Association, as amended and supplemented by a Seventeenth Supplemental Indenture of Trust dated as of November 1, 2014 by and between the City and U.S. Bank National Association, as amended and supplemented by an Eighteenth Supplemental Indenture of Trust dated as of February 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Nineteenth Supplemental Indenture of Trust dated as of March 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twentieth Supplemental Indenture of Trust dated as of May 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-First Supplemental Indenture of Trust dated as of November 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Second Supplemental Indenture of Trust dated as of November 1, 2017 by and between the City and U.S. Bank National Association, as amended and supplemented by the Twenty-Third Supplemental Indenture of Trust dated as of January 1, 2018, by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Fourth Supplemental Indenture of Trust dated as of June 1, 2018, by and between the City and U.S. Bank National Association, amended and supplemented by a Twenty-Fifth Supplemental Indenture of Trust dated as of July 1, 2018 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Sixth Supplemental Indenture of Trust dated as of February 1, 2019, by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Seventh Supplemental Indenture of Trust dated as of October 1, 2019, by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Eighth Supplemental Indenture of Trust dated as of June 1, 2020, by and between the City and U.S. Bank National Association, and as amended and supplemented by a Twenty-Ninth Supplemental Indenture of Trust dated as of August 1, 2021m by and between the City and U.S. Bank National Association, the current trustee (the "Trustee"). Such indenture, as supplemented hereinafter, is referred to as the "Indenture".

The Indenture is authorized by Chapter 117 (the "Act") of the Connecticut General Statutes. The Act permits a Connecticut municipality, at its option, to support its general obligations by the tax intercept procedure provided for in the Act. Through the Indenture, the City has availed itself of this option afforded by the Act. Under the Indenture, the Tax Collector of the City will deposit with the Trustee certain property taxes to fund the Debt Service Account. The funds in the Debt Service Account will be used to pay all amounts due on the 2021 Series A Bonds or any other bonds and notes issued pursuant to the Indenture from time to time and certain other general obligations of the City (collectively, the "Supported General Obligations"). Earnings on the investments of the Debt Service Account are to be remitted to the City periodically for its general operating purposes. Any capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture.

The City has covenanted in the Indenture that it will establish and maintain the Debt Service Account, make payments to the Trustee as required to provide sufficient funds in the Debt Service Account to meet required debt service payments on all Supported General Obligations, and duly and punctually pay all such debt service. Pursuant to the Indenture, the Trustee shall hold monies in the Debt Service Account in trust for the benefit of the holders of all Supported General Obligations and is directed to pay required debt service payments out of the Debt Service Account on all Supported General Obligations as and when the same become due on a pro-rata basis and without regard to the different nature of any such Supported General Obligations.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met upon and subsequent to the issuance and delivery of the 2021 Series A Bonds in order that interest on the 2021 Series A Bonds is excludable from gross income under Section 103 of the Code. In the Tax Compliance Agreement of even date herewith (the "Tax Compliance Agreement"), the City has made covenants and representations designed to assure compliance with such requirements of the Code. The City has covenanted in the Tax Compliance Agreement that it will at all times comply with all

requirements of the Code that must be satisfied subsequent to the issuance of the 2021 Series A Bonds to ensure that interest on the 2021 Series A Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2021 Series A Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the 2021 Series A Bonds.

In connection herewith, we have examined the applicable law and such other materials as we have deemed necessary in order to render this opinion and have relied upon originals or copies, certified or otherwise, identified to our satisfaction, of such public records, certificates and correspondence of public officials, including certificates of officials of the City, and such other documents as were provided to us. In making such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to original documents of documents submitted as certified or photostatic copies, and the capacity of all persons executing documents. As to questions of fact material to our opinion, we have relied upon representations of the City contained in the certified Proceedings of the City, including the Continuing Disclosure Agreement (the "Disclosure Agreement") and the Tax Compliance Agreement, and other certifications received from the City, all dated of even date herewith, in connection with the issuance and delivery of the 2021 Series A Bonds, without undertaking to verify the same by independent investigation. After reasonable diligence, no facts have come to our attention which would lead us to believe that the certificates, documents, correspondence or public records, as supplied to us by the City, contain an untrue statement of a material fact.

Further, in rendering the below opinions regarding the federal tax treatment of interest on the 2021 Series A Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Compliance Agreement, and (ii) continuing compliance by the City with the covenants set forth in that agreement as to such matters.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement dated July 20, 2021 or other offering material relating to the 2021 Series A Bonds except to the extent stated in the Official Statement and we express no opinion relating thereto excepting only the matters set forth as our opinion in the Official Statement.

Based upon the foregoing, we are of the opinion:

1. That the Indenture has been duly authorized, executed and delivered by the City and constitutes the valid and binding agreement of the City enforceable upon the City in accordance with its terms, and establishes a valid property tax intercept procedure and debt service payment fund in accordance with Chapter 117 of the Connecticut General Statutes, as amended.

2. That the Twenty-Ninth Supplemental Indenture of Trust, dated as of August 1, 2021, authorizing the issuance of the 2021 Series A Bonds has been duly authorized, executed and delivered by the City and all applicable conditions in the Indenture for the Trustee's execution and delivery of the Twenty-Ninth Supplemental Indenture of Trust have been satisfied.

3. That the 2021 Series A Bonds have been duly authorized and issued under the Charter of the City, the laws of the State of Connecticut and the Proceedings duly had and taken in conformity therewith.

4. That the 2021 Series A Bonds, when executed by the City and authenticated and delivered by the Trustee and when issued by the City, will be valid and legally binding general obligations of the City (i) entitled to the benefits of and secured by the Indenture equally and ratably with all other outstanding bonds issued pursuant to the Indenture, and (ii) payable as to both principal and interest from ad valorem

taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes.

5. That the Tax Compliance Agreement and the Disclosure Agreement are valid, binding and enforceable agreements of the City.

6. That under existing law, interest on the 2021 Series A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax. We express no opinion regarding other federal income tax consequences caused by the ownership or disposition of, or receipt of interest on the 2021 Series A Bonds.

7. That, under existing statutes, interest on the 2021 Series A Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other State income tax consequences caused by the ownership or disposition of, or receipt of interest on the 2021 Series A Bonds.

It is to be understood that the rights of the holders of the 2021 Series A Bonds and the enforceability of the 2021 Series A Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Except as stated in paragraphs 6 and 7 above, we express no opinion as to any other federal, state or local tax consequences arising with respect to the 2021 Series A Bonds or the ownership or disposition thereof. The foregoing is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the 2021 Series A Bonds may affect the tax status of interest on the 2021 Series A Bonds.

Respectfully,

PULLMAN & COMLEY, LLC

**FORM OF LEGAL OPINION  
CITY OF BRIDGEPORT GENERAL OBLIGATION REFUNDING BONDS  
(FEDERALLY TAXABLE), 2021 SERIES B**

August 10, 2021

City of Bridgeport  
999 Broad Street  
Bridgeport, Connecticut 06604

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Bridgeport, Connecticut (the “City”) in connection with the issuance of the City's \$18,250,000 General Obligation Refunding Bonds (Federally Taxable), 2021 Series B (the “2021 Series B Bonds”), dated August 10, 2021.

The 2021 Series B Bonds are issued in the form of registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof. The 2021 Series B Bonds are originally registered in the name of Cede & Co., as nominee of the Depository Trust Company, for the purpose of affecting a book-entry system for ownership and transfer of the 2021 Series B Bonds.

The 2021 Series B Bonds are issued pursuant to a resolution adopted by the Bridgeport City Council (the “Proceedings”). The 2021 Series B Bonds are subject to an Indenture of Trust dated as of May 1, 1996, by and between the City and Fleet National Bank, as amended and supplemented by a First Supplemental Indenture of Trust dated as of March 1, 1997, by and between the City and Fleet National Bank, as amended and supplemented by a Second Supplemental Indenture of Trust dated as of January 15, 2000, by and between the City and State Street Bank and Trust Company, successor to Fleet National Bank, as amended and supplemented by a Third Supplemental Indenture of Trust dated as of August 15, 2000, by and between the City and State Street Bank and Trust Company, as amended and supplemented by a Fourth Supplemental Indenture of Trust dated as of July 1, 2001, by and between the City and State Street Bank and Trust Company, as amended and supplemented by a Fifth Supplemental Indenture of Trust dated as of June 15, 2002, by and between the City and State Street Bank and Trust Company, as amended and supplemented by a Sixth Supplemental Indenture of Trust dated as of November 1, 2003, by and between the City and U.S. Bank National Association, as successor to State Street Bank and Trust Company, as amended and supplemented by a Seventh Supplemental Indenture of Trust dated as of August 12, 2004, by and between the City and U.S. Bank National Association, as amended and supplemented by an Eighth Supplemental Indenture of Trust dated as of April 15, 2006, by and between the City and U.S. Bank National Association, as amended and supplemented by a Ninth Supplemental Indenture of Trust dated as of June 1, 2006, by and between the City and U.S. Bank National Association, as amended and supplemented by a Tenth Supplemental Indenture of Trust dated as of June 1, 2007, by and between the City and U.S. Bank National Association, as amended and supplemented by an Eleventh Supplemental Indenture of Trust dated as of December 1, 2009, by and between the City and U.S. Bank National Association, as amended and supplemented by a Twelfth Supplemental Indenture of Trust dated as of July 1, 2010, by and between the City and U.S. Bank National Association, as amended and supplemented by a Thirteenth Supplemental Indenture of Trust dated as of June 1, 2012 by and between the City and U.S. Bank National Association, as amended and supplemented by a Fourteenth Supplemental Indenture of Trust dated as of July 1, 2012 by and between the City and U.S. Bank National Association, as amended and supplemented by a Fifteenth Supplemental Indenture of Trust dated as of July 1, 2013 by and between the City and U.S. Bank National Association, as amended and supplemented by a Sixteenth Supplemental Indenture of Trust

dated as of August 1, 2014 by and between the City and U.S. Bank National Association, as amended and supplemented by a Seventeenth Supplemental Indenture of Trust dated as of November 1, 2014 by and between the City and U.S. Bank National Association, as amended and supplemented by an Eighteenth Supplemental Indenture of Trust dated as of February 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Nineteenth Supplemental Indenture of Trust dated as of March 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twentieth Supplemental Indenture of Trust dated as of May 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-First Supplemental Indenture of Trust dated as of November 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Second Supplemental Indenture of Trust dated as of November 1, 2017 by and between the City and U.S. Bank National Association, as amended and supplemented by the Twenty-Third Supplemental Indenture of Trust dated as of January 1, 2018, by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Fourth Supplemental Indenture of Trust dated as of June 1, 2018, by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Fifth Supplemental Indenture of Trust dated as of July 1, 2018 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Sixth Supplemental Indenture of Trust dated as of February 1, 2019, by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Seventh Supplemental Indenture of Trust dated as of October 1, 2019 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Eighth Supplemental Indenture of Trust dated as of June 1, 2020, by and between the City and U.S. Bank National Association, and as further amended and supplemented by a Twenty-Ninth Supplemental Indenture of Trust dated as of August 1, 2021, by and between the City and U.S. Bank National Association, the current trustee (the "Trustee"). Such indenture, as supplemented hereinafter, is referred to as the "Indenture".

The Indenture is authorized by Chapter 117 (the "Act") of the Connecticut General Statutes. The Act permits a Connecticut municipality, at its option, to support its general obligations by the tax intercept procedure provided for in the Act. Through the Indenture, the City has availed itself of this option afforded by the Act. Under the Indenture, the Tax Collector of the City will deposit with the Trustee certain property taxes to fund the Debt Service Account. The funds in the Debt Service Account will be used to pay all amounts due on the 2021 Series B Bonds or any other bonds and notes issued pursuant to the Indenture from time to time and certain other general obligations of the City (collectively, the "Supported General Obligations"). Earnings on the investments of the Debt Service Account are to be remitted to the City periodically for its general operating purposes. Any capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture.

The City has covenanted in the Indenture that it will establish and maintain the Debt Service Account, make payments to the Trustee as required to provide sufficient funds in the Debt Service Account to meet required debt service payments on all Supported General Obligations, and duly and punctually pay all such debt service. Pursuant to the Indenture, the Trustee shall hold monies in the Debt Service Account in trust for the benefit of the holders of all Supported General Obligations and is directed to pay required debt service payments out of the Debt Service Account on all Supported General Obligations as and when the same become due on a pro-rata basis and without regard to the different nature of any such Supported General Obligations.

In connection herewith, we have examined the applicable law and such other materials as we have deemed necessary in order to render this opinion and have relied upon originals or copies, certified or otherwise, identified to our satisfaction, of such public records, certificates and correspondence of public officials, including certificates of officials of the City, and such other documents as were provided to us. In making such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to original documents of documents submitted as certified or photostatic copies, and the capacity of all persons executing documents. As to questions of

fact material to our opinion, we have relied upon representations of the City contained in the certified Proceedings of the City, including the Continuing Disclosure Agreement (the “Disclosure Agreement”) and other certifications received from the City, all dated of even date herewith, in connection with the issuance and delivery of the 2021 Series B Bonds, without undertaking to verify the same by independent investigation. After reasonable diligence, no facts have come to our attention which would lead us to believe that the certificates, documents, correspondence or public records, as supplied to us by the City, contain an untrue statement of a material fact.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement dated July 20, 2021, or other offering material relating to the 2021 Series B Bonds except to the extent stated in the Official Statement and we express no opinion relating thereto excepting only the matters set forth as our opinion in the Official Statement.

Based upon the foregoing, we are of the opinion:

1. That the Indenture has been duly authorized, executed and delivered by the City and constitutes the valid and binding agreement of the City enforceable upon the City in accordance with its terms, and establishes a valid property tax intercept procedure and debt service payment fund in accordance with Chapter 117 of the Connecticut General Statutes, as amended.

2. That the Twenty-Ninth Supplemental Indenture of Trust, dated as of August 1, 2021, authorizing the issuance of the 2021 Series B Bonds has been duly authorized, executed and delivered by the City and all applicable conditions in the Indenture for the Trustee’s execution and delivery of the Twenty-Ninth Supplemental Indenture of Trust have been satisfied.

3. That the 2021 Series B Bonds have been duly authorized and issued under the Charter of the City, the laws of the State of Connecticut and the Proceedings duly had and taken in conformity therewith.

4. That the 2021 Series B Bonds, when executed by the City and authenticated and delivered by the Trustee and when issued by the City, will be valid and legally binding general obligations of the City (i) entitled to the benefits of and secured by the Indenture equally and ratably with all other outstanding bonds issued pursuant to the Indenture, and (ii) payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes.

5. That the Disclosure Agreement is a valid, binding and enforceable agreement of the City.

6. That under existing law, interest on the 2021 Series B Bonds is included in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended. We express no opinion regarding other federal income tax consequences caused by the ownership or disposition of, or receipt of interest on the 2021 Series B Bonds.

7. That, under existing statutes, interest on the 2021 Series B Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other State income tax consequences caused by the ownership or disposition of, or receipt of interest on the 2021 Series B Bonds.

It is to be understood that the rights of the holders of the 2021 Series B Bonds and the enforceability of the 2021 Series B Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Except as stated in paragraphs 6 and 7 above, we express no opinion as to any other federal, state or local tax consequences arising with respect to the 2021 Series B Bonds or the ownership or disposition thereof. The foregoing is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the 2021 Series B Bonds may affect the tax status of interest on the 2021 Series B Bonds.

Respectfully,

PULLMAN & COMLEY, LLC



**FORM OF LEGAL OPINION  
CITY OF BRIDGEPORT GENERAL OBLIGATION REFUNDING BONDS  
(TAX-EXEMPT DELAYED DELIVERY), 2021 SERIES C**

November 17, 2021

City of Bridgeport  
999 Broad Street  
Bridgeport, Connecticut 06604

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Bridgeport, Connecticut (the “City”) in connection with the issuance of the City's \$15,595,000 General Obligation Refunding Bonds (Tax-Exempt Delayed Delivery), 2021 Series C (the “2021 Series C Bonds”), dated November 17, 2021.

The 2021 Series C Bonds are issued in the form of registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof. The 2021 Series C Bonds are originally registered in the name of Cede & Co., as nominee of the Depository Trust Company, for the purpose of affecting a book-entry system for ownership and transfer of the 2021 Series C Bonds.

