

## Official Statement Dated February 1, 2017

### NEW ISSUE

STANDARD & POOR'S RATING: AA+  
(See "Ratings" herein)

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

## TOWN OF SOUTH WINDSOR, CONNECTICUT

**\$11,860,000**

### GENERAL OBLIGATION BONDS, ISSUE OF 2017 BOOK-ENTRY ONLY

**Dated: Date of Delivery**

**Due: February 15, 2018-2033, as shown herein**

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

The Bonds will bear interest payable on August 15, 2017 and semiannually thereafter on February 15 and August 15 in each year until maturity or earlier redemption.

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

**The Bonds are subject to optional redemption prior to maturity as described herein. (See "Optional Redemption" herein).**

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

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STANDARD & POOR'S RATING: SP-1+  
(See "Ratings" herein)

**\$16,000,000**

### GENERAL OBLIGATION BOND ANTICIPATION NOTES BOOK-ENTRY ONLY

**Dated: February 16, 2017**

**Due: February 15, 2018**

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

The Notes will bear interest payable at maturity, will be issued by means of a book-entry system, and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Notes. The Beneficial Owners of the Notes will not receive certificates representing their ownership interest in the Notes. Principal of and interest on the Notes will be payable by the Town or its agent to DTC or its nominees as registered owners of the Notes. Ownership of the Notes may be in principal amounts of \$5,000 or integral multiples thereof. (See "Book-Entry Transfer System" herein).

**The Notes are NOT subject to redemption prior to maturity.**

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

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*The Bonds and Notes are offered for delivery when, as and if issued, subject to the final approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds and Notes in book-entry form will be made to DTC on or about February 16, 2017.*

# TOWN OF SOUTH WINDSOR, CONNECTICUT

**\$11,860,000**

## GENERAL OBLIGATION BONDS, ISSUE OF 2017 BOOK-ENTRY-ONLY

**Dated: Date of Delivery**

**Due: February 15, 2018-2033, as shown below**

### MATURITY SCHEDULE AND AMOUNTS

Maturity	Amount	Interest Rate	Yield	CUSIP (1)	Maturity	Amount	Interest Rate	Yield	CUSIP (1)
2018	\$1,225,000	4.000%	0.900%	840772D8	2026	\$ 600,000	3.000%	2.380%*	840772E8
2019	875,000	5.000	1.100	840772D9	2027	600,000	3.000	2.600*	840772E9
2020	845,000	5.000	1.270	840772E2	2028	600,000	3.000	2.700*	840772F2
2021	1,100,000	5.000	1.440	840772E3	2029	600,000	3.000	2.900*	840772F3
2022	965,000	5.000	1.640	840772E4	2030	600,000	3.000	3.000	840772F4
2023	1,050,000	5.000	1.810	840772E5	2031	600,000	3.000	3.100	840772F5
2024	400,000	2.000	2.000	840772E6	2032	600,000	3.000	3.180	840772F6
2025	600,000	3.000	2.180*	840772E7	2033	600,000	3.125	3.250	840772F7

\* - Priced assuming redemption on February 15, 2023; however any such redemption is at the election of the Town. (See "Optional Redemption" herein).

## UBS Financial Services

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## GENERAL OBLIGATION BOND ANTICIPATION NOTES BOOK-ENTRY-ONLY

**Dated: Date of Delivery**

**Due: February 15, 2018**

**\$14,000,000**

**\$2,000,000**

Coupon	Yield	CUSIP (1)
2.000%	1.020%	840772F85

Coupon	Yield	CUSIP (1)
2.000%	1.000%	840772F85

- (1) Copyright, American Bankers Association CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an Independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bond and Notes. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds and Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds and Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and Notes.

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

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

Other than as to matters expressly set forth in Appendix A – "Audited Financial Statements" herein, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

Other than as to matters expressly set forth in Appendices B and C – "Form of Legal Opinion of Bond Counsel" herein, 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.

Independent Bond and Investment Consultants LLC, the Town's Financial Advisor, has assisted the Town in the preparation of this Official Statement from information supplied by Town officials and other sources. Independent Bond and Investment Consultants LLC does not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same.

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

The Town will enter into continuing disclosure agreements with respect to the Bonds and the Notes (the "Continuing Disclosure Agreements"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data, (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreements to be executed in substantially the forms attached as Appendices D and E, respectively to this Official Statement.

**BOND COUNSEL**

**ROBINSON & COLE LLP**

Hartford, Connecticut  
(860) 275-8200

**INDEPENDENT FINANCIAL ADVISOR**

**INDEPENDENT BOND AND  
INVESTMENT CONSULTANTS LLC**

Madison, Connecticut  
(203) 245-8715

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## BOND SALE SUMMARY

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

<b>Date of Sale:</b>	Wednesday, February 1, 2017, at 11:30 A.M. (E.S.T.).
<b>Location of Sale:</b>	Town Hall, Sprenkel Room, 1540 Sullivan Avenue, South Windsor, Connecticut 06074.
<b>Issuer:</b>	Town of South Windsor, Connecticut (the "Town").
<b>Issue:</b>	\$11,860,000 General Obligation Bonds, Issue of 2017 (the "Bonds").
<b>Dated Date:</b>	Date of Delivery.
<b>Interest Due:</b>	August 15, 2017 and semiannually thereafter on February 15 and August 15 in each year or earlier redemption.
<b>Principal Due:</b>	Serially, February 15, in each of the years 2018-2033, both inclusive.
<b>Purpose and Authority:</b>	The Bonds are being issued to finance various capital improvement projects undertaken by the Town and authorized by certain bond resolutions adopted and approved by either the Town Council or by the electors of the Town at referendum.
<b>Redemption:</b>	The Bonds are subject to redemption prior to maturity. (See "Optional Redemption" herein).
<b>Security:</b>	The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Bonds when due.
<b>Credit ratings:</b>	The Bonds are rated "AA+" by S&P Global Ratings ("S&P"). The Town's outstanding bonds are currently rated "Aa2" and "AA+" by Moody's Investors Service, Inc. ("Moody's") and S&P, respectively. However, the Town has not made an application to Moody's for a rating on this issue. (See "Ratings" herein).
<b>Basis for Award:</b>	Lowest True Interest Cost ("TIC") as of the dated date.
<b>Tax Exemption:</b>	See "Tax Matters" herein.
<b>Availability of Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) notices of certain events within 10 business days of the occurrence of such events and (iii) timely notice of failure to provide the required financial information by the date specified pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix D to this Official Statement.
<b>Bank Qualification:</b>	The Bonds shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for certain interest expense allocable to the Bonds.
<b>Certifying Bank, Registrar, Transfer and Paying Agent:</b>	U.S. Bank National Association, Hartford, Connecticut.
<b>Legal Opinion:</b>	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry form will be made on or about February 16, 2017, against payment in Federal Funds.
<b>Issuer Official:</b>	Questions regarding the Town and this Official Statement should be directed to Matthew B. Galligan, Town Manager, Town of South Windsor, Connecticut. Telephone (860) 644-2511, ext. 200.

## NOTE SALE SUMMARY

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

<b>Date of Sale:</b>	Wednesday, February 1, 2017, at 11:00 A.M. (E.S.T.).
<b>Location of Sale:</b>	Town Hall, Sprenkel Room, 1540 Sullivan Avenue, South Windsor, Connecticut 06074.
<b>Issuer:</b>	Town of South Windsor, Connecticut (the "Town").
<b>Issue:</b>	\$16,000,000 General Obligation Bond Anticipation Notes (the "Notes").
<b>Dated Date:</b>	February 16, 2017.
<b>Interest Due:</b>	At maturity on February 15, 2018.
<b>Principal Due:</b>	At maturity on February 15, 2018.
<b>Purpose and Authority:</b>	The Notes are being issued to finance various capital improvement projects undertaken by the Town and authorized by certain bond resolutions adopted and approved by either the Town Council or by the electors of the Town at referendum.
<b>Redemption:</b>	The Notes are <b><u>NOT</u></b> subject to redemption prior to maturity.
<b>Security:</b>	The Notes will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of the principal of and interest on the Notes when due.
<b>Credit ratings:</b>	The Notes have been rated "SP-1+" by S&P Global Ratings ("S&P"). The Town's outstanding bonds are currently rated "Aa2" and "AA+" by Moody's Investors Service, Inc. ("Moody's") and S&P, respectively. However, the Town has not made an application to Moody's for a rating on this issue. (See "Ratings" herein).
<b>Basis for Award:</b>	Lowest Net Interest Cost ("NIC") as of the dated date.
<b>Tax Exemption:</b>	See "Tax Matters" herein.
<b>Availability of Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, notices of the occurrence of certain events within 10 business days of the occurrence of such events pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix E to this Official Statement.
<b>Bank Qualification:</b>	The Notes shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for certain interest expense allocable to the Notes.
<b>Certifying Bank, Registrar, Transfer and Paying Agent:</b>	U.S. Bank National Association, Hartford, Connecticut.
<b>Legal Opinion:</b>	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Notes in book-entry form will be made on or about February 16, 2017, against payment in Federal Funds.
<b>Issuer Official:</b>	Questions regarding the Town and this Official Statement should be directed to Matthew B. Galligan, Town Manager, Town of South Windsor, Connecticut. Telephone (860) 644-2511, ext. 200.

## SECTION I - SECURITIES OFFERED

### Introduction

This Official Statement, including the cover page, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of South Windsor, Connecticut (the "Town") in connection with the issuance and sale of \$11,860,000 General Obligation Bonds, Issue of 2017 (the "Bonds") and \$16,000,000 General Obligation Bond Anticipation Notes ("the Notes").

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

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the Town.

Bond Counsel are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion) and make no representation that they have independently verified the same.

### Description of the Bonds

The Bonds will be dated the date of delivery and will mature in annual installments on February 15 in each of the years and in the principal amounts set forth on the inside cover page hereof. The Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds will be payable on August 15, 2017 and semiannually thereafter on February 15 and August 15 in each year until maturity. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the close of business on the last business day of January and July in each year. A book-entry system will be employed evidencing ownership of the Bonds with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Certifying Bank, Registrar, Transfer and Paying Agent will be the U.S. Bank National Association, in Hartford, Connecticut. The legal opinion on the Bonds will be rendered by Robinson & Cole LLP, of Hartford, Connecticut. (See "Appendix B" herein). The Bonds shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended for purposes of the deduction by financial institutions for interest expense allocable to the Bonds. **The Bonds ARE subject to redemption prior to maturity.** (See "Optional Redemption" herein).

### Optional Redemption

The Bonds maturing on or before February 15, 2023 are not subject to redemption prior to maturity. The Bonds maturing on February 15, 2024 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after February 15, 2023, at any time, in whole or in part, and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine at the following redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) set forth in the following table, plus accrued interest to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
February 15, 2023 and thereafter	100%

### Notice of Redemption

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the registered owner of the Bonds at the address of such registered owner as it appears on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if such funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee of the DTC, is the registered owner of the Bonds, notice of redemption will be sent on to DTC (or a successor securities depository) or its nominee.



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

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

### Description of the Notes

The Notes will be dated February 16, 2017 and principal and interest will be due at maturity on February 15, 2018. Interest will be calculated on the basis of twelve 30-day months and a 360-day year, at the rate or rates per annum specified by the successful bidder or bidders. A book-entry system will be employed evidencing ownership of the Notes in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Transfer System" herein). The Certifying Bank, Registrar, Transfer and Paying Agent will be the U.S. Bank National Association, in Hartford, Connecticut. The legal opinion on the Notes will be rendered by Robinson & Cole LLP of Hartford, Connecticut. (See "Appendix C" herein). The Notes shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended for purposes of the deduction by financial institutions for certain interest expense allocable to the Notes. **The Notes are NOT subject to redemption prior to maturity.**

### Authorization and Use of Proceeds

Authorization. The Bonds and the Notes are issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the Town, and bond resolutions adopted and approved by either the Town Council or by the electors of the Town at referendum.

Use of Proceeds. Proceeds of the Bonds and the Notes will be used to finance the following:

Projects	Amount of Authorization	Notes Outstanding	Additions / (Reductions)	The Bonds	The Notes
2012 - Various School Projects	\$ 5,790,000	\$ 360,000	\$ -	\$ 360,000	\$ -
Orchard Hill Elementary School Project	33,521,724	15,000,000	4,500,000	7,500,000	12,000,000
2014 - Road / Drainage Improvements	12,000,000	6,000,000	2,000,000	4,000,000	4,000,000
Total	<u>\$ 51,311,724</u>	<u>\$ 21,360,000</u>	<u>\$ 6,500,000</u>	<u>\$ 11,860,000</u>	<u>\$ 16,000,000</u>

*[The remainder of this page intentionally left blank]*

## **Ratings**

The Bonds have been rated "AA+" S&P Global Ratings ("S&P"). The Notes have been rated "SP-1+" by S&P. The Town's outstanding bonds are currently rated "Aa2" and "AA+" by Moody's Investors Service, Inc. ("Moody's") and S&P, respectively. However, the Town has not made an application to Moody's for a rating on this issue. Such ratings reflect only the views of such rating agency and any explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and Standard & Poor's Rating Services, 55 Water Street, New York, New York 10041-003. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Town's obligations.

## **Tax Matters**

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met at and subsequent to delivery of the Bonds and the Notes in order that interest on the Bonds and the Notes be and remains excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds and the Notes to be included in gross income retroactive to the date of issuance of the Bonds and the Notes. The Tax Regulatory Agreement, which will be executed and delivered by the Town concurrently with the Bonds and the Notes, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds and the Notes in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Town also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Bonds and the Notes shall be excluded from gross income for federal income tax purposes under the Code.

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

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

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

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

The opinions of Bond Counsel are rendered as of their date and are based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective. Prospective purchasers of the Bonds and the Notes are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of and receipt of interest on the Bonds and the Notes.

## **Original Issue Discount**

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

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

## **Original Issue Premium**

The initial public offering price of certain maturities of the Bonds and the Notes may be greater than the principal amount payable on such Bonds and Notes at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds or the Notes is sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds and the Notes were ultimately sold to the public.

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

## **Security and Remedies**

The Bonds and the Notes will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds and the Notes when due. Unless paid from other sources, the Bonds and the Notes are payable from ad valorem taxes which may be levied on all taxable property in the Town without limit as to rate or amount, except as to certain 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.

