

## OFFICIAL STATEMENT DATED OCTOBER 21, 2020

**REFUNDING ISSUE - Book-Entry-Only****S&P Global Ratings: AAA**

(See "Ratings" herein)

*In the opinion of Bond Counsel, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), based on existing law, interest on the Series C Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax. Interest on the Series C Bonds may be includable in the calculation of certain taxes under the Code, as described under Appendix B - "Form of Legal Opinion of Bond Counsel and Tax Exemption - The Series C Bonds" herein.*

*In the opinion of Bond Counsel, under existing statutes and regulations, interest on the Series D Bonds is included in gross income for federal income tax purposes pursuant to the Code. (See Appendix C - "Form of Legal Opinion of Bond Counsel and Tax Status - The Series D Bonds" herein).*

*In the opinion of Bond Counsel, under existing statutes, interest on the Series C Bonds and Series D 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.*

**TOWN OF WEST HARTFORD, CONNECTICUT****\$8,915,000 General Obligation Refunding Bonds, Series 2020C****Dated: Date of Delivery****Due: Serially, January 15, as shown herein****\$12,705,000 General Obligation Refunding Bonds, Series 2020D  
(Federally Taxable)****Dated: Date of Delivery****Due: Serially, January 15, as shown herein**

The \$8,915,000 General Obligation Refunding Bonds, Series 2020C (the "Series C Bonds") and the \$12,705,000 General Obligation Refunding Bonds, Series 2020D (Federally Taxable) (the "Series D Bonds" and together with the Series C Bonds, the "Bonds") will be general obligations of the Town of West Hartford, Connecticut ("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 Series C Bonds and the Series D Bonds will bear interest payable semiannually on January 15 and July 15 in each year until maturity, commencing January 15, 2021. 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-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only System" herein.

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

U.S. Bank National Association, Hartford, Connecticut will serve as Registrar, Transfer Agent, Certifying Agent, Paying Agent and Escrow Agent with respect to the Bonds.

**RAYMOND JAMES®**

*The Bonds are offered for delivery when, as and if issued, subject to the final approving opinions of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut. Certain matters will be passed upon for the Underwriter by its counsel, Updike, Kelly, Spellacy, P.C. of Hartford, Connecticut. It is expected that delivery of the Bonds in definitive form will be made on or about November 5, 2020 through the facilities of DTC or its custodial agent.*

## Town of West Hartford, Connecticut

### \$8,915,000 General Obligation Refunding Bonds, Series 2020C

Dated: Date of Delivery

Due: Serially, January 15, as shown below

#### Maturity Schedule and Amounts

Maturity	Amount	Coupon	Yield	CUSIP <sup>1</sup>	Maturity	Amount	Coupon	Yield	CUSIP <sup>1</sup>
2021	\$ 510,000	4.000 %	0.270 %	9531066R7	2027	\$ 835,000	5.000 %	0.590 %	9531066X4
2022	785,000	4.000	0.270	9531066S5	2028	860,000	5.000	0.750	9531066Y2
2023	800,000	1.500	0.280	9531066T3	2029	885,000	5.000	0.930 *	9531066Z9
2024	795,000	4.000	0.290	9531066U0	2030	905,000	4.000	1.120 *	9531067A3
2025	805,000	4.000	0.340	9531066V8	2031	915,000	4.000	1.260 *	9531067B1
2026	820,000	5.000	0.460	9531066W6					

\* Priced assuming redemption on January 15, 2028 however any such redemption is at the option of the Town (see "Optional Redemption" herein).

### \$12,705,000 General Obligation Refunding Bonds, Series 2020D (Federally Taxable)

Dated: Date of Delivery

Due: Serially, January 15, as shown below

#### Maturity Schedule and Amounts

Maturity	Amount	Coupon	Yield	CUSIP <sup>1</sup>	Maturity	Amount	Coupon	Yield	CUSIP <sup>1</sup>
2021	\$ 140,000	0.350 %	0.350 %	9531067C9	2028	\$2,220,000	1.570 %	1.570 %	9531067J4
2023	140,000	0.600	0.600	9531067D7	2029	2,070,000	1.670	1.670	9531067K1
2024	140,000	0.760	0.760	9531067E5	2030	2,045,000	1.770	1.770	9531067L9
2025	145,000	0.910	0.910	9531067F2	2031	1,155,000	1.920	1.920	9531067M7
2026	1,280,000	1.220	1.220	9531067G0	2032	1,120,000	2.070	2.070	9531067N5
2027	2,250,000	1.340	1.340	9531067H8					

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

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

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose.

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

The Town deems this Official Statement to be "final" as of its date for purposes of Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(1).

Other than as to matters expressly set forth in Appendix A – "Audited Financial Statements" herein, the independent auditor for the Town is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same. The independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this Official Statement.

Other than matters expressly set forth in Appendices B and C 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.

The Town will enter into Continuing Disclosure Agreements with respect to each series of the Bonds (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) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreements. The Continuing Disclosure Agreements are to be executed by the Town substantially in the forms attached as Appendices D and E to this Official Statement.

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

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

**BOND COUNSEL**

**SHIPMAN & GOODWIN LLP**  
Hartford, Connecticut  
(860) 251-5000

**MUNICIPAL ADVISOR**

**HILLTOP SECURITIES INC.**  
Madison, Connecticut  
(860) 290-3002

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### SERIES C BOND ISSUE SUMMARY

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

<b>Issuer:</b>	Town of West Hartford, Connecticut (the "Town").
<b>Issue:</b>	\$8,915,000 General Obligation Refunding Bonds, Series 2020C (the "Series C Bonds").
<b>Dated Date:</b>	Date of Delivery.
<b>Principal Due:</b>	Principal due on January 15 in each of the years 2021 through 2031, inclusive.
<b>Interest Due:</b>	Interest payable semiannually on January 15 and July 15 in each year until maturity, commencing January 15, 2021.
<b>Purpose:</b>	Proceeds of the Series C Bonds will be used to refinance prior bonds of the Town and are authorized pursuant to Title 7 of the General Statutes of Connecticut, as amended, and refunding resolutions adopted by the Town Council.
<b>Security:</b>	The Series C Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Series C Bonds when due.
<b>Credit Rating:</b>	The Series C Bonds are rated "AAA" by S&P Global Ratings ("S&P"). The rating on certain outstanding bonds of the Town has recently been affirmed as "AAA" by S&P.
<b>Tax Exemption:</b>	See Appendix B to this Official Statement.
<b>Bank Qualification:</b>	The Series C Bonds shall <u>not</u> 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 Series C Bonds.
<b>Optional Redemption:</b>	The Series C Bonds are subject to redemption prior to maturity, as more fully described herein under "Optional Redemption."
<b>Continuing Disclosure:</b>	See Appendix D to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent, Paying Agent and Escrow Agent:</b>	U.S. Bank National Association, Hartford, Connecticut.
<b>Legal Opinion:</b>	Shipman & Goodwin LLP of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Series C Bonds in book-entry-only form will be made to The Depository Trust Company on or about November 5, 2020, in New York, New York, against payment in Federal funds.
<b>Issuer Official:</b>	Questions concerning the Official Statement should be addressed to Mr. Peter Privitera, Director of Financial Services, or Mrs. Lisa Newton, Financial Operations Manager, Town of West Hartford, 50 South Main Street, West Hartford, Connecticut 06107, Telephone (860) 561-7460.
<b>Municipal Advisor:</b>	Hilltop Securities Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. William N. Lindsay, Managing Director, Telephone: (860) 290-3002.

### SERIES D BOND ISSUE SUMMARY

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

<b>Issuer:</b>	Town of West Hartford, Connecticut (the "Town").
<b>Issue:</b>	\$12,705,000 General Obligation Refunding Bonds, Series 2020D (Federally Taxable) (the "Series D Bonds").
<b>Dated Date:</b>	Date of Delivery.
<b>Principal Due:</b>	Principal due on January 15 in 2021 and 2023 through 2032, inclusive.
<b>Interest Due:</b>	Interest payable semiannually on January 15 and July 15 in each year until maturity, commencing January 15, 2021.
<b>Purpose:</b>	Proceeds of the Series D Bonds will be used to refinance prior bonds of the Town and are authorized pursuant to Title 7 of the General Statutes of Connecticut, as amended, and refunding resolutions adopted by the Town Council.
<b>Security:</b>	The Series D Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Series D Bonds when due.
<b>Credit Rating:</b>	The Series D Bonds are rated "AAA" by S&P Global Ratings ("S&P"). The rating on certain outstanding bonds of the Town has recently been affirmed as "AAA" by S&P.
<b>Tax Status:</b>	See Appendix C to this Official Statement.
<b>Optional Redemption:</b>	The Series D Bonds are subject to redemption prior to maturity, as more fully described herein under "Optional Redemption."
<b>Continuing Disclosure:</b>	See Appendix E to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent, Paying Agent and Escrow Agent:</b>	U.S. Bank National Association, Hartford, Connecticut.
<b>Legal Opinion:</b>	Shipman & Goodwin LLP of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Series D Bonds in book-entry-only form will be made to The Depository Trust Company on or about November 5, 2020, in New York, New York, against payment in Federal funds.
<b>Issuer Official:</b>	Questions concerning the Official Statement should be addressed to Mr. Peter Privitera, Director of Financial Services, or Mrs. Lisa Newton, Financial Operations Manager, Town of West Hartford, 50 South Main Street, West Hartford, Connecticut 06107, Telephone (860) 561-7460.
<b>Municipal Advisor:</b>	Hilltop Securities Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Mr. William N. Lindsay, Managing Director, Telephone: (860) 290-3002.