The 2021 Series C Bonds are issued pursuant to a resolution adopted by the Bridgeport City Council (the “Proceeding”). The 2021 Series C Bonds are subject to an Indenture of Trust dated as of May 1, 1996, by and between the City and Fleet National Bank, as amended and supplemented by a First Supplemental Indenture of Trust dated as of March 1, 1997, by and between the City and Fleet National Bank, as amended and supplemented by a Second Supplemental Indenture of Trust dated as of January 15, 2000, by and between the City and State Street Bank and Trust Company, successor to Fleet National Bank, as amended and supplemented by a Third Supplemental Indenture of Trust dated as of August 15, 2000, by and between the City and State Street Bank and Trust Company, as amended and supplemented by a Fourth Supplemental Indenture of Trust dated as of July 1, 2001, by and between the City and State Street Bank and Trust Company, as amended and supplemented by a Fifth Supplemental Indenture of Trust dated as of June 15, 2002, by and between the City and State Street Bank and Trust Company, as amended and supplemented by a Sixth Supplemental Indenture of Trust dated as of November 1, 2003, by and between the City and U.S. Bank National Association, as successor to State Street Bank and Trust Company, as amended and supplemented by a Seventh Supplemental Indenture of Trust dated as of August 12, 2004, by and between the City and U.S. Bank National Association, as amended and supplemented by an Eighth Supplemental Indenture of Trust dated as of April 15, 2006, by and between the City and U.S. Bank National Association, as amended and supplemented by a Ninth Supplemental Indenture of Trust dated as of June 1, 2006, by and between the City and U.S. Bank National Association, as amended and supplemented by a Tenth Supplemental Indenture of Trust dated as of June 1, 2007, by and between the City and U.S. Bank National Association, as amended and supplemented by an Eleventh Supplemental Indenture of Trust dated as of December 1, 2009, by and between the City and U.S. Bank National Association, as amended and supplemented by a Twelfth Supplemental Indenture of Trust dated as of July 1, 2010, by and between the City and U.S. Bank National Association, as amended and supplemented by a Thirteenth Supplemental Indenture of Trust dated as of June 1, 2012 by and between the City and U.S. Bank National Association, as amended and supplemented by a Fourteenth Supplemental Indenture of Trust dated as of July 1, 2012 by and between the City and U.S. Bank National Association, as amended and supplemented by a Fifteenth Supplemental Indenture of Trust dated as of July 1, 2013 by and between the City and U.S. Bank National Association, as amended and supplemented by a Sixteenth Supplemental Indenture of Trust

dated as of August 1, 2014 by and between the City and U.S. Bank National Association, as amended and supplemented by a Seventeenth Supplemental Indenture of Trust dated as of November 1, 2014 by and between the City and U.S. Bank National Association, as amended and supplemented by an Eighteenth Supplemental Indenture of Trust dated as of February 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Nineteenth Supplemental Indenture of Trust dated as of March 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twentieth Supplemental Indenture of Trust dated as of May 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-First Supplemental Indenture of Trust dated as of November 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Second Supplemental Indenture of Trust dated as of November 1, 2017 by and between the City and U.S. Bank National Association, as amended and supplemented by the Twenty-Third Supplemental Indenture of Trust dated as of January 1, 2018, by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Fourth Supplemental Indenture of Trust dated as of June 1, 2018, by and between the City and U.S. Bank National Association, amended and supplemented by a Twenty-Fifth Supplemental Indenture of Trust dated as of July 1, 2018 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Sixth Supplemental Indenture of Trust dated as of February 1, 2019, by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Seventh Supplemental Indenture of Trust dated as of October 1, 2019, by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Eighth Supplemental Indenture of Trust dated as of June 1, 2020, by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Ninth Supplemental Indenture of Trust dated as of August 1, 2021 by and between the City and U.S. Bank National Association, and as further amended and supplemented by a Thirtieth Supplemental Indenture of Trust dated as of November 1, 2021, by and between the City and U.S. Bank National Association, the current trustee (the "Trustee"). Such indenture, as supplemented hereinafter, is referred to as the "Indenture".

The Indenture is authorized by Chapter 117 (the "Act") of the Connecticut General Statutes. The Act permits a Connecticut municipality, at its option, to support its general obligations by the tax intercept procedure provided for in the Act. Through the Indenture, the City has availed itself of this option afforded by the Act. Under the Indenture, the Tax Collector of the City will deposit with the Trustee certain property taxes to fund the Debt Service Account. The funds in the Debt Service Account will be used to pay all amounts due on the 2021 Series C Bonds or any other bonds and notes issued pursuant to the Indenture from time to time and certain other general obligations of the City (collectively, the "Supported General Obligations"). Earnings on the investments of the Debt Service Account are to be remitted to the City periodically for its general operating purposes. Any capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture.

The City has covenanted in the Indenture that it will establish and maintain the Debt Service Account, make payments to the Trustee as required to provide sufficient funds in the Debt Service Account to meet required debt service payments on all Supported General Obligations, and duly and punctually pay all such debt service. Pursuant to the Indenture, the Trustee shall hold monies in the Debt Service Account in trust for the benefit of the holders of all Supported General Obligations and is directed to pay required debt service payments out of the Debt Service Account on all Supported General Obligations as and when the same become due on a pro-rata basis and without regard to the different nature of any such Supported General Obligations.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met upon and subsequent to the issuance and delivery of the 2021 Series C Bonds in order that interest on the 2021 Series C Bonds is excludable from gross income under Section 103 of the Code. In the Tax Compliance Agreement of even date herewith (the "Tax Compliance Agreement"), the City has made covenants and representations designed to assure compliance with such requirements of the Code.

The City has covenanted in the Tax Compliance Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2021 Series C Bonds to ensure that interest on the 2021 Series C Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2021 Series C Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the 2021 Series C Bonds.

In connection herewith, we have examined the applicable law and such other materials as we have deemed necessary in order to render this opinion and have relied upon originals or copies, certified or otherwise, identified to our satisfaction, of such public records, certificates and correspondence of public officials, including certificates of officials of the City, and such other documents as were provided to us. In making such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to original documents of documents submitted as certified or photostatic copies, and the capacity of all persons executing documents. As to questions of fact material to our opinion, we have relied upon representations of the City contained in the certified Proceedings of the City, including the Continuing Disclosure Agreement (the "Disclosure Agreement") and the Tax Compliance Agreement, and other certifications received from the City, all dated of even date herewith, in connection with the issuance and delivery of the 2021 Series C Bonds, without undertaking to verify the same by independent investigation. After reasonable diligence, no facts have come to our attention which would lead us to believe that the certificates, documents, correspondence or public records, as supplied to us by the City, contain an untrue statement of a material fact.

Further, in rendering the below opinions regarding the federal tax treatment of interest on the 2021 Series C Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Compliance Agreement, and (ii) continuing compliance by the City with the covenants set forth in that agreement as to such matters.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement dated July 20, 2021 or other offering material relating to the 2021 Series C Bonds except to the extent stated in the Official Statement and we express no opinion relating thereto excepting only the matters set forth as our opinion in the Official Statement.

Based upon the foregoing, we are of the opinion:

1. That the Indenture has been duly authorized, executed and delivered by the City and constitutes the valid and binding agreement of the City enforceable upon the City in accordance with its terms, and establishes a valid property tax intercept procedure and debt service payment fund in accordance with Chapter 117 of the Connecticut General Statutes, as amended.
2. That the Thirtieth Supplemental Indenture of Trust, dated as of November 1, 2021, authorizing the issuance of the 2021 Series C Bonds has been duly authorized, executed and delivered by the City, and all applicable conditions in the Indenture for the Trustee's execution and delivery of the Thirtieth Supplemental Indenture of Trust have been satisfied.
3. That the 2021 Series C Bonds have been duly authorized and issued under the Charter of the City, the laws of the State of Connecticut and the Proceedings duly had and taken in conformity therewith.
4. That the 2021 Series C Bonds, when executed by the City and authenticated and delivered by the Trustee and when issued by the City, will be valid and legally binding general obligations of the City (i) entitled to the benefits of and secured by the Indenture equally and ratably with all other outstanding

bonds issued pursuant to the Indenture, and (ii) payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes.

5. That the Tax Compliance Agreement and the Disclosure Agreement are valid, binding and enforceable agreements of the City.

6. That under existing law, interest on the 2021 Series C Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax. We express no opinion regarding other federal income tax consequences caused by the ownership or disposition of, or receipt of interest on the 2021 Series C Bonds.

7. That, under existing statutes, interest on the 2021 Series C Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other State income tax consequences caused by the ownership or disposition of, or receipt of interest on the 2021 Series C Bonds.

It is to be understood that the rights of the holders of the 2021 Series C Bonds and the enforceability of the 2021 Series C Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Except as stated in paragraphs 6 and 7 above, we express no opinion as to any other federal, state or local tax consequences arising with respect to the 2021 Series C Bonds or the ownership or disposition thereof. The foregoing is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the 2021 Series C Bonds may affect the tax status of interest on the 2021 Series C Bonds.

Respectfully,

PULLMAN & COMLEY, LLC

**APPENDIX D – SUMMARY OF THE INDENTURES**

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## SUMMARY OF THE TWENTY-NINTH INDENTURE

*The following Summary of the Indenture provides a brief description of the terms and provisions of the Indenture (as defined herein). This summary does not purport to be complete and reference is made to the Indenture for full and complete statements of such and all provisions.*

The following, in addition to the information contained in the Official Statement under the caption “THE BONDS - Security for the Bonds” herein, summarizes certain provisions of the Indenture. This summary is qualified in its entirety by reference to the Indenture of Trust dated as of May 1, 1996, by and between the City of Bridgeport (the “City”) and Fleet National Bank, as amended and supplemented by that First Supplemental Indenture of Trust dated as of March 1, 1997 by and between the City and Fleet National Bank, as amended and supplemented by that Second Supplemental Indenture of Trust dated as of January 15, 2000, by and between the City and State Street Bank and Trust Company, successor to Fleet National Bank, as amended and supplemented by that Third Supplemental Indenture of Trust dated as of August 15, 2000, by and between the City and State Street Bank and Trust Company, as amended and supplemented by that Fourth Supplemental Indenture of Trust dated as of July 1, 2001 by and between the City and State Street Bank and Trust Company, as amended and supplemented by that Fifth Supplemental Indenture of Trust dated as of June 15, 2002 by and between the City and the State Street Bank and Trust Company as amended and supplemented by that Sixth Supplemental Indenture of Trust dated as of November 1, 2003 by and between the City and U.S. Bank National Association, successor to State Street Bank and Trust Company, as amended and supplemented by that Seventh Supplemental Indenture of Trust dated as of August 12, 2004 by and between the City and U.S. Bank National Association, as amended and supplemented by that Eighth Supplemental Indenture of Trust dated as of April 15, 2006 by and between the City and U.S. Bank National Association, as amended and supplemented by that Ninth Supplemental Indenture of Trust dated as of June 1, 2006 by and between the City and U.S. Bank National Association, as amended and supplemented by that Tenth Supplemental Indenture of Trust dated as of June 1, 2007 by and between the City and U.S. Bank National Association, as amended and supplemented by that Eleventh Supplemental Indenture of Trust dated as of December 1, 2009 by and between the City and U.S. Bank National Association, as amended and supplemented by that Twelfth Supplemental Indenture of Trust dated as of July 1, 2010 by and between the City and U.S. Bank National Association, as amended and supplemented by that Thirteenth Supplemental Indenture of Trust dated as of June 1, 2012 by and between the City and U.S. Bank National Association, as amended and supplemented by that Fourteenth Supplemental Indenture of Trust dated as of July 1, 2012 by and between the City and U.S. Bank National Association, as amended and supplemented by that Fifteenth Supplemental Indenture of Trust dated as of July 1, 2013 by and between the City and U.S. Bank National Association, as amended and supplemented by that Sixteenth Supplemental Indenture of Trust dated as of August 1, 2014 by and between the City and U.S. Bank National Association, as amended and supplemented by the Seventeenth Supplemental Indenture of Trust dated as of November 1, 2014 by and between the City and U.S. Bank National Association, as amended and supplemented by an Eighteenth Supplemental Indenture of Trust dated as of February 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Nineteenth Supplemental Indenture of Trust dated as of March 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twentieth Supplemental Indenture of Trust dated as of May 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-First Supplemental Indenture of Trust dated as of November 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Second Supplemental Indenture of Trust dated as of November 1, 2017 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Third Supplemental Indenture of Trust dated as of January 1, 2018 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Fourth Supplemental Indenture of Trust dated as of June 1, 2018 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Fifth Supplemental

Indenture of Trust dated as of July 1, 2018 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Sixth Supplemental Indenture of Trust dated as of February 1, 2019 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Seventh Supplemental Indenture of Trust dated as of October 1, 2019 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Eighth Supplemental Indenture of Trust dated as of June 1, 2020 by and between the City and U.S. Bank National Association, and as further amended and supplemented by a Twenty-Ninth Supplemental Indenture of Trust dated as of August 1, 2021 by and between the City and U.S. Bank National Association, the current trustee (the “Trustee”). Such Indenture of Trust, as supplemented, is hereinafter referred to as the “Indenture.” A copy of the Indenture is on file at the office of the Director of Finance, City of Bridgeport, 999 Broad Street, Bridgeport, CT 06604 and the Connecticut office of the Trustee at CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, CT 06103.

### **Definitions**

The “**Act**” means Chapter 117 of the Connecticut General Statutes, §7-560 et. seq. which Chapter establishes the authority of the property tax intercept procedures set forth in the Indenture.

“**Additional Bonds**” means a bond or bonds, note or notes or other evidences of indebtedness, as the case may be, described and provided for in the Indenture.

“**AGM**” means Assured Guaranty Municipal Corp, a New York Stock Exchange Company.

“**BAM**” means Build America Mutual Assurance Company, a New York Stock Exchange Company.

“**Bond**” or “**Bonds**” means a bond or bonds, note or notes or other evidences of indebtedness, as the case may be, authenticated and delivered in accordance with the Indenture as supplemented or amended.

“**Bond Insurer**” shall mean, with respect to the 2000 Series B Bonds, FGIC, with respect to the 2004 Series C Bonds, MBIA, with respect 2009 Bonds, the 2010 Bonds, the 2012 Series B Bonds (August 15, 2020 and 2021 maturities), the 2014 Series A Bonds, the 2014 Series B Bonds, the 2016 Series A Bonds, the 2016 Series B Bonds, the 2016 Series C Bonds, the 2016 Series D Bonds and the 2016 Series E Bonds, AGM, and with respect to the 2018 Series A Bonds, the 2018 Series B Bonds, the 2018 Series C Bonds, the 2019 Series A Bonds, the 2019 Series B Bonds, the 2019 Series C Bonds, the 2019 Series D Bonds, the 2019 Series E Bonds and the 2020 Series B Bonds, BAM.

“**Debt Service**” means the payments due on Supported General Obligations within a given period of time.

“**Debt Service Account**” means the account established pursuant to the Indenture as described below in the Section entitled “Debt Service Account.”

“**Debt Service Payment Account Requirement**” means an amount at least equal to the aggregate amount of principal, sinking fund installments, if any, redemption premium, if any, and interest due to be paid during the then current fiscal year as the same become due and payable on the outstanding Supported General Obligations of the City which have a term of more than one year and additionally all outstanding general obligations which the City determines are to be supported by the Debt Service Account.