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

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

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

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

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

**Qualification for Financial Institutions**

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

**Book-Entry Transfer System**

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, 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 registered 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 is rated AA+ by Standard & Poor's. 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 and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds and Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds and Notes, except in the event that use of the book-entry system for the Bonds and Notes is discontinued.

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

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

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

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

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

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

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

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. The Town takes no responsibility for the accuracy thereof.

### **Replacement Bonds and Notes**

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

### **DTC Practices**

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

## **SECTION II - THE ISSUER**

### **Description of the Town**

The Town was originally founded in 1633 as part of Windsor and, in 1845, incorporated as a separate municipality. Historically, the Town has primarily been an agricultural community due to its fertile land and abundant water resources. Today, however, South Windsor affords a blend of residential living, high-tech industry and open space.

Situated just northeast of Hartford, the Town occupies 28.5 square miles, and is bounded by East Windsor and Ellington to the north, Vernon to the east, Manchester and East Hartford to the south, and the Connecticut River to the west. The Town is located equidistant from New York City and Boston and is only 20 miles south of Springfield, Massachusetts. South Windsor has immediate access to interstates 84, 91 and 291 and is only minutes from Bradley International Airport. Freight lines connect the Town to the entire northeast corridor.

Land use in South Windsor remains varied and diverse. Residential use accounts for nearly 82% of the total acreage, while commercial and industrial land use comprises approximately 18%. Major industries include aircraft electromechanical systems, optical and laser technologies, assisted living/healthcare systems, financial services and printing and graphic systems.

The Town Plan of Conservation and Development was initially adopted in 1968 with revisions in 2002 and 2013. Comprehensive zoning regulations were first adopted in 1928 and are revised on a periodic basis to reflect current development standards and practices. Both have resulted in a balanced economy, improved residential development and a stabilized tax base. The Town has embarked on some new and exciting projects that will help shape the future. One of the most critical projects is the Strategic Plan, which will identify past, present and future needs in a positive and effective manner.

The Town's modern educational facilities include five elementary schools, one middle school and one high school. There are more than a dozen local colleges and universities in the area for both undergraduate and graduate studies.

The Town has nearly 1,200 undeveloped acres of commercial and industrial land. The Town is well suited for continued growth because of its: (1) proximity to the major metropolitan areas of New York City, Boston, Springfield and Hartford, (2) immediate access to highly developed interstate highways and railways, (3) exemplary education system and (4) active search for industrial and commercial growth through its economic development program and tax incentives. It is anticipated that ongoing negotiations will bring additional employment opportunities to the Town in the future.

### **Form of Government**

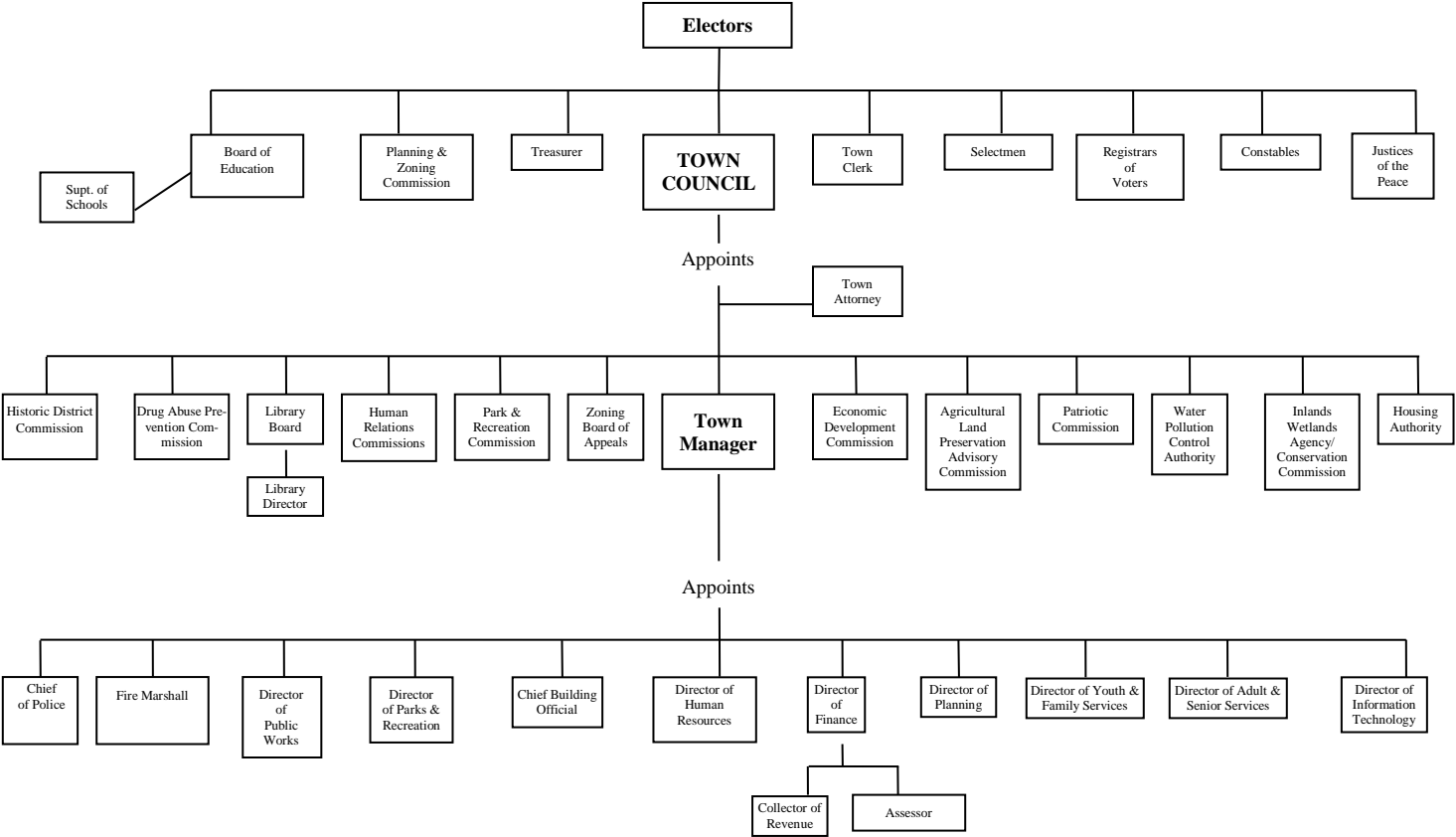
Since 1960, the Town has been organized under the Council-Manager form of government with a Council elected at large (the "Town Council"). The legislative function is performed by a bipartisan Town Council, consisting of nine members, elected biennially for two-year terms. Minority political party representation is guaranteed in that no political party may have more than six members. The Town Council elects a Mayor from its membership to serve a two-year term. The Council appoints the Town Manager for an indefinite term. The Town Manager is the Chief Administrative Officer of the Town and serves at the pleasure of the Town Council. The Town Manager is appointed by the Town Council on the basis of professional executive training and other qualifications.

The Town Manager is directly responsible to the Town Council for planning, organizing and directing municipal activities, except schools and commissions appointed by the Town Council, and also serves as the Personnel Director.

The Town Manager appoints department heads; oversees the compliance of local laws and ordinances; provides recommendations and reports to the Town Council; prepares the annual budget and the annual report; keeps the Town Council advised on the Town's financial condition; and performs other duties prescribed by Charter, ordinance or Town Council resolution.

The Town's full time professional staff include the Town Manager, Director of Finance, Assessor, Collector of Revenue, Town Engineer, Director of Planning, Director of Parks and Recreation, Chief Building Official, Director of Public Works, Town Clerk, Police Chief, Library Director, Director of Youth & Family Services, Director of Adult & Senior Services, Fire Marshal, Director of Information Technology and Director of Human Resources.

Organizational Chart



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## Municipal Officials

Name	Position	Term	Length of Service
Carolyn Mirek	Mayor	2 years - Elected	3 years
Janice A. Snyder	Deputy Mayor	2 years - Elected	5 years
Dr. M. Saud Anwar	Town Council	2 years - Elected	5 years
Cynthia Beaulieu	Town Council	1 year - Appointed	less than 1 year
William Carroll Jr.	Town Council	2 years - Elected	1 year
Edward Havens	Town Council	2 years - Elected	39 years
Lisa M. Maneeley	Town Council	2 years - Elected	1 year
Elizabeth Pendleton	Town Council	2 years - Elected	3 years
Matthew Riley	Town Council	2 years - Elected	2 year
David S. Joy	Chairman, Board of Education	2 years - Elected	19 years
Barbara Pandiscia	Town Treasurer	2 years - Elected	3 years
Matthew B. Galligan	Town Manager	Appointed	21 years
Patricia Perry	Director of Finance	Appointed	3 years
McGivney & Kluger	Town Attorney	Appointed	less than 1 year
Dr. Kate Carter	Superintendent of Schools	Appointed	6 years

## Principal Officials

**Town Manager:** Matthew B. Galligan was appointed Town Manager of South Windsor in January, 1996. He graduated from Dominican College in 1974 with a Bachelor's Degree in Accounting, and he received his MBA in Accounting from Iona College in 1979.

Mr. Galligan has 35 years of experience in accounting and municipal administration. Before coming to the Town, he was Village Manager of the Village of Mamaroneck, New York; Town Manager for the Town of North Branford, Connecticut; and City Finance Director and then City Manager for the City of Newburgh, New York. Mr. Galligan also served as a municipal auditor for the State of New York and for a New York City accounting firm.

Mr. Galligan is a member of the International City Managers Association, the National Government Finance Officers Association, and Connecticut Government Finance Officers Association.

**Superintendent of Schools:** Dr. Kate Carter began serving as Superintendent of South Windsor's Public Schools on September 1, 2010. She served as South Windsor's Assistant Superintendent of Personnel and Administration since October 2009. Prior to her work in South Windsor, Dr. Carter served as an elementary principal for Glastonbury Public Schools and a CREC magnet high school principal at Manchester Community College. Dr. Carter began her career as a high school English teacher. She has also been an adjunct English instructor at Manchester Community College. Dr. Carter has had the rare opportunity of serving as a founding principal twice in her career, first at Great Path Academy and then Nayaug Elementary School.

Dr. Carter is an active member of the South Windsor Historical Society and serves on the Board of Trustees for the Lutz Children's Museum. She earned her doctorate degree at Central Connecticut State University. She also holds a sixth year diploma in Educational Leadership and a Master of Science degree in Education. Dr. Carter earned a Bachelor of Science degree in Environmental Conservation.

## Summary of Municipal Services

**Administrative Services:** The Administrative Services staff has the responsibility to provide accounting, risk management, employee benefits, purchasing, financial planning, data processing, and personnel services to other service units, the Council and the community. The unit also raises revenue for capital projects such as road and building construction, major renovations, and acquisition of capital equipment by securing grants and intergovernmental funding.

**Building Department:** The Building Department's main responsibility is the enforcement and compliance of the building and mechanical codes, the ordinances of the Town, and the State of Connecticut Statutes as they pertain to all new construction, renovations and alterations within South Windsor.



**Economic Development:** The Economic Development functions are handled by the Town Manager's office. The responsibilities include assisting the Economic Development Commission with the planning of projects and cooperative efforts with the business community.

**Planning Services:** The Town Planning Department assists in the approval of design work and site development plans in order to conform to Town and State standards and regulations.

**Public Works:** The Public Works Department consists of 47 personnel divided into administration, engineering, streets, public buildings and pollution control. The Department is responsible for the maintenance and repair of Town streets, buildings, and motor equipment. The engineering division reviews requests for Certificates of Occupancy and Building Permits within the Town.

**Sewer Services:** The Town Water Pollution Control Authority manages the Town-owned sewer system. Approximately 90% of developed areas of Town are served by the sewer system.

**Solid Waste Services:** The Town provides a once-a-week curbside collection of solid waste and bi-weekly collection of its recycling contracted services. The Town has contracted with Murphy Road Recycling, LLC for solid waste disposal services, which became effective November 16, 2012 and was recently extended until November 12, 2017.

The Town executed a separate five year contract with Murphy Road Recycling, LLC for collection of recyclables.

**Emergency Medical Services:** The Town's Emergency Medical Services are provided by The Ambulance Service of Manchester, LLC. Participation in mutual aid ambulance service affords paramedic assistance when required.

**Fire Services:** The Town is provided fire protection by six operating units located in three strategically located fire stations. The South Windsor Volunteer Fire Department consists of 125 volunteers with eight pieces of firefighting rolling stock.

**Police Services:** The South Windsor Police Department has 42 Police Officers. The Police Department is divided into two divisions: Operations and Support Services. The Operations Division is responsible for patrol, criminal investigations, traffic safety enforcement, special operations and animal control. The Support Services Division is responsible for community outreach programs, police communications, evidence storage, vehicle impound, facility and equipment maintenance, fleet maintenance and police jail and records management. The police dispatch center serves as the Town's 24-hour public service answering point through which all 911 emergency calls are handled. Police dispatchers provide communications for police, fire and medical services.

**Health Services:** The South Windsor Health Department's primary responsibility is to promote and safeguard the environmental health of the residents of the Town. The Department consists of one environmental health officer who provides for health inspections, supervision and approval of private water supplies, as well as the investigation and enforcement of pollution regulations and ordinances.

**Human Services:** The Human Services Department consists of the Adult and Senior Services and Youth and Family Services divisions. Adult and Senior Services are provided through the multi-purpose community center and include social, educational and health programs for the adult citizens. In addition, seniors are provided with nutritionally balanced meals and other outreach services to the homebound so as to maintain an independent life style to offset premature institutionalization. Youth and Family Services operate counseling and other support services for young people and families. The Town operates a five-day per week teen center for youths between the ages of 13 and 19. Also offered are preventative, educational, social and juvenile justice services.

**Library Services:** The South Windsor Public Library is governed by a six-member Board of Directors. The Library has an annual circulation of over 260,000 with a collection of over 140,000 items. A member of Library Connection, Inc. (a regional cooperative of thirty libraries in the Capitol Region and beyond), and the library extends its local offerings with databases and digital collections, as well as interlibrary loan services from libraries in the U.S. and abroad. The Library also provides meeting spaces for community groups, a gallery for art exhibitions, Wi-Fi connections, and a wide array of cultural programming. The Library is funded by the Town and is staffed by full and part-time professionals.