## I. SECURITIES OFFERED

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### INTRODUCTION

This Official Statement is provided for the purpose of presenting certain information relating to the Town of West Hartford, Connecticut (the "Town"), in connection with the original issuance and sale of \$8,915,000 General Obligation Refunding Bonds, Series 2020C (the "Series C Bonds") and \$12,705,000 General Obligation Refunding Bonds, Series 2020D (Federally Taxable) (the "Series D Bonds" and together with the Series C Bonds, the "Bonds") of the Town.

All quotations from and summaries or 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 proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds 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 is not passing upon and does not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as its opinion) and makes no representation that it has independently verified the same.

Hilltop Securities Inc. ("HilltopSecurities" or the "Municipal Advisor") is engaged as Municipal Advisor to the Town in connection with the issuance of the Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. HilltopSecurities cannot submit a bid for the Bonds, either independently or as a member of a syndicate organized to submit a bid for the Bonds. HilltopSecurities, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal and state income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

### DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery, and will mature in annual installments on January 15 in each of the years and in the principal amounts as set forth on the inside cover page hereof. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable semiannually on January 15 and July 15 in each year until maturity commencing January 15, 2021. Interest will be payable to the registered owner as of the close of business on the last business day of December and June in each year, by check mailed to the registered owner or by wire transfer; or so long as the Bonds are registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, NY, by such other means as DTC and the Town shall agree. Principal on the Bonds will be payable at the office of U.S. Bank National Association in Hartford, Connecticut.

### OPTIONAL REDEMPTION

The Bonds maturing on or before January 15, 2028 are not subject to redemption prior to maturity. The Bonds maturing on January 15, 2029 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after January 15, 2028, 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 redemption price (expressed as a percentage of principal amount of the 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>
January 15, 2028 and thereafter	100%

### NOTICE OF REDEMPTION

Notice of redemption shall be mailed not less than thirty (30) nor more than sixty (60) days prior to the redemption date to the registered owner of such Bonds at the address of such registered owner as it appears on the registration books for the Bonds kept for such purpose. So long as a book-entry system is used for the Bonds, the Town will send any notice of redemption only to DTC (or a successor securities depository) or its nominee.

**AUTHORIZATION AND PURPOSE**

**Authorization.** The Bonds are being issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, and various resolutions adopted by the Town Council of the Town.

**Purpose.** Proceeds of the Series C Bonds and Series D Bonds will be used to refinance certain outstanding bonds of the Town as described here in (see "Plan of Refunding" herein).

**RATINGS**

The Bonds have been rated "AAA" by S&P Global Ratings ("S&P"). The rating on certain of the Town's outstanding general obligation bonds have also been affirmed as "AAA" by S&P. The rating assigned by S&P expresses only the views of S&P and the explanation of the significance of the rating may be obtained directly from S&P. There is no assurance that the rating will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of ratings on the Bonds may have an effect on the market price thereof.

**PLAN OF REFUNDING**

The Series C Bonds and the Series D Bonds are being issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, and refunding resolutions adopted by the Town Council at meetings held on August 12, 2020 and September 22, 2020, respectively, to refund a portion of the outstanding maturities of the Town's general obligation bonds listed herein (the "Refunded Bonds"). The refunding of the Refunded Bonds will only occur with proceeds of the Bonds after the date of delivery of the Bonds.

<u>Issue</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
<b><u>Series 2020C Refunded Bonds</u></b>						
2016A	2/11/2016	1/15/2021	\$ 935,000	5.000 %	N/A	N/A
2016A	2/11/2016	1/15/2022	935,000	2.000	1/15/2021	100.00 %
2016A	2/11/2016	1/15/2023	935,000	2.000	1/15/2021	100.00
2016A	2/11/2016	1/15/2024	935,000	2.000	1/15/2021	100.00
2016A	2/11/2016	1/15/2025	935,000	2.000	1/15/2021	100.00
2016A	2/11/2016	1/15/2026	935,000	2.000	1/15/2021	100.00
2016A	2/11/2016	1/15/2027	930,000	2.000	1/15/2021	100.00
2016A	2/11/2016	1/15/2028	930,000	2.125	1/15/2021	100.00
2016A	2/11/2016	1/15/2029	930,000	2.500	1/15/2021	100.00
2016A	2/11/2016	1/15/2030	930,000	2.625	1/15/2021	100.00
2016A	2/11/2016	1/15/2031	930,000	2.750	1/15/2021	100.00
			10,260,000			
<b><u>Series 2020D Refunded Bonds</u></b>						
2012A	3/8/2012	7/15/2026	1,000,000	3.000	7/15/2022	100.00
2012A	3/8/2012	7/15/2027	1,000,000	3.000	7/15/2022	100.00
			2,000,000			



<u>Issue</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2017A	2/16/2017	1/15/2022	335,000 <sup>1</sup>	5.000	N/A	N/A
2017A	2/16/2017	1/15/2026	1,135,000	2.500	1/15/2022	100.00
2017A	2/16/2017	1/15/2027	1,135,000	3.000	1/15/2022	100.00
2017A	2/16/2017	1/15/2028	1,135,000	3.000	1/15/2022	100.00
2017A	2/16/2017	1/15/2029	1,135,000	3.000	1/15/2022	100.00
2017A	2/16/2017	1/15/2030	1,135,000	3.000	1/15/2022	100.00
2017A	2/16/2017	1/15/2031	1,135,000	3.000	1/15/2022	100.00
2017A	2/16/2017	1/15/2032	1,110,000	3.000	1/15/2022	100.00
			<u>8,255,000</u>			
2018A	1/25/2018	1/15/2029	865,000	3.000	1/15/2023	100.00
2018A	1/25/2018	1/15/2030	865,000	3.000	1/15/2023	100.00
			<u>1,730,000</u>			
Total			<u>\$ 22,245,000</u>			

<sup>1</sup> Partial maturity.

Upon delivery of the Series C Bonds, a portion of the proceeds will be placed in an irrevocable escrow deposit fund (the "Series C Escrow Deposit Fund") established with U.S. Bank National Association of Hartford, Connecticut, as escrow agent (the "Series C Escrow Agent") under an Escrow Agreement (the "Series C Escrow Agreement") to be dated as of November 5, 2020 between the Series C Escrow Agent and the Town. The Series C Escrow Agent will deposit a portion of the proceeds of the Series C Bonds, along with other monies, if any, into the Series C Escrow Deposit Fund and will use such proceeds and other monies, as applicable, to purchase a portfolio of non-callable direct obligations of, or obligations guaranteed by the government of the United States of America, including United States Treasury State and Local Government Series ("SLGS") securities and any other securities permitted by Section 7-400 of the Connecticut General Statutes, all of which shall not be callable or pre-payable at the option of the issuer thereof (the "Series C Escrow Securities"). All investment income on, and maturing principal of, the Series C Escrow Securities held in the Series C Escrow Deposit Fund and needed to pay the principal, interest payments and redemption prices of the Refunded Bonds will be applied by the Series C Escrow Agent on behalf of the Town for payment of the Refunded Bonds. The balance of the proceeds of the Series C Bonds will be used to pay costs of issuance, including the Underwriter's discount.

Upon delivery of the Series D Bonds, a portion of the proceeds will be placed in an irrevocable escrow deposit fund (the "Series D Escrow Deposit Fund," together with the Series C Escrow Deposit Fund, collectively, the "Escrow Deposit Funds") established with U.S. Bank National Association of Hartford, Connecticut, as escrow agent (the "Series D Escrow Agent") under an Escrow Agreement (the "Series D Escrow Agreement") to be dated as of November 5, 2020 between the Series D Escrow Agent and the Town. The Series D Escrow Agent will deposit a portion of the proceeds of the Series D Bonds, along with other monies, if any, into the Series D Escrow Deposit Fund and will use such proceeds and other monies, as applicable, to purchase a portfolio of non-callable direct obligations of, or obligations guaranteed by the government of the United States of America, including United States Treasury State and Local Government Series ("SLGS") securities and any other securities permitted by Section 7-400 of the Connecticut General Statutes, all of which shall not be callable or pre-payable at the option of the issuer thereof (the "Series D Escrow Securities"). All investment income on, and maturing principal of, the Series D Escrow Securities held in the Series D Escrow Deposit Fund and needed to pay the principal, interest payments and redemption prices of the Refunded Bonds will be applied by the Series D Escrow Agent on behalf of the Town for payment of the Refunded Bonds. The balance of the proceeds of the Series D Bonds will be used to pay costs of issuance, including the Underwriter's discount.

**VERIFICATION OF MATHEMATICAL COMPUTATIONS**

Ritz & Associates, P.A. will verify from the information provided to them, the accuracy, as of the date of the closing of the Bonds, of the mathematical computations regarding the sufficiency of the amounts on deposit in the Escrow Deposit Funds to pay, on the redemption date and when due, the principal, interest and applicable call premium, if any, of the Refunded Bonds. Ritz & Associates, P.A. will express no opinion on the assumptions provided to them.