**“Defeasance Obligation”** shall have the following meanings as distinguished herein:

(a) For purposes of the City’s 2000 Series B Bonds, as issued pursuant to the City’s Second Supplemental Indenture of Trust dated as of August 15, 2000, the term **“Defeasance Obligation”** shall mean Treasury Bonds, Treasury Notes, Treasury Bills, debt obligations of the Federal Home Loan Mortgage Corporation, debt obligations of the Federal National Mortgage Association, guaranteed mortgage backed securities and guaranteed participation certificates of the Government National Mortgage Association, consolidated debt obligations of all the Federal Home Loan Banks, and strips of non-callable obligations issued by the U.S. Treasury, none of which shall be callable or prepayable at the option of the issuer;

(b) For purposes of the City’s 2004 Series C Bonds, as issued pursuant to the City’s Seventh Supplemental Indenture, the term **“Defeasance Obligation”** shall mean: (i) cash; (ii) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - “SLGs”); (iii) direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities; (iv) Resolution Funding Corp. (REFCORP), only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable; (v) pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition; (vi) obligations issued by the following agencies which are backed by the full faith and credit of the U.S.: (a) U.S. Export-Import Bank (Eximbank), direct obligations or fully guaranteed certificates of beneficial ownership; (b) Farmers Home Administration (FmHA), certificates of beneficial ownership; (c) Federal Financing Bank; (d) General Services Administration, participation certificates; (e) U.S. Maritime Administration, guaranteed Title XI financing; and (f) U.S. Department of Housing and Urban Development (HUD), Project Notes, Local Authority Bonds, New Communities Debentures - U.S. government guaranteed debentures, and U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds; and (vii) obligations issued by Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”, Federal National Mortgage Association (FNMA or “Fannie Mae”) or Federal Home Loan Bank, all of which are rated Aaa/AAA by Moody’s and S&P, respectively; and

(c) For purposes of the City’s 2009 Bonds, as issued pursuant to the City’s Eleventh Supplemental Indenture of Trust dated as of December 1, 2009, the term **“Defeasance Obligation”** shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

(d) For purposes of the City’s 2010 Bonds, as issued pursuant to the City’s Twelfth Supplemental Indenture of Trust dated as of July 1, 2010, the term **“Defeasance Obligation”** shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

(e) For purposes of the City’s 2012 Series A Bonds, as issued pursuant to the City’s Thirteenth Supplemental Indenture of Trust dated as of June 1, 2012, the term **“Defeasance Obligation”** shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

(f) For purposes of the City’s 2012 Series B Bonds, as issued pursuant to the City’s Fourteenth Supplemental Indenture of Trust dated as of July 1, 2012, the term **“Defeasance Obligation”** shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

(g) For purposes of the City's 2013 Series A Bonds, as issued pursuant to the City's Fifteenth Supplemental Indenture of Trust dated as of July 1, 2013, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(h) For purposes of the City's 2014 Series A Bonds, as issued pursuant to the City's Sixteenth Supplemental Indenture of Trust dated as of August 1, 2014, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(i) For purposes of the City's 2014 Series B Bonds, as issued pursuant to the City's Seventeenth Supplemental Indenture of Trust dated as of November 1, 2014, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(j) For purposes of the City's 2016 Series A Bonds and the 2016 Series B Bonds, as issued pursuant to the City's Nineteenth Supplemental Indenture of Trust dated as of March 1, 2016, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(k) For purposes of the City's 2016 Series C Bonds, as issued pursuant to the City's Twentieth Supplemental Indenture of Trust dated as of May 1, 2016, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(l) For purposes of the City's 2016 Series D Bonds and 2016 Series E Bonds, as issued pursuant to the City's Twenty-First Supplemental Indenture of Trust dated as of November 1, 2016, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(m) For purposes of the City's 2017 Series A Bonds, 2017 Series B Bonds, and 2017 Series C Bonds, as issued pursuant to the City's Twenty-Second Supplemental Indenture of Trust dated as of November 1, 2017, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(n) For purposes of the City's 2017 Series D Bonds, as issued pursuant to the City's Twenty-Third Supplemental Indenture of Trust dated as of January 1, 2018, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(o) For purposes of the City's 2018 Series A Bonds and 2018 Series B Bonds, as issued pursuant to the City's Twenty-Fourth Supplemental Indenture of Trust dated as of June 1, 2018, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(p) For purposes of the City's 2018 Series C Bonds, as issued pursuant to the City's Twenty-Fifth Supplemental Indenture of Trust dated as of July 18, 2018, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(q) For purposes of the City’s 2019 Series A Bonds and 2019 Series B Bonds, as issued pursuant to the City’s Twenty-Sixth Supplemental Indenture of Trust dated as of February 1, 2019, the term **“Defeasance Obligation”** shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

(r) For purposes of the City’s 2019 Series C Bonds, 2019 Series D Bonds and 2019 Series E Bonds, as issued pursuant to the City’s Twenty-Seventh Supplemental Indenture of Trust dated as of October 1, 2019, the term **“Defeasance Obligation”** shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

(s) For purposes of the City’s 2020 Series A Bonds and 2020 Series B Bonds, as issued pursuant to the City’s Twenty-Eighth Supplemental Indenture of Trust dated as of June 1, 2020, the term **“Defeasance Obligation”** shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

(t) For purposes of the City’s 2021 Series A Bonds and 2021 Series B Bonds, as issued pursuant to the City’s Twenty-Ninth Supplemental Indenture of Trust dated as of August 1, 2021, the term **“Defeasance Obligation”** shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

**“Designated Payments”** means the amount of the Property Taxes to be deposited with the Trustee by the Tax Collector on a periodic basis in accordance with the Indenture as described below in the Section entitled “Payments Into Debt Service Account.”

**“Excluded Obligations”** means: 1) debt obligations of the City assumed by the WPCA on its formation and all other general obligations of both the City and the WPCA which are payable from sewer fees or other revenues of the WPCA and which are not in default; and 2) any other general obligations of the City which are payable from or secured by payments other than Property Taxes and which are not in default. Upon the occurrence of an Event of Default and during its continuance, an Excluded Obligation shall be classified as a Supported General Obligation. At the City’s election, it may treat Excluded Obligations as Supported General Obligations.

**“Excluded Taxes”** means any of the following: (i) any property or other tax collected for any special taxing district; (ii) any property or other tax specially pledged to support any revenue bonds or any tax incremental financing; and (iii) any proceeds or taxes which are credited or payable on property tax liens which have been sold by the City provided that the proceeds of such sale are treated as Property Taxes.

**“FGIC”** shall mean Financial Guaranty Insurance Company, a New York stock insurance company.

**“Fiduciary”** or **“Fiduciaries”** means the Trustee, the Paying Agents, the Bond Registrar, or any of them, as may be appropriate.

**“FSA”** means Financial Security Assurance Inc., a New York stock insurance company.

**“General Obligation”** means the Bonds and Obligations issued by the City and secured by the full faith and credit and taxing power of the City including any contingent obligation which is payable solely from the general fund and is subject to annual appropriation.

**“MBIA”** shall mean MBIA Insurance Corporation, a New York stock insurance company.

**“Municipal Bond Insurance Policy”** shall mean the municipal bond insurance policies issued by: (i) FGIC insuring the payment when due of the principal of and interest on the 2000 Series B Bonds, all as provided in the Indenture, (ii) MBIA insuring the payments when due of the principal and interest on the 2004 Bonds, all as provided in the Indenture, (iii) AGM insuring the payments when due of the principal and interest on the 2009 Bonds, the 2010 Bonds, the 2012 Series B Bonds (August 15, 2020 and 2021 maturities), the 2014 Series A Bonds, the 2014 Series B Bonds, the 2016 Series A Bonds, the 2016 Series B Bonds, the 2016 Series C Bonds, the 2016 Series D Bonds and the 2016 Series E Bonds, and (iii) BAM insuring the payments when due of the principal and interest on the 2018 Series A Bonds, the 2018 Series B Bonds, the 2018 Series C Bonds, the 2019 Series A Bonds, the 2019 Series B Bonds, the 2019 Series C Bonds, the 2019 Series D Bonds, the 2019 Series E Bonds and the 2020 Series B Bonds, all as provided in the Indenture.

**“Paying Agent”** means any bank or trust company organized under the laws of any state of the United States of America or any national banking association designated as paying agent for the Bonds of any series, and its successor or successors hereafter appointed in the manner provided by the Indenture.

**“Property Taxes”** means taxes of general application on real and personal property levied by the City in accordance with the Connecticut General Statutes including any interest, penalties and other related charges, except for Excluded Taxes and interest, penalties and charges related thereto.

**“Redemption Price”** shall mean with respect to any Bond the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Indenture.

**“Secretary”** means the Secretary of the Office of Policy and Management of the State of Connecticut.

**“State”** means the State of Connecticut.

**“Supported General Obligations”** means (i) the Bonds, and (ii) any other General Obligation which has a term longer than one year, or which the City determines is to be supported hereby, other than Excluded Obligations.

**“Tax Collector”** means the tax collector of the City.

**“Treasurer”** means the Treasurer of the State of Connecticut.

**“2000 Series B Bonds”** means the City’s General Obligation Taxable Pension Bonds, 2000 Series B Taxable Serial Bonds and the 2000 Series B Taxable Term Bonds, dated August 15, 2000.

**“2004 Series C Bonds”** means the City’s General Obligation Bonds, 2004 Series C (Tax-Exempt Refunding) Bonds dated August 12, 2004.

**“2009 Bonds”** means the 2009 Subseries B Bonds and the 2009 Subseries C Bonds.

**“2009 Subseries B Bonds”** means the City’s General Obligation Bonds, 2009 Subseries B (Federally Taxable – Issuer Subsidy – Build America Bonds) dated December 15, 2009.

**“2009 Subseries C Bonds”** means the City’s General Obligation Bonds, 2009 Subseries C (Federally Taxable – Issuer Subsidy – Recovery Zone Economic Development Bonds) dated December 15, 2009.

**“2010 Bonds”** means the 2010 Series B Bonds and the 2010 Series C Bonds.

**“2010 Series B Bonds”** means the City’s General Obligation Bonds, 2010 Series B (Federally Taxable – Issuer Subsidy – Build America Bonds) dated July 22, 2010.

**“2010 Series C Bonds”** means the City’s General Obligation Bonds, 2010 Series C (Tax-Exempt Refunding) dated July 22, 2010.

**“2012 Series A Bonds”** means the City’s General Obligation Bonds, 2012 Series A dated June 14, 2012.

**“2012 Series B Bonds”** means the City’s General Obligation Refunding Bonds, 2012 Series B dated July 12, 2012.

**“2013 Series A Bonds”** means the City’s General Obligation Refunding Bonds, 2013 Series A dated July 11, 2013.

**“2014 Series A Bonds”** means the City’s General Obligation Bonds, 2014 Series A dated August 28, 2014.

**“2014 Series B Bonds”** means the City’s General Obligation Refunding Bonds, 2014 Series B dated November 18, 2014.

**“2016 Series A Bonds”** means the City’s General Obligation Bonds, 2016 Series A dated March 17, 2016.

**“2016 Series B Bonds”** means the City’s General Obligation Refunding Bonds, 2016 Series B dated March 17, 2016.

**“2016 Series C Bonds”** means the City’s General Obligation Refunding Bonds, 2016 Series C dated May 17, 2016.

**“2016 Series D Bonds”** means the City’s General Obligation Bonds, 2016 Series D dated November 22, 2016.

**“2016 Series E Bonds”** means the City’s General Obligation Bonds (Federally Taxable), 2016 Series E dated November 22, 2016.

**“2017 Series A Bonds”** means the City’s General Obligation Bonds, 2017 Series A dated November 30, 2017.

**“2017 Series B Bonds”** means the City’s General Obligation Refunding Bonds, 2017 Series B dated November 30, 2017.

**“2017 Series C Bonds”** means the City’s General Obligation Refunding Bonds, 2017 Series C dated November 30, 2017.

**“2017 Series D Bonds”** means the City’s General Obligation Bonds (Federally Taxable), 2017 Series D dated January 4, 2018.

**“2018 Series A Bonds”** means the City’s General Obligation Refunding Bonds (Federally Taxable), 2018 Series A dated June 12, 2018.

**“2018 Series B Bonds”** means the City’s General Obligation Refunding Bonds, 2018 Series B dated June 12, 2018.

**“2018 Series C Bonds”** means the City’s General Obligation Bonds, 2018 Series C dated July 18, 2018.

**“2019 Series A Bonds”** means the City’s General Obligation Bonds, 2019 Series A dated February 11, 2019.

**“2019 Series B Bonds”** means the City’s General Obligation Bonds (Federally Taxable), 2019 Series B dated February 11, 2019.

**“2019 Series C Bonds”** means the City’s General Obligation Bonds (Federally Taxable), 2019 Series C dated October 29, 2019.

**“2019 Series D Bonds”** means the City’s General Obligation Refunding Bonds (Federally Taxable), 2019 Series D dated October 29, 2019.

**“2019 Series E Bonds”** means the City’s General Obligation Refunding Bonds (Tax-Exempt), 2019 Series E dated October 29, 2019.

**“2020 Series A Bonds”** means the City’s General Obligation Bonds (Tax-Exempt), 2020 Series A dated June 2, 2020.

**“2020 Series B Bonds”** means the City’s General Obligation Bonds (Federally Taxable), 2020 Series B dated June 2, 2020.

**“2021 Series A Bonds”** means the City’s General Obligation Bonds (Tax-Exempt), 2021 Series A dated August \_\_, 2021.

**“2021 Series B Bonds”** means the City’s General Obligation Refunding Bonds (Federally Taxable), 2021 Series B dated August \_\_, 2021.

## **2. Certification of Debt Service**

Pursuant to the Indenture, prior to the commencement of each Fiscal Year, the City shall deliver to the Trustee and the Tax Collector, the Certificate of Debt Service executed by the Mayor and the Director of Finance setting forth the following:

- (a) Each payment of Debt Service maturing in that Fiscal Year, with all relevant detail including with respect to all Supported General Obligations: (a) the principal amount and date or dates of maturity thereof and the due dates of any installment of principal or

mandatory sinking fund payments or redemption payments; (b) the rate or rates of interest thereon and the date or dates of payment thereof; (c) the place or places where, and the Persons to whom, such Supported General Obligations are payable, and where applicable the Paying Agent; and (d) if such Supported General Obligations are subject to redemption, the terms and conditions of such redemption.

- (b) The amount of the Debt Service for each month of the Fiscal Year and for the first month of the following Fiscal Year.
- (c) The estimated balance in the Debt Service Account at the beginning of each month during such Fiscal Year.
- (d) The Designated Payments for each month of the Fiscal Year and for the first month of the following year. If the budgeted Property Tax collection for any month is less than the Debt Service for the following month, then the Designated Payments for the preceding month shall be increased so that at the commencement of the month in which the Debt Service is due there will be sufficient funds to pay the Debt Service for such month.

### **3. Payments Into Debt Service Account**

At the start of each month, commencing with July, 1996, the Tax Collector shall deposit with the Trustee, for credit to the Debt Service Account, all Property Taxes collected until there has been deposited with the Trustee an amount equal to the Designated Payments for the ensuing month as reflected on the Certificate of Debt Service or such greater amount as set forth on the Certificate of Debt Service. In the event that any such deposits do not become good funds for any reason, upon notice from the Trustee, the Tax Collector shall make further payments to the Trustee to replace such amounts. Once the Debt Service Account contains an amount equal to or greater than the amount required by the Certificate of Debt Service, the Tax Collector shall not be obligated to make any deposits in the Debt Service Account for such month.

In the event the City determines that there will not be sufficient funds in the Debt Service Account to pay the Debt Service as it becomes due it shall cause necessary payments to be made to the Debt Service Account or cause the Tax Collector to pay all Property Taxes collected by the City to the Trustee for deposit in the Debt Service Account until there are sufficient funds in the Debt Service Account to pay the Debt Service.

If seven days prior to a Debt Service payment date, the amount held in the Debt Service Account is insufficient to make such payment as identified in the Certificate of Debt Service, the Trustee shall give notice to the City of such insufficiency. The City shall immediately upon receipt of such notice deposit with Trustee the amount of the insufficiency and until such amount is paid and the Tax Collector has received notice from the Trustee that it has sufficient funds to pay the Debt Service then due or becoming due, the Tax Collector shall deposit with the Trustee all Property Taxes collected.

If two days prior to a Debt Service payment date, the amount held in the Debt Service Account is insufficient to make such payment, the Trustee shall give notice to the Mayor and Director of Finance of the City and the Secretary and the Treasurer of such insufficiency. The City shall immediately upon receipt of such notice deposit with Trustee the amount of the insufficiency and until such amount is paid and the Tax Collector has received notice from the Trustee that it has sufficient funds to pay the Debt Service then due or becoming due, the Tax Collector shall deposit with the Trustee all Property Taxes collected.

Once the Debt Service Account holds sufficient assets to pay the Debt Service when due for the remainder of any Fiscal Year, upon written notice from the Trustee of that fact, the Tax Collector shall not be required to make further payments of Property Taxes for such Fiscal Year to the Debt Service Account. The determination by the Trustee shall be solely based upon the Certificate of Debt Service and the deposits then held in the Debt Service Account.

#### **4. Debt Service Account**

The Trustee shall hold moneys in the Debt Service Account in trust for the benefit of the holders of all Supported General Obligations.

The Trustee shall pay out of the Debt Service Account to the Paying Agent (i) on or before each interest payment date for any series of Bonds, the amount required for the interest payable on such date; (ii) on or before the due date for each Principal Installment, including any sinking fund installment, the amount required for the Principal Installment payable on such due date; and (iii) on or before any Redemption Date for the Bonds, the amount required for the payment of principal, interest and premium, if any, on the Bonds then to be redeemed. Such amounts shall be applied by the Paying Agent on or after the due dates thereof.

The Trustee shall from time to time from and after the date hereof pay from the Debt Service Account all amounts required for the payment as the same becomes due on all Supported General Obligations pursuant to instructions set forth in the Certificate of Debt Service prepared by the City.

The Trustee shall pay out of the Debt Service Account to the City on a monthly basis any interest or investment income earned on the Debt Service Account.

#### **5. Covenants of the City**

The City covenants for the benefit of the Trustee and to the holders of the Bonds to (1) punctually pay the principal, mandatory sinking fund payment or Redemption Price, if any, of every Bond, and the interest thereon at the dates and place, and in the manner provided in the Bond, (2) comply with the requirements of the Act and the applicable laws of the State, (3) apply the Property Taxes in such manner as required by the Indenture, (4) comply with the terms of the Tax Regulatory Agreement delivered in connection with the issuance of the 2021 Series A Bonds which shall require the City to make no use of the proceeds of the 2021 Series A Bonds or of other amounts which would cause the 2021 Series A Bonds to be treated as “arbitrage bonds” within the meaning of the Internal Revenue Code of 1986, as amended and applicable regulations (the “Code”), and that the City will not take any action, or fail to take any action with respect to the proceeds of the 2021 Series A Bonds that would result in a loss of the exemption from federal income taxation pursuant to the Section 103(a) of the Code of interest paid on the 2021 Series A Bonds; and (5) except to the extent otherwise provided in the Indenture, the City shall not enter into any contract or take any action by which the rights of the Trustee or the holders of the Bonds may be impaired, and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of the Indenture.