**Recreation Services:** A full time staff of 19 supplemented by numerous part-time specialists and over 200 volunteers provide for the supervision and management of activities that take place at 60 facilities within South Windsor, both indoors and outdoors. The Parks and Grounds division is responsible for the maintenance of all Town land and mowing of some school properties in Town.

**Water Services:** Water is provided by the Connecticut Water Company and the Metropolitan District Commission on a user fee basis.

**Electric Services:** Services to the Town are provided by Eversource Energy (formerly Connecticut Light & Power a subsidiary of Northeast Utilities).

## Educational System

The Town's elementary school system consists of five schools for pupils in grades K through 5; one school for grades 6-8 and one high school for grades 9-12. The schools are governed by a nine-member Board of Education.

## Educational Facilities

School	Grades	Date Occupied	Addition/ Renovation	No. of Classrooms	Enrollment 10/01/16	Capacity
Wapping Elementary School	K-5	1953	1961, 1992	17	327	525
Philip R. Smith Elementary School	K-5	1959	1961, 1988, 2000	21	311	576
Pleasant Valley Elementary School	K-5	1958	1988, 2000	24	360	552
Orchard Hill Elementary	K-5	1964	1988, 2000	23	421	576
Eli Terry Elementary School	K-5	1965	1966, 2000	18	361 (1)	528
Timothy Edwards Middle School	6-8	1968	1999	102	965	1,440
South Windsor High School	9-12	1962	1966, 1991	109	1,326	1,500
Total				314	4,071	5,697

(1) Does not include 79 Pre-K students.

Source: Superintendent of Schools.

## Educational Enrollment History and Projections

	<u>Actual Enrollments</u>			
<u>School Year (1)</u>	<u>K-5</u>	<u>6-8</u>	<u>9-12</u>	<u>Total</u>
2007-08	2,064	1,149	1,652	4,865
2008-09	2,001	1,114	1,617	4,732
2009-10	1,937	1,073	1,579	4,589
2010-11	1,850	1,089	1,546	4,485
2011-12	1,731	1,091	1,466	4,288
2012-13	1,718	1,065	1,411	4,194
2013-14	1,760	1,044	1,370	4,174
2014-15	1,753	979	1,368	4,100
2015-16	1,749	968	1,315	4,032
2016-17	1,780	965	1,326	4,071
	<u>Projected Enrollments</u>			
2017-18	1,819	949	1,299	4,067
2018-19	1,842	943	1,258	4,043
2019-20	1,804	966	1,246	4,016
2020-21	1,844	991	1,231	4,066
2021-22	1,845	1,012	1,213	4,070

(1) As of October 1.

Source: Superintendent of Schools.

## Municipal Employment <sup>(1)</sup>

The following table shows the Town's full time employment for the current fiscal year and the prior nine years ending June 30.

Fiscal Year	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Board of Education	648	628	638	639	628	609	635	642	642	615
General Government	173	173	172	172	174	178	176	183	181	181
Total	<u>821</u>	<u>801</u>	<u>810</u>	<u>811</u>	<u>802</u>	<u>787</u>	<u>811</u>	<u>825</u>	<u>823</u>	<u>796</u>

(1) Excludes enterprise and grant funded employees.

Source: Town of South Windsor Finance Department.

## Municipal Employees by Category

The following is a breakdown by category of full time Town employees as of the date of this Official Statement:

<u>General Government</u>	<u>Employees</u>
Town Manager	3.0
Town Hall	1.0
Town Council	1.0
Finance	12.0
Data Processing	5.0
Public Safety	54.0
Sanitarian	1.0
Public Works	47.0
Building Department	3.0
Town Clerk	3.0
Human Services	8.0
Town Planner	3.0
Library	12.0
Parks and Recreation	20.0
Subtotal General Government Employees	<u>173.0</u>
<u>Board of Education</u>	
Administration and Principals	28.4
Teachers	378.6
Secretaries / Paraprofessionals	140.3
Nurses, LPNs, OT	14.5
Non-Bargaining Employees	45.5
Custodial / Maintenance / Courier	41.5
Subtotal Board of Education Employees	<u>648.8</u>
Total Town Funded Employees	821.8
<u>Enterprise and Grant Funded Employees</u>	
Grant Funded	<u>36.1</u>
Total Town Employees	<u>857.9</u>

Source: Town of South Windsor Finance Department.

## Municipal Employees Bargaining Organizations

The following table sets forth a breakdown of employee representation by collective bargaining agent and the dates of expiration of the various collective bargaining agreements:

<u>Employees</u>	<u>Organization</u>	<u>Number of Employees</u>	<u>Current Contract Expiration</u>
<b><u>General Government</u></b>			
Police Officers	Local 1380, Council 15, AFSCME, AFL-CIO	35	6/30/18
Police Dispatchers	National Association of Municipal Employees, NAGE	10	6/30/19
Public Works and Clerical	Local 1303, Council 4, AFSCME, AFL-CIO	30	6/30/19
Pollution Control Operators	National Association of Municipal Employees, NAGE	11	6/30/19
Town Hall Employees	South Windsor Town Hall, Chapter 63, Civil Service Employee Affiliates, Inc.	18	6/30/19
<b><u>Board of Education</u></b>			
Teachers	South Windsor Education Association - CEA	398	6/30/19
Administrators	South Windsor School Administrators' Assoc.	23	6/30/17
Nurses	South Windsor School Nurses' Assoc., CSEA	9	6/30/18
Secretaries, Clerical and Aides	South Windsor Educational Support Staff Assoc., Local 1303-26, AFSCME	158	6/30/17
School Employees (Custodial and Maintenance)	South Windsor Facilities Staff, Local 1303-29, AFSCME	37	6/30/18

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

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### SECTION III - ECONOMIC AND DEMOGRAPHIC DATA

#### Population Trends

<u>Year</u>	<u>Town of South Windsor</u>	<u>Hartford County</u>	<u>State of Connecticut</u>
1980	17,198	807,766	3,107,564
1990	22,090	851,783	3,287,116
2000	24,412	857,183	3,405,565
2010	25,709	894,014	3,574,097
2015	25,806	896,943	3,593,222

Source: U.S. Census Bureau and 2011-2015 American Community Survey.

#### Age Characteristics of Population

<u>Age</u>	<u>Town of South Windsor</u>		<u>Hartford County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5	1,202	4.7	48,910	5.5	191,445	5.3
5 - 9	1,685	6.5	54,443	6.1	214,983	6.0
10 - 14	1,735	6.7	57,069	6.4	231,075	6.4
15 - 19	2,084	8.1	60,864	6.8	255,286	7.1
20 - 24	1,119	4.3	57,193	6.4	237,578	6.6
25 - 34	2,414	9.4	115,522	12.9	436,678	12.2
35 - 44	3,351	13.0	112,076	12.5	448,840	12.5
45 - 54	4,409	17.1	135,339	15.1	556,454	15.5
55 - 59	2,029	7.9	64,904	7.2	259,565	7.2
60 - 64	1,502	5.8	53,256	5.9	219,040	6.1
65 - 74	2,253	8.7	72,249	8.1	291,955	8.1
75 - 84	1,386	5.4	41,781	4.7	162,332	4.5
85 and over	637	2.5	23,337	2.6	87,991	2.4
Total	<u>25,806</u>	<u>100.0</u>	<u>896,943</u>	<u>100.0</u>	<u>3,593,222</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2011-2015 American Community Survey.

#### Selected Wealth and Income Indicators

	<u>Median Family Income (2000)</u>	<u>Median Family Income (2015)</u>	<u>Per Capita Income (2000)</u>	<u>Per Capita Income (2015)</u>
Town of South Windsor	\$82,807	\$115,826	\$30,966	\$45,100
Hartford County	62,144	83,946	26,047	35,611
Connecticut	65,521	89,031	28,766	38,803
United States	49,600	66,011	21,690	28,930

Source: U.S. Census Bureau, Census 2000 and 2011-2015 American Community Survey.

## Income Distribution

	Town of South Windsor		Hartford County		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
\$ -0- to 9,999	56	0.8	9,374	4.1	30,926	3.5
10,000 to 14,999	4	0.1	5,555	2.4	18,063	2.0
15,000 to 24,999	150	2.1	12,899	5.7	46,085	5.1
25,000 to 34,999	192	2.7	14,650	6.5	55,716	6.2
35,000 to 49,999	410	5.8	21,434	9.4	83,173	9.3
50,000 to 74,999	984	14.0	37,073	16.3	139,724	15.6
75,000 to 99,999	1,155	16.5	33,159	14.6	126,557	14.1
100,000 to 149,999	1,706	24.3	46,035	20.3	183,030	20.4
150,000 to 199,999	1,143	16.3	22,517	9.9	94,575	10.6
200,000 or more	1,214	17.3	24,401	10.7	117,791	13.2
	<u>7,014</u>	<u>100.0</u>	<u>227,097</u>	<u>100.0</u>	<u>895,640</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2011-2015 American Community Survey.

## Educational Attainment

### Years of School Completed, Age 25 & Over

	Town of South Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade	431	2.4	28,945	4.7	105,725	4.3
9th to 12th grade	408	2.3	39,821	6.4	144,132	5.9
High School graduate	3,881	21.6	167,890	27.1	673,973	27.4
Some college	2,513	14.0	108,799	17.6	430,129	17.5
Associate degree	1,542	8.6	48,350	7.8	183,289	7.4
Bachelor degree	5,112	28.4	126,856	20.5	516,001	21.0
Graduate or professional degree	4,094	22.8	97,803	15.8	409,606	16.6
Total	<u>17,981</u>	<u>100.0</u>	<u>618,464</u>	<u>100.0</u>	<u>2,462,855</u>	<u>100.0</u>
Total high school graduate or higher (%)		95.3%		88.9%		89.9%
Total bachelor degree or higher (%)		51.2%		36.3%		37.6%

Source: U.S. Census Bureau, 2011-2015 American Community Survey.

## Employment by Industry

	Town of South Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fisheries	18	0.1	971	0.2	7,214	0.4
Construction	451	3.3	20,326	4.6	100,593	5.6
Manufacturing	1,702	12.5	47,167	10.7	191,286	10.7
Wholesale trade	263	1.9	11,439	2.6	44,581	2.5
Retail trade	1,490	11.0	47,266	10.7	193,799	10.9
Transportation & warehousing & utilities	368	2.7	17,635	4.0	66,850	3.8
Information	164	1.2	10,130	2.3	41,486	2.3
Finance, insurance, real estate	2,343	17.2	50,071	11.4	163,822	9.2
Professional, scientific & management	1,307	9.6	47,097	10.7	199,942	11.2
Educational, health & social services	3,372	24.8	116,493	26.5	471,587	26.5
Arts, entertainment & recreation	847	6.2	32,621	7.4	153,516	8.6
Other professional services	527	3.9	18,629	4.2	79,998	4.5
Public Administration	755	5.5	19,874	4.5	66,743	3.7
TOTAL	<u>13,607</u>	<u>100.0</u>	<u>439,719</u>	<u>100.0</u>	<u>1,781,417</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2011-2015 American Community Survey.

## Major Employers

<u>Employer</u>	<u>Nature of Business</u>	<u>Number of Employees</u>
The Town of South Windsor	Government and Education	821
DST Output	Service	650
Ticket Network	Service	441
The May Company	Distributor	389
Doosan Fuel Cell America	Manufacturer	320
Target Department Stores	Retail	250
Super Stop & Shop	Retail	221
Performance Food Group	Distributor	183
Lowes Home Improvement	Retail	170
Electro Methods	Manufacturer	155

Source: Town of South Windsor, Town Manager's Office.

## Unemployment Rate Statistics

<u>Yearly Average</u>	<u>Town of South Windsor Percent</u>	<u>Hartford Labor Market Percent</u>	<u>State of Connecticut Percent</u>	<u>United States Percent</u>
2006	3.3	4.4	4.3	4.6
2007	3.3	4.7	4.6	4.6
2008	4.3	5.9	5.8	5.8
2009	6.2	8.1	8.0	9.3
2010	6.9	8.7	9.0	9.6
2011	6.3	8.9	8.8	9.0
2012	6.3	8.4	8.3	8.1
2013	6.0	7.9	7.9	7.4
2014	5.2	6.7	6.7	6.2
2015	4.4	5.6	5.6	5.3
<u>2016 Monthly</u>				
January	4.6	6.0	6.0	5.3
February	4.5	6.0	6.0	5.2
March	4.7	6.2	6.2	5.1
April	4.4	5.7	5.6	4.7
May	4.4	5.7	5.4	4.5
June	4.9	6.1	5.9	5.1
July	4.7	5.8	5.6	5.1
August	4.8	5.7	5.6	5.0
September	4.1	5.1	5.1	4.8
October	3.7	4.5	4.5	4.7
November	3.0	3.7	3.7	4.4

Source: State of Connecticut, Department of Labor; United States Department of Labor, Bureau of Labor Statistics.

## Number and Value of Building Permits

Fiscal Year Ending 6/30	Residential		Commercial and Industrial		Other		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
2016	2,066	\$ 40,043,128	248	\$ 43,856,231	-	\$ -	2,314	\$ 83,899,359
2015	1,760	18,414,963	208	18,683,586	-	-	1,968	37,098,549
2014	1,670	19,474,035	216	20,359,547	-	-	1,886	39,833,582
2013	1,699	11,764,966	272	32,298,182	-	-	1,971	44,063,148
2012	1,645	16,867,946	281	20,425,879	-	-	1,926	37,293,825
2011	1,463	10,637,359	230	8,771,365	-	-	1,693	19,408,724
2010	1,435	11,666,066	264	15,769,018	-	-	1,699	27,435,084
2009	1,460	14,896,989	404	10,177,586	-	-	1,864	25,074,575
2008 (1)	1,002	16,952,460	295	44,817,119	485	9,082,510	1,782	70,852,089
2007	524	9,741,922	70	6,990,194	1,176	7,761,631	1,770	24,493,747

(1) Due to a change in Permits and Code Enforcement Software in January 2008. Other Permits are included in either the Residential or Industrial/Commercial Permit categories.