**SOURCES AND USES OF PROCEEDS**

Proceeds of the Bonds are to be applied as follows:

	<b>Series 2020C</b>	<b>Series 2020D</b>
<b>Sources:</b>	<b>Bonds</b>	<b>Bonds</b>
Par Amount .....	\$ 8,915,000.00	\$12,705,000.00
Net Original Issue Premium .....	1,547,874.45	-
Total Sources .....	<u>\$ 10,462,874.45</u>	<u>\$12,705,000.00</u>
<b>Uses:</b>		
Deposit to Escrow Deposit Fund .....	\$ 10,384,309.03	\$12,583,885.68
Underwriter's Discount.....	30,447.59	55,324.91
Cost of Issuance.....	48,117.83	65,789.41
Total Uses .....	<u>\$ 10,462,874.45</u>	<u>\$12,705,000.00</u>

**AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION**

The Town of West Hartford prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds and (iii) timely notice of a failure by the Town to provide the required annual financial information and operating data on or before the date specified in the Continuing Disclosure Agreement, pursuant to Continuing Disclosure Agreements to be executed by the Town substantially in the forms attached as Appendices D and E to this Official Statement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5).

In the past five (5) years, the Town has not failed to comply, in any material respect, with its undertakings in such continuing disclosure agreements.

The Town is not responsible for any failure by EMMA or any other nationally recognized municipal securities information repository to timely post disclosure submitted to it by the Town or any failure to associate such submitted disclosure to all related CUSIPs.

**SECURITY AND REMEDIES**

The Bonds will be general obligations of the Town of West Hartford, Connecticut, and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under the Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limitation as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. There were 72.6 acres of certified forest land on the last completed Grand List of the Town.

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

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

The Town is subject to suit on its general obligation debt 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 a payment of a judgment on such debt from funds lawfully available therefore 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 could take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of Federal bankruptcy laws 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 of Title 11 of the United States Code thereof 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 city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

**The Town of West Hartford has never defaulted in the payment of principal or interest on its bonds or notes.**

## **CONSIDERATIONS FOR BONDHOLDERS**

In making an investment decision with respect to the Bonds, investors should consider carefully the information in this Official Statement and, in addition to those investment characteristics of fixed-rate municipal debt obligations, consider the following factors:

### ***The COVID-19 Outbreak***

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

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

Although COVID-19 has not had a material adverse effect on the Town's financial condition to date, there can be no assurances that COVID-19 will not materially adversely impact the financial condition of the Town, including the Town's credit ratings and ability to pay debt service on the Bonds in the future.

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

On March 10, 2020, Governor Lamont declared public health and civil preparedness emergencies in the State of Connecticut as a result of the COVID-19 outbreak. State agencies were directed to use all resources necessary to prepare for and respond to the outbreak. Immediately after the outbreak, the Governor restricted social and recreational gatherings to no more than 5 people, limited restaurants to take-out and delivery only, required all businesses and not-for-profit entities in the State to employ, to the maximum extent possible, any telecommuting or work from home procedures that they can safely employ, required closure of all non-essential businesses and not-for-profit entities and instituted a 60-day residential rent moratorium. The Governor also cancelled all public-school classes through the 2019-2020 school year. Additionally, the

General Assembly suspended activity at the State Capitol and Legislative Office building and the judicial branch suspended non-exigent operations.

On April 30, 2020, Governor Lamont announced a four-stage plan to reopen the State's economy (the "Reopening Plan"). Phase one of the Reopening Plan began on May 20, 2020 and allowed retailers, offices, outdoor restaurants and outdoor recreation facilities to open. Phase two of the Reopening Plan commenced on June 17, 2020 and permitted (but did not require) certain businesses to open under sector-specific rules. Those businesses included but were not limited to hotels, indoor dining, libraries, nail salons and tattoo parlors, and the sector-specific rules include detailed information and requirements about physical distancing, facility capacity, hygiene, sanitizing, signage, personal protective equipment, scheduling, and training. Additionally, at varying dates within phase two, educational and community services, such as selected youth sports, public libraries, day camps and summer schools, are permitted to open. Governor Lamont's Reopening Plan also includes phases three and four but entering those phases will depend upon the impact the prior phases have on communities and many other factors including, but not limited to, the continuing decline of new outbreaks of the virus and availability of personal protective equipment for hospital workers.

During phase two of the Reopening Plan and to assist municipalities in addressing the 2020-2021 school year, the State of Connecticut Department of Education released a comprehensive plan that served as a roadmap for school districts as they planned to reopen schools. This plan included in person schooling for all ages with a structure in place that ensured safety protocols, provided for students' social-emotional well-being and mitigated any barriers to accessing equitable opportunities that increased during the COVID-19 pandemic. While school districts retained discretion in implementing approaches to reopening, the six guiding principles of the plan required school districts to develop their reopening plans with a certain amount of regional consistency. Understanding that health developments may influence decisions to transition to different instructional models, school districts are encouraged to be flexible in their planning with contingency plans in place for blended or remote learning for all grades. West Hartford Public Schools began the 2020-21 school year on September 8, 2020 while operating under a hybrid model that combines in-person and remote learning to reduce school density by 50%. Currently, West Hartford Public Schools is planning on returning elementary school students to fulltime in-person learning on October 21<sup>st</sup>. All other schools will remain in hybrid model with a possible transition to fulltime in-person learning in early November. However, the Town cannot predict how or when this plan may change or the potential economic impact any such change will have on the Town.

Phase three of the Reopening Plan commenced on October 8, 2020 and permitted (but did not require) an increase in the indoor capacity of restaurants, personal services, hair salons, barber shops, and libraries from 50 percent to 75 percent. Outdoor event venues could increase capacity from 25 percent to 50 percent with masks and social distancing requirements and indoor performing arts venues were allowed to open at 50 percent capacity with masks and social distancing requirements. Bars and nightclubs remain closed. Finally, both indoor and outdoor capacity for private social and recreation gatherings, graduation and religious services were expanded but remained capped at 150 people or 50% of capacity, depending on the type of event.

The continued spread of the virus and any prolonged effects on the national and State economy could have a materially adverse effect on the Town's finances and economy in Fiscal Year 2020-21. On March 15, 2020, the Town declared a local state of emergency. This step allowed the Town Manager to exercise emergency powers as needed to help the community and better position the Town to access emergency federal aid. Town Hall is currently open by appointment only with limited staff performing essential services and the Town is conducting essential board and commission meetings remotely. The Town's Senior Centers remain closed to the public, however the Town's Libraries have recently reopened by appointment only. Town golf courses, parks, pools and athletic fields have been opened with certain limitations.

The Town does not believe that the outbreak had a materially adverse effect on the Town's financial condition for Fiscal Year 2019-20. The Town's finances and financial plans remain stable and the Town estimates that approximately 100.9% of revised budgeted revenues were received in Fiscal Year 2019-20, including the collection of approximately 100.2% of budgeted property taxes. For Fiscal Year 2019-20, the Town estimates that it ended the year with a \$0.3 million surplus on a budgetary basis of accounting. The Town further estimates that it ended Fiscal Year 2019-20 with \$42 million in cash and cash equivalents in the general fund, which equates to approximately 2 months of operations.



### ***Municipal Tax Relief Programs***

On April 1, 2020 and April 9, 2020, Governor Ned Lamont issued Executive Order Nos. 7S and 7W, respectively (together, the "Orders") which creates two short-term tax relief programs and requires all towns, cities, and boroughs as well as their water pollution control authorities to adopt either or both of them by a vote of the legislative body, or, in any town in which the legislative body is a town meeting, by a vote of the board of selectmen. One program defers payments by 3 months for taxpayers based on a showing of need, while the other reduces the interest chargeable for all taxpayers in the municipality for 3 months.

The "Deferment Program" delays payments due on any tax, utility, or other assessment by 3 months if taxpayers, businesses, nonprofits and residents demonstrate significant economic impact caused by COVID-19 and/or demonstrate that they are assisting people who are experiencing significant economic impact caused by COVID-19. This program applies to charges which would otherwise be due from April 1, 2020 to July 1, 2020. Municipalities have the option to expand eligibility for the program to other categories of taxpayers, businesses, nonprofits and residents.

The "Low Interest Rate Program" lowers the interest rate to 3% per annum (0.25% monthly) on any tax, utility, or other assessment that is due between April 1, 2020 and July 1, 2020 and is not paid on time and also those which were already delinquent before April 1, 2020. After the 3 months period which begins on the original due date, the regular rate of interest is restored on all remaining balances.

All municipalities were required to notify the Secretary of the Office of Policy and Management ("OPM") no later than April 25, 2020 which program or programs it is electing. The Town elected to participate in both programs. On June 1, 2020, the Town of West Hartford Tax Office began accepting payments through a secure depository box located on the façade of the Town Hall building. Taxpayers were also encouraged to mail payments or use the on-line payment service accessed at [westhartfordct.gov/tax](http://westhartfordct.gov/tax). These payment methods were enacted to minimize revenue disruption and safely accommodate taxpayers. Election by the Town of the "Deferment Program" has contributed to a minimal decrease in property tax revenues thus far in the current fiscal year. By the end of September, the Town estimates that it has collected \$141,400,000 in property taxes, or 53.41% of the levy. That compares to collections of 53.68% of the adjusted levy over the same period in the prior fiscal year. The Town believes that it has sufficient liquidity to maintain operations without interruption, including making all debt service payments.

The Orders also suspend all non-judicial tax sales effective immediately and postpone them until a date the tax collector selects that is at least 30 days after the Governor declares the COVID-19 emergency to have ended. In addition, the Orders extend all redemption periods for tax sales conducted in the prior six months by the duration of the emergency and reduce the interest rate for doing so to 3% per annum (0.25% monthly).