#### **6. Events of Default**

Each of the following constitutes an Event of Default under the Indenture:

- (a) the City shall default in the payment of the principal or redemption price of any Bond when and as the same shall become due and payable, whether at maturity or upon call for redemption, or the City shall default in the payment of the unsatisfied balance of any



sinking fund installment therefor (except when such installment is due on the maturity of such Bond), when and as such sinking fund installment shall become due and payable, and such default shall continue for a period of thirty days; or

- (b) the City shall default in the payment of any installment of interest on any Bond, when and as such interest installment shall become due and payable and such default shall continue for a period of thirty days; or
- (c) the City shall fail or refuse to perform or observe any covenant, agreement or condition on its part in the Indenture or in the Bonds, and such default shall continue for a period of sixty (60) days after written notice thereof to the City by the Trustee or to the City and to the Trustee by the owners of not less than a majority in principal amount of the Bonds outstanding.

## **7. Remedies of Holders of the Bonds**

If an Event of Default shall occur and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed within applicable law, and upon written request of the owners of not less than 25% in principal amount of the Bonds outstanding shall proceed, to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the City as if the City were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Indenture.

All rights of action under the Indenture may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

The owners of not less than 25% in principal amount of the outstanding Bonds may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the holders of the Bonds not parties to such direction.

Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in the Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

Regardless of the occurrence of an Event of Default, the Trustee shall have power to, but unless requested in writing by the owners of 25% in principal amount of the outstanding Bonds to the extent provided in subsection (1) of this Section, and furnished with reasonable security, indemnity and arrangements in advance for the periodic payment of its fees, expenses and liabilities, shall be under no obligation to, institute and maintain suits and proceedings as the Trustee may be advised shall be necessary or expedient to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture, or suits and proceedings as the Trustee may be advised

shall be necessary or expedient to preserve or protect its interests and the interests of the holders of the Bonds.

No owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Indenture or the execution of any trust under the Indenture or for any remedy under the Indenture, unless such owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default and the owners of at least 25% in principal amount of the Bonds then outstanding, to the extent provided above, shall have filed a written request with the Trustee and shall have offered it reasonable opportunity, either to exercise the powers granted in the Indenture or by the Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by the Indenture, or to enforce any right under the Indenture, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of all owners of the outstanding Bonds, subject only to the provisions of this Section entitled "Remedies of Holders of the Bonds".

Nothing contained in the Indenture shall affect or impair the obligation of the City, which is absolute and unconditional, to pay at the respective dates of Maturity and places therein expressed the principal of (and premium, if any), sinking fund installments, and interest on the Bonds to the respective owners thereof, or affect or impair the right of action, which is also absolute and unconditional, of any owner to enforce such payment of his Bond.

## **8. Application of Taxes and Other Moneys After Default**

During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds, taxes and revenues received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture as follows and in the following order:

- (a) Expenses of Fiduciaries – to the payment of the reasonable and proper charges, expenses and liabilities of the Fiduciaries.
- (b) Principal or Redemption Price and Interest – to the payment of the interest and principal or Redemption Price then due on the Supported General Obligations, as follows:

First: Interest – to the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Supported General Obligations theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: Principal or Redemption Price – to the payment to the Persons entitled thereto of the unpaid principal, unsatisfied balance of any sinking fund installment or Redemption Price of any Supported General Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then

to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the Persons entitled thereto, without any discrimination or preference.

If and whenever all overdue installments of interest on all Supported General Obligations, together with the reasonable and proper charges, expenses and liabilities of the Trustee under the Indenture or any other agreement and all other sums payable by the City under the Indenture, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of the City, or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under the Indenture or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the City, and the Trustee shall be restored, respectively, to their former positions and rights under the Indenture. No such restoration of the City and the Trustee, to their former positions and rights shall extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

## **9. Notice to Bondholders**

Within ninety (90) days after the occurrence of any Event of Default, the Trustee shall promptly mail written notice of such occurrence to each Owner of the Bonds then outstanding at his/her address, if any, appearing on the Bond Register.

## **10. Additional Bonds**

In addition to the Bonds initially issued, the City may issue Additional Bonds on a parity with all Outstanding Bonds and secured by an equal charge and lien on and payable equally and ratably from the Property Taxes for any purpose.

Prior to the delivery of Additional Bonds, there shall be filed with the Trustee (i) a supplemental indenture duly executed by the City; (ii) opinion of recognized bond counsel to the effect that the Additional Bonds, when executed by the City and authenticated and delivered by the Trustee and when issued by the City, will be legal general obligations of the City entitled to the benefits of and secured by this Indenture equally and ratably with all other outstanding Bonds and that the supplemental indenture has been duly executed and delivered by the City and all applicable conditions for the Trustee's execution and delivery of such supplemental indenture have been satisfied; and (iii) instructions from the City to authenticate and deliver such Additional Bonds.

## **11. Amendments and Supplemental Indentures**

Without the consent of any holders of any Bonds, the City, when authorized by a City Council resolution, and the Trustee at any time and from time to time, may enter into one or more amendments or indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

- (a) to evidence and provide for the acceptance of appointment by another bank or trust company as a successor Trustee hereunder with respect to one or more series of Bonds and to add to or change any of the provisions of the Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the Indenture;

- (b) to add to the covenants of the City, for the benefit of the holders of Bonds of all or any series, or to surrender any right or power herein conferred upon the City, provided that such action shall not adversely affect the interests of the holders of Bonds; or
- (c) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under the Indenture, provided that such action shall not materially and adversely affect the interests of the holders of Bonds of any series; or
- (d) to establish any additional form of Bond, as permitted hereunder and to provide for the issuance of any additional series of Bonds, as permitted under the Indenture, and to set forth the terms thereof; or
- (e) to confirm, as further assurance, any security interest, pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, the Indenture of the Property Taxes, or of any other moneys, or securities; or
- (f) to modify, supplement or amend the Indenture to effect qualification under the Trust Indenture Act of 1939, as amended, or under any similar federal statute hereinafter enacted, and to add to the Indenture such other provisions as may be expressly permitted by the Trust Indenture Act of 1939, as amended, and to permit the qualification of any series of Bonds for sale under the securities laws of any state or the United States; or
- (g) to modify, supplement or amend the Indenture to effect its compliance with the Act; or
- (h) to appoint a trustee or any paying agent; or
- (i) to satisfy the requirements of the providers of credit enhancement for, or any rating agency in connection with, any of the series of Bonds if such requirements do not materially and adversely affect the rights of the holders of the Bonds; or
- (j) to grant to or confer upon the Trustee for the benefit of the holders of the Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the holders of the Bonds or the Trustee or either of them which are not contrary to or inconsistent with the Indenture as theretofore in effect, or to grant or pledge to the Trustee for the benefit of the holders of the Bonds any additional security other than that granted or pledged under the Indenture.

With the consent of the respective Bond Insurer or if the respective Municipal Bond Insurance Policy is not in effect, the consent of the holders of not less than 50% in principal amount of the outstanding Bonds of each series affected by such amendment or amendments or supplemental indenture or indentures, the City and the Trustee may enter into amendments or indentures supplemental for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of the holders of Bonds of each such series under the Indenture; provided, however, that no such amendment or supplemental indenture shall, without the consent of the holder of each outstanding Bond affected thereby:

- (a) change the maturity of the principal of, or the stated maturity of the premium, if any, on, or any installment of interest on, any Bond, or reduce the principal amount thereof or any premium thereon or the rate of interest thereon, or change the method of computing the amount of principal thereof on any date or change the coin or currency in which any

Bond or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the maturity thereof, as the case may be, (or, in the case of redemption or repayment, on or after the redemption date or the repayment date, as the case may be); or

- (b) reduce the percentage in principal amount of the outstanding Bonds of any series, the consent of whose holders is required for any such amendment or supplemental indenture or the consent of whose holders is required for any waiver (of compliance with certain provisions of the Indenture or of certain defaults thereunder and their consequences) provided for in the Indenture; or
- (c) modify any of the provisions of this Section, except to increase any such percentage or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each outstanding Bond affected thereby.

Prior to the adoption of any such supplemental indenture, the City shall give at least 15 business days written notice thereof.

It shall not be necessary for any act of holders of the Bonds under this Section to approve the particular form of any proposed amendment or supplemental indenture, but it shall be sufficient if such act shall approve the substance thereof.

Notwithstanding the provisions above, the Indenture may be amended by the City without the approval of the holders of the Bonds or Trustee upon the request of the Secretary or the Treasurer provided such amendment does not impair the rights of the holders of the Bonds.

## **12. Bond Insurer's Rights**

Unless otherwise provided, each Bond Insurer has the exclusive vote for the holders of its respective Bonds for the following purposes: (i) execution and delivery of any supplemental indenture; (ii) removal of the Trustee and selection of a new Trustee; (iii) amending the provision of the Indenture pursuant to the section entitled "Amendments and Supplemental Indentures" herein and (iv) initiation or approval of any action not described above which requires consent of the holders of the Bonds.

Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default as defined herein, each Bond Insurer, as to their respective Bonds, shall be entitled to all of the rights of the holders of such Bonds under the Indenture including at its election to vote such respective Bonds that there are outstanding on all matters on which the respective Bonds are entitled to vote hereunder.

In the event that the principal and/or interest due on the Bonds shall be paid by the respective Bond Insurer pursuant to the Municipal Bond Insurance Policy, the respective Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City, and the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the City to the registered owners of such Bonds shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such registered owners.

## **13. State Pledge Regarding Indenture**

The State pursuant to Section 7-565 of the Connecticut General Statutes has pledged to the holders of any bonds and notes issued under the Act, including the Bonds, and with those parties who

may enter into or have entered into contracts for the insurance or payment of such bonds or notes with the City pursuant to the provisions of the Act, that it will not limit or alter the rights vested in the City by the Act until such obligations together with the interest thereon, are fully met and discharged and such contracts are fully performed on the part of the City, provided nothing shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the holders of such bonds and notes of the City. The State has authorized the City to include this pledge and undertaking of the State in such bonds and notes or contracts and in any indenture or supplement thereto pursuant to which bonds or notes have been issued pursuant to the Act.

#### **14. Defeasance**

If the City shall pay or cause to be paid, or there shall be otherwise paid or provision made for payment, to the Holders of all or any of the Bonds of a series then Outstanding, the principal or Redemption Price of and interest thereon, at the times and in the manner stipulated therein and in this Indenture and any supplemental indenture, and all fees and expenses of the Trustee, the Paying Agent and the City, and any and all amounts due and owing to the Bond Insurer, then the pledge of any Property Taxes or other moneys and securities hereby pledged to such Bonds or such series of Bonds and all other rights granted hereby to such Bonds or such series of Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the City, execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee or other fiduciary shall pay or deliver to the City all moneys or securities held by it pursuant to this Indenture and any supplemental indenture which are not required for the payment or redemption of Bonds of such series not theretofore surrendered for such payment or redemption to be used by the City.

Any Bonds of a series for which moneys shall then be held by a trustee, which may be the Trustee (through deposit by the City of funds for such payment or redemption or otherwise), whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in this Section. Any Outstanding Bonds of any series shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in this Section if:

- (a) in case any of such Bonds are to be redeemed on any date prior to their maturity, the City shall have given to a trustee, which may be the Trustee, in form satisfactory to such trustee, irrevocable instructions to give notice of redemption on such date of such Bonds;
- (b) there shall have been deposited with such trustee either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with such trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be; and
- (c) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the City shall have given a trustee, which may be the Trustee, in form satisfactory to such trustee, irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Bonds that the deposit required by (b) above has been made with such trustee and that such Bonds are deemed to have been paid in accordance with the Indenture and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on such Bonds.

In the event of an advance refunding of any series of Bonds and unless the Bond Insurer for such series otherwise agrees in writing:

- (a) the City shall cause to be delivered, on the deposit date and upon any reinvestment of the defeasance amount, a verification report of an accountant.
- (b) the Escrow Deposit Agreement (which shall be acceptable in form and substance to the Bond Insurer for such series) shall provide that no (A) substitution of a Defeasance Obligation shall be permitted except with another Defeasance Obligation and upon delivery of a new Verification and (B) reinvestment of a Defeasance Obligation shall be permitted except as contemplated by the original Verification or upon delivery of a new Verification; and
- (c) there shall be delivered an opinion of recognized bond counsel to the effect that the payment of such series of Bonds has been provided for in the manner set forth herein and that such series of Bonds are no longer “Outstanding” under the Indenture.

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## SUMMARY OF THE THIRTIETH INDENTURE

*The following Summary of the Indenture provides a brief description of the terms and provisions of the Indenture (as defined herein). This summary does not purport to be complete and reference is made to the Indenture for full and complete statements of such and all provisions.*

The following, in addition to the information contained in the Official Statement under the caption “THE BONDS - Security for the Bonds” herein, summarizes certain provisions of the Indenture. This summary is qualified in its entirety by reference to the Indenture of Trust dated as of May 1, 1996, by and between the City of Bridgeport (the “City”) and Fleet National Bank, as amended and supplemented by that First Supplemental Indenture of Trust dated as of March 1, 1997 by and between the City and Fleet National Bank, as amended and supplemented by that Second Supplemental Indenture of Trust dated as of January 15, 2000, by and between the City and State Street Bank and Trust Company, successor to Fleet National Bank, as amended and supplemented by that Third Supplemental Indenture of Trust dated as of August 15, 2000, by and between the City and State Street Bank and Trust Company, as amended and supplemented by that Fourth Supplemental Indenture of Trust dated as of July 1, 2001 by and between the City and State Street Bank and Trust Company, as amended and supplemented by that Fifth Supplemental Indenture of Trust dated as of June 15, 2002 by and between the City and the State Street Bank and Trust Company as amended and supplemented by that Sixth Supplemental Indenture of Trust dated as of November 1, 2003 by and between the City and U.S. Bank National Association, successor to State Street Bank and Trust Company, as amended and supplemented by that Seventh Supplemental Indenture of Trust dated as of August 12, 2004 by and between the City and U.S. Bank National Association, as amended and supplemented by that Eighth Supplemental Indenture of Trust dated as of April 15, 2006 by and between the City and U.S. Bank National Association, as amended and supplemented by that Ninth Supplemental Indenture of Trust dated as of June 1, 2006 by and between the City and U.S. Bank National Association, as amended and supplemented by that Tenth Supplemental Indenture of Trust dated as of June 1, 2007 by and between the City and U.S. Bank National Association, as amended and supplemented by that Eleventh Supplemental Indenture of Trust dated as of December 1, 2009 by and between the City and U.S. Bank National Association, as amended and supplemented by that Twelfth Supplemental Indenture of Trust dated as of July 1, 2010 by and between the City and U.S. Bank National Association, as amended and supplemented by that Thirteenth Supplemental Indenture of Trust dated as of June 1, 2012 by and between the City and U.S. Bank National Association, as amended and supplemented by that Fourteenth Supplemental Indenture of Trust dated as of July 1, 2012 by and between the City and U.S. Bank National Association, as amended and supplemented by that Fifteenth Supplemental Indenture of Trust dated as of July 1, 2013 by and between the City and U.S. Bank National Association, as amended and supplemented by that Sixteenth Supplemental Indenture of Trust dated as of August 1, 2014 by and between the City and U.S. Bank National Association, as amended and supplemented by the Seventeenth Supplemental Indenture of Trust dated as of November 1, 2014 by and between the City and U.S. Bank National Association, as amended and supplemented by an Eighteenth Supplemental Indenture of Trust dated as of February 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Nineteenth Supplemental Indenture of Trust dated as of March 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twentieth Supplemental Indenture of Trust dated as of May 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-First Supplemental Indenture of Trust dated as of November 1, 2016 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Second Supplemental Indenture of Trust dated as of November 1, 2017 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Third Supplemental Indenture of Trust dated as of January 1, 2018 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Fourth Supplemental Indenture of Trust dated as of June 1, 2018 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Fifth Supplemental

Indenture of Trust dated as of July 1, 2018 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Sixth Supplemental Indenture of Trust dated as of February 1, 2019 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Seventh Supplemental Indenture of Trust dated as of October 1, 2019 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Eighth Supplemental Indenture of Trust dated as of June 1, 2020 by and between the City and U.S. Bank National Association, as amended and supplemented by a Twenty-Ninth Supplemental Indenture of Trust dated as of August 1, 2021 by and between the City and U.S. Bank National Association, and as further amended and supplemented by a Thirtieth Supplemental Indenture of Trust dated as of November 1, 2021 by and between the City and U.S. Bank National Association, the current trustee (the “Trustee”). Such Indenture of Trust, as supplemented, is hereinafter referred to as the “Indenture.” A copy of the Indenture is on file at the office of the Director of Finance, City of Bridgeport, 999 Broad Street, Bridgeport, CT 06604 and the Connecticut office of the Trustee at CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, CT 06103.

### **Definitions**

The “**Act**” means Chapter 117 of the Connecticut General Statutes, §7-560 et. seq. which Chapter establishes the authority of the property tax intercept procedures set forth in the Indenture.

“**Additional Bonds**” means a bond or bonds, note or notes or other evidences of indebtedness, as the case may be, described and provided for in the Indenture.