Source: Town of South Windsor Reports provided by the Office of Building Inspections.

## Number of Dwelling Units

2015	2010	2000	1990	% Increase 1990-2015	% Increase 2000-2015	% Increase 2010-2015
10,143	10,243	9,011	8,044	26.1%	12.6%	-1.0%

Source: U.S. Census Bureau and 2011-2015 American Community Survey.

## Characteristics of Housing Units

Sales Price Category	Town of South Windsor		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	247	3.0	6,300	2.8	24,620	2.7
50,000 to 99,999	189	2.3	7,343	3.3	28,771	3.2
100,000 to 149,999	638	7.7	24,757	11.1	78,066	8.6
150,000 to 199,999	801	9.6	44,151	19.7	140,544	15.5
200,000 to 299,999	3,033	36.4	73,415	32.8	251,106	27.7
300,000 to 499,999	2,903	34.8	52,651	23.5	235,670	26.0
500,000 to 999,999	491	5.9	13,718	6.1	106,965	11.8
1,000,000 and over	37	0.4	1,665	0.7	40,485	4.5
	<u>8,339</u>	<u>100.0</u>	<u>224,000</u>	<u>100.0</u>	<u>906,227</u>	<u>100.0</u>
Median Values	\$276,300		\$236,400		\$270,500	

Source: U.S. Census Bureau, 2011-2015 American Community Survey.

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## Age Distribution of Housing

Year Built	Town of South Windsor		Hartford County		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1939 or earlier	729	7.2	71,510	19.1	331,829	22.2
1940 – 1949	283	2.8	32,494	8.7	105,253	7.1
1950 – 1959	1,484	14.6	68,048	18.2	230,868	15.5
1960 – 1969	1,420	14.0	54,371	14.5	200,380	13.4
1970 – 1979	1,399	13.8	48,957	13.1	199,447	13.4
1980 – 1989	2,527	24.9	49,310	13.2	193,595	13.0
1990 – 1999	1,293	12.7	25,125	6.7	115,076	7.7
2000 – 2009	869	8.6	22,865	6.1	103,911	7.0
2010 – 2013	139	1.4	1,631	0.4	10,812	0.7
2014 or later	0	0.0	142	0.0	615	0.0
Total Housing	<u>10,143</u>	<u>100.0</u>	<u>374,453</u>	<u>100.0</u>	<u>1,491,786</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2011-2015 American Community Survey.

## Breakdown of Land Use

Land Use Category	Total Acreage By		Developed Acreage By		Undeveloped	
	Zoning	Percent	Land Use	Percent	Acreage	Percent
Residential	15,011	81.8	7,546	78.1	7,540	86.7
Commercial	910	4.9	703	7.3	207	2.4
Industrial	<u>2,445</u>	<u>13.3</u>	<u>1,420</u>	<u>14.6</u>	<u>950</u>	<u>10.9</u>
Total Area	<u>18,366</u>	<u>100.0</u>	<u>9,669</u>	<u>100.0</u>	<u>8,697</u>	<u>100.0</u>

Source: Town of South Windsor, Planning Department, December 2014.

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## SECTION IV - INDEBTEDNESS

### Computation of Statutory Debt Limit

As of February 16, 2017 (Pro Forma)

Total Fiscal Year 2016 tax collections (including interest and lien fees)	\$ 92,873,129
State Reimbursement for Revenue Loss on:	
Tax Relief for the Elderly	<u>2,000</u>
Base for Establishing Debt Limit	<u><u>\$ 92,875,129</u></u>

### Debt Limit

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	Total Debt
(2.25 times base)	\$ 208,969,040					
(4.50 times base)		\$ 417,938,081				
(3.75 times base)			\$ 348,281,734			
(3.25 times base)				\$ 301,844,169		
(3.00 times base)					\$ 278,625,387	
(7.00 times base)						\$ 650,125,903

### Indebtedness (Including the Bonds and the Notes)

Bonds Payable	\$ 23,709,000	\$ 7,141,000	\$ 1,680,000	\$ -	\$ -	\$ 32,530,000
The Bonds ( <i>This Issue</i> )	4,000,000	7,860,000	-	-	-	11,860,000
The Notes ( <i>This Issue</i> )	4,000,000	12,000,000	-	-	-	16,000,000
State of Connecticut Clean Water Fund ("CWF")						
Project Loan Obligation (PLO) (1)	-	-	23,648,625	-	-	23,648,625
Authorized but Unissued Debt	<u>3,003,082</u>	<u>3,206,688</u>	<u>11,723,412</u>	<u>-</u>	<u>-</u>	<u>17,933,182</u>
Total Indebtedness	34,712,082	30,207,688	37,052,037	-	-	101,971,807
Exclusions	<u>-</u>	<u>(1,296,889)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,296,889)</u>
Total Net Indebtedness	<u>34,712,082</u>	<u>28,910,799</u>	<u>37,052,037</u>	<u>-</u>	<u>-</u>	<u>100,674,918</u>
Excess of Limit Over Outstanding and Authorized Debt	<u><u>\$ 174,256,958</u></u>	<u><u>\$ 389,027,282</u></u>	<u><u>\$ 311,229,697</u></u>	<u><u>\$ 301,844,169</u></u>	<u><u>\$ 278,625,387</u></u>	<u><u>\$ 549,450,985</u></u>

- (1) The Town expects that the debt service will be paid by a combination of sewer assessments and sewer use charges receivable. (See "Clean Water Fund Program" herein.)
- (2) It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$11,611,925 during the construction of the project. As of February 16, 2017, the Town is estimating to receive progress payments in the amount of \$10,315,036 for the school project. (See "School Projects" herein).

**Under Connecticut General Statutes, Town debt cannot exceed \$650,125,903 or seven times the debt limit base.**

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## Calculation of Net Direct Indebtedness

As of February 16, 2017 (Pro Forma)

<b>Long Term Indebtedness (1)</b>	
The Bonds ( <i>This Issue</i> )	\$ 11,860,000
General Purpose	23,709,000
Schools	7,141,000
Sewers	1,680,000
State of Connecticut Project Loan Obligation (PLO) (2)	<u>23,648,625</u>
<b>Total Long-Term Indebtedness</b>	<u>68,038,625</u>
<b>Short Term Indebtedness</b>	
The Notes ( <i>This Issue</i> )	<u>16,000,000</u>
<b>Total Short Term Indebtedness</b>	<u>16,000,000</u>
<b>Total Direct Indebtedness</b>	<u>84,038,625</u>
<b>Exclusions:</b>	
State School Building Grants Receivable	<u>-</u>
<b>Total Net Direct Indebtedness</b>	<u><u>\$ 84,038,625</u></u>

(1) Excludes authorized but unissued debt of \$17,933,182. (See "Authorized but Unissued Debt" herein).

(2) The Town expects that the debt service will be paid by a combination of sewer assessments and sewer use charges receivable. (See "Clean Water Fund Program" herein.)

## Current Debt Ratios

As of February 16, 2017 (Pro Forma)

Total Direct Indebtedness	\$84,038,625
Net Direct Indebtedness	\$84,038,625
Population (1)	25,806
Net Taxable Grand List (10/1/15)	\$2,546,423,871
Estimated Full Value	\$3,637,748,387
Equalized Net Taxable Grand List (2014) (2)	\$3,624,125,847
Per Capita Income (2015) (1)	\$45,100
<b>Total Direct Indebtedness:</b>	
Per Capita	\$3,256.55
To Net Taxable Grand List	3.30%
To Estimated Full Value	2.31%
To Equalized Net Taxable Grand List	2.32%
Per Capita to Per Capita Income	7.22%
<b>Net Direct Indebtedness:</b>	
Per Capita	\$3,256.55
To Net Taxable Grand List	3.30%
To Estimated Full Value	2.31%
To Equalized Net Taxable Grand List	2.32%
Per Capita to Per Capita Income	7.22%

(1) U.S. Census Bureau, 2011-2015 American Community Survey.

(2) Office of Policy and Management, State of Connecticut.

## Historical Debt Statement

	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Population (1)	25,806	25,806	25,806	25,806	25,806
Net taxable grand list	\$2,501,567,051	\$2,506,427,581	\$2,468,393,038	\$2,771,296,551	\$2,740,622,596
Estimated full value	\$3,573,667,216	\$3,580,610,830	\$3,526,275,769	\$3,958,995,073	\$3,915,175,137
Equalized net taxable grand list (2)	\$3,624,125,847	\$3,692,855,076	\$3,525,312,497	\$3,386,291,507	\$3,598,807,424
Per capita income (1)	\$45,100	\$45,100	\$45,100	\$45,100	\$45,100
Short-term debt	\$ 21,360,000	\$ 7,160,000	\$ 6,320,000	\$ 10,105,000	\$ 37,428,493
Long-term debt	60,830,009	60,896,991	60,102,027	57,920,648	34,491,111
Total Direct debt	\$ 82,190,009	\$ 68,056,991	\$ 66,422,027	\$ 68,025,648	\$ 71,919,604
Net Direct debt	\$ 82,190,009	\$ 68,056,991	\$ 66,422,027	\$ 68,025,648	\$ 71,919,604

(1) U.S. Census Bureau, 2011-2015 American Community Survey.

(2) Office of Policy and Management, State of Connecticut.

## Historical Debt Ratios

	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
<b>Total Direct Indebtedness:</b>					
Per capita	\$3,184.92	\$2,637.25	\$2,573.90	\$2,636.04	\$2,786.93
To net taxable grand list	3.29%	2.72%	2.69%	2.45%	2.62%
To estimated full value	2.30%	1.90%	1.88%	1.72%	1.84%
To equalized net taxable grand list	2.27%	1.84%	1.88%	2.01%	2.00%
Debt per capita to per capita income	7.06%	5.85%	5.71%	5.84%	6.18%
<b>Net Direct Indebtedness:</b>					
Per capita	\$3,184.92	\$2,637.25	\$2,573.90	\$2,636.04	\$2,786.93
To net taxable grand list	3.29%	2.72%	2.69%	2.45%	2.62%
To estimated full value	2.30%	1.90%	1.88%	1.72%	1.84%
To equalized net taxable grand list	2.27%	1.84%	1.88%	2.01%	2.00%
Debt per capita to per capita income	7.06%	5.85%	5.71%	5.84%	6.18%

## Outstanding Short-Term Indebtedness

The Town has \$21,360,000 in bond anticipation notes outstanding that mature on February 16, 2017, which will be retired with the Bond and Note proceeds. (See "Authorized but Unissued Debt" herein).

## Overlapping and Underlying Indebtedness

The Town currently has no overlapping or underlying indebtedness.

## Capital Leases

The Town has outstanding Lease Agreements in the amount of \$4,107,494 as of June 30, 2016. These payments are not included in the outstanding bonded debt. (See Appendix A – "Audited Financial Statements").

## Clean Water Fund Program

The Town is a participant in the State of Connecticut Clean Water Fund Program (Connecticut General Statutes Section 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan, and denitrification projects which are funded by a 30% grant and a 70% loan.)

Loans to each municipality are made pursuant to Project Grant and Project Loan Agreements ("Loan Agreement"). Each municipality is obligated to repay only that amount which it draws down for the payment of project costs ("Interim Funding Obligation"). Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality, and/or a dedicated source of revenue of such municipality. The Town currently has four PLO's outstanding which are secured solely by a pledge of sewer assessments and sewer use charges.

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the Loan Agreement or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are made (1) in equal monthly installments commencing one month after the project completion date, or (2) in single annual installments representing 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement repayable thereafter in monthly installments. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty.

The Town has the following Clean Water Fund loans outstanding:

Project	Date of Issue	Original 2% Loan Amount	Amount Outstanding As of February 16, 2017
CWF PLO 200-C (1)	12/31/1997	\$ 482,056	\$ -
CWF PLO 459-PDC	12/21/2001	800,000	203,223
CWF PLO 109-CSL	11/30/2005	402,727	185,773
CWF PLO 135-CSL	01/01/2007	1,568,029	808,901
CWF PLO 503-C	09/28/2012	27,516,583	22,450,728
		<u>\$ 30,769,395</u>	<u>\$ 23,648,625</u>

- (1) The Towns of Vernon, Ellington, Manchester, South Windsor and Tolland entered into an agreement on December 5, 1997, whereby the Town of Vernon issued a PLO in the amount of \$27,635,550 for the upgrade and expansion of the Vernon Waste Water Treatment Plant. Under the agreement, the Towns of Ellington, Manchester, South Windsor and Tolland are obligated to pay the Town of Vernon a percentage of the principal and interest payments on the PLO. As of February 17, 2016, the Town's share of the balance outstanding of the PLO is \$26,312 or 1.74%. Additionally, the Town of Vernon is currently in the process of making upgrades to the Waste Water Treatment Plant for nitrification reduction. The total cost of the nitrification reduction project is \$1,295,000. The Town of Vernon expects to receive a Clean Water Fund Grant in the amount of \$375,000, and a Clean Water Fund Loan in the amount of \$920,000, of which the Town's share under the agreement would be 1.74% or \$16,000.

## Legal Requirements for Approval of Borrowing

The Town has the power to incur indebtedness by issuing its bonds or notes as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the requirements of the Town Charter for the authorization of indebtedness. Pursuant to the Town Charter, no resolution authorizing the issuance of bonds or notes shall become effective until the same has been approved by a referendum called by the Town Council for such purpose. Refunding bonds are authorized by resolution of the Town Council.

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## Temporary Financing

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

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

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

## School Projects

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. State grants will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its bonds only for the net share of project costs. Under the current program, the State of Connecticut will make proportional progress payments for eligible construction costs during certain phases of construction.

Project	Amount of Total Authorization	Estimated Reimbursement Rate (%)	Estimated Grant
Orchard Hill Elementary School Project (1)	\$ 33,521,724	34.64%	\$ 11,611,925

## Authorized but Unissued Debt

Project	Amount Authorized	Previously Bonded	Grants and Paydowns	The Bonds (This Issue)	The Notes (This Issue)	Authorized But Unissued
Open Space Acquisitions						
2009 Authorization	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
Water Pollution Control Facility Project	47,000,000	27,516,583	(7,760,005)	-	-	11,723,412 (1)
Storm Alfred Debris Management and Removal Services	8,000,000	2,000,000	(5,996,918)	-	-	3,082
2012 - Various School Projects	5,790,000	5,430,000	-	360,000	-	-
Orchard Hill Elementary School Project	33,521,724	500,000	(10,315,036)	7,500,000	12,000,000	3,206,688 (2)
2014 - Road / Drainage Improvements	12,000,000	3,000,000	-	4,000,000	4,000,000	1,000,000
Total	<u>\$ 108,311,724</u>	<u>\$ 38,446,583</u>	<u>\$ (24,071,959)</u>	<u>\$ 11,860,000</u>	<u>\$ 16,000,000</u>	<u>\$ 17,933,182</u>

(1) The Town does not anticipate issuing any additional debt for the project.