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

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

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

On June 4, 2020, Governor Lamont established the Connecticut Municipal Coronavirus Relief Fund Program which details a process by which Connecticut municipalities can receive reimbursements from the State using the Coronavirus Relief Fund to offset non-budgeted COVID-19 related expenditures that are incurred on or after March 1, 2020 through December 30, 2020. It is expected that the moneys from the Program can be used as the Town's 25% local match against the 75% FEMA Disaster Declaration reimbursement. According the State of Connecticut, Office of Policy and Management, under the Program, the Town's maximum reimbursement for COVID-19 related expenditures through June 30, 2020 would be

\$316,771. The Town estimates that it had approximately \$1,406,375 in COVID-19 related expenditures for both the Town and the Board of Education during Fiscal Year 2019-20. Following the FEMA and State of Connecticut Coronavirus Relief Fund funding, the Town expects to receive a total of \$1,371,552 in reimbursement for Fiscal Year 2019-20 expenditures.

The Town receives significant State aid and there can be no assurances that the State will provide level funding for municipalities in Fiscal Year 2020-2021 and beyond based upon the State's projected deficits. As of September 1, 2020, Comptroller Lembo projected a \$2.1 billion deficit for the State for Fiscal Year 2020-2021. He also announced that the State's Budget Reserve Fund brought its total balance to \$3.0 billion, representing 15.1 percent of net General Fund appropriations.

#### **SECTION 265(B) QUALIFICATION FOR FINANCIAL INSTITUTIONS**

The Series C 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 Series C Bonds.

#### **BOOK-ENTRY-ONLY SYSTEM**

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

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds 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; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or 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, Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal and interest 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 the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

## **REPLACEMENT BONDS**

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

## **DTC PRACTICES**

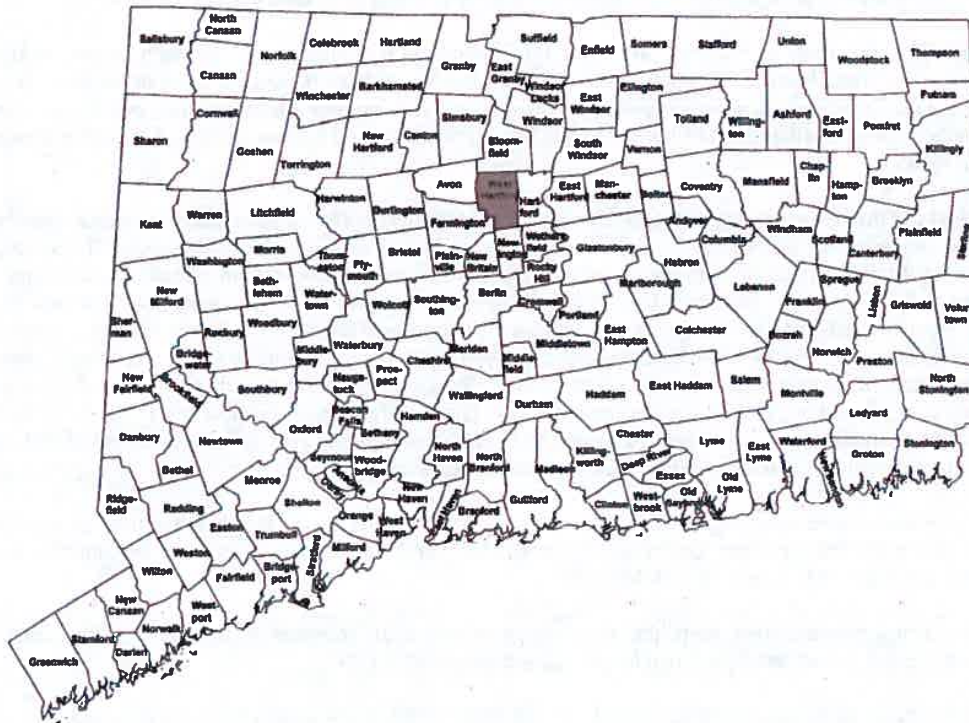
The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which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

## **UNDERWRITING**

The Bonds are being purchased by Raymond James & Associates, Inc. (the "Underwriter") pursuant to the terms of a bond purchase agreement between the Town and the Underwriter (the "Bond Purchase Agreement"). Subject to the terms and conditions of the Bond Purchase Agreement, the Town has agreed to sell to the Underwriter, and the Underwriter has agreed to purchase from the Town, the Series C Bonds at the net aggregate purchase price \$10,432,426.86 (consisting of the principal amount of \$8,915,000.00, plus original issue premium of \$1,547,874.45 less Underwriter's discount of \$30,447.59) and the Series D Bonds at the net aggregate purchase price of \$12,649,675.09 (consisting of the principal amount of \$12,705,000.00, less Underwriter's discount of \$55,324.91). The Underwriter will be obligated to purchase all of the Bonds, if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including unit investment trusts and other affiliated portfolios of certain underwriters and other dealers depositing the Bonds into investment trusts) at yields higher than such public offering yields stated on the inside cover page hereof, and such public offering yields may be changed, from time to time, by the Underwriter.



## II. THE ISSUER



### DESCRIPTION OF THE TOWN

The Town is located in central Connecticut adjacent to and west of the City of Hartford, the state capital. The towns of Bloomfield, Newington, Farmington, and Avon also border the Town. West Hartford is approximately 100 miles southwest of Boston and approximately 100 miles northeast of New York City. The Town, a residential suburb in the Hartford metropolitan area, encompasses 22.2 square miles and has a population of 63,360. West Hartford was settled as an agricultural community in the early 1700s and was incorporated as a town in 1854.

West Hartford has access to the two major highways in central Connecticut: Interstate Routes 91 and 84, the latter of which has exits in the Town. The Town is also served by U.S. Routes 6 and 44 and State Routes 4, 173, 185 and 218. Amtrak provides passenger rail service for the area. Bradley International Airport is 20 minutes north of the center of West Hartford. Public transportation is provided by the CT Department of Transportation. The two largest public utilities are Eversource Energy and Connecticut Natural Gas.

West Hartford is comprised primarily of property with single-family, owner occupied, mid to upper price range homes. The Town has eleven public elementary schools, three middle schools and two public high schools. It also has seven parochial schools, seven private schools and two universities.

There are three branch post offices and a public library system with three branch locations. Additionally, the Town has 36 public parks and playgrounds, one playhouse and 24 churches and synagogues. West Hartford has 217 miles of streets, 300 miles of sidewalks, and is almost fully sewered.

### FORM OF GOVERNMENT

In 1919, the Town became the first in the State to appoint a Town Manager, and it presently operates with a Council-Manager form of government. The legislative function is performed by the nine-member council, which is elected biennially. The Council formulates policies for the administration of the Town. The Town Manager is appointed by the Council to serve as the Town's Chief Executive Officer, with appointive and removal authority over department directors and other employees.



of the Town. The Town Manager is responsible for the implementation of policies established by the Council. An elected seven-member Board of Education appoints a Superintendent of Schools, who administers the education system of the Town.

### PRINCIPAL MUNICIPAL OFFICIALS

<u>Office</u>	<u>Town Council</u>	<u>Manner of Selection and Length of Service</u>
Mayor/President of Council	Shari G. Cantor	Appointed 12/04-11/05 Elected 11/05-11/21
Deputy Mayor/Vice President of Council	Leon S. Davidoff	Elected 11/07-11/21
Minority Leader	Lee Gold	Elected 11/19-11/21
	Carol Blanks	Elected 11/19-11/21
	Mary Fay	Elected 11/17-11/21
	Beth Kerrigan	Elected 11/15-11/21
	Liam Sweeney	Elected 11/17-11/21
	Ben Wenograd	Elected 11/17-11/21
	Chris Williams	Elected 11/15-11/21
	<u>Other Elected Officials</u>	
Town Clerk	Essie Labrot	Elected 1/08-1/24
Registrar of Voters	Patrice Peterson	Elected 1/19-1/21
	Beth Kyle	Elected 1/15-1/21
	<u>Board of Education</u>	
Chairperson	Deb Polun	Elected 11/17-11/21
Vice-Chairperson	Lorna Thomas-Farquharson	Elected 11/17-11/21
	Amanda Aronson	Appointed 7/19-11/19 Elected 11/19-11/21
	Elizabeth Wilcox	Appointed 6/20-11/21
	Jason Oliver Chang	Appointed 7/20-11/21
	Ari Steinberg	Elected 11/19-11/23
	Mark Zydanowicz	Appointed 11/12-11/15 Elected 11/15-11/23

#### *Town Council*

Shari G. Cantor has served as a member of the Town Council since December 2004. She served as Deputy Mayor from 2011-May 2016 at which time she became Mayor of West Hartford. She is a lifelong town resident and a graduate of Hall High School and the University of Connecticut School of Business. She is a registered Certified Public Accountant.

Leon S. Davidoff was elected to the Town Council in November 2007. He received his undergraduate degree from Clark University and his law degree from Case Western Reserve University School of Law. Leon is an attorney as well as the co-owner of The Paper Station.

Lee Gold was elected to the Town Council in November 2019. He received his undergraduate degree from Lehigh University, attended University of Connecticut School of Law and is a partner at Butler, Norris & Gold.

Carol Blanks was elected to the Town Council in November 2019. Carol received her undergraduate degree from Mount St. Mary's College and her MPA from the University of Hartford. Carol served as Chairwoman for the West Hartford Board of Education from 2015 until being elected to the Town Council. Carol is employed as the Public Health Services Manager for the Contracts and Grants Management Section for the State of Connecticut.