“**AGM**” means Assured Guaranty Municipal Corp, a New York Stock Exchange Company.

“**BAM**” means Build America Mutual Assurance Company, a New York Stock Exchange Company.

“**Bond**” or “**Bonds**” means a bond or bonds, note or notes or other evidences of indebtedness, as the case may be, authenticated and delivered in accordance with the Indenture as supplemented or amended.

“**Bond Insurer**” shall mean, with respect to the 2000 Series B Bonds, FGIC, with respect to the 2004 Series C Bonds, MBIA, with respect 2009 Bonds, the 2010 Bonds, the 2012 Series B Bonds (August 15, 2020 and 2021 maturities), the 2014 Series A Bonds, the 2014 Series B Bonds, the 2016 Series A Bonds, the 2016 Series B Bonds, the 2016 Series C Bonds, the 2016 Series D Bonds and the 2016 Series E Bonds, AGM, and with respect to the 2018 Series A Bonds, the 2018 Series B Bonds, the 2018 Series C Bonds, the 2019 Series A Bonds, the 2019 Series B Bonds, the 2019 Series C Bonds, the 2019 Series D Bonds, the 2019 Series E Bonds and the 2020 Series B Bonds, BAM.

“**Debt Service**” means the payments due on Supported General Obligations within a given period of time.

“**Debt Service Account**” means the account established pursuant to the Indenture as described below in the Section entitled “Debt Service Account.”

“**Debt Service Payment Account Requirement**” means an amount at least equal to the aggregate amount of principal, sinking fund installments, if any, redemption premium, if any, and interest due to be paid during the then current fiscal year as the same become due and payable on the outstanding Supported General Obligations of the City which have a term of more than one

year and additionally all outstanding general obligations which the City determines are to be supported by the Debt Service Account.

**“Defeasance Obligation”** shall have the following meanings as distinguished herein:

(a) For purposes of the City’s 2000 Series B Bonds, as issued pursuant to the City’s Second Supplemental Indenture of Trust dated as of August 15, 2000, the term **“Defeasance Obligation”** shall mean Treasury Bonds, Treasury Notes, Treasury Bills, debt obligations of the Federal Home Loan Mortgage Corporation, debt obligations of the Federal National Mortgage Association, guaranteed mortgage backed securities and guaranteed participation certificates of the Government National Mortgage Association, consolidated debt obligations of all the Federal Home Loan Banks, and strips of non-callable obligations issued by the U.S. Treasury, none of which shall be callable or prepayable at the option of the issuer;

(b) For purposes of the City’s 2004 Series C Bonds, as issued pursuant to the City’s Seventh Supplemental Indenture, the term **“Defeasance Obligation”** shall mean: (i) cash; (ii) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series - “SLGs”); (iii) direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities; (iv) Resolution Funding Corp. (REFCORP), only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable; (v) pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition; (vi) obligations issued by the following agencies which are backed by the full faith and credit of the U.S.: (a) U.S. Export-Import Bank (Eximbank), direct obligations or fully guaranteed certificates of beneficial ownership; (b) Farmers Home Administration (FmHA), certificates of beneficial ownership; (c) Federal Financing Bank; (d) General Services Administration, participation certificates; (e) U.S. Maritime Administration, guaranteed Title XI financing; and (f) U.S. Department of Housing and Urban Development (HUD), Project Notes, Local Authority Bonds, New Communities Debentures - U.S. government guaranteed debentures, and U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds; and (vii) obligations issued by Federal Home Loan Mortgage Corporation (FHLMC or “Freddie Mac”, Federal National Mortgage Association (FNMA or “Fannie Mae”) or Federal Home Loan Bank, all of which are rated Aaa/AAA by Moody’s and S&P, respectively; and

(c) For purposes of the City’s 2009 Bonds, as issued pursuant to the City’s Eleventh Supplemental Indenture of Trust dated as of December 1, 2009, the term **“Defeasance Obligation”** shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

(d) For purposes of the City’s 2010 Bonds, as issued pursuant to the City’s Twelfth Supplemental Indenture of Trust dated as of July 1, 2010, the term **“Defeasance Obligation”** shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

(e) For purposes of the City’s 2012 Series A Bonds, as issued pursuant to the City’s Thirteenth Supplemental Indenture of Trust dated as of June 1, 2012, the term **“Defeasance Obligation”** shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

(f) For purposes of the City's 2012 Series B Bonds, as issued pursuant to the City's Fourteenth Supplemental Indenture of Trust dated as of July 1, 2012, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(g) For purposes of the City's 2013 Series A Bonds, as issued pursuant to the City's Fifteenth Supplemental Indenture of Trust dated as of July 1, 2013, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(h) For purposes of the City's 2014 Series A Bonds, as issued pursuant to the City's Sixteenth Supplemental Indenture of Trust dated as of August 1, 2014, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(i) For purposes of the City's 2014 Series B Bonds, as issued pursuant to the City's Seventeenth Supplemental Indenture of Trust dated as of November 1, 2014, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(j) For purposes of the City's 2016 Series A Bonds and the 2016 Series B Bonds, as issued pursuant to the City's Nineteenth Supplemental Indenture of Trust dated as of March 1, 2016, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(k) For purposes of the City's 2016 Series C Bonds, as issued pursuant to the City's Twentieth Supplemental Indenture of Trust dated as of May 1, 2016, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(l) For purposes of the City's 2016 Series D Bonds and 2016 Series E Bonds, as issued pursuant to the City's Twenty-First Supplemental Indenture of Trust dated as of November 1, 2016, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(m) For purposes of the City's 2017 Series A Bonds, 2017 Series B Bonds, and 2017 Series C Bonds, as issued pursuant to the City's Twenty-Second Supplemental Indenture of Trust dated as of November 1, 2017, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(n) For purposes of the City's 2017 Series D Bonds, as issued pursuant to the City's Twenty-Third Supplemental Indenture of Trust dated as of January 1, 2018, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(o) For purposes of the City's 2018 Series A Bonds and 2018 Series B Bonds, as issued pursuant to the City's Twenty-Fourth Supplemental Indenture of Trust dated as of June 1, 2018, the term "**Defeasance Obligation**" shall have that meaning as set forth in the City's Indenture of Trust dated as of May 1, 1996.

(p) For purposes of the City’s 2018 Series C Bonds, as issued pursuant to the City’s Twenty-Fifth Supplemental Indenture of Trust dated as of July 18, 2018, the term “**Defeasance Obligation**” shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

(q) For purposes of the City’s 2019 Series A Bonds and 2019 Series B Bonds, as issued pursuant to the City’s Twenty-Sixth Supplemental Indenture of Trust dated as of February 1, 2019, the term “**Defeasance Obligation**” shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

(r) For purposes of the City’s 2019 Series C Bonds, 2019 Series D Bonds and 2019 Series E Bonds, as issued pursuant to the City’s Twenty-Seventh Supplemental Indenture of Trust dated as of October 1, 2019, the term “**Defeasance Obligation**” shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

(s) For purposes of the City’s 2020 Series A Bonds and 2020 Series B Bonds, as issued pursuant to the City’s Twenty-Eighth Supplemental Indenture of Trust dated as of June 1, 2020, the term “**Defeasance Obligation**” shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

(t) For purposes of the City’s 2021 Series A Bonds and 2021 Series B Bonds, as issued pursuant to the City’s Twenty-Ninth Supplemental Indenture of Trust dated as of August 1, 2021, the term “**Defeasance Obligation**” shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

(u) For purposes of the City’s 2021 Series C Bonds, as issued pursuant to the City’s Thirtieth Supplemental Indenture of Trust dated as of November 1, 2021, the term “**Defeasance Obligation**” shall have that meaning as set forth in the City’s Indenture of Trust dated as of May 1, 1996.

“**Designated Payments**” means the amount of the Property Taxes to be deposited with the Trustee by the Tax Collector on a periodic basis in accordance with the Indenture as described below in the Section entitled “Payments Into Debt Service Account.”

“**Excluded Obligations**” means: 1) debt obligations of the City assumed by the WPCA on its formation and all other general obligations of both the City and the WPCA which are payable from sewer fees or other revenues of the WPCA and which are not in default; and 2) any other general obligations of the City which are payable from or secured by payments other than Property Taxes and which are not in default. Upon the occurrence of an Event of Default and during its continuance, an Excluded Obligation shall be classified as a Supported General Obligation. At the City’s election, it may treat Excluded Obligations as Supported General Obligations.

“**Excluded Taxes**” means any of the following: (i) any property or other tax collected for any special taxing district; (ii) any property or other tax specially pledged to support any revenue bonds or any tax incremental financing; and (iii) any proceeds or taxes which are credited or payable on property tax liens which have been sold by the City provided that the proceeds of such sale are treated as Property Taxes.

“**FGIC**” shall mean Financial Guaranty Insurance Company, a New York stock insurance company.

**“Fiduciary”** or **“Fiduciaries”** means the Trustee, the Paying Agents, the Bond Registrar, or any of them, as may be appropriate.

**“FSA”** means Financial Security Assurance Inc., a New York stock insurance company.

**“General Obligation”** means the Bonds and Obligations issued by the City and secured by the full faith and credit and taxing power of the City including any contingent obligation which is payable solely from the general fund and is subject to annual appropriation.

**“MBIA”** shall mean MBIA Insurance Corporation, a New York stock insurance company.

**“Municipal Bond Insurance Policy”** shall mean the municipal bond insurance policies issued by: (i) FGIC insuring the payment when due of the principal of and interest on the 2000 Series B Bonds, all as provided in the Indenture, (ii) MBIA insuring the payments when due of the principal and interest on the 2004 Bonds, all as provided in the Indenture, (iii) AGM insuring the payments when due of the principal and interest on the 2009 Bonds, the 2010 Bonds, the 2012 Series B Bonds (August 15, 2020 and 2021 maturities), the 2014 Series A Bonds, the 2014 Series B Bonds, the 2016 Series A Bonds, the 2016 Series B Bonds, the 2016 Series C Bonds, the 2016 Series D Bonds and the 2016 Series E Bonds, and (iii) BAM insuring the payments when due of the principal and interest on the 2018 Series A Bonds, the 2018 Series B Bonds, the 2018 Series C Bonds, the 2019 Series A Bonds, the 2019 Series B Bonds, the 2019 Series C Bonds, the 2019 Series D Bonds, the 2019 Series E Bonds and the 2020 Series B Bonds, all as provided in the Indenture.

**“Paying Agent”** means any bank or trust company organized under the laws of any state of the United States of America or any national banking association designated as paying agent for the Bonds of any series, and its successor or successors hereafter appointed in the manner provided by the Indenture.

**“Property Taxes”** means taxes of general application on real and personal property levied by the City in accordance with the Connecticut General Statutes including any interest, penalties and other related charges, except for Excluded Taxes and interest, penalties and charges related thereto.

**“Redemption Price”** shall mean with respect to any Bond the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Indenture.

**“Secretary”** means the Secretary of the Office of Policy and Management of the State of Connecticut.

**“State”** means the State of Connecticut.

**“Supported General Obligations”** means (i) the Bonds, and (ii) any other General Obligation which has a term longer than one year, or which the City determines is to be supported hereby, other than Excluded Obligations.

**“Tax Collector”** means the tax collector of the City.

**“Treasurer”** means the Treasurer of the State of Connecticut.

**“2000 Series B Bonds”** means the City’s General Obligation Taxable Pension Bonds, 2000 Series B Taxable Serial Bonds and the 2000 Series B Taxable Term Bonds, dated August 15, 2000.

**“2004 Series C Bonds”** means the City’s General Obligation Bonds, 2004 Series C (Tax-Exempt Refunding) Bonds dated August 12, 2004.

**“2009 Bonds”** means the 2009 Subseries B Bonds and the 2009 Subseries C Bonds.

**“2009 Subseries B Bonds”** means the City’s General Obligation Bonds, 2009 Subseries B (Federally Taxable – Issuer Subsidy – Build America Bonds) dated December 15, 2009.

**“2009 Subseries C Bonds”** means the City’s General Obligation Bonds, 2009 Subseries C (Federally Taxable – Issuer Subsidy – Recovery Zone Economic Development Bonds) dated December 15, 2009.

**“2010 Bonds”** means the 2010 Series B Bonds and the 2010 Series C Bonds.

**“2010 Series B Bonds”** means the City’s General Obligation Bonds, 2010 Series B (Federally Taxable – Issuer Subsidy – Build America Bonds) dated July 22, 2010.

**“2010 Series C Bonds”** means the City’s General Obligation Bonds, 2010 Series C (Tax-Exempt Refunding) dated July 22, 2010.

**“2012 Series A Bonds”** means the City’s General Obligation Bonds, 2012 Series A dated June 14, 2012.

**“2012 Series B Bonds”** means the City’s General Obligation Refunding Bonds, 2012 Series B dated July 12, 2012.

**“2013 Series A Bonds”** means the City’s General Obligation Refunding Bonds, 2013 Series A dated July 11, 2013.

**“2014 Series A Bonds”** means the City’s General Obligation Bonds, 2014 Series A dated August 28, 2014.

**“2014 Series B Bonds”** means the City’s General Obligation Refunding Bonds, 2014 Series B dated November 18, 2014.

**“2016 Series A Bonds”** means the City’s General Obligation Bonds, 2016 Series A dated March 17, 2016.

**“2016 Series B Bonds”** means the City’s General Obligation Refunding Bonds, 2016 Series B dated March 17, 2016.

**“2016 Series C Bonds”** means the City’s General Obligation Refunding Bonds, 2016 Series C dated May 17, 2016.

**“2016 Series D Bonds”** means the City’s General Obligation Bonds, 2016 Series D dated November 22, 2016.

**“2016 Series E Bonds”** means the City’s General Obligation Bonds (Federally Taxable), 2016 Series E dated November 22, 2016.

**“2017 Series A Bonds”** means the City’s General Obligation Bonds, 2017 Series A dated November 30, 2017.

**“2017 Series B Bonds”** means the City’s General Obligation Refunding Bonds, 2017 Series B dated November 30, 2017.

**“2017 Series C Bonds”** means the City’s General Obligation Refunding Bonds, 2017 Series C dated November 30, 2017.

**“2017 Series D Bonds”** means the City’s General Obligation Bonds (Federally Taxable), 2017 Series D dated January 4, 2018.

**“2018 Series A Bonds”** means the City’s General Obligation Refunding Bonds (Federally Taxable), 2018 Series A dated June 12, 2018.

**“2018 Series B Bonds”** means the City’s General Obligation Refunding Bonds, 2018 Series B dated June 12, 2018.

**“2018 Series C Bonds”** means the City’s General Obligation Bonds, 2018 Series C dated July 18, 2018.

**“2019 Series A Bonds”** means the City’s General Obligation Bonds, 2019 Series A dated February 11, 2019.

**“2019 Series B Bonds”** means the City’s General Obligation Bonds (Federally Taxable), 2019 Series B dated February 11, 2019.

**“2019 Series C Bonds”** means the City’s General Obligation Bonds (Federally Taxable), 2019 Series C dated October 29, 2019.

**“2019 Series D Bonds”** means the City’s General Obligation Refunding Bonds (Federally Taxable), 2019 Series D dated October 29, 2019.

**“2019 Series E Bonds”** means the City’s General Obligation Refunding Bonds (Tax-Exempt), 2019 Series E dated October 29, 2019.

**“2020 Series A Bonds”** means the City’s General Obligation Bonds (Tax-Exempt), 2020 Series A dated June 2, 2020.

**“2020 Series B Bonds”** means the City’s General Obligation Bonds (Federally Taxable), 2020 Series B dated June 2, 2020.

**“2021 Series A Bonds”** means the City’s General Obligation Bonds (Tax-Exempt), 2021 Series A dated August \_\_, 2021.

**“2021 Series B Bonds”** means the City’s General Obligation Refunding Bonds (Federally Taxable), 2021 Series B dated August \_\_, 2021.



“**2021 Series C Bonds**” means the City’s General Obligation Refunding Bonds (Tax-Exempt Delayed Delivery), 2021 Series C dated November \_\_, 2021.

## **2. Certification of Debt Service**

Pursuant to the Indenture, prior to the commencement of each Fiscal Year, the City shall deliver to the Trustee and the Tax Collector, the Certificate of Debt Service executed by the Mayor and the Director of Finance setting forth the following:

- (a) Each payment of Debt Service maturing in that Fiscal Year, with all relevant detail including with respect to all Supported General Obligations: (a) the principal amount and date or dates of maturity thereof and the due dates of any installment of principal or mandatory sinking fund payments or redemption payments; (b) the rate or rates of interest thereon and the date or dates of payment thereof; (c) the place or places where, and the Persons to whom, such Supported General Obligations are payable, and where applicable the Paying Agent; and (d) if such Supported General Obligations are subject to redemption, the terms and conditions of such redemption.
- (b) The amount of the Debt Service for each month of the Fiscal Year and for the first month of the following Fiscal Year.
- (c) The estimated balance in the Debt Service Account at the beginning of each month during such Fiscal Year.
- (d) The Designated Payments for each month of the Fiscal Year and for the first month of the following year. If the budgeted Property Tax collection for any month is less than the Debt Service for the following month, then the Designated Payments for the preceding month shall be increased so that at the commencement of the month in which the Debt Service is due there will be sufficient funds to pay the Debt Service for such month.