(2) It is estimated that the Town will receive State of Connecticut School Construction grant progress payments in the amount of \$11,611,925 during the construction of the project. As of February 16, 2017, the Town is estimating to receive progress payments in the amount of \$10,315,036 for the school project. The grants received will reduce the authorized but unissued debt by a similar amount. (See "School Projects" herein).

## Capital Improvement Program

Under the Town Charter, the Town Manager annually submits an updated capital improvement program. The plan is a systematic program to add or replace capital items for each department within the General Government and Board of Education. The 2017-2021 Plan projects a total of \$35,030,000. Over the five years, the projects are to be funded from the general fund, Town road aid, LOCIP funds, bonds and/or notes, and grants and user fees.

# **Combined Schedule of Long Term Debt through Maturity – General Fund and Sewer Operating Fund**

As of February 16, 2017 (Pro Forma)

Fiscal Year	Existing Indebtedness			The Bonds Principal	Principal All Issues (1)
	Principal Payments (1)	Interest Payments	Total Debt Payments (1)		
2016-17	\$ 4,764,916	\$ 1,611,182	\$ 6,376,098	\$ -	\$ 4,764,916
2017-18	4,057,966	1,474,612	5,532,578	1,225,000	5,282,966
2018-19	3,945,981	1,356,547	5,302,528	875,000	4,820,981
2019-20	3,924,562	1,240,741	5,165,303	845,000	4,769,562
2020-21	3,958,719	1,114,034	5,072,753	1,100,000	5,058,719
2021-22	3,958,992	988,407	4,947,399	965,000	4,923,992
2022-23	3,794,358	863,582	4,657,940	1,050,000	4,844,358
2023-24	3,834,318	764,265	4,598,583	400,000	4,234,318
2024-25	3,527,865	682,634	4,210,499	600,000	4,127,865
2025-26	3,561,582	600,781	4,162,363	600,000	4,161,582
2026-27	3,470,731	516,319	3,987,050	600,000	4,070,731
2027-28	3,477,917	434,355	3,912,272	600,000	4,077,917
2028-29	2,998,555	357,235	3,355,790	600,000	3,598,555
2029-30	3,019,812	284,410	3,304,222	600,000	3,619,812
2030-31	3,041,699	208,597	3,250,296	600,000	3,641,699
2031-32	2,544,230	140,241	2,684,471	600,000	3,144,230
2032-33	1,316,217	84,438	1,400,655	600,000	1,916,217
2033-34	900,000	53,050	953,050	-	900,000
2034-35	485,000	22,050	507,050	-	485,000
2035-36	250,000	7,500	257,500	-	250,000
Total	<u>\$ 60,833,420</u>	<u>\$ 12,804,980</u>	<u>\$ 73,638,400</u>	<u>\$ 11,860,000</u>	<u>\$ 72,693,420</u>

(1) Total includes principal payments of \$4,204,898 made between July 1, 2016 and February 16, 2017.

Source: Town of South Windsor.

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# **Schedule of Long Term Debt through Maturity – General Fund**

As of February 16, 2017 (Pro Forma)

Fiscal Year	Existing Indebtedness			The Bonds Principal	Principal All Issues (1)
	Principal Payments (1)	Interest Payments	Total Debt Payments (1)		
2016-17	\$ 3,390,000	\$ 1,134,544	\$ 4,524,544	\$ -	\$ 3,390,000
2017-18	2,670,000	1,025,519	3,695,519	1,225,000	3,895,000
2018-19	2,530,000	935,469	3,465,469	875,000	3,405,000
2019-20	2,480,000	848,244	3,328,244	845,000	3,325,000
2020-21	2,485,000	750,694	3,235,694	1,100,000	3,585,000
2021-22	2,500,000	654,444	3,154,444	965,000	3,465,000
2022-23	2,310,000	558,994	2,868,994	1,050,000	3,360,000
2023-24	2,320,000	489,638	2,809,638	400,000	2,720,000
2024-25	1,985,000	438,572	2,423,572	600,000	2,585,000
2025-26	2,010,000	387,638	2,397,638	600,000	2,610,000
2026-27	1,975,000	333,769	2,308,769	600,000	2,575,000
2027-28	1,960,000	281,850	2,241,850	600,000	2,560,000
2028-29	1,450,000	235,369	1,685,369	600,000	2,050,000
2029-30	1,440,000	193,800	1,633,800	600,000	2,040,000
2030-31	1,430,000	149,875	1,579,875	600,000	2,030,000
2031-32	900,000	114,050	1,014,050	600,000	1,500,000
2032-33	900,000	83,050	983,050	600,000	1,500,000
2033-34	900,000	53,050	953,050	-	900,000
2034-35	485,000	22,050	507,050	-	485,000
2035-36	250,000	7,500	257,500	-	250,000
Total	<u>\$ 36,370,000</u>	<u>\$ 8,698,119</u>	<u>\$ 45,068,119</u>	<u>\$ 11,860,000</u>	<u>\$ 48,230,000</u>

(1) Total includes principal payments of \$3,390,000 made between July 1, 2016 and February 17, 2017.

Source: Town of South Windsor.

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**Schedule of Long Term Debt through Maturity – Sewer Operating Fund**  
As of February 16, 2017 (Pro Forma)

Fiscal Year	Existing Indebtedness		
	Principal Payments (1)	Interest Payments	Total Debt Service (1)
2016-17	\$ 1,374,916	\$ 476,638	\$ 1,851,554
2017-18	1,387,966	449,093	1,837,059
2018-19	1,415,981	421,078	1,837,059
2019-20	1,444,562	392,497	1,837,059
2020-21	1,473,719	363,340	1,837,059
2021-22	1,458,992	333,963	1,792,955
2022-23	1,484,358	304,588	1,788,946
2023-24	1,514,318	274,627	1,788,945
2024-25	1,542,865	244,062	1,786,927
2025-26	1,551,582	213,143	1,764,725
2026-27	1,495,731	182,550	1,678,281
2027-28	1,517,917	152,505	1,670,422
2028-29	1,548,555	121,866	1,670,421
2029-30	1,579,812	90,610	1,670,422
2030-31	1,611,699	58,722	1,670,421
2031-32	1,644,230	26,191	1,670,421
2032-33	416,217	1,388	417,605
Total	<u>\$ 24,463,420</u>	<u>\$ 4,106,861</u>	<u>\$ 28,570,281</u>

(1) Total includes principal payments of \$814,898 made between July 1, 2016 and February 17, 2017.

Source: Town of South Windsor.

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## SECTION V - FINANCIAL DATA

### Accounting Policies

The Town's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to Financial Statements (Appendix A).

### Basis of Accounting

See Note 1 "Measurement Focus, Basis of Accounting and Financial Statement Presentation" in the Notes to Financial Statements (Appendix A).

### Audit

Pursuant to the provisions as delineated in the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the Town is obligated to undergo an annual examination by an independent certified public accountant. The firm of Blum, Shapiro & Company, P.C., of West Hartford, Connecticut, is the auditor, and is required to conduct an examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, who receive a copy of said audit report when completed.

The most recent audited report covers the fiscal year ended June 30, 2016. Included in this Official Statement and made a part hereof as "Appendix A" are the Independent Auditor's Report, Management's Discussion and Analysis, the Town's Basic Financial Statements and Notes to the Financial Statements, together with the report of the independent auditor as prepared by Blum, Shapiro & Company, P.C., Independent Certified Public Accountants. The information contained in "Appendix A" is not the entire audit report. A copy of the complete report is available upon request to the Town Manager, Town of South Windsor.

### Budgetary Procedures

The Town follows the following procedure in establishing the budgetary data included in the General Fund and certain Special Revenue Funds financial statements. No later than March 22<sup>nd</sup> the Town Manager shall present to the Town Council a budget and recommendations. The Town Council shall hold one or more public hearings no later than May 7<sup>th</sup>, at which time any elector or taxpayer may be heard regarding appropriations for the ensuing fiscal year. By May 22<sup>nd</sup>, the Town Council submits to the annual Town Meeting proposed expenditures and the means of financing them. Per the Connecticut General Statutes the annual Town Meeting may be adjourned to a referendum vote within 14 days of the Town Meeting date.

<u>On or About</u>	<u>Action</u>
Prior to March 15	The Board of Education submits to the Town Council a proposed budget for the fiscal year commencing the following July 1.
Prior to March 22	The Town Manager submits to the Town Council a proposed operating budget for General Government for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
By April 15	The Town Council must have the Board of Education budget available to the public.
By April 27	The Town Council must have the General Government budget available to the public.
By April 30	Public hearings are conducted on the Board of Education budget.
By May 7	Public hearings are conducted on the General Government budget.
May 15	Approval of the budget of the Board of Education shall be legally enacted.
May 22	Approval of the General Government budget and the total Town budget shall be legally enacted.

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

Effective October 1, 2015, Public Act No. 15-244; as amended (the "Act"), allows municipalities to tax motor vehicles at a different rate than other taxable property but caps the motor vehicle tax rate at (i) 32.00 mills for the 2015 assessment year and (ii) 29.36 mills for the 2016 assessment year and thereafter. The Act also diverts a portion of state collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The Town's motor vehicle tax rates for the current 2015 assessment year is 37.00 mills. (See "Motor Vehicle Property Tax Rate" herein).

## Employee Pension Systems

The Town is the administrator of a defined benefit retirement system (the "Plan"), established and administered by the Town Council and the Board of Education to provide pension benefits for its employees. Teachers participate in the State of Connecticut Teachers Retirement System under Chapter 167A of the General Statutes of the State of Connecticut. In addition, eligible general government employees may participate in a deferred compensation plan. For specific information on each plan, see Appendix A, "Notes to Basic Financial Statements", herein.

The Town has implemented Government Accounting Standards Board's ("GASB") Statement No. 67 effective Fiscal Year 2014. Net position is based on fair market value as of June 30, 2016 and the Total Pension Liability is based on the actuarial assumptions as of the prior valuation date updated to July 1, 2015. The date of the Town's most recent actuarial valuation was July 1, 2016.

In accordance with GASB Statement No. 67, the components of the net pension liability of the Town Plan and the Board of Education Plan as of June 30 were as follows:

	<b>Town Employees</b>		
	2016	2015	2014
Total pension liability	\$ 42,448,680	\$ 37,268,971	\$ 36,193,548
Plan fiduciary net position	23,130,493	23,202,956	22,654,346
Net pension liability	<u>\$ 19,318,187</u>	<u>\$ 14,066,015</u>	<u>\$ 13,539,202</u>
Plan fiduciary net position as a % of total pension liability	54.5%	62.3%	62.6%

	<b>Board of Education Employees</b>		
	2016	2015	2014
Total pension liability	\$ 16,067,007	\$ 13,834,335	\$ 12,627,232
Plan fiduciary net position	11,918,713	11,990,119	12,119,077
Net pension liability	<u>\$ 4,148,294</u>	<u>\$ 1,844,216</u>	<u>\$ 508,155</u>
Plan fiduciary net position as a % of total pension liability	74.2%	86.7%	96.0%

The following represents the net pension liability of the Town and the Board of Education, calculated using the discount rate of 7.25%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
Town's Net Position Liability	\$ 24,183,852	\$ 19,318,187	\$ 15,253,752
Board of Education's Net Position Liability	5,829,031	4,148,294	2,718,865

Based upon a July 1, 2016 actual valuation, the actuarial value of assets and actuarial liabilities for the Plan were as follows:

**Town Pension Fund**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Over (Under) Funded AAL (UAAL) (a-b)	Funded AAL Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(a-b) / (c)]
1/1/2012	17,001,457	29,038,451	(12,036,994)	58.5%	5,352,711	(224.9)
1/1/2013	18,502,417	31,008,924	(12,506,507)	59.7%	4,749,846	(263.3)
1/1/2014	21,317,803	34,458,002	(13,140,199)	61.9%	4,716,701	(278.6)
7/1/2015	23,516,596	40,746,714	(17,230,118)	57.7%	4,540,844	(379.4)
7/1/2016	25,013,200	43,482,335	(18,469,135)	57.5%	4,177,838	(442.1)

**Board of Education Pension Fund**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Over (Under) Funded AAL (UAAL) (a-b)	Funded AAL Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(a-b) / (c)]
1/1/2012	9,116,329	10,655,240	(1,538,911)	85.6%	3,012,321	(51.1)
1/1/2013	9,668,718	11,326,679	(1,657,961)	85.4%	3,085,477	(53.7)
1/1/2014	10,516,003	12,616,929	(2,100,926)	83.3%	3,122,271	(67.3)
7/1/2015	12,130,210	15,209,515	(3,079,305)	79.8%	3,274,814	(94.0)
7/1/2016	12,862,906	16,274,991	(3,412,085)	79.0%	3,133,452	(108.9)

**Schedule of Employer Contributions**

**Town Pension Fund**

Year Ended June 30	Actuarial Required Contribution	Percentage Contributed
2013	\$ 1,697,994	100.0
2014	1,686,734	100.0
2015	1,727,470	100.0
2016	1,727,470	100.0
2017 (1)	1,820,733	100.0

**Board of Education Pension Fund**

Year Ended June 30	Actuarial Required Contribution	Percentage Contributed
2013	\$ 443,288	116.9
2014	450,378	204.8
2015	535,965	50.1
2016	535,965	100.0
2017 (1)	549,460	100.0

(1) As budgeted for fiscal year 2016-17.