Mary Fay was elected in November 2017 to the Town Council. Mary is a graduate of Skidmore College, with an undergraduate degree in business/accounting and a minor in government. Mary earned an M.B.A. from Rensselaer Polytechnic Institute.

Beth Kerrigan graduated from State University of New York - Oswego with a degree in Industrial Arts Technology and Education and was elected to the Town Council in November 2015. Beth served as the Town's Deputy Mayor during the November 2017 to November 2019 session. She is self-employed and specializes in Medicare/Medicaid and Long Term-Care Planning.

Liam Sweeney, a lifelong resident of West Hartford, was elected to the Town Council in November 2017. Liam is a graduate of Temple University and is now a principal at Penn Lincoln Strategies.

Ben Wenograd, a Conard High School graduate, Wesleyan graduate and Northeastern Law School graduate, was elected to the Town Council in November 2015. Ben is currently employed by the American Federation of Teachers as a Union Representative.

Chris Williams, a Conard High School graduate, was elected to the Town Council in November 2015. Chris is a graduate of Loyola College and Quinnipiac University School of Law. Chris is a partner with Conway Stoughton LLC.

#### ***Town Administration***

<b><u>Position</u></b>	<b><u>Name</u></b>	<b><u>Manner of Selection and Term of Office</u></b>
Town Manager	Matthew Hart	Appointed-Indefinite
Corporation Counsel	Dallas Dodge	Appointed-Indefinite
Director of Assessment	Joseph Dakers Sr.	Appointed-Indefinite
Director of Community Development	Vacant	Appointed-Indefinite
Director of Financial Services	Peter Privitera	Appointed-Indefinite
Director of Human Resources	Richard Ledwith	Appointed-Indefinite
Director of Information Technology	Jared Morin	Appointed-Indefinite
Director of Leisure Services & Social Services	Helen Rubino-Turco	Appointed-Indefinite
Director of Library Services	Martha Church	Appointed-Indefinite
Director of Plant and Facilities Services	Robert Palmer	Appointed-Indefinite
Director of Public Works	John Phillips	Appointed-Indefinite
Chief, Fire Department	Greg Priest	Appointed-Indefinite
Chief, Police Department	Vernon Riddick	Appointed-Indefinite

Matthew Hart, Town Manager, holds a Juris Doctor (JD) and Master's degree in Public Affairs (MPA) from the University of Connecticut, and a Bachelor's degree in political science from the State University of New York at Potsdam. Mr. Hart was appointed Town Manager on July 31, 2017. Mr. Hart has over twenty (20) years of municipal experience in Connecticut. Prior to his tenure with the Town of West Hartford, Mr. Hart was employed as Town Manager in Mansfield, Connecticut, where he played a critical role in the development of Storrs Center, a mixed-use, New Urbanism project located adjacent to the University of Connecticut's main campus. Prior to his tenure in Mansfield, Mr. Hart served as Assistant to Town Manager in Windsor, Connecticut. He also has experience working in the private sector and is a veteran of the US Army and US Army National Guard. Mr. Hart is past president of the Connecticut Town and City Management Association (CTCMA) and serves as a vice president on the board of directors for the International City/County Management Association (ICMA). Additionally, Mr. Hart is an ICMA credentialed manager, one of only 12 in the state of Connecticut.

Peter Privitera, Director of Financial Services, holds a Bachelor's degree and a Master's degree in Public Administration from the University of Hartford. He was appointed Director of Financial Services on July 15, 2013. Mr. Privitera has over thirty (30) years of municipal finance experience in Connecticut. Prior to his tenure with the Town of West Hartford, Mr. Privitera was employed by the City of Stamford as the Director of Management and Budget and Purchasing Agent (10 years) and prior to that worked for the City of Hartford (20 years).

***Board of Education Administration***

<b><u>Position</u></b>	<b><u>Name</u></b>	<b><u>Manner of Selection and Term of Office</u></b>
Superintendent of Schools	Thomas Moore	Appointed-Indefinite
Assistant Superintendent of Schools	Andrew Morrow	Appointed-Indefinite
Assistant Superintendent of Schools	Paul Vicinus	Appointed-Indefinite

**MUNICIPAL SERVICES*****Department of Assessment***

The Department of Assessment is responsible for real property and personal property assessments. The administration of property tax exemptions and tax relief benefit programs for the elderly, disabled and veteran residents is also handled by this department. The Assessor is appointed by the Board of Assessors. The Town revalues property in accordance with Connecticut General Statutes.

***Department of Community Development***

The Department of Community Development manages those functions associated with private development and public infrastructure improvements within the Town, including engineering, building inspections, planning, zoning, zoning enforcement, wetlands protection, traffic and transportation, economic development and housing rehabilitation.

***Department of Financial Services***

The Department of Financial Services serves as a central staff and service agency to all Town departments. The Financial Operations, Purchasing Services, and Revenue Collection divisions are responsible for the financial affairs of the Town. The department prepares and administers the operating and capital budgets of the Town and is responsible for all financial reporting functions. A more detailed description of the operations of the Financial Services Department is included in the "Financial Information" section herein.

***Department of Human Resources***

The Department of Human Resources manages all employee related functions, including central personnel administration, labor relations with the Town's ten employee bargaining units, employee involvement and training programs, and health, risk management and pension benefits administration.

***Department of Information Technology***

The Department of Information Technology is managed as a consolidated department with the Board of Education. The staff provides information technology services to all Town departments and agencies. The department manages the communications infrastructure, associated systems, applications, and technical support for all staff.

***Department of Leisure Services & Social Services***

The Department of Leisure Services & Social Services is responsible for social services and the management of all Town parks, recreational facilities and leisure programs throughout the Town. Case management, information and referral, and crisis intervention are available to residents of all ages by professional social workers. Support services include a food pantry, volunteer services and The Town That Cares charity fund. Recreational facilities include seven neighborhood parks/playgrounds, five outdoor pools, an indoor aquatics center, an indoor skating rink, a demonstration farm at Westmoor Park, a meeting and conference center, two golf courses, a community center and two senior centers. Annually, approximately 3,000 recreational instructional programs are scheduled for all ages and abilities.

***Department of Library Services***

The West Hartford Public Library system consists of a main library and two branches serving West Hartford residents of all ages. West Hartford cardholders have ready access to the physical collections of twenty-nine (29) area libraries through participation in the Library Connection consortium as well as three major collections of electronic books, audio books, films,

music and magazines. Library staff provide information and reference assistance; programs of interest to children (including preschool readiness programming), teens, and adults on a wide range of topics; 24/7 access to nearly seventy online research databases and other electronic materials; and public computers and Wi-Fi access in each facility.

#### ***Department of Plant and Facilities Services***

The Department of Plant and Facilities Services is managed as a joint venture with the West Hartford Board of Education. The departmental staff is responsible for the routine operation and upkeep of all Town buildings, maintains building equipment and systems, upgrades mechanical systems, manages setup requirements for elections, enhances the physical appearance of public spaces and oversees energy conservation programs and equipment upgrades, utility usage and budgets. In addition, this department is responsible for the management of capital projects involving Town and school buildings.

#### ***Department of Public Works***

The Department of Public Works is responsible for the repair and maintenance of streets, storm drainage systems, public grounds, athletic fields, parking operations, cemeteries, street signs, traffic signals and fiber optic network, and approximately 300 vehicles and pieces of equipment. Refuse/recycling and leaf collection services are provided by private contractors and managed by this department.

#### ***Fire Department***

The Town provides around-the-clock emergency services through a professionally staffed Fire Department. The departmental staff of 93 is deployed in five strategically located fire stations. The Department is comprised of Fire Control/Rescue, Fire Prevention, Emergency Management, Training, Maintenance, and Emergency Medical Services divisions. The Town merits an ISO 2 rating for the purpose of fire insurance premium calculations.

#### ***Police Department***

Crime prevention and patrol services are provided by the Town's Police Department. The Chief of Police, with the assistance of two Assistant Police Chiefs, coordinates the efforts of 154 Police Department employees. The Department is divided into four divisions: patrol services, investigatory services, management, and support services.

#### ***Water and Sewer Services***

The Town is a member of the Metropolitan District Commission (the "MDC"), a special district in Hartford County formed under Connecticut General Statutes to provide water, sanitary sewer and related services in eight member towns. Water services provided by the MDC are billed directly to the individual users. Sewer services are billed annually to the eight member towns and are apportioned based upon a three-year average of each town's annual tax revenues. The Town's ad valorem sewer assessment for fiscal year 2020-21 is \$12,260,900, which equates to 6.0% of the MDC's proposed 2020-21 combined water and sewer budget.

### **EDUCATIONAL SYSTEM**

The West Hartford public school system serves approximately 9,000 students. The curriculum exceeds all basic State requirements in both depth and variety. Individualization of instruction is emphasized. The elementary schools (Grades K-5) strive to develop the basic skills for learning in each child. The curriculum includes art, music, physical education, mathematics, social studies, science, health, language arts and computer literacy. In addition, comprehensive programs in special education are available. The middle schools (grades 6-8) continue the development of basic skills while providing increasing opportunities for self-direction, program diversity and exploration of interests.