## **3. Payments Into Debt Service Account**

At the start of each month, commencing with July, 1996, the Tax Collector shall deposit with the Trustee, for credit to the Debt Service Account, all Property Taxes collected until there has been deposited with the Trustee an amount equal to the Designated Payments for the ensuing month as reflected on the Certificate of Debt Service or such greater amount as set forth on the Certificate of Debt Service. In the event that any such deposits do not become good funds for any reason, upon notice from the Trustee, the Tax Collector shall make further payments to the Trustee to replace such amounts. Once the Debt Service Account contains an amount equal to or greater than the amount required by the Certificate of Debt Service, the Tax Collector shall not be obligated to make any deposits in the Debt Service Account for such month.

In the event the City determines that there will not be sufficient funds in the Debt Service Account to pay the Debt Service as it becomes due it shall cause necessary payments to be made to the Debt Service Account or cause the Tax Collector to pay all Property Taxes collected by the City to the Trustee for deposit in the Debt Service Account until there are sufficient funds in the Debt Service Account to pay the Debt Service.

If seven days prior to a Debt Service payment date, the amount held in the Debt Service Account is insufficient to make such payment as identified in the Certificate of Debt Service, the Trustee shall give notice to the City of such insufficiency. The City shall immediately upon receipt of such notice deposit

with Trustee the amount of the insufficiency and until such amount is paid and the Tax Collector has received notice from the Trustee that it has sufficient funds to pay the Debt Service then due or becoming due, the Tax Collector shall deposit with the Trustee all Property Taxes collected.

If two days prior to a Debt Service payment date, the amount held in the Debt Service Account is insufficient to make such payment, the Trustee shall give notice to the Mayor and Director of Finance of the City and the Secretary and the Treasurer of such insufficiency. The City shall immediately upon receipt of such notice deposit with Trustee the amount of the insufficiency and until such amount is paid and the Tax Collector has received notice from the Trustee that it has sufficient funds to pay the Debt Service then due or becoming due, the Tax Collector shall deposit with the Trustee all Property Taxes collected.

Once the Debt Service Account holds sufficient assets to pay the Debt Service when due for the remainder of any Fiscal Year, upon written notice from the Trustee of that fact, the Tax Collector shall not be required to make further payments of Property Taxes for such Fiscal Year to the Debt Service Account. The determination by the Trustee shall be solely based upon the Certificate of Debt Service and the deposits then held in the Debt Service Account.

#### **4. Debt Service Account**

The Trustee shall hold moneys in the Debt Service Account in trust for the benefit of the holders of all Supported General Obligations.

The Trustee shall pay out of the Debt Service Account to the Paying Agent (i) on or before each interest payment date for any series of Bonds, the amount required for the interest payable on such date; (ii) on or before the due date for each Principal Installment, including any sinking fund installment, the amount required for the Principal Installment payable on such due date; and (ii) on or before any Redemption Date for the Bonds, the amount required for the payment of principal, interest and premium, if any, on the Bonds then to be redeemed. Such amounts shall be applied by the Paying Agent on or after the due dates thereof.

The Trustee shall from time to time from and after the date hereof pay from the Debt Service Account all amounts required for the payment as the same becomes due on all Supported General Obligations pursuant to instructions set forth in the Certificate of Debt Service prepared by the City.

The Trustee shall pay out of the Debt Service Account to the City on a monthly basis any interest or investment income earned on the Debt Service Account.

#### **5. Covenants of the City**

The City covenants for the benefit of the Trustee and to the holders of the Bonds to (1) punctually pay the principal, mandatory sinking fund payment or Redemption Price, if any, of every Bond, and the interest thereon at the dates and place, and in the manner provided in the Bond, (2) comply with the requirements of the Act and the applicable laws of the State, (3) apply the Property Taxes in such manner as required by the Indenture, (4) comply with the terms of the Tax Regulatory Agreement delivered in connection with the issuance of the 2021 Series C Bonds which shall require the City to make no use of the proceeds of the 2021 Series C Bonds or of other amounts which would cause the 2021 Series C Bonds to be treated as "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986, as amended and applicable regulations (the "Code"), and that the City will not take any action, or fail to take any action with respect to the proceeds of the 2021 Series C Bonds that would result in a loss of the exemption from federal income taxation pursuant to the Section 103(a) of the Code of interest paid on the

2021 Series C Bonds; and (5) except to the extent otherwise provided in the Indenture, the City shall not enter into any contract or take any action by which the rights of the Trustee or the holders of the Bonds may be impaired, and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of the Indenture.

## **6. Events of Default**

Each of the following constitutes an Event of Default under the Indenture:

- (a) the City shall default in the payment of the principal or redemption price of any Bond when and as the same shall become due and payable, whether at maturity or upon call for redemption, or the City shall default in the payment of the unsatisfied balance of any sinking fund installment therefor (except when such installment is due on the maturity of such Bond), when and as such sinking fund installment shall become due and payable, and such default shall continue for a period of thirty days; or
- (b) the City shall default in the payment of any installment of interest on any Bond, when and as such interest installment shall become due and payable and such default shall continue for a period of thirty days; or
- (c) the City shall fail or refuse to perform or observe any covenant, agreement or condition on its part in the Indenture or in the Bonds, and such default shall continue for a period of sixty (60) days after written notice thereof to the City by the Trustee or to the City and to the Trustee by the owners of not less than a majority in principal amount of the Bonds outstanding.

## **7. Remedies of Holders of the Bonds**

If an Event of Default shall occur and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed within applicable law, and upon written request of the owners of not less than 25% in principal amount of the Bonds outstanding shall proceed, to protect and enforce its rights and the rights of the owners of the Bonds under the Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the City as if the City were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Indenture.

All rights of action under the Indenture may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

The owners of not less than 25% in principal amount of the outstanding Bonds may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the holders of the Bonds not parties to such direction.

Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in the Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

Regardless of the occurrence of an Event of Default, the Trustee shall have power to, but unless requested in writing by the owners of 25% in principal amount of the outstanding Bonds to the extent provided in subsection (1) of this Section, and furnished with reasonable security, indemnity and arrangements in advance for the periodic payment of its fees, expenses and liabilities, shall be under no obligation to, institute and maintain suits and proceedings as the Trustee may be advised shall be necessary or expedient to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture, or suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the holders of the Bonds.

No owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Indenture or the execution of any trust under the Indenture or for any remedy under the Indenture, unless such owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default and the owners of at least 25% in principal amount of the Bonds then outstanding, to the extent provided above, shall have filed a written request with the Trustee and shall have offered it reasonable opportunity, either to exercise the powers granted in the Indenture or by the Act or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no owners of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the pledge created by the Indenture, or to enforce any right under the Indenture, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of all owners of the outstanding Bonds, subject only to the provisions of this Section entitled "Remedies of Holders of the Bonds".

Nothing contained in the Indenture shall affect or impair the obligation of the City, which is absolute and unconditional, to pay at the respective dates of Maturity and places therein expressed the principal of (and premium, if any), sinking fund installments, and interest on the Bonds to the respective owners thereof, or affect or impair the right of action, which is also absolute and unconditional, of any owner to enforce such payment of his Bond.

## **8. Application of Taxes and Other Moneys After Default**

During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds, taxes and revenues received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture as follows and in the following order:

- (a) Expenses of Fiduciaries – to the payment of the reasonable and proper charges, expenses and liabilities of the Fiduciaries.
- (b) Principal or Redemption Price and Interest – to the payment of the interest and principal or Redemption Price then due on the Supported General Obligations, as follows:

First: Interest – to the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, together with accrued and unpaid interest on the Supported General Obligations theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: Principal or Redemption Price – to the payment to the Persons entitled thereto of the unpaid principal, unsatisfied balance of any sinking fund installment or Redemption Price of any Supported General Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the Persons entitled thereto, without any discrimination or preference.

If and whenever all overdue installments of interest on all Supported General Obligations, together with the reasonable and proper charges, expenses and liabilities of the Trustee under the Indenture or any other agreement and all other sums payable by the City under the Indenture, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of the City, or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under the Indenture or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the City, and the Trustee shall be restored, respectively, to their former positions and rights under the Indenture. No such restoration of the City and the Trustee, to their former positions and rights shall extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

## **9. Notice to Bondholders**

Within ninety (90) days after the occurrence of any Event of Default, the Trustee shall promptly mail written notice of such occurrence to each Owner of the Bonds then outstanding at his/her address, if any, appearing on the Bond Register.

## **10. Additional Bonds**

In addition to the Bonds initially issued, the City may issue Additional Bonds on a parity with all Outstanding Bonds and secured by an equal charge and lien on and payable equally and ratably from the Property Taxes for any purpose.

Prior to the delivery of Additional Bonds, there shall be filed with the Trustee (i) a supplemental indenture duly executed by the City; (ii) opinion of recognized bond counsel to the effect that the Additional Bonds, when executed by the City and authenticated and delivered by the Trustee and when issued by the City, will be legal general obligations of the City entitled to the benefits of and secured by this Indenture equally and ratably with all other outstanding Bonds and that the supplemental indenture has been duly executed and delivered by the City and all applicable conditions for the Trustee's execution and delivery of such supplemental indenture have been satisfied; and (iii) instructions from the City to authenticate and deliver such Additional Bonds.

## **11. Amendments and Supplemental Indentures**

Without the consent of any holders of any Bonds, the City, when authorized by a City Council resolution, and the Trustee at any time and from time to time, may enter into one or more amendments or indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

- (a) to evidence and provide for the acceptance of appointment by another bank or trust company as a successor Trustee hereunder with respect to one or more series of Bonds and to add to or change any of the provisions of the Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the Indenture;
- (b) to add to the covenants of the City, for the benefit of the holders of Bonds of all or any series, or to surrender any right or power herein conferred upon the City, provided that such action shall not adversely affect the interests of the holders of Bonds; or
- (c) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under the Indenture, provided that such action shall not materially and adversely affect the interests of the holders of Bonds of any series; or
- (d) to establish any additional form of Bond, as permitted hereunder and to provide for the issuance of any additional series of Bonds, as permitted under the Indenture, and to set forth the terms thereof; or
- (e) to confirm, as further assurance, any security interest, pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, the Indenture of the Property Taxes, or of any other moneys, or securities; or
- (f) to modify, supplement or amend the Indenture to effect qualification under the Trust Indenture Act of 1939, as amended, or under any similar federal statute hereinafter enacted, and to add to the Indenture such other provisions as may be expressly permitted by the Trust Indenture Act of 1939, as amended, and to permit the qualification of any series of Bonds for sale under the securities laws of any state or the United States; or
- (g) to modify, supplement or amend the Indenture to effect its compliance with the Act; or
- (h) to appoint a trustee or any paying agent; or
- (i) to satisfy the requirements of the providers of credit enhancement for, or any rating agency in connection with, any of the series of Bonds if such requirements do not materially and adversely affect the rights of the holders of the Bonds; or
- (j) to grant to or confer upon the Trustee for the benefit of the holders of the Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the holders of the Bonds or the Trustee or either of them which are not contrary to or inconsistent with the Indenture as theretofore in effect, or to grant or pledge to the Trustee for the benefit of the holders of the Bonds any additional security other than that granted or pledged under the Indenture.

With the consent of the respective Bond Insurer or if the respective Municipal Bond Insurance Policy is not in effect, the consent of the holders of not less than 50% in principal amount of the outstanding Bonds of each series affected by such amendment or amendments or supplemental indenture or indentures, the City and the Trustee may enter into amendments or indentures supplemental for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of the holders of Bonds of each such series under the Indenture; provided, however, that no such amendment or supplemental indenture shall, without the consent of the holder of each outstanding Bond affected thereby:

- (a) change the maturity of the principal of, or the stated maturity of the premium, if any, on, or any installment of interest on, any Bond, or reduce the principal amount thereof or any premium thereon or the rate of interest thereon, or change the method of computing the amount of principal thereof on any date or change the coin or currency in which any Bond or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the maturity thereof, as the case may be, (or, in the case of redemption or repayment, on or after the redemption date or the repayment date, as the case may be); or
- (b) reduce the percentage in principal amount of the outstanding Bonds of any series, the consent of whose holders is required for any such amendment or supplemental indenture or the consent of whose holders is required for any waiver (of compliance with certain provisions of the Indenture or of certain defaults thereunder and their consequences) provided for in the Indenture; or
- (c) modify any of the provisions of this Section, except to increase any such percentage or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each outstanding Bond affected thereby.

Prior to the adoption of any such supplemental indenture, the City shall give at least 15 business days written notice thereof.

It shall not be necessary for any act of holders of the Bonds under this Section to approve the particular form of any proposed amendment or supplemental indenture, but it shall be sufficient if such act shall approve the substance thereof.

Notwithstanding the provisions above, the Indenture may be amended by the City without the approval of the holders of the Bonds or Trustee upon the request of the Secretary or the Treasurer provided such amendment does not impair the rights of the holders of the Bonds.

## **12. Bond Insurer's Rights**

Unless otherwise provided, each Bond Insurer has the exclusive vote for the holders of its respective Bonds for the following purposes: (i) execution and delivery of any supplemental indenture; (ii) removal of the Trustee and selection of a new Trustee; (iii) amending the provision of the Indenture pursuant to the section entitled "Amendments and Supplemental Indentures" herein and (iv) initiation or approval of any action not described above which requires consent of the holders of the Bonds.

Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default as defined herein, each Bond Insurer, as to their respective Bonds, shall be entitled to all of the rights of the holders of such Bonds under the Indenture including at its election to vote such

respective Bonds that there are outstanding on all matters on which the respective Bonds are entitled to vote hereunder.

In the event that the principal and/or interest due on the Bonds shall be paid by the respective Bond Insurer pursuant to the Municipal Bond Insurance Policy, the respective Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City, and the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the City to the registered owners of such Bonds shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such registered owners.

### **13. State Pledge Regarding Indenture**

The State pursuant to Section 7-565 of the Connecticut General Statutes has pledged to the holders of any bonds and notes issued under the Act, including the Bonds, and with those parties who may enter into or have entered into contracts for the insurance or payment of such bonds or notes with the City pursuant to the provisions of the Act, that it will not limit or alter the rights vested in the City by the Act until such obligations together with the interest thereon, are fully met and discharged and such contracts are fully performed on the part of the City, provided nothing shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the holders of such bonds and notes of the City. The State has authorized the City to include this pledge and undertaking of the State in such bonds and notes or contracts and in any indenture or supplement thereto pursuant to which bonds or notes have been issued pursuant to the Act.

### **14. Defeasance**

If the City shall pay or cause to be paid, or there shall be otherwise paid or provision made for payment, to the Holders of all or any of the Bonds of a series then Outstanding, the principal or Redemption Price of and interest thereon, at the times and in the manner stipulated therein and in this Indenture and any supplemental indenture, and all fees and expenses of the Trustee, the Paying Agent and the City, and any and all amounts due and owing to the Bond Insurer, then the pledge of any Property Taxes or other moneys and securities hereby pledged to such Bonds or such series of Bonds and all other rights granted hereby to such Bonds or such series of Bonds shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the City, execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee or other fiduciary shall pay or deliver to the City all moneys or securities held by it pursuant to this Indenture and any supplemental indenture which are not required for the payment or redemption of Bonds of such series not theretofore surrendered for such payment or redemption to be used by the City.

Any Bonds of a series for which moneys shall then be held by a trustee, which may be the Trustee (through deposit by the City of funds for such payment or redemption or otherwise), whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in this Section. Any Outstanding Bonds of any series shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in this Section if:

- (a) in case any of such Bonds are to be redeemed on any date prior to their maturity, the City shall have given to a trustee, which may be the Trustee, in form satisfactory to such trustee, irrevocable instructions to give notice of redemption on such date of such Bonds;
- (b) there shall have been deposited with such trustee either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when



due will provide moneys which, together with the moneys, if any, deposited with such trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be; and

- (c) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the City shall have given a trustee, which may be the Trustee, in form satisfactory to such trustee, irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Bonds that the deposit required by (b) above has been made with such trustee and that such Bonds are deemed to have been paid in accordance with the Indenture and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on such Bonds.

In the event of an advance refunding of any series of Bonds and unless the Bond Insurer for such series otherwise agrees in writing:

- (a) the City shall cause to be delivered, on the deposit date and upon any reinvestment of the defeasance amount, a verification report of an accountant.
- (b) the Escrow Deposit Agreement (which shall be acceptable in form and substance to the Bond Insurer for such series) shall provide that no (A) substitution of a Defeasance Obligation shall be permitted except with another Defeasance Obligation and upon delivery of a new Verification and (B) reinvestment of a Defeasance Obligation shall be permitted except as contemplated by the original Verification or upon delivery of a new Verification; and
- (c) there shall be delivered an opinion of recognized bond counsel to the effect that the payment of such series of Bonds has been provided for in the manner set forth herein and that such series of Bonds are no longer “Outstanding” under the Indenture.