## Other Post-Employment Benefits

The Town provides limited post-employment health care benefits for retired employees. For former Town employees, the Town allows employees to retain insurance coverage under the Town insurance plan at the employee's cost until they are eligible for Medicare. This benefit option may be viewed as an implicit rate subsidy. The Town's contract with the police department employees which expires on June 30, 2018, requires the Town to contribute 75% of the cost associated with post-employment health care benefits for retired police department employees hired before July 1, 2006. All employees hired after July 1, 2006 are eligible to participate in the Town of South Windsor's health insurance plan which is in effect at the time of their retirement at their own expense. However, the Town does not have any retired police department employees utilizing the post-employment health care benefit.

The Town's actuary, Milliman, has prepared a report, dated July 1, 2015, in compliance with Government Accounting Standards Board ("GASB") Statement No. 45 which included Town and Board of Education employees. As part of the valuation, Milliman determined an implicit rate subsidy where applicable, and employed a 7.0% discount rate.

### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Over (Under) Funded AAL (UAAL) (a-b)	Funded AAL Ratio (a/b)
7/1/2007	\$ -	\$ 5,569,000	\$ (5,569,000)	0.0%
7/1/2009	-	5,906,000	(5,906,000)	0.0%
7/1/2011	488,000	8,021,000	(7,533,000)	6.1%
7/1/2013	839,000	9,510,000	(8,671,000)	8.8%
7/1/2015	1,448,000	9,573,000	(8,125,000)	15.1%

### Schedule of Employer Contributions

Year Ended June 30	Actuarial Required Contribution	Percentage Contributed
2013	\$ 864,000	100.0
2014	864,000	107.0
2015	1,007,276	100.0
2016	1,007,276	102.0
2017 (1)	881,000	100.0

(1) As budgeted for fiscal year 2016-17.

## Investment Policies and Procedures

Under the Town Charter and under Connecticut General Statutes Sections 7-400, 7-401 and 7-402, the Town may invest in (a) obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal National Mortgage Association, the Federal Government National Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, the Tennessee Valley Authority, or any other agency of the United States government, (b) certain mutual funds and money market mutual funds investing in such obligations or repurchase agreements fully collateralized by such obligations and (c) certain state and municipal bonds and notes, and may make deposits with certain "qualified public depositories".

The Town's investment practices have been to invest only in certificates of deposit and the State of Connecticut Short-Term Investment Fund (STIF). The Town does not invest in derivative based investment products. The Town Treasurer has followed these investment practices and the Town's operating funds and capital funds are currently invested in the following short-term investments: (1) various certificates of deposit with Connecticut banks; and (2) the State of Connecticut Short-Term Investment Fund.

All Town pension funds are invested with investment managers and for educators, the State of Connecticut Retirement Commission oversees the investment pool for teachers and administrators. For a further description of the Town's Pension Plans, see Appendix A, Notes to Basic Financial Statements, page A-28 herein.

### **Assessment Practices**

The Town last conducted a revaluation for all real estate effective October 1, 2012 Grand List, for the 2013-14 fiscal year. Under Section 12-62 of the Connecticut General Statutes, the Town must revalue all real estate by physical inspection no later than ten years following the preceding physical inspection. The Town must conduct a statistical revaluation no later than five years after the last physical inspection. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor. The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last general revaluation.

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

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

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

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

### **Tax Collection Procedure**

Taxes for the fiscal year are paid on the grand list of the prior October 1, and are due July 1, payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1 become delinquent.

According to the provisions of Public Act No. 82-141, effective July 1, 1982, and applicable to property taxes due on or after said date, delinquent property taxes were subject to interest at the rate of 1.5% per month. Real estate is liened for delinquent taxes within one year after the tax due date.

## Motor Vehicle Property Tax Rate

Effective October 1, 2015, Public Act No. 15-244; as amended (the “Act”), creates certain disincentives on increasing general 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 (which is created by the Act) for those municipalities whose increases in general budget expenditures, with certain exceptions, exceed the spending limits specified in the Act. Each fiscal year, OPM must reduce the municipal revenue sharing grant paid to a municipality if the annual increase in its general budget expenditures is equal to or greater than 2.5 percent or the inflation rate, whichever is greater. The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar the municipality spends over the expenditure cap. However, for municipalities that taxed motor vehicles at more than 32 mills for the 2013 assessment year (for taxes levied in fiscal year 15), the reduction shall not be more than the portion of the grant that exceeds the difference between the amount of property taxes the municipality levied on motor vehicles for the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills. (See "Property Tax Assessments" herein.)

The Act requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the increased spending limits, and if so, the amount by which the limit was exceeded.

Under the Act, municipal spending does not include expenditures:

1. for debt service, special education, or costs to implement court orders or arbitration awards;
2. associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; or
3. for any municipal revenue sharing grant the municipality disburses to a district, up to the difference between the amount of property taxes the district levied on motor vehicles in the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills, for fiscal year 17 disbursements, or 29.36 mills, for fiscal year 18 disbursements and thereafter.

## Property Tax Levies and Collections

Fiscal Year Ending 6/30	Taxable Grand List	Tax Rate (In Mills)	Adjusted Tax Levy	% Annual Levy Collected	Uncollected Taxes	
					End of Each Fiscal Year	As of 6/30/16
2017 (1)	\$ 2,546,423,871	37.34	\$ 93,510,040	In Process	In Process	In Process
2016	2,501,567,051	36.54	91,894,135	98.9	\$ 1,002,795	\$ 1,002,795
2015	2,506,427,581	35.51	89,399,738	98.4	1,433,906	622,249
2014*	2,468,393,038	34.90	86,279,650	98.6	1,236,937	412,042
2013	2,771,296,551	29.43	81,652,659	98.7	1,086,502	256,955
2012	2,740,622,596	28.78	78,796,861	98.7	1,043,950	185,875
2011	2,731,391,588	28.34	77,518,490	98.7	978,892	180,929
2010	2,721,963,795	27.84	75,361,514	98.5	1,104,861	149,394
2009*	2,680,367,627	27.42	73,246,521	98.7	986,560	99,442
2008	2,113,039,277	32.54	69,056,659	98.9	778,616	84,526

(1) Fiscal year 2016-17 adopted budget.

\* Indicates years of revaluations.

Source: Town of South Windsor Assessor's Office.

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## Taxable Grand List (1)

Grand List Dated	Real Property	Personal Property	Motor Vehicle Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
10/01/15	\$ 2,160,395,641	\$ 272,704,520	\$ 217,673,720	\$ 2,650,773,881	\$ 104,350,010	\$ 2,546,423,871
10/01/14	2,135,729,111	261,120,500	217,444,060	2,614,293,671	112,726,620	2,501,567,051
10/01/13	2,120,846,950	287,829,500	216,945,460	2,625,621,910	119,194,329	2,506,427,581
10/01/12	2,113,752,046	258,829,020	207,156,730	2,579,737,796	111,344,758	2,468,393,038
10/01/11	2,437,582,730	246,646,610	208,122,550	2,892,351,890	121,055,339	2,771,296,551
10/01/10	2,428,826,870	231,536,430	194,075,430	2,854,438,730	113,816,134	2,740,622,596
10/01/09	2,416,295,961	237,208,005	184,651,916	2,838,155,882	106,764,294	2,731,391,588
10/01/08	2,412,076,680	218,994,377	186,016,297	2,817,087,354	95,123,559	2,721,963,795
10/01/07	2,377,141,380	176,737,175	195,222,387	2,749,100,942	68,733,315	2,680,367,627
10/01/06	1,812,683,063	165,927,668	194,545,587	2,173,156,318	60,117,041	2,113,039,277
10/01/05	1,786,475,993	140,962,087	191,689,989	2,119,128,069	51,049,114	2,068,078,955

(1) The Grand List represents the total of assessed value for all taxable real and personal property located within the Town as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the revaluation. The most recent revaluation was done in October 1, 2012.

Source: Town of South Windsor Assessor's Office.

## Largest Taxpayers

Name	Nature of Business	Valuation as of 10/01/15
Eversource	Utility	\$ 59,889,790
Evergreen Walk Lifestyle Center	Real Estate	30,792,400
Aldi Inc.	Distribution	25,703,450
FedEx Ground Package	Distribution	15,840,760
Federated Retail Holdings	Retailing/Distributor	15,044,030
DST Realty	Printer	14,763,970
Town Center of South Windsor	Real Estate	12,348,800
Connecticut Water Company	Utility	12,308,310
Computer Sciences Corp.	Retail	11,347,150
Carla's Pasta	Retail	11,336,070
Total		<u>\$ 209,374,730</u> (1)

(1) Represents 8.2% of the net taxable grand list of \$2,546,423,871.

Source: Town of South Windsor Assessor's Office.

## Revenues

The Town derives its revenues from a direct tax levy on property, State and federal aid, various fees and charges, and certain miscellaneous sources. Town revenues are summarized for fiscal years ended 2012-2016 in "Statements of Revenues, Expenditures and Changes in Fund Balance - General Fund" herein. The prior year's appropriated surplus is also available to support current operating expenditures.

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## Property Tax Revenues

<u>Fiscal Year</u>	<u>General Fund Revenues</u>	<u>Property Tax Revenues</u>	<u>Property Tax As a % of General Fund Revenues</u>
2017 (Adopted Budget)	\$ 111,675,938	\$ 95,415,040	85.4
2016	117,077,453	92,999,372	79.4
2015	111,719,918	89,316,302	79.9
2014	110,615,994	86,482,924	78.2
2013	104,583,233	81,674,471	78.1
2012	101,752,531	79,552,717	78.2
2011	98,652,239	77,616,815	78.7
2010	96,675,371	75,463,071	78.1
2009	94,595,739	73,288,794	77.5
2008 (1)	108,461,737	69,340,563	63.9

(1) Includes one-time pass-through state funding for the teachers' retirement system pension liability in the amount of \$20,926,296 an increase of \$18,661,660.

Source: Annual audited financial statements, fiscal year 2016-17 adopted budget.

## Intergovernmental Revenues

<u>Fiscal Year</u>	<u>General Fund Revenues</u>	<u>State and Federal Aid</u>	<u>Aid As % of General Fund Revenue</u>
2017 (Adopted Budget)	\$ 111,675,938	\$ 14,719,398	13.2
2016	117,077,453	21,589,783	18.4
2015	111,719,918	20,827,429	18.6
2014	110,615,994	22,758,513	20.6
2013	104,583,233	21,232,260	20.3
2012	101,752,531	20,555,762	20.2
2011	98,652,239	19,887,065	20.2
2010	96,675,371	19,905,819	20.6
2009	94,595,739	19,806,433	20.9
2008 (1)	108,461,737	35,885,450	33.1

(1) Includes one-time pass-through state funding for the teachers' retirement system pension liability in the amount of \$20,926,296 an increase of \$18,661,660.

Source: Annual audited financial statements, fiscal year 2016-17 adopted budget.

## Expenditures

<u>Fiscal Year</u>	<u>Board of Education %</u>	<u>Public Safety %</u>	<u>Public Works %</u>	<u>Insurance &amp; Sundry %</u>	<u>Debt Service %</u>	<u>General Government %</u>
2017 (Adopted Budget)	64.5	8.1	7.3	6.6	6.6	3.4
2016	68.3	7.2	6.3	5.8	6.1	2.9
2015	68.0	7.4	6.7	5.9	5.7	3.0
2014	69.4	7.1	6.2	6.1	5.0	3.1
2013	69.9	7.1	6.2	6.0	4.3	3.0
2012	69.5	7.2	6.4	5.7	4.8	3.0
2011	68.8	7.1	6.5	5.8	5.3	3.2
2010	69.2	6.7	7.6	5.6	5.2	3.3
2009	68.7	6.8	8.1	5.4	5.2	3.4
2008 (1)	73.8	6.0	7.0	4.1	4.2	2.9

(1) Includes one-time pass-through state funding for the teachers' retirement system pension liability in the amount of \$20,926,296 an increase of \$18,661,660.

Source: Annual audited financial statements, fiscal year 2016-17 adopted budget.

**Comparative General Fund Operating Statement**  
(Budget and Actual – Budgetary Basis)

	<b>Fiscal Year 2015-16</b>			<b>FY 2016-17</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Adopted Budget</b>
<b>REVENUES</b>				
Property taxes	\$ 91,639,464	\$ 92,999,372	\$ 1,359,908	\$ 95,415,040
Intergovernmental revenue	14,607,116	14,250,046	(357,070)	14,719,398
Charges for services	1,417,000	2,379,396	962,396	1,491,500
Interest income	30,000	108,902	78,902	50,000
<b>TOTAL REVENUES</b>	<b>107,693,580</b>	<b>109,737,716</b>	<b>2,044,136</b>	<b>111,675,938</b>
<b>EXPENDITURES</b>				
General government	3,529,880	3,252,524	277,356	3,753,103
Public safety	8,351,216	8,013,707	337,509	8,977,986
Public works	7,607,788	7,313,382	294,406	8,096,700
Human services	946,977	893,128	53,849	1,017,221
Culture and recreation	2,847,480	2,790,388	57,092	3,054,007
Education	70,355,567	70,235,567	120,000	71,752,070
Insurance and benefits	6,521,809	6,494,397	27,412	7,317,372
Other	112,544	48,731	63,813	-
Debt service	6,867,579	6,830,607	36,972	7,330,506
<b>TOTAL EXPENDITURES</b>	<b>107,140,840</b>	<b>105,872,431</b>	<b>1,268,409</b>	<b>111,298,965</b>
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUES OVER EXPENDITURES:</b>	<b>552,740</b>	<b>3,865,285</b>	<b>3,312,545</b>	<b>376,973</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriation of fund balance	1,100,000	-	(1,100,000)	850,000
Cancellation of prior years encumbrance	-	6,347	6,347	-
Operating transfers in	62,240	57,537	(4,703)	37,240
Operating transfers out	(831,980)	(831,980)	-	(1,264,213)
<b>TOTAL OTHER FINANCING</b>				
<b>SOURCES (USES):</b>	<b>330,260</b>	<b>(768,096)</b>	<b>(1,098,356)</b>	<b>(376,973)</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>\$ 883,000</b>	<b>\$ 3,097,189</b>	<b>\$ 2,214,189</b>	<b>\$ -</b>

Source: Audited financials for fiscal year 2015-16 and fiscal year 2016-17 budget document.