The high schools (grades 9-12) are comprehensive high schools, each offering a fully accredited program. Twenty-two units of credit are required for graduation. When possible, a student's program is designed to meet his or her personal interests and future ambitions. Advanced placement courses are available in most academic areas. Work experience programs are offered, as are several options for community-based experiences in career exploration. A full program of extracurricular activities is available in each school as well as extensive interscholastic and intramural athletic programs for boys and girls.



**SCHOOL ENROLLMENT**

<b>School Year</b>	<b>Historical<sup>1</sup></b>			
	<b>Elementary (K-5)</b>	<b>Middle (6-8)</b>	<b>Senior (9-12)</b>	<b>Total Enrollment</b>
2010-2011	4,678	2,228	3,129	10,035
2011-2012	4,633	2,249	3,003	9,885
2012-2013	4,550	2,225	3,042	9,817
2013-2014	4,488	2,164	3,005	9,657
2014-2015	4,336	2,201	2,994	9,531
2015-2016	4,193	2,222	3,068	9,483
2016-2017	4,184	2,276	2,975	9,435
2017-2018	4,109	2,259	3,032	9,400
2018-2019	4,028	2,209	3,076	9,313
2019-2020	3,894	2,117	2,992	9,003

<b>School Year</b>	<b>Projections</b>			
	<b>Elementary (K-5)</b>	<b>Middle (6-8)</b>	<b>Senior (9-12)</b>	<b>Total Enrollment</b>
2020-2021	3,844	2,046	2,949	8,839
2021-2022	3,807	1,981	2,928	8,716
2022-2023	3,825	1,952	2,868	8,645

<sup>1</sup> School populations reported as of October 1st of each school year. Projections represent estimates by the Board of Education.

Source: West Hartford Board of Education.

**MUNICIPAL EMPLOYEES**

The Town of West Hartford currently has 2,033 full-time positions for general government and education, including two federally funded positions. With the exception of certain employees, all Town employees are represented by a collective bargaining organization. The following table shows the Town's authorized positions for the last five years:

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Board of Education .....	1,587	1,580	1,559	1,541	1,561
General Government .....	444	444	442	443	443
Federally Funded .....	2	2	2	2	2
<b>Total .....</b>	<b>2,033</b>	<b>2,026</b>	<b>2,003</b>	<b>1,986</b>	<b>2,006</b>

**EMPLOYEE BARGAINING ORGANIZATIONS**

Nearly all full-time employees are represented by bargaining organizations as follows:

<b>Bargaining Unit</b>	<b>Number of Members<sup>1</sup></b>	<b>Contract Expiration</b>
<b><u>General Government</u></b>		
Local 1241 International Association of Firefighters .....	84	6/30/22
West Hartford Police Officers Association .....	122	6/30/21
Public Safety Dispatcher Union Local 2001 SEIU .....	12	6/30/17 <sup>2</sup>
Local 1142 of Council No. 4 AFL-CIO .....	25	6/30/18 <sup>2</sup>
Professional & Management Union Local 2001 SEUI .....	72	6/30/17 <sup>2</sup>
Grounds Union Local 2001 SEIU .....	21	6/30/17 <sup>2</sup>
Buildings Union Local 2001 SEIU .....	5	6/30/17 <sup>2</sup>
Clerical Union Local 2001 SEIU .....	34	6/30/17 <sup>2</sup>
Supervisory Union, Local 2001 SEIU .....	7	6/30/17 <sup>2</sup>
Non-Bargaining Employees .....	32	n/a
Sub-Total General Government .....	414	
<b><u>Board of Education</u></b>		
West Hartford Education Association .....	904	6/30/22
West Hartford Administrators Association .....	48	6/30/23
West Hartford Federation of Educational Secretaries .....	51	6/30/22
AFL-CIO AFSCME Local No. 1303 Council No. 4 Skilled Trades .....	10	6/30/22
West Hartford Federation of Educational Personnel .....	204	6/30/22
West Hartford Public Schools Nurses Association .....	23	6/30/22
AFL-CIO AFSCME Local No. 1303 Council No. 4 Custodians .....	100	6/30/22
AFL-CIO AFSCME Local No. 818 Council No. 4 Custodians .....	4	6/30/22
AFL-CIO AFSCME Local No. 1303 Council No.4 Security .....	22	6/30/22
West Hartford BOE Professional Employees Local 760 SEIU .....	33	6/30/21
AFL-CIO AFSCME Local No. 1303 Council No. 4 Maintenance .....	5	6/30/22
Non-Bargaining Employees (includes Teaching Assistants) .....	175	n/a
Sub-Total Board of Education .....	1,579	
<b>Total General Government and Board of Education .....</b>	<b>1,993</b>	

<sup>1</sup> Number of actual members differs from authorized positions due to vacancies and union agreements with part-time personnel.

<sup>2</sup> Contract currently in negotiation.

n/a – not applicable

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of an affected municipality may reject the arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State 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 shall give priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of the municipality, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. For binding arbitration of all other municipal employee contracts, there is an irrebuttable presumption that a budget reserve of 15% is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel shall consider prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

### III. ECONOMIC AND DEMOGRAPHIC INFORMATION

#### POPULATION TRENDS

Year	Town of West Hartford	% Change	Density <sup>1</sup>
1970	68,031	--	3,064
1980	61,301	(9.89)	2,761
1990	60,110	(1.94)	2,708
2000	61,045	1.56	2,750
2010	63,268	3.64	2,850
2018	63,127	(0.22)	2,844

<sup>1</sup> Population per square mile: 22.2 square miles

Source: 1970 - 2010 - U.S. Census Bureau, Centennial Census, 2018 - American Community Survey, 2014-18

#### AGE CHARACTERISTICS OF THE POPULATION

Age	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5 .....	3,099	4.9	47,822	5.4	184,983	5.2
5 - 9 .....	3,665	5.8	50,037	5.6	201,006	5.6
10 - 14 .....	4,485	7.1	57,152	6.4	224,135	6.3
15 - 19 .....	4,672	7.4	59,109	6.6	247,182	6.9
20 - 24 .....	3,446	5.4	58,164	6.5	245,490	6.8
25 - 34 .....	7,756	12.3	116,956	13.1	439,848	12.3
35 - 44 .....	7,493	11.9	109,393	12.2	427,023	11.9
45 - 54 .....	8,382	13.3	126,551	14.1	522,138	14.6
55 - 59 .....	4,226	6.7	65,287	7.3	266,170	7.4
60 - 64 .....	4,592	7.3	56,999	6.4	235,949	6.6
65 - 74 .....	5,505	8.7	80,616	9.0	327,414	9.1
75 - 84 .....	3,344	5.3	43,084	4.8	170,979	4.8
85 and over .....	2,462	3.9	23,560	2.6	89,187	2.5
Total .....	<u>63,127</u>	<u>100.0</u>	<u>894,730</u>	<u>100.0</u>	<u>3,581,504</u>	<u>100.0</u>
Median Age (years) .....	41.1		40.4		40.8	

Source: U.S. Census Bureau, American Community Survey, 2014-18

**EDUCATIONAL ATTAINMENT**  
Years of School Completed Age 25 and Over

<b>Educational Attainment Group</b>	<b>Town of West Hartford</b>		<b>Hartford County</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade .....	1,141	2.6	28,062	4.5	101,068	4.1
9th to 12th grade, no diploma .....	1,264	2.9	37,108	6.0	134,758	5.4
High School graduate .....	5,830	13.3	167,539	26.9	670,519	27.1
Some college, no degree .....	5,206	11.9	103,833	16.7	416,267	16.8
Associates degree .....	2,509	5.8	50,911	8.2	190,869	7.7
Bachelor's degree .....	13,047	29.8	133,988	21.5	538,924	21.7
Graduate or professional degree .....	14,763	33.7	101,005	16.2	426,303	17.2
<b>Total .....</b>	<b>43,760</b>	<b>100.0</b>	<b>622,446</b>	<b>100.0</b>	<b>2,478,708</b>	<b>100.0</b>
Percent of High School Graduates .....		94.5%		89.5%		90.5%
Percent of College Graduates .....		63.6%		37.8%		38.9%

Source: U.S. Census Bureau, American Community Survey, 2014-18.

**SELECTED WEALTH AND INCOME INDICATORS**

	<b>Town of West Hartford</b>	<b>Hartford County</b>	<b>State of Connecticut</b>
Per Capita Income, 2018 .....	\$54,601	\$39,260	\$43,056
Per Capita Income, 1999 .....	\$33,468	\$26,047	\$28,766
Per Capita Income, 1989 .....	\$26,943	\$18,983	\$20,189
Median Family Income, 2018 .....	\$131,536	\$92,383	\$97,310
Median Household Income, 2018 .....	\$99,280	\$72,321	\$76,106
Percent of Families Below Poverty Level .....	5.2%	7.9%	6.9%

Source: U.S. Census Bureau, Census 1990, Census 2000, American Community Survey, 2014-18.