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**APPENDIX E – FORMS OF CONTINUING DISCLOSURE AGREEMENTS**

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**FORM OF CONTINUING DISCLOSURE AGREEMENT  
CITY OF BRIDGEPORT GENERAL OBLIGATION BONDS  
(TAX-EXEMPT), 2021 SERIES A**

This Continuing Disclosure Agreement (the “Agreement”) is made as of August 10, 2021 by the City of Bridgeport, Connecticut (the “Issuer”), acting by its undersigned officers, duly authorized, in connection with the issuance of its \$28,130,000 General Obligation Bonds (Tax-Exempt), 2021 Series A, dated August 10, 2021 (the “Bonds”), for the benefit of beneficial owners from time to time of the Bonds. The Bonds are issued pursuant to the Indenture (defined below). A copy of the Indenture may be reviewed at the office of the Director of Finance of the Issuer.

**Section 1. Purpose of the Disclosure Agreement.** This Agreement is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the underwriters in complying with SEC Rule 15c2-12.

**Section 2. Definitions.** For purposes of this Agreement, the following capitalized terms shall have the following meanings:

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

“Final Official Statement” shall mean the official statement of the Issuer dated July 20, 2021 prepared in connection with the Bonds.

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

“Indenture” shall mean the Indenture of Trust dated as of May 1, 1996, as amended and supplemented by a First Supplemental Indenture of Trust dated as of March 1, 1997, as amended and supplemented by a Second Supplemental Indenture of Trust dated as of January 15, 2000, as amended and supplemented by a Third Supplemental Indenture of Trust dated as of August 15, 2000, as amended and supplemented by a Fourth Supplemental Indenture of Trust dated as of July 1, 2001, as amended and supplemented by a Fifth Supplemental Indenture of Trust dated as of June 15, 2002, as amended and supplemented by a Sixth Supplemental Indenture of Trust dated as of November 1, 2003, as amended and supplemented by a Seventh Supplemental Indenture of Trust dated as of August 12, 2004, as amended and supplemented by an Eighth Supplemental Indenture of Trust dated as of April 15, 2006, as amended and supplemented by a Ninth Supplemental Indenture of Trust dated as of June 1, 2006, as amended and supplemented by a Tenth Supplemental Indenture of Trust dated as of June 1, 2007, as amended and supplemented by an Eleventh Supplemental Indenture of Trust dated as of December 1 2009, as amended and supplemented by a Twelfth Supplemental Indenture of Trust dated as of July 1, 2010, as amended and supplemented by a Thirteenth Supplemental Indenture of Trust dated as of June 1, 2012, as amended and supplemented by a Fourteenth Supplemental Indenture of Trust dated as of July 1, 2012, as amended and supplemented by a Fifteenth Supplemental Indenture of Trust dated as of July 1, 2013, as amended and supplemented by a Sixteenth Supplemental Indenture of Trust dated as of August 1, 2014, as amended and supplemented by a Seventeenth Supplemental Indenture of Trust dated as of November 1, 2014, as amended and supplemented by an Eighteenth Supplemental Indenture of Trust dated as of February 1, 2016, as amended and supplemented by a Nineteenth Supplemental Indenture of Trust dated as of March 1, 2016, as amended and supplemented by a Twentieth Supplemental Indenture of Trust dated as of May 1, 2016, as amended and supplemented by a Twenty-First Supplemental Indenture of Trust dated as of November 1, 2016, as amended and supplemented by a Twenty-Second Supplemental Indenture of Trust dated as of November 1, 2017, as amended and supplemented by a Twenty-Third Supplemental Indenture

of Trust dated as of January 1, 2018, as amended and supplemented by a Twenty-Fourth Supplemental Indenture of Trust dated as of June 1, 2018, as amended and supplemented by a Twenty-Fifth Supplemental Indenture of Trust dated as of July 1, 2018, as amended and supplemented by a Twenty-Sixth Supplemental Indenture of Trust dated as of February 1, 2019, as amended and supplemented by a Twenty-Seventh Supplemental Indenture of Trust dated as of October 1, 2019, as amended and supplemented by a Twenty-Eighth Supplemental Indenture of Trust dated as of June 1, 2020, and as amended and supplemented by a Twenty-Ninth Supplemental Indenture of Trust dated as of August 1, 2021 by and between the Issuer and U.S. Bank National Association, as Trustee.

“Listed Events” shall mean any of the events listed in Section 5 hereof.

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

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

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

**Section 3. Provisions of Annual Reports.** The Issuer shall, not later than 275 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2021, provide to the MSRB an annual report (the “Annual Report”) which is consistent with the requirements of Section 4 of this Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Agreement; provided that, if audited financial statements of the Issuer are unavailable at the time the Annual Report is due, the Issuer will include unaudited financial statements with the Annual Report and the audited financial statements, when available, will be provided to the MSRB, within thirty (30) days of receipt.

**Section 4. Content of Annual Report.** The Annual Report shall contain or incorporate by reference the following:

(i) Audited financial statements of the Issuer for the prior fiscal year, which statements shall be in accordance with the accounting principles that are required by State law. As of the date of this Agreement, the Issuer prepares its financial statements pursuant to generally accepted accounting principles; and

(ii) To the extent not included in the audited financial statements referred to in Subsection (i) above, financial information and operating data within the meaning of the Rule of the type set forth in the table entitled “Debt Service Schedule”, as set forth under the heading “THE BONDS”, as well those tables in the Final Official Statement and its Appendix A entitled “Principal Amount of Indebtedness – Long Term Debt”, “Detail of WPCA Borrowing”, “Principal Amount of Outstanding Debt”, “Debt Statement”, “Current Debt Ratios”, “Ratio of Annual Debt Service Expenditures to General Fund Expenditures”, “Statement of Statutory Debt Limitation and Debt Margin”, “Debt Limitation and Debt Margin Computation”, and the financial information under “Other Long-Term Commitments”, as set forth in the “DEBT AND CAPITAL PROGRAMS” section of Appendix A to the Final Official Statement, together with the information relating to the pension programs set forth in the “FINANCIAL INFORMATION” section, and the real and personal property taxes of the type set forth under the “TAX BASE DATA” section of Appendix A to the Final Official Statement.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer, which have been submitted to the MSRB. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

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

### **Section 5. Reporting of Listed Events.**

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

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

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

- (viii) Bond defeasances;
- (ix) rating changes; and

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

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

- (i) non-payment related defaults;
- (ii) modifications to rights of Bondholders;
- (iii) Bond calls;
- (iv) release, substitution, or sale of property securing repayment of the Bonds;
- (v) consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms;
- (vi) appointment of a successor or additional trustee, or the change in the name of the trustee; and
- (vii) incurrence of a financial obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders.

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

**Section 6. Notice of Failure to Provide Annual Financial Information.** The Issuer agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of any failure by the Issuer to provide annual financial information as set forth in Sections 3 and 4 hereof on or before the date set forth in Section 3 hereof.

**Section 7. Termination of Reporting Obligation.** The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

**Section 8. Dissemination Agent.** The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent.

**Section 9. Amendment.** Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or



waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, (ii) this Agreement, as so amended or waived, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by either an opinion of counsel expert in federal securities laws to the effect that the amendment or waiver would not materially adversely affect the beneficial owners of the Bonds or an approving vote by holders of not less than 60% of the aggregate principal amount of the Bonds then outstanding. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver.

**Section 10. Additional Information.** The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided however, nothing in this Agreement shall be construed as prohibiting the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 11. Default.** In the event of a failure of the Issuer to comply with the provisions of this Agreement, the Issuer may cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 4(i) of this Agreement or 10 days with respect to the undertakings set forth in Sections 4(ii) and 5 of this Agreement) from the time the Issuer receives written notice of such failure. For purposes of this Section, notices to the Issuer should be sent to the Director of Finance of the Issuer with a copy to the Issuer's City Attorney. In the event the Issuer does not cure such failure within the time frame specified above, any Participating Underwriter (as defined in the Rule) or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default with respect to the Bonds, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel specific performance. The parties expressly agree and acknowledge that no monetary damages shall arise or be payable hereunder.

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

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

**Section 14. Beneficiaries.** This Agreement shall inure solely to the benefit of the Issuer, any dissemination agent, any Participating Underwriter and the Bondholders, and shall create no rights in any other person or entity.

Dated: As of August 10, 2021

**CITY OF BRIDGEPORT, CONNECTICUT**

By: \_\_\_\_\_  
Joseph P. Ganim  
Mayor

By: \_\_\_\_\_  
Kenneth Flatto  
Director of Finance

**FORM OF CONTINUING DISCLOSURE AGREEMENT  
CITY OF BRIDGEPORT GENERAL OBLIGATION REFUNDING BONDS  
(FEDERALLY TAXABLE), 2021 SERIES B**

This Continuing Disclosure Agreement (the “Agreement”) is made as of August 10, 2021 by the City of Bridgeport, Connecticut (the “Issuer”), acting by its undersigned officers, duly authorized, in connection with the issuance of its \$18,250,000 General Obligation Refunding Bonds (Federally Taxable), 2021 Series B, dated August 10, 2021 (the “Bonds”), for the benefit of beneficial owners from time to time of the Bonds. The Bonds are issued pursuant to the Indenture (defined below). A copy of the Indenture may be reviewed at the office of the Director of Finance of the Issuer.

**Section 1. Purpose of the Disclosure Agreement.** This Agreement is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the underwriters in complying with SEC Rule 15c2-12.

**Section 2. Definitions.** For purposes of this Agreement, the following capitalized terms shall have the following meanings:

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

“Final Official Statement” shall mean the official statement of the Issuer dated July 20, 2021 prepared in connection with the Bonds.

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

“Indenture” shall mean the Indenture of Trust dated as of May 1, 1996, as amended and supplemented by a First Supplemental Indenture of Trust dated as of March 1, 1997, as amended and supplemented by a Second Supplemental Indenture of Trust dated as of January 15, 2000, as amended and supplemented by a Third Supplemental Indenture of Trust dated as of August 15, 2000, as amended and supplemented by a Fourth Supplemental Indenture of Trust dated as of July 1, 2001, as amended and supplemented by a Fifth Supplemental Indenture of Trust dated as of June 15, 2002, as amended and supplemented by a Sixth Supplemental Indenture of Trust dated as of November 1, 2003, as amended and supplemented by a Seventh Supplemental Indenture of Trust dated as of August 12, 2004, as amended and supplemented by an Eighth Supplemental Indenture of Trust dated as of April 15, 2006, as amended and supplemented by a Ninth Supplemental Indenture of Trust dated as of June 1, 2006, as amended and supplemented by a Tenth Supplemental Indenture of Trust dated as of June 1, 2007, as amended and supplemented by an Eleventh Supplemental Indenture of Trust dated as of December 1 2009, as amended and supplemented by a Twelfth Supplemental Indenture of Trust dated as of July 1, 2010, as amended and supplemented by a Thirteenth Supplemental Indenture of Trust dated as of June 1, 2012, as amended and supplemented by a Fourteenth Supplemental Indenture of Trust dated as of July 1, 2012, as amended and supplemented by a Fifteenth Supplemental Indenture of Trust dated as of July 1, 2013, as amended and supplemented by a Sixteenth Supplemental Indenture of Trust dated as of August 1, 2014, as amended and supplemented by a Seventeenth Supplemental Indenture of Trust dated as of November 1, 2014, as amended and supplemented by an Eighteenth Supplemental Indenture of Trust dated as of February 1, 2016, as amended and supplemented by a Nineteenth Supplemental Indenture of Trust dated as of March 1, 2016, as amended and supplemented by a Twentieth Supplemental Indenture of Trust dated as of May 1, 2016, as amended and supplemented by a Twenty-First Supplemental Indenture of Trust dated as of November 1, 2016, as amended and supplemented by a Twenty-Second Supplemental Indenture of Trust dated as of November 1, 2017, as amended and supplemented by a Twenty-Third Supplemental Indenture

of Trust dated as of January 1, 2018, as amended and supplemented by a Twenty-Fourth Supplemental Indenture of Trust dated as of June 1, 2018, as amended and supplemented by a Twenty-Fifth Supplemental Indenture of Trust dated as of July 1, 2018, as amended and supplemented by a Twenty-Sixth Supplemental Indenture of Trust dated as of February 1, 2019, as amended and supplemented by a Twenty-Seventh Supplemental Indenture of Trust dated as of October 1, 2019, as amended and supplemented by a Twenty-Eighth Supplemental Indenture of Trust dated as of June 1, 2020, and as amended and supplemented by a Twenty-Ninth Supplemental Indenture of Trust dated as of August 1, 2021 by and between the Issuer and U.S. Bank National Association, as Trustee.

“Listed Events” shall mean any of the events listed in Section 5 hereof.

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

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

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

**Section 3. Provisions of Annual Reports.** The Issuer shall, not later than 275 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2021, provide to the MSRB an annual report (the “Annual Report”) which is consistent with the requirements of Section 4 of this Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Agreement; provided that, if audited financial statements of the Issuer are unavailable at the time the Annual Report is due, the Issuer will include unaudited financial statements with the Annual Report and the audited financial statements, when available, will be provided to the MSRB, within thirty (30) days of receipt.

**Section 4. Content of Annual Report.** The Annual Report shall contain or incorporate by reference the following:

(i) Audited financial statements of the Issuer for the prior fiscal year, which statements shall be in accordance with the accounting principles that are required by State law. As of the date of this Agreement, the Issuer prepares its financial statements pursuant to generally accepted accounting principles; and

(ii) To the extent not included in the audited financial statements referred to in Subsection (i) above, financial information and operating data within the meaning of the Rule of the type set forth in the table entitled “Debt Service Schedule”, as set forth under the heading “THE BONDS”, as well those tables in the Final Official Statement and its Appendix A entitled “Principal Amount of Indebtedness – Long Term Debt”, “Detail of WPCA Borrowing”, “Principal Amount of Outstanding Debt”, “Debt Statement”, “Current Debt Ratios”, “Ratio of Annual Debt Service Expenditures to General Fund Expenditures”, “Statement of Statutory Debt Limitation and Debt Margin”, “Debt Limitation and Debt Margin Computation”, and the financial information under “Other Long-Term Commitments”, as set forth in the “DEBT AND CAPITAL PROGRAMS” section of Appendix A to the Final Official Statement, together with the information relating to the pension programs set forth in the “FINANCIAL INFORMATION” section, and the real and personal property taxes of the type set forth under the “TAX BASE DATA” section of Appendix A to the Final Official Statement.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer, which have been submitted to the MSRB. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

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

### **Section 5. Reporting of Listed Events.**

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

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

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

- (viii) Bond defeasances;
- (ix) rating changes; and

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

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

- (i) non-payment related defaults;
- (ii) modifications to rights of Bondholders;
- (iii) Bond calls;
- (iv) release, substitution, or sale of property securing repayment of the Bonds;
- (v) consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms;
- (vi) appointment of a successor or additional trustee, or the change in the name of the trustee; and
- (vii) incurrence of a financial obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders.

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

**Section 6. Notice of Failure to Provide Annual Financial Information.** The Issuer agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of any failure by the Issuer to provide annual financial information as set forth in Sections 3 and 4 hereof on or before the date set forth in Section 3 hereof.

**Section 7. Termination of Reporting Obligation.** The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

**Section 8. Dissemination Agent.** The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent.

**Section 9. Amendment.** Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or

waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, (ii) this Agreement, as so amended or waived, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by either an opinion of counsel expert in federal securities laws to the effect that the amendment or waiver would not materially adversely affect the beneficial owners of the Bonds or an approving vote by holders of not less than 60% of the aggregate principal amount of the Bonds then outstanding. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver.

**Section 10. Additional Information.** The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided however, nothing in this Agreement shall be construed as prohibiting the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 11. Default.** In the event of a failure of the Issuer to comply with the provisions of this Agreement, the Issuer may cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 4(i) of this Agreement or 10 days with respect to the undertakings set forth in Sections 4(ii) and 5 of this Agreement) from the time the Issuer receives written notice of such failure. For purposes of this Section, notices to the Issuer should be sent to the Director of Finance of the Issuer with a copy to the Issuer's City Attorney. In the event the Issuer does not cure such failure within the time frame specified above, any Participating Underwriter (as defined in the Rule) or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default with respect to the Bonds, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel specific performance. The parties expressly agree and acknowledge that no monetary damages shall arise or be payable hereunder.

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

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

**Section 14. Beneficiaries.** This Agreement shall inure solely to the benefit of the Issuer, any dissemination agent, any Participating Underwriter and the Bondholders, and shall create no rights in any other person or entity.