## Comparative Balance Sheets - General Fund

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 13,258,957	\$ 15,010,269	\$ 16,158,229	\$ 19,023,921	\$ 34,992,842
Receivables:					
Property taxes	2,357,383	2,543,256	2,866,477	3,303,885	2,664,547
Intergovernmental	123,439	200,421	8,599	8,599	21,522
Other	1,882,881	1,450,479	2,331,255	2,363,878	2,154,842
Due from other funds	2,781,908	3,729,481	754,517	843,086	329,253
Other assets	<u>135,863</u>	<u>17,508</u>	<u>18,722</u>	<u>970</u>	<u>-</u>
Total Assets	<u>\$ 20,540,431</u>	<u>\$ 22,951,414</u>	<u>\$ 22,137,799</u>	<u>\$ 25,544,339</u>	<u>\$ 40,163,006</u>
<b>LIABILITIES DEFERRED INFLOWS OR RESOURCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,274,886	\$ 2,028,412	\$ 2,296,871	\$ 2,522,895	\$ 2,508,821
Due to other funds	9,191,820	10,128,835	8,114,699	10,838,131	23,259,416
Unearned revenue	-	106,203	-	-	-
Total liabilities	<u>11,466,706</u>	<u>12,263,450</u>	<u>10,411,570</u>	<u>13,361,026</u>	<u>25,768,237</u>
Deferred inflows of resources:					
Deferred revenue	4,020,388	-	-	-	-
Unavailable revenue - property taxes	-	3,785,889	4,674,166	5,313,792	4,237,123
Advance property tax collections	-	225,349	22,558	11,159	25,766
Total deferred inflows of resources	<u>4,020,388</u>	<u>4,011,238</u>	<u>4,696,724</u>	<u>5,324,951</u>	<u>4,262,889</u>
Fund balance:					
Nonspendable	135,863	17,508	18,722	970	-
Assigned	1,413,432	1,616,470	1,772,742	1,527,753	2,096,625
Unassigned	<u>3,504,042</u>	<u>5,042,748</u>	<u>5,238,041</u>	<u>5,329,639</u>	<u>8,035,255</u>
Total fund balance	<u>5,053,337</u>	<u>6,676,726</u>	<u>7,029,505</u>	<u>6,858,362</u>	<u>10,131,880</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 20,540,431</u>	<u>\$ 22,951,414</u>	<u>\$ 22,137,799</u>	<u>\$ 25,544,339</u>	<u>\$ 40,163,006</u>

Source: Annual audited financial statements.

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

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>REVENUES</b>					
Property taxes	\$ 79,552,717	\$ 81,674,471	\$ 86,482,924	\$ 89,316,302	\$ 92,999,372
Intergovernmental	20,555,762	21,232,260	22,758,513	20,827,429	21,589,783
Charges for services	1,605,477	1,641,788	1,335,659	1,523,569	2,379,396
Investment earnings	38,575	34,714	38,898	52,618	108,902
<b>TOTAL REVENUES</b>	<b>101,752,531</b>	<b>104,583,233</b>	<b>110,615,994</b>	<b>111,719,918</b>	<b>117,077,453</b>
<b>EXPENDITURES</b>					
Current:					
General government	3,043,533	3,113,808	3,348,175	3,324,922	3,292,016
Public safety	7,345,398	7,275,085	7,785,296	8,163,311	8,111,848
Public works	6,546,582	6,333,972	6,765,546	7,406,192	7,073,306
Human services	928,664	938,051	936,966	909,718	871,198
Culture and recreation	2,634,332	2,558,160	2,596,778	2,728,344	2,804,943
Education	70,996,075	71,405,984	76,012,600	75,058,105	76,768,518
Insurance and benefits	5,856,476	6,090,641	6,630,836	6,467,843	6,556,833
Debt Service	4,861,014	4,418,905	5,483,521	6,255,201	6,874,897
<b>TOTAL EXPENDITURES</b>	<b>102,212,074</b>	<b>102,134,606</b>	<b>109,559,718</b>	<b>110,313,636</b>	<b>112,353,559</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(459,543)</b>	<b>2,448,627</b>	<b>1,056,276</b>	<b>1,406,282</b>	<b>4,723,894</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Premium on bonds issued	202,148	-	68,173	78,540	207,067
Operating transfers in	60,213	63,367	60,310	55,258	57,537
Operating transfers out	(1,126,605)	(888,605)	(831,980)	(1,711,223)	(1,714,980)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(864,244)</b>	<b>(825,238)</b>	<b>(703,497)</b>	<b>(1,577,425)</b>	<b>(1,450,376)</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(1,323,787)</b>	<b>1,623,389</b>	<b>352,779</b>	<b>(171,143)</b>	<b>3,273,518</b>
Fund Balance - Beginning of year	6,377,124	5,053,337	6,676,726	7,029,505	6,858,362
Fund Balance - End of year	<u>\$ 5,053,337</u>	<u>\$ 6,676,726</u>	<u>\$ 7,029,505</u>	<u>\$ 6,858,362</u>	<u>\$ 10,131,880</u>

Source: Annual audited financial statement.

## **SECTION VI – ADDITIONAL INFORMATION**

### **Litigation**

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

### **Legal Matters**

Robinson & Cole LLP, Hartford, Connecticut is serving as bond counsel with respect to the authorization and issuance of the Bonds and the Notes and will render its opinion with respect to the Bonds and the Notes in substantially the forms included in this Official Statement as Appendices B and C, respectively.

### **Financial Advisor**

The Town has retained Independent Bond and Investment Consultants LLC ("IBIC LLC") of Madison, Connecticut, as financial advisor in connection with the issuance and sale of the Bonds and the Notes. Although IBIC LLC has assisted in the preparation of the Official Statement, IBIC LLC is not obligated to undertake, and has not undertaken to make, an independent verification of, nor do they assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. IBIC LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

### **Availability of Continuing Disclosure Information**

The Town will enter into continuing disclosure agreements with respect to the Bonds and the Notes (the "Continuing Disclosure Agreements"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) annual financial information and operating data, (ii) notice of the occurrence of certain events within 10 days of the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreements to be executed in substantially the forms attached as Appendices D and E to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements, for the benefit of holders of certain of its bonds and notes, to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). During the last five (5) years, the Town has not failed to comply, in all material respects, with any of its undertakings in its continuing disclosure agreements, except for a failure to provide or to cross-reference by February 28, 2012, 2013 and 2014 certain operating data for fiscal years June 30, 2011, 2012 and 2013 contained in the Town's official statements filed with the MSRB and applicable notices of the failure to provide such operating data. For fiscal years June 30, 2011, 2012 and 2013 the operating data and a notice of failure to provide such operating data was submitted on January 27, 2015. The failure to cross-reference or provide, as applicable, the operating data was an immaterial oversight by the Town. Commencing with fiscal year ending June 30, 2016, the Town has prepared a comprehensive annual financial report which will include the required operating data.

### **Documents Accompanying Delivery of the Bonds and the Notes**

Upon the delivery of the Bonds and the Notes, the winning bidder(s) will be furnished with the following:

1. A Signature and No Litigation Certificates stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds and the Notes or the levy or collection of taxes to pay the principal of and interest on the Bonds and the Notes;
2. A certificate on behalf of the Town, signed by the Town Manager and Town Treasurer which will be dated the date of delivery and attached to a conformed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time the bids were accepted on the Bonds and the Notes, the description and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement;

3. Receipts for the purchase price of the Bonds and the Notes;
4. The approving opinions of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut; and
5. Executed continuing disclosure agreements for the Bonds and the Notes in substantially the forms attached hereto as Appendices D and E, respectively; and
6. The Town will make available to the winning purchaser of the Bonds fifty (50) copies and the winning purchaser of the Notes fifteen (15) copies of the Official Statement at the Town's expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. If the Town's financial advisor is provided with the necessary information from the winning bidder by 12:00 p.m. (Noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the winning bidder for the Bonds and the Notes.

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

### **Concluding Statement**

Additional information concerning the Town and this issue may be obtained upon request from the office of the Town Manager at (860) 644-2511 or from Independent Bond and Investment Consultants LLC at (203) 245-7264.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds and the Notes.

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

## **TOWN OF SOUTH WINDSOR, CONNECTICUT**

**BY:** / s / Matthew B. Galligan  
**Matthew B. Galligan**  
*Town Manager*

**BY:** / s / Barbara Pandiscia  
**Barbara Pandiscia**  
*Town Treasurer*

**Dated: February 1, 2017**

## APPENDIX A - AUDITED FINANCIAL STATEMENTS

### TOWN OF SOUTH WINDSOR, CONNECTICUT

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**Appendix A - Financial Statements** - is taken from the Annual Financial Report of the Town of South Windsor for the Fiscal Year ending June 30, 2016 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Town Manager, Town of South Windsor, Connecticut.

## APPENDIX B – FORM OF OPINION OF BOND COUNSEL – THE BONDS



280 Trumbull Street  
Hartford, CT 06103-3597  
Main (860) 275-8200  
Fax (860) 275-8299

February \_\_, 2017

Town of South Windsor,  
South Windsor, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of South Windsor, Connecticut (the “Town”), a Tax Regulatory Agreement of the Town, dated February \_\_, 2017 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$11,860,000 Town of South Windsor, Connecticut General Obligation Bonds, Issue of 2017, dated February \_\_, 2017 (the “Bonds”), maturing on February 15 in each of the years, in the principal amounts and bearing interest payable on August 15, 2017 and semiannually thereafter on February 15 and August 15 in each year until maturity or earlier redemption, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate Per Annum</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate Per Annum</u>
2018	\$1,225,000	%	2026	\$600,000	%
2019	875,000		2027	600,000	
2020	845,000		2028	600,000	
2021	1,100,000		2029	600,000	
2022	965,000		2030	600,000	
2023	1,050,000		2031	600,000	
2024	400,000		2032	600,000	
2025	600,000		2033	600,000	

with principal payable at the principal office of U.S. Bank National Association, in Hartford, Connecticut, and with interest payable to the registered owner as of the close of business on the last business day of January and July in each year, by check mailed to such registered owner at his address as shown on the registration books of the Town kept for such purpose. The Bonds are subject to redemption prior to maturity as therein provided.

The Bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), to effect a book-entry system for the ownership and transfer of the Bonds. So long as DTC or its nominee is the registered owner, principal and interest payments on the Bonds will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid general obligation of the Town the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town 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. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.



The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes. The Town has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Bonds is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Bonds.

In rendering the foregoing opinions regarding the federal tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) the compliance by the Town with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

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

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

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

The rights of owners of the Bonds and the enforceability of the Bonds and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

Very truly yours,

ROBINSON & COLE LLP



280 Trumbull Street  
Hartford, CT 06103-3597  
Main (860) 275-8200  
Fax (860) 275-8299

February \_\_\_, 2017

Town of South Windsor,  
South Windsor, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the Town of South Windsor, Connecticut (the “Town”), a Tax Regulatory Agreement of the Town, dated February \_\_\_, 2017 (the “Tax Regulatory Agreement”), and other proofs submitted to us relative to the issuance and sale of \$16,000,000 Town of South Windsor, Connecticut General Obligation Bond Anticipation Notes, dated February \_\_\_, 2017 and maturing February 15, 2018, consisting of Note R-1 in the aggregate principal amount of \$16,000,000, bearing interest at the rate of \_\_\_% per annum, with principal and interest payable at maturity (the “Notes”). The Notes are not subject to redemption prior to maturity.

The Notes are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), to effect a book-entry system for the ownership and transfer of the Notes. So long as DTC or its nominee is the registered owner, principal and interest payments on the Notes will be made to DTC.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the Official Statement.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Notes under authority of the Constitution and General Statutes of Connecticut and that the Notes are a valid general obligation of the Town the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town 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. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income for federal income tax purposes. The Town has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Notes shall be excluded from gross income for federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax. Interest on the Notes is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. We express no opinion regarding any other federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the Notes.

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

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

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

These opinions are rendered as of the date hereof and are based on existing law, which is subject to change. We assume no obligation to update or supplement these opinions to reflect any facts or circumstances that may come to our attention, or to reflect any changes in law that may hereafter occur or become effective.

The rights of owners of the Notes and the enforceability of the Notes and the Tax Regulatory Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by application of equitable principles, whether considered at law or in equity.

Very truly yours,

ROBINSON & COLE LLP

## APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT – THE BONDS

### CONTINUING DISCLOSURE AGREEMENT

Town of South Windsor, Connecticut  
\$11,860,000 General Obligation Bonds, Issue of 2017  
Dated February \_\_\_, 2017

February \_\_\_, 2017

WHEREAS, the Town of South Windsor, Connecticut (the “Town”) has heretofore authorized the issuance of \$11,860,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2017, dated February \_\_\_, 2017 (the “Bonds”), and to mature on the dates and in the amounts as set forth in the Town’s Official Statement dated February \_\_\_, 2017 describing the Bonds (the “Official Statement”); and

WHEREAS, the Bonds have been sold by a competitive bid pursuant to a Notice of Sale, dated January \_\_\_, 2017 (the “Notice of Sale”); and

WHEREAS, in the Notice of Sale, the Town has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the Town has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the “Rule”), and the Town desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the Town is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement (this “Agreement”) is to be made, executed and delivered by the Town in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, the Town hereby represents, covenants and agrees as follows:

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

“Annual Report” shall mean any Annual Report provided by the Town pursuant to, and as described in, Sections 2 and 3 of this Agreement.

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

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

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

“Repository” shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

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

## Section 2. Annual Reports.

(a) The Town shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the Town:

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

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

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

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Town's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents previously provided to the Repository, including official statements of the Town which will be available from the MSRB.

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

Section 3. Timing. The Town shall provide the financial information and operating data referenced in Section 2(a) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and operating data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the Town shall provide such financial information and operating data no later than eight months after the close of such preceding Fiscal Year End. The Town agrees that if audited financial statements are not available eight months after the close of any Fiscal Year End, it shall submit unaudited financial statements by such time and will submit audited financial statements information when and if available.

Section 4. Event Notices. The Town agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material.

Section 5. Notice of Failure. The Town agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the Town to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

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

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

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

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Town 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 providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the Town chooses to include any other information in any Annual Report or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the Town shall have no obligation under this Agreement to update such information or include or provide such information or notice of the occurrence of such event in the future.

Section 10. Indemnification. The Town agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the Town under this Section shall survive termination of this Agreement.