**INCOME DISTRIBUTION**

	<b>Town of West Hartford</b>		<b>Hartford County</b>		<b>State of Connecticut</b>	
	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>	<b>Families</b>	<b>Percent</b>
Less than \$10,000 .....	328	2.1	7,407	3.3	26,021	2.90
\$ 10,000 to 14,999 .....	176	1.1	4,592	2.0	16,472	1.80
\$ 15,000 to 24,999 .....	440	2.8	11,459	5.1	38,804	4.40
\$ 25,000 to 34,999 .....	558	3.6	13,611	6.0	50,215	5.60
\$ 35,000 to 49,999 .....	818	5.2	20,916	9.3	80,042	9.00
\$ 50,000 to 74,999 .....	1,731	11.1	31,730	14.1	127,676	14.30
\$ 75,000 to 99,999 .....	1,719	11.0	31,475	14.0	118,848	13.30
\$100,000 to 149,999 .....	2,882	18.4	47,947	21.4	186,154	20.80
\$150,000 to 199,999 .....	2,560	16.4	25,859	11.5	105,285	11.80
\$200,000 or more .....	4,427	28.3	30,027	13.3	143,423	16.10
<b>Total .....</b>	<b>15,639</b>	<b>100.0</b>	<b>225,023</b>	<b>100.0</b>	<b>892,940</b>	<b>100.0</b>

Source: U.S. Census Bureau, American Community Survey, 2014-18.



## AGE DISTRIBUTION OF HOUSING

Year Structure Built	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Built 2014 or later.....	134	0.5	2,047	0.5	10,251	0.7
Built 2010 to 2013.....	119	0.5	3,406	0.9	19,181	1.3
Built 2000 to 2009.....	1,053	4.0	22,510	6.0	103,632	6.9
Built 1990 to 1999.....	634	2.4	25,022	6.6	115,459	7.6
Built 1980 to 1989.....	1,127	4.3	47,112	12.5	191,306	12.6
Built 1970 to 1979.....	2,198	8.4	50,278	13.3	201,360	13.3
Built 1960 to 1969.....	3,407	13.0	56,385	14.9	206,299	13.6
Built 1950 to 1959.....	6,520	24.9	64,537	17.0	222,628	14.7
Built 1940 to 1949.....	3,589	13.8	30,018	7.9	104,394	6.9
Built 1939 or earlier.....	7,368	28.2	77,385	20.4	337,795	22.4
Total.....	26,149	100.0	378,700	100.0	1,512,305	100.0

Source: U.S. Census Bureau, American Community Survey, 2014-18.

## WEST HARTFORD HOUSING INVENTORY

Type	Units	Percent
1-unit detached .....	17,425	66.60
1-unit attached .....	949	3.60
2 to 4 units .....	2,740	10.50
5 to 9 units.....	673	2.60
10 or more units .....	4,196	16.10
Mobile home, trailer, other .....	166	0.60
Total Inventory .....	26,149	100.0

Source: U.S. Census Bureau, American Community Survey, 2014-18.

## OWNER-OCCUPIED HOUSING VALUES

Value of Owner Occupied Units	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000 .....	264	1.5	4,812	2.1	21,254	2.3
\$ 50,000 to \$ 99,999 .....	105	0.6	7,221	3.2	29,211	3.2
\$ 100,000 to \$149,999 .....	305	1.8	26,060	11.6	81,446	9.0
\$ 150,000 to \$199,999 .....	1,445	8.2	45,301	20.1	139,715	15.4
\$ 200,000 to \$299,999 .....	5,374	30.6	71,884	31.9	245,801	27.1
\$ 300,000 to \$499,999 .....	7,407	42.2	53,207	23.7	240,706	26.6
\$ 500,000 to \$999,999 .....	2,482	14.2	14,987	6.7	106,993	11.8
\$1,000,000 and over .....	162	0.9	1,640	0.7	42,008	4.6
Total .....	17,544	100.0	225,112	100.0	907,134	100.0
Median Value .....	\$329,000		\$237,700		\$272,700	

Source: U.S. Census Bureau, American Community Survey, 2014-18.

**EMPLOYMENT DATA**  
By Place of Residence

Period	Town of West Hartford		Percentage Unemployed		
	Employed <sup>1</sup>	Unemployed <sup>1</sup>	Town of West Hartford (%) <sup>1</sup>	Hartford Labor Market (%) <sup>1</sup>	State of Connecticut (%) <sup>1</sup>
Jan-Aug 2020 <sup>2</sup> ....	32,611	1,885	5.5	7.1	7.3
<b>Annual Average</b>					
2019.....	34,020	993	2.8	3.8	3.7
2018.....	33,720	1,070	3.1	4.1	4.1
2017.....	33,545	1,189	3.4	4.7	4.7
2016.....	33,011	1,323	3.9	5.2	5.1
2015 .....	32,694	1,439	4.2	5.7	5.7
2014 .....	32,395	1,646	4.8	6.6	6.6
2013 .....	31,454	1,926	5.8	7.8	7.8
2012 .....	31,695	2,070	6.1	8.3	8.3
2011 .....	32,011	2,279	6.6	8.8	8.8
2010 .....	31,929	2,376	6.9	9.2	9.1

<sup>1</sup> Not seasonally adjusted.

<sup>2</sup> According to the State of Connecticut Department of Labor, Connecticut's official unemployment rate for April through and including August produced by the Bureau of Labor Statistics Local Area Unemployment Statistics program continues to be impacted by COVID-19 pandemic related collection and classification challenges. Data collection and misclassification issues in the Census Bureau's Current Population Survey, the foundation of the state's residential labor force statistics, caused residential unemployment to be underestimated. The effect of the misclassification problems on Connecticut's unemployment rate has declined since April and is now estimated to be in line with the misclassification at the national level.

Source: Connecticut Department of Labor.

**EMPLOYMENT BY INDUSTRY**  
Employed Persons 16 Years and Over

Employment Sector	Town of West Hartford		Hartford County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, & Mining ..	74	0.2	875	0.2	7,195	0.4
Construction .....	1,336	4.1	22,140	4.9	107,331	6.0
Manufacturing .....	2,913	8.9	49,064	11.0	190,995	10.5
Wholesale Trade .....	583	1.8	10,623	2.4	44,714	2.5
Retail Trade .....	2,438	7.4	47,079	10.5	191,939	10.6
Transportation, Warehousing & Utilities ..	518	1.6	19,599	4.4	72,806	4.0
Information .....	979	3.0	10,495	2.3	41,839	2.3
Finance, Insurance & Real Estate .....	4,815	14.6	49,452	11.0	164,607	9.1
Professional, Scientific & Management ....	4,049	12.3	49,199	11.0	207,632	11.5
Educational Services & Health Care .....	10,676	32.4	117,551	26.2	479,677	26.5
Arts, Entertainment, Recreation .....	1,975	6.0	31,710	7.1	150,852	8.3
Other Service (including nonprofit) .....	1,335	4.1	20,443	4.6	83,686	4.6
Public Administration .....	1,186	3.6	19,663	4.4	67,172	3.7
Total .....	32,877	100.0	447,893	100.0	1,810,445	100.0

Source: U.S. Census Bureau, American Community Survey, 2014-18.

**MAJOR EMPLOYERS**

<b>Employer</b>	<b>Business</b>	<b>Number of Employees<sup>1</sup></b>
Town of West Hartford .....	Government .....	2,026
University of Hartford .....	Education.....	1,512
Wiremold/Legrand Products, Inc. ....	Manufacturing .....	750
Colt Manufacturing .....	Manufacturing .....	375
American School for the Deaf .....	Education .....	375
American Medical Response .....	Ambulance Service .....	375
St. Mary's Home .....	Nursing Home .....	375
Hospital at Hebrew Health Care .....	Hospital .....	750
UTC Aerospace/Triumph Engine Control Systems ..	Manufacturing .....	375
Cheesecake Factory.....	Full-Service Restaurant.....	375
Constructive Workshops Inc.....	Rehabilitation Services.....	375
West Hartford Health & Rehab.....	Convalescent Homes.....	375
Stop & Shop Supermarket.....	Grocers-Retail.....	375
<b>Total .....</b>		<b>8,413</b>

<sup>1</sup> Employment counts were obtained prior to the COVID-19 pandemic. The Town expects that certain employers may have made temporary work-force reductions as a result of the Governor's Executive Orders temporarily closing businesses not deemed essential prior to May 20, 2020. Information on the exact number of employees who have been re-employed after May 20, 2020 are not available at this time. The Town cannot guarantee that employment will return to the above levels post-pandemic.

Source: Connecticut Department of Labor.

**NUMBER AND VALUE OF BUILDING PERMITS**

<b>Fiscal Year</b>	<b>Number of Permits</b>	<b>Value of Permits</b>
2020 <sup>1</sup>	5,599	\$ 90,254,386
2019	5,958	91,838,478
2018	6,321	88,272,197
2017	6,005	72,729,574
2016	6,223	104,751,012
2015 <sup>2</sup>	5,567	151,335,754
2014	5,604	71,572,250
2013	5,265	67,298,445
2012	4,268	56,560,316
2011	4,534	56,648,306

<sup>1</sup> As of June 30, 2020.

<sup>2</sup> Fiscal year 2015 data includes approximately \$40 million in permit value for tax-exempt entities, which are not subject to fees.

Source: Town of West Hartford Building Department.

**LAND USE SUMMARY**

The Town Planning and Zoning Commission, in conjunction with the Planning Division of the Department of Community Development, has responsibility for implementing the comprehensive plan of development for West Hartford. The Town Council adopted the most recent plan on December 1, 2008. The Town of West Hartford recently completed its 2020-30 Plan of Conservation and Development.

<b>Land Use Category</b>	<b>Percent (%)</b>
Residential .....	48.0
Undeveloped, including MDC land ....	20.0
Streets .....	11.0
Institutional .....	8.0
Recreational .....	7.0
Commercial/Industrial .....	6.0
Total Area .....	100.0

Source: Department of Community Development, Town of West Hartford

## **ECONOMIC INITIATIVES AND PROPOSALS**

The Town of West Hartford continues to see significant investment Town-wide. While the Town Center has become the dining, shopping and entertainment center of the region, all commercial areas are seeing reinvestment and attracting new small businesses. The commercial districts, along with strong schools, parks and an extensive array of services, help make West Hartford the community of choice in the region. West Hartford is consistently rated as a great place to live and work and has received recent recognition by national publications such as TIME/Money, livability.com and Kiplinger's Personal Finance.