Dated: As of August 10, 2021

**CITY OF BRIDGEPORT, CONNECTICUT**

By: \_\_\_\_\_  
Joseph P. Ganim  
Mayor

By: \_\_\_\_\_  
Kenneth Flatto  
Director of Finance



**FORM OF CONTINUING DISCLOSURE AGREEMENT  
CITY OF BRIDGEPORT GENERAL OBLIGATION REFUNDING BONDS  
(TAX-EXEMPT DELAYED DELIVERY), 2021 SERIES C**

This Continuing Disclosure Agreement (the “Agreement”) is made as of November 17, 2021 by the City of Bridgeport, Connecticut (the “Issuer”), acting by its undersigned officers, duly authorized, in connection with the issuance of its \$15,595,000 General Obligation Refunding Bonds (Tax-Exempt Delayed Delivery), 2021 Series C, dated November 17, 2021 (the “Bonds”), for the benefit of beneficial owners from time to time of the Bonds. The Bonds are issued pursuant to the Indenture (defined below). A copy of the Indenture may be reviewed at the office of the Director of Finance of the Issuer.

**Section 1. Purpose of the Disclosure Agreement.** This Agreement is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the underwriters in complying with SEC Rule 15c2-12.

**Section 2. Definitions.** For purposes of this Agreement, the following capitalized terms shall have the following meanings:

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

“Final Official Statement” shall mean the official statement of the Issuer dated July 20, 2021 prepared in connection with the Bonds.

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

“Indenture” shall mean the Indenture of Trust dated as of May 1, 1996, as amended and supplemented by a First Supplemental Indenture of Trust dated as of March 1, 1997, as amended and supplemented by a Second Supplemental Indenture of Trust dated as of January 15, 2000, as amended and supplemented by a Third Supplemental Indenture of Trust dated as of August 15, 2000, as amended and supplemented by a Fourth Supplemental Indenture of Trust dated as of July 1, 2001, as amended and supplemented by a Fifth Supplemental Indenture of Trust dated as of June 15, 2002, as amended and supplemented by a Sixth Supplemental Indenture of Trust dated as of November 1, 2003, as amended and supplemented by a Seventh Supplemental Indenture of Trust dated as of August 12, 2004, as amended and supplemented by an Eighth Supplemental Indenture of Trust dated as of April 15, 2006, as amended and supplemented by a Ninth Supplemental Indenture of Trust dated as of June 1, 2006, as amended and supplemented by a Tenth Supplemental Indenture of Trust dated as of June 1, 2007, as amended and supplemented by an Eleventh Supplemental Indenture of Trust dated as of December 1 2009, as amended and supplemented by a Twelfth Supplemental Indenture of Trust dated as of July 1, 2010, as amended and supplemented by a Thirteenth Supplemental Indenture of Trust dated as of June 1, 2012, as amended and supplemented by a Fourteenth Supplemental Indenture of Trust dated as of July 1, 2012, as amended and supplemented by a Fifteenth Supplemental Indenture of Trust dated as of July 1, 2013, as amended and supplemented by a Sixteenth Supplemental Indenture of Trust dated as of August 1, 2014, as amended and supplemented by a Seventeenth Supplemental Indenture of Trust dated as of November 1, 2014, as amended and supplemented by an Eighteenth Supplemental Indenture of Trust dated as of February 1, 2016, as amended and supplemented by a Nineteenth Supplemental Indenture of Trust dated as of March 1, 2016, as amended and supplemented by a Twentieth Supplemental Indenture of Trust dated as of May 1, 2016, as amended and supplemented by a Twenty-First Supplemental Indenture of Trust dated as of November 1, 2016, as amended and supplemented by a Twenty-Second Supplemental Indenture of Trust dated as of November 1, 2017, as amended and supplemented by a Twenty-Third Supplemental Indenture

of Trust dated as of January 1, 2018, as amended and supplemented by a Twenty-Fourth Supplemental Indenture of Trust dated as of June 1, 2018, as amended and supplemented by a Twenty-Fifth Supplemental Indenture of Trust dated as of July 1, 2018, as amended and supplemented by a Twenty-Sixth Supplemental Indenture of Trust dated as of February 1, 2019, as amended and supplemented by a Twenty-Seventh Supplemental Indenture of Trust dated as of October 1, 2019, as amended and supplemented by a Twenty-Eighth Supplemental Indenture of Trust dated as of June 1, 2020, as amended and supplemented by a Twenty-Ninth Supplemental Indenture of Trust dated as of August 1, 2021, and as supplemented and amended by a Thirtieth Supplemental Indenture of Trust dated as of November 1, 2021 by and between the Issuer and U.S. Bank National Association, as Trustee.

“Listed Events” shall mean any of the events listed in Section 5 hereof.

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

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

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

**Section 3. Provisions of Annual Reports.** The Issuer shall, not later than 275 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2021, provide to the MSRB an annual report (the “Annual Report”) which is consistent with the requirements of Section 4 of this Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Agreement; provided that, if audited financial statements of the Issuer are unavailable at the time the Annual Report is due, the Issuer will include unaudited financial statements with the Annual Report and the audited financial statements, when available, will be provided to the MSRB, within thirty (30) days of receipt.

**Section 4. Content of Annual Report.** The Annual Report shall contain or incorporate by reference the following:

(i) Audited financial statements of the Issuer for the prior fiscal year, which statements shall be in accordance with the accounting principles that are required by State law. As of the date of this Agreement, the Issuer prepares its financial statements pursuant to generally accepted accounting principles; and

(ii) To the extent not included in the audited financial statements referred to in Subsection (i) above, financial information and operating data within the meaning of the Rule of the type set forth in the table entitled “Debt Service Schedule”, as set forth under the heading “THE BONDS”, as well those tables in the Final Official Statement and its Appendix A entitled “Principal Amount of Indebtedness – Long Term Debt”, “Detail of WPCA Borrowing”, “Principal Amount of Outstanding Debt”, “Debt Statement”, “Current Debt Ratios”, “Ratio of Annual Debt Service Expenditures to General Fund Expenditures”, “Statement of Statutory Debt Limitation and Debt Margin”, “Debt Limitation and Debt Margin Computation”, and the financial information under “Other Long-Term Commitments”, as set forth in the “DEBT AND CAPITAL PROGRAMS” section of Appendix A to the Final Official Statement, together with the information relating to the pension programs set forth in the “FINANCIAL INFORMATION”

section, and the real and personal property taxes of the type set forth under the “TAX BASE DATA” section of Appendix A to the Final Official Statement.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer, which have been submitted to the MSRB. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

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

### **Section 5. Reporting of Listed Events.**

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

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

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

- (viii) Bond defeasances;

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

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

- (i) non-payment related defaults;
- (ii) modifications to rights of Bondholders;
- (iii) Bond calls;
- (iv) release, substitution, or sale of property securing repayment of the Bonds;
- (v) consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms;
- (vi) appointment of a successor or additional trustee, or the change in the name of the trustee; and
- (vii) incurrence of a financial obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders.

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

**Section 6. Notice of Failure to Provide Annual Financial Information.** The Issuer agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of any failure by the Issuer to provide annual financial information as set forth in Sections 3 and 4 hereof on or before the date set forth in Section 3 hereof.

**Section 7. Termination of Reporting Obligation.** The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

**Section 8. Dissemination Agent.** The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Agreement, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent.

**Section 9. Amendment.** Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, (ii) this Agreement, as so amended or waived, would have complied with the requirements of the Rule as of the date of this Agreement, taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by either an opinion of counsel expert in federal securities laws to the effect that the amendment or waiver would not materially adversely affect the beneficial owners of the Bonds or an approving vote by holders of not less than 60% of the aggregate principal amount of the Bonds then outstanding. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver.

**Section 10. Additional Information.** The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided however, nothing in this Agreement shall be construed as prohibiting the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 11. Default.** In the event of a failure of the Issuer to comply with the provisions of this Agreement, the Issuer may cure such failure within a reasonable time (but not exceeding 30 days with respect to the undertakings set forth in Section 4(i) of this Agreement or 10 days with respect to the undertakings set forth in Sections 4(ii) and 5 of this Agreement) from the time the Issuer receives written notice of such failure. For purposes of this Section, notices to the Issuer should be sent to the Director of Finance of the Issuer with a copy to the Issuer's City Attorney. In the event the Issuer does not cure such failure within the time frame specified above, any Participating Underwriter (as defined in the Rule) or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default with respect to the Bonds, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel specific performance. The parties expressly agree and acknowledge that no monetary damages shall arise or be payable hereunder.

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

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

**Section 14. Beneficiaries.** This Agreement shall inure solely to the benefit of the Issuer, any dissemination agent, any Participating Underwriter and the Bondholders, and shall create no rights in any other person or entity.

Dated: As of November 17, 2021

**CITY OF BRIDGEPORT, CONNECTICUT**

By: \_\_\_\_\_  
Joseph P. Ganim  
Mayor

By: \_\_\_\_\_  
Kenneth Flatto  
Director of Finance

**APPENDIX F – FORM OF DELAYED DELIVERY CONTRACT**

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## FORM OF DELAYED DELIVERY CONTRACT

Raymond James & Associates, Inc.  
535 Madison Avenue  
9<sup>th</sup> Floor  
New York, NY 10022

RE: \$ \_\_\_\_\_ General Obligation Refunding Bonds (Tax-Exempt Delayed Delivery), 2021 Series C  
(the "Series C Bonds")

Ladies and Gentlemen:

The undersigned (the "Purchaser") hereby agrees to purchase from Raymond James & Associates, Inc., as representative of the underwriters set forth in the Delayed Delivery Bond Purchase Agreement, as defined below (the "Underwriters"), and the other Underwriters, when, as, and if issued and delivered to the Underwriters by the City of Bridgeport, Connecticut (the "City"), and the Underwriters agree to sell to the Purchaser:

Series	Par Amount	Maturity Date	Interest Rate	CUSIP Number	Yield	Price
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of the above-referenced bonds (the "Purchased Bonds") offered by the City under the Preliminary Official Statement dated [\_\_\_\_], 2021 (the "Preliminary Official Statement") and the Official Statement relating to the Purchase Bonds dated [\_\_\_\_], 2021 (the "Official Statement"), receipt and review of copies of which is hereby acknowledged, at the purchase price and with the interest rates, principal amounts, and maturity dates shown above, and on the further terms and conditions set forth in this Delayed Delivery Contract. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Official Statement. The Purchased Bonds are being purchased by the Underwriters pursuant to a Delayed Delivery Bond Purchase Agreement between the City and the Underwriters (the "Delayed Delivery Bond Purchase Agreement").

The Purchaser hereby confirms that it has received and reviewed the Preliminary Official Statement and the Official Statement (including, without limitation, the section entitled "THE BONDS - Delayed Delivery of the Series C Bonds"), has considered the risks associated with purchasing the Purchased Bonds and is duly authorized to purchase the Purchased Bonds. The Purchaser acknowledges and agrees that the Purchased Bonds are being sold on a "forward" basis, and the Purchaser hereby purchases and agrees to accept delivery of the Purchased Bonds from the Underwriters on or about [November 17], 2021 (the "Delivery Settlement Date"), as they may be issued and delivered in accordance with the Delayed Delivery Bond Purchase Agreement.

Payment for the Purchased Bonds on the Delivery Settlement Date shall be made to the Underwriters or upon its order on the Delivery Settlement Date upon delivery to the Purchaser of the Purchased Bonds through the book-entry system of The Depository Trust Company. The Purchaser agrees that in no event shall the Underwriters be responsible or liable for any claim or loss, whether direct or consequential, which the Purchaser may suffer the City does not for any reason issue and deliver the above-referenced Bonds.

Upon issuance by the City of the Bonds and purchase thereof by the Underwriters, the obligation of the Purchaser to take delivery of the Purchased Bonds hereunder shall be unconditional except in the event that between the date of this Delayed Delivery Contract and the Delivery Settlement Date one of the following events shall have occurred:

- (1) there shall have been a Change in Law (defined below);
- (2) as a result of any legislation, regulation, ruling, order, release, court decision or judgment or action by the U.S. Department of the Treasury, the Internal Revenue Service, or any agency of the State either enacted, issued, effective, adopted or proposed (but only with respect to any such proposed legislation, regulation, ruling, order, release, court decision or judgment or action which continues to be proposed as of the Delivery Settlement Date), or for any other reason, Bond Counsel cannot issue an opinion substantially in the form attached to the Official Statement as APPENDIX C-3 to the effect that (a) the interest on the Purchased Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code (or comparable provisions of any successor federal tax laws), and (b) the interest on the Purchased Bonds is exempt from State of Connecticut personal income taxes;
- (3) legislation shall be enacted, or a decision by a court of the United States shall be rendered, or any action shall be taken by, or on behalf of, the U.S. Securities Exchange Commission which, in the reasonable opinion of the Representative, following consultation with the City, has the effect of requiring the Purchased Bonds to be registered under the Securities Act of 1933, as amended, or requires the qualification of the Resolution under the Trust Indenture Act of 1939, as amended, or an event shall occur which would cause the sale of the Purchased Bonds to be in violation of any provision of the federal or State of Connecticut securities laws;
- (4) the Official Statement as of the date of Delivery Pre-Closing Date (as defined in the Official Statement) (which is expected to occur on or about August 10, 2021), or the Updated Official Statement to be provided by the City pursuant to the terms of the Delayed Delivery Bond Purchase Agreement as of the Delivery Settlement Date, contained or contains an untrue statement or misstatement of material fact or omitted or omits to state a material fact necessary in order to make the statements and information contained therein not misleading in any material respect; or
- (5) as of the Delivery Settlement Date, the Purchased Bonds are no longer rated investment grade by each of Moody's Investors Service, S&P Global Ratings, and Fitch Ratings.

The Underwriters shall notify the Purchaser promptly in the event that the Underwriters become aware of the occurrence of any of the events described in clauses (1) through (5) above.

A "Change in Law" means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Delivery Settlement Date), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date which is on or before the Delivery Settlement Date) or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would, (A) as to the Underwriters, prohibit the Underwriters from completing the underwriting of the Purchased Bonds or selling the Purchased Bonds or the beneficial ownership interests therein to the public, or (B) as to the City, would make the completion of the issuance, sale or delivery of the Purchased Bonds illegal.

If the Change of Law completely eliminates the exclusion from gross income for federal income tax purposes of interest payable on "state or local bonds," the Underwriters would not be obligated to purchase the Purchased Bonds from the City, and the Purchaser would not be required to accept delivery of the Purchased Bonds from the Underwriters.

The Purchaser acknowledges and agrees that the Purchased Bonds are being sold on a “forward” or “delayed delivery” basis for delivery on the Delivery Settlement Date and that the Purchaser is obligated to take up and pay for the Purchased Bonds on the Delivery Settlement Date unless one of the five events described above shall have occurred.

The Purchaser acknowledges that it will not be able to withdraw its order as described herein, and will not otherwise be excused from performance of its obligations to take up and pay for the Purchased Bonds on the Delivery Settlement Date because of market or credit changes, including specifically, but not limited to (a) except for the rating change described in event number 5 above, changes in the ratings assigned to the Purchased Bonds between the date of Delivery Pre-Closing Date and the Delivery Settlement Date or changes in the credit associated with the Purchased Bonds generally, and (b) changes in the financial condition, operations, performance, properties or prospects of the City from the date hereof to the Delivery Settlement Date. The Purchaser acknowledges and agrees that it will remain obligated to purchase the Purchased Bonds in accordance with the terms hereof, even if the Purchaser decides to sell the Purchased Bonds following the date hereof, unless the Purchaser sells the Purchased Bonds to another institution with the prior written consent of the Underwriters and such institution provides a written acknowledgment of confirmation of purchase order and a delayed delivery contract in the same respective forms as that executed by the Purchaser.

The Purchaser represents and warrants that, as of the date of this Delayed Delivery Contract, the Purchaser is not prohibited from purchasing the Purchased Bonds hereby agreed to be purchased by it under the laws of the jurisdiction to which the Purchaser is subject. Each of the undersigned parties represents and warrants that it has the power and authority to enter into this Delayed Delivery Contract and to perform its obligations hereunder.

The Purchaser agrees that it will at all times satisfy the minimum initial and maintenance margin requirements of Regulation T of the Board of Governors of the Federal Reserve System, Rule 431 of the New York Governors of the Federal Reserve System, Rule 4210 of the Financial Industry Regulatory Authority, and any other margin regulations applicable to the Underwriters.

This Delayed Delivery Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors, but will not be assignable by either party without the prior written consent of the other.

The Purchaser acknowledges that the Underwriters are entering into Delayed Delivery Bond Purchase Agreement with the City to purchase the Purchased Bonds in reliance in part on the performance by the Purchaser of its obligations hereunder.

This Delayed Delivery Contract may be executed by either of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

It is understood that the acceptance by the Underwriters of any Delayed Delivery Contract (including this one) is in the Underwriters’ sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this Delayed Delivery Contract is acceptable to the Underwriters, it is requested that the Underwriters sign the form of acceptance below and mail, email or otherwise deliver one of the counterparts hereof to the Purchaser at its address set forth below. This will become a binding contract between the Underwriters, and the Purchaser when such counterpart is so mailed, emailed or otherwise delivered by the Underwriters. This Delayed Delivery Contract does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.

This Delayed Delivery Contract shall be construed and administered under the laws of the State of New York.

[PURCHASER]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Accepted: \_\_\_\_\_

RAYMOND JAMES & ASSOCIATES, INC.,  
as Representative

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_





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