Section 11. Enforceability. The Town agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the Town does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the Town's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the Town with respect to the Bonds.

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT**

By: \_\_\_\_\_  
Matthew B. Galligan  
Town Manager

By: \_\_\_\_\_  
Barbara Pandiscia  
Town Treasurer

## APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT – THE NOTES

### CONTINUING DISCLOSURE AGREEMENT

Town of South Windsor, Connecticut  
\$16,000,000 General Obligation Bond Anticipation Notes  
Dated February \_\_\_, 2017

February \_\_\_, 2017

WHEREAS, the Town of South Windsor, Connecticut (the “Town”) has heretofore authorized the issuance of \$16,000,000 in aggregate principal amount of its General Obligation Bond Anticipation Notes, dated February \_\_\_, 2017 (the “Notes”), and to mature on the dates and in the amounts as set forth in the Town’s Official Statement dated February \_\_\_, 2017 describing the Notes (the “Official Statement”); and

WHEREAS, the Notes have been sold by a competitive bid pursuant to a Notice of Sale, dated January \_\_\_, 2017 (the “Notice of Sale”); and

WHEREAS, in the Notice of Sale, the Town has heretofore acknowledged that an underwriter may not purchase or sell the Notes unless it has reasonably determined that the Town has undertaken in a written agreement for the benefit of the beneficial owners of the Notes to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5), as amended from time to time (the “Rule”), and the Town desires to assist the underwriter of the Notes in complying with the Rule; and

WHEREAS, the Town is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Notes to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Notes in complying with the Rule, this Continuing Disclosure Agreement (this “Agreement”) is to be made, executed and delivered by the Town in connection with the issuance of the Notes and to be described in the Official Statement, all for the benefit of the beneficial owners of the Notes, as they may be from time to time;

NOW, THEREFORE, the Town hereby represents, covenants and agrees as follows:

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

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

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

“Repository” shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

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



Section 2. Event Notices. The Town agrees to provide, or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, of the occurrence of any of the following events:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (ix) modifications to rights of Noteholders, if material;
- (x) Note calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Notes, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership, or similar event of any obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving any obligated person or the sale of all or substantially all of the assets of any obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if any, if material.

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

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

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

Section 6. Additional Information. Nothing in this Agreement shall be deemed to prevent the Town from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or providing notice of the occurrence of any other event, in addition to that which is required by this Agreement. If the Town chooses to disseminate any other information or provide notice of the occurrence of any other event in addition to that which is specifically required by this Agreement, the Town shall have no obligation under this Agreement to update such information or provide such information or notice of the occurrence of such event in the future.

Section 7. Indemnification. The Town agrees, pursuant to applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the Town under this Section shall survive termination of this Agreement.

Section 8. Enforceability. The Town agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Notes. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Notes of such failure. In the event the Town does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific performance of the Town's obligations hereunder. No monetary damages shall arise or be payable hereunder, nor shall any failure to comply with this Agreement constitute a default of the Town with respect to the Notes.

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

**TOWN OF SOUTH WINDSOR, CONNECTICUT**

By: \_\_\_\_\_  
Matthew B. Galligan  
Town Manager

By: \_\_\_\_\_  
Barbara Pandiscia  
Town Treasurer

**APPENDIX F – NOTICE OF SALE – THE BONDS**

**NOTICE OF SALE**

**\$11,860,000**

**TOWN OF SOUTH WINDSOR, CONNECTICUT**

**GENERAL OBLIGATION BONDS**

**ISSUE OF 2017**

Electronic bids (as described herein) will be received by the **TOWN OF SOUTH WINDSOR, CONNECTICUT** (the “Town”), until 11:30 o'clock A.M. (E.S.T.) Wednesday,

**FEBRUARY 1, 2017**

for the purchase of all, but not less than all, of the \$11,860,000 Town of South Windsor, Connecticut General Obligation Bonds, Issue of 2017 (the “Bonds”). Electronic bids must be submitted via **PARITY®**. (See “Electronic Bidding Procedures”).

**The Bonds**

The Bonds will be dated February 16, 2017, mature in principal amounts of \$1,225,000 on February 15, 2018, \$875,000 on February 15, 2019, \$845,000 on February 15, 2020, \$1,100,000 on February 15, 2021, \$965,000 on February 15, 2022, \$1,050,000 on February 15, 2023, \$400,000 on February 15, 2024, and \$600,000 on February 15 in each of the years 2025-2033, both inclusive, bear interest payable on August 15, 2017 and semiannually thereafter on February 15 and August 15 in each year until maturity or earlier redemption, as further described in the Preliminary Official Statement for the Bonds dated January 23, 2017 (the “Preliminary Official Statement”).

The Bonds maturing on or before February 15, 2023 are not subject to redemption prior to maturity. The Bonds maturing on February 15, 2024 and thereafter are subject to redemption prior to maturity, at the election of the Town, on and after February 15, 2023, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the respective prices (expressed as percentages of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
February 15, 2023 and thereafter.....	100%

**Nature of Obligation**

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

**Bank Qualification**

The Bonds shall NOT be designated by the Town as qualified tax exempt obligations under the provisions of Section 265(b) of the Code for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

## Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent in Federal funds to DTC or its nominee as registered owner of the Bonds. Principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

## Electronic Bidding Procedures

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

An electronic bid made through the facilities of **PARITY®** shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, **PARITY®**, the use of such facilities being the sole risk of the prospective bidder.

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

For purposes of electronic bids, the time as maintained by **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the Town, computed and rounded to six decimal places, as described under "Bid Specifications/Basis of Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and the form of Proposal for Bonds.

## Bid Specifications/ Basis of Award

Each bid must be for the entire \$11,860,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum. Bids shall not state (a) more than one interest rate for any Bonds having the same maturity date, or (b) any interest rate for any Bonds which exceeds the interest rate stated in the proposal for any other Bonds by more than 3%. Interest shall be computed on the basis of twelve 30 day months and a 360 day year. No bid for less than all of the Bonds or for less than par and accrued interest will be considered.

For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to February 16, 2017, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued to February 16, 2017, the delivery date of the Bonds. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost computed and rounded to six decimal places. Such statement shall not be considered as a part of the proposal. The Bonds will be awarded or all bids will be rejected promptly after the bid opening and not later than 4:00 P.M. (E.S.T.) on February 1, 2017. The purchase price must be paid in Federal funds.

The Town reserves the right to reject any and all proposals and to waive any irregularity or informality with respect to any proposal. The Town further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless rejected or postponed, the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost.

## **Closing Documents and Legal Opinion**

The Bonds will be certified by U.S. Bank National Association, Hartford Connecticut. The legality of the issue will be passed upon by Robinson & Cole LLP, Bond Counsel, Hartford, Connecticut, and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Bonds, a certificate signed by the appropriate officials of the Town relating to the accuracy and completeness of information contained in the Official Statement, and an executed Continuing Disclosure Agreement.

The legal opinion will further state that, (i) under existing statutes and court decisions interest on the Bonds is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, but is, however, includible in adjusted current earnings for purposes of computing the alternative minimum tax imposed on certain corporations, (iii) under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering the legal opinion, Robinson & Cole LLP will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Town for the benefit of the owners of the Bonds, and further, will assume compliance by the Town with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank National Association, Hartford, Connecticut, and will be available for examination upon request.

## **Settlement of the Bonds**

It shall be the responsibility of the winning bidder to certify to the Town before delivery of the Bonds the prices at which a substantial amount of the Bonds of each maturity were initially offered and sold to the public.

The Bonds will be available for delivery on or about February 16, 2017. The deposit of the Bonds with DTC or its custodian under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Bonds prior to delivery, and the Town will not be responsible for any delay occasioned by the failure of the winning bidder to obtain such numbers and to supply them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder.

The Preliminary Official Statement is in a form "deemed final" by the Town for purposes of SEC Rule 15c2-12(b)(1). The winning bidder will be furnished 100 copies of the final Official Statement prepared for the Bonds at the Town's expense. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder no later than seven business days after the bid opening at the office of the Town's financial advisor. If the Town's financial advisor is provided with the necessary information from the winning bidder by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

**Continuing Disclosure**

The Town will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) timely notice of the occurrence of certain events within 10 days of the occurrence of such events; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

**Related Information**

For more information regarding the Bonds and the Town, reference is made to the Preliminary Official Statement. Bid forms and copies of the Preliminary Official Statement may be obtained from the undersigned, or from Mr. Mark N. Chapman, Director, Independent Bond and Investment Consultants, 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, telephone: (203) 245-7264.

MATTHEW B. GALLIGAN  
Town Manager

BARBARA PANDISCIA  
Town Treasurer

January 23, 2017

## **APPENDIX G – NOTICE OF SALE – THE NOTES**

### **NOTICE OF SALE**

**\$16,000,000**

### **TOWN OF SOUTH WINDSOR, CONNECTICUT**

### **GENERAL OBLIGATION BOND ANTICIPATION NOTES**

Electronic bids (as described herein) will be received by the **TOWN OF SOUTH WINDSOR, CONNECTICUT** (the “Town”), until 11:00 A.M. (E.S.T.) Wednesday,

**FEBRUARY 1, 2017**

for the purchase of \$16,000,000 Town of South Windsor, Connecticut General Obligation Bond Anticipation Notes (the “Notes”). Electronic bids must be submitted via **PARITY®**. (See “Electronic Bidding Procedures”).

The Town reserves the right to make changes to the provisions of this Notice of Sale, including the date and time of the sale, prior to the date and time of sale set forth above. Any such changes will be posted through **PARITY®**. Prospective bidders are advised to check for such **PARITY®** postings prior to the above stated sale time.

#### **The Notes**

The Notes will be dated February 16, 2017 and will be payable to the registered owner on February 15, 2018 as further described in the Preliminary Official Statement for the Notes dated January 23, 2017 (the “Preliminary Official Statement”). The Notes will bear interest (which interest shall be computed on a 360-day year, twelve 30-day month basis) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/1000 of 1% per annum. The Notes are not subject to redemption prior to maturity.

#### **Nature of Obligation**

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

#### **Bank Qualification**

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

#### **Registration**

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company, New York, New York (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder(s), as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, or its custodian, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Town or its agent in Federal funds to DTC or its nominee as registered owner of the Notes. Principal and interest payments to participants of DTC will be the responsibility of DTC. Principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

## Electronic Bidding Procedures

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

An electronic bid made through the facilities of **PARITY®** shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Town. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, **PARITY®**, the use of such facilities being the sole risk of the prospective bidder.

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

For purposes of the electronic bidding process, the time as maintained by **PARITY®** shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the net interest cost to the Town, computed and rounded to six decimal places, as described under "Bid Specifications/Basis of Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale.

## Bid Specifications/Basis of Award

Proposals for the purchase of the Notes must provide the information in accordance with the requirements prescribed herein. A proposal may be for all or any part of the Notes but any proposal for a part must be for not less than \$100,000, or a whole multiple thereof, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. As between proposals resulting in the same lowest net interest cost (rounded to six decimal places) to the Town, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the Town reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Town with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, rounded to six decimal places. The Notes will be awarded or all bids will be rejected promptly after the bid opening, but not later than 4:00 P.M. (E.S.T.) on February 1, 2017. The purchase price must be paid in Federal funds.

The Town reserves the right to reject any and all bids and to waive any irregularity or informality with respect to any bid. The Town further reserves the right to postpone the sale to another time and date in its sole and absolute discretion for any reason, including, without limitation, internet difficulties. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Unless all bids are rejected or the bid is postponed, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost, computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any.

## Closing Documents and Legal Opinion

The Notes will be certified by U.S. Bank National Association, Hartford, Connecticut. The legality of the Notes will be passed upon by Robinson & Cole LLP, Bond Counsel, Hartford, Connecticut, and the winning bidder(s) will be furnished with their opinion without charge. Each winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to Bond Counsel, a signed copy of the final Official Statement prepared for the Notes, a certificate signed by the appropriate officials of the Town relating to the accuracy and completeness of information contained in the final Official Statement, and an executed continuing disclosure agreement.



The legal opinion will further state that, (i) under existing statutes and court decisions, interest on the Notes is excluded from gross income for federal income tax purposes, (ii) such interest is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax, but is, however, included in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations, (iii) under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and (iv) such interest is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay federal alternative minimum tax. In rendering the legal opinion, Robinson & Cole LLP will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Town for the benefit of the owners of the Notes, and further, will assume compliance by the Town with the covenants and procedures set forth in such Tax Regulatory Agreement.

### **Settlement of the Notes**

It shall be the responsibility of the winning bidder(s) to certify to the Town before the delivery of the Notes the price or prices at which a substantial amount of the Notes were initially offered and sold to the public.

The Notes will be available for delivery on or about February 16, 2017. The deposit of the Notes with DTC, or its custodian, under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder(s) to obtain CUSIP numbers for the Notes prior to delivery, and the Town will not be responsible for any delay occasioned by the failure of the winning bidder(s) to obtain such numbers and to supply them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the winning bidder(s).

The Preliminary Official Statement is in a form “deemed final” by the Town for purposes of SEC Rule 15c2-12(b)(1). Each winning bidder will be furnished 15 copies of the final Official Statement prepared for the Notes at the Town’s expense. Additional copies may be obtained by the winning bidder(s) at its own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder(s) no later than seven business days after the bid opening at the office of the Town’s financial advisor. If the Town’s financial advisor is provided with the necessary information from the winning bidder(s) by 12:00 p.m. (noon) on the day after the bid opening, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, ratings, yields or reoffering prices and the name(s) of the winning bidder(s) for the Notes.

### **Continuing Disclosure**

The Town will undertake in a continuing disclosure agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide notice of the occurrence of certain events within 10 business days of the occurrence of such events with respect to the Notes. The winning bidder’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the continuing disclosure agreement for the Notes.

### **Related Information**

For more information regarding the Notes and the Town, reference is made to the Preliminary Official Statement. Copies of the Preliminary Official Statement may be obtained from the undersigned, or from Mark N. Chapman, Director, Independent Bond and Investment Consultants LLC, 129 Samson Rock Drive, Suite A, Madison, CT 06443, Telephone No. (203) 245-7264.

**MATTHEW B. GALLIGAN**  
Town Manager

**BARBARA PANDISCIA**  
Town Treasurer

January 23, 2017