### ***Commercial Districts***

All of West Hartford's commercial districts remain vibrant and are regularly attracting new investment in retail, restaurants and multi-family housing, in particular. More specifically:

#### ***West Hartford Center and Blue Back Square***

Located in the geographic center of the community, the intersection of Main Street and Farmington Avenue, the "Center" is reflective of a traditional town center. There are more than 140 specialty shops and restaurants, in addition to banks, professional offices, and salons in the western portion of the Center. While a few small redevelopment projects have been completed in recent years, the need to build structured parking to support new development remains an obstacle. A new Incentive Zoning ordinance is now in place which will allow developers to seek approval to develop more dense projects if they include one or more public amenities, such as structured parking or public open space, among others.

Just east of the Center, Blue Back Square is comprised of approximately 20 acres of land, 600,000 square feet of mixed residential, retail and office improvements, a public square and two parking structures. Tenants include Crate and Barrel, Cinopolis Theaters, Barnes & Noble, Cheesecake Factory, West Elm and Hartford Hospital Surgical Center, among others, providing approximately 2,000 jobs. In September 2020, New York Sports Club closed its Blue Back Square location following the Chapter 11 Bankruptcy filing of its parent company, Town Sports International LLC. Despite this closing, Blue Back Square remains the model mixed-use development in Connecticut.

In 2012, recognizing the need for a full service hotel, the Town issued a request for proposals and selected Delamar West Hartford to develop an upscale hotel on Town owned land on Raymond Road, just east of Blue Back Square. The hotel opened in September 2017 and includes 114 rooms, a spa, a full service restaurant and banquet facilities.

#### ***Elmwood***

Elmwood has seen a number of positive developments in recent years. Most significantly, the New Britain Avenue streetscape from Mayflower Street to New Park Avenue was completed by the State of Connecticut. These improvements to the public realm, coupled with new housing units nearby, support the thriving business district which has seen increased retail occupancy up and down New Britain Avenue. In recent years, restaurants that could not find available space in the Center have landed in Elmwood making it both a neighborhood and regional dining destination.

#### ***Park Road***

The Park Road district, a vibrant neighborhood commercial district, continues to see investment. Retail space is highly sought after as it is the preferred alternative to higher priced space in the Center for independently owned business. New restaurants, an artist studio and a health food store opened in 2018. Twenty-five townhomes are under construction on Ringgold Street and final approvals and building permits will soon be issued for the \$66 million One Park multi-family housing



development which will bring 292 apartments units to the former convent at the corner of Park and Prospect, further contributing to the vibrancy of the district.

#### ***Bishops Corner***

Bishops Corner has also become a dining destination with additional sit down and fast casual options opening. Following an amendment to a Special Development District, a Target opened in 2019 in the former Wal-Mart space. As with other neighborhoods, housing development is also active, with approximately 74 apartment units being constructed and occupied in recent years.

#### ***New Park Avenue Corridor***

The New Park Avenue Corridor, located in the southeast corner of the Town, is a new area of development focus. It has transformed from a strictly industrial sector to a thriving mixed-use environment. It is home to the Home Design District that serves home improvement and homeowners alike. Investment is being spurred by two bus rapid transit stations that anchor each end of New Park Avenue. In 2018 the West Hartford Housing Authority opened a transit-oriented development at 616 New Park featuring 54 rental units and ground floor retail. The Housing Authority is now focused on a similar redevelopment project at 540 New Park; this project will transform a vacant auto body building into mixed income housing with ground floor retail.

The Town was awarded two State infrastructure grants totaling \$3.7 million to rebuild the New Park Avenue streetscape, and the initial design work is underway. The project will include a reconstructed roadway with reduced lanes, a bicycle lane and new sidewalks, all of which will promote a better pedestrian environment and attract additional investment in this corridor. In addition, Town and City of Hartford staff have begun joint planning efforts to support the proposed West Hartford Rail Station, a stop on the new Springfield-Hartford-New Haven commuter rail line. The station will be sited across from the Flatbush Fastrak station once funding is allocated by the State.

#### ***Corbin's Corner***

Seritage Growth Partners recently completed a significant redevelopment of the former Sears Site and its two buildings into a multi-tenant retail development. REI, Saks Off Fifth, Shake Shack and others opened in 2018, with only a few tenant locations remaining. On the other side of the Corbin's Corner Plaza, Regency Centers, recently received approval for a similar planned redevelopment investment. Across the street, Westfarms Mall continues to be one of the highest grossing malls in Connecticut. However, in August 2020, the parent company of Lord & Taylor declared Chapter 11 bankruptcy and the company announced the closure of its Westfarms location. Lord & Taylor is located on the Farmington side of the Westfarms Mall, which straddles the Farmington and West Hartford town lines.

#### ***Other Initiatives***

##### ***Former UConn Campus***

Ideanomics, a publicly traded financial technology company specializing in the development of block chain and artificial intelligence, closed on the purchase of the 58 acre campus in October 2018. The company had proposed to locate its global headquarters for technology and innovation on the campus and employ more than 300. Plans were expected to include office, research and training space, as well as employee housing, in both new and renovated buildings at an estimated project cost of \$280 million. However, On March 17, 2020, it was reported in the Hartford Courant that in its fiscal year 2019 SEC FORM 10-K filing, Ideanomics listed the former UCONN property as a non-core or non-strategic asset and was evaluating strategies for divesting in the property. In the newspaper article, Alf Poor, CEO and President of Ideanomics, was quoted as saying the cost of environmental remediation was more expensive than anticipated and the company was seeking partners to co-invest in the development of the property. Under the development agreement with Ideanomics, the Town has first right of refusal to purchase the property. The Town is currently reviewing the possibility of purchasing the property.

##### ***Plan of Conservation and Development***

The Town recently completed an update to its Plan of Conservation and Development. This State required, ten-year plan will address topical areas such as economic development, housing, transportation, open space and sustainability. It includes an action plan with goals and objectives and serves as a development roadmap for policy makers.

#### ***Conclusion***

While these are the highlights of development activity in West Hartford, it is by no means a complete picture. In addition to the projects detailed above, local schools and universities such as the American School for the Deaf, Kingswood-

Oxford and the University of St. Joseph continue to make major investments in their campuses. Wherever possible, parcels are being sub-divided to create new single family lots for home construction, and office and retail properties are seeing high occupancy rates.

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## IV. INDEBTEDNESS

## Principal Amount of Bonded Indebtedness

As of November 5, 2020 <sup>1</sup>

(Pro forma)

Date	Purpose	Rate %	Original Issue	Debt Outstanding Including This Issue	Fiscal Year Maturity
1/15/2001	General Purpose .....	4.10 – 4.50	\$ 10,250,000	\$ 512,500	2021
1/15/2001	Schools .....	4.10 – 4.50	4,750,000	237,500	2021
1/15/2002	General Purpose .....	3.50 – 4.75	6,415,000	641,500	2022
1/15/2002	Schools .....	3.50 – 4.75	7,085,000	708,500	2022
3/8/2012	General Purpose <sup>1</sup> .....	2.50 – 5.00	11,648,000	3,882,684	2028
3/8/2012	Schools <sup>1</sup> .....	2.50 – 5.00	3,352,000	1,117,316	2028
2/5/2014	General Purpose .....	2.63 – 5.00	12,829,947	7,678,723	2029
2/5/2014	Schools .....	2.63 – 5.00	7,170,053	4,291,277	2029
3/17/2016	Refunding-General Purpose .....	2.00 – 4.00	7,055,000	6,325,000	2026
3/17/2016	Refunding-Schools .....	2.00 – 4.00	5,240,000	2,320,000	2026
2/16/2017	General Purpose <sup>1</sup> .....	2.00 – 5.00	11,815,000	3,711,300	2032
2/16/2017	Schools <sup>1</sup> .....	2.00 – 5.00	5,185,000	1,628,700	2032
1/25/2018	General Purpose <sup>1</sup> .....	2.00 – 5.00	7,665,000	5,616,087	2033
1/25/2018	Schools <sup>1</sup> .....	2.00 – 5.00	5,335,000	3,908,913	2033
2/5/2019	General Purpose .....	2.00 – 5.00	5,745,000	5,360,085	2034
2/5/2019	Schools .....	2.00 – 5.00	4,255,000	3,969,915	2034
7/9/2019	Refunding - General Purpose .....	5.00	19,918,000	16,140,000	2026
12/18/2019	Refunding - General Purpose .....	4.00 - 5.00	6,372,000	6,372,000	2035
12/18/2019	Refunding - Schools .....	4.00 - 5.00	7,478,000	7,478,000	2035
4/2/2020	Refunding - General Purpose .....	5.00	2,308,000	10,152,324	2024
4/2/2020	Refunding - Schools.....	5.00	2,317,000	6,847,676	2024
2/13/2020	General Purpose .....	2.00 - 5.00	10,152,324	2,308,000	2035
2/13/2020	School Purpose .....	2.00 - 5.00	6,847,676	2,317,000	2035
11/5/2020	Series C Refunding - General Purpose (This Issue)..	1.50 - 5.00	7,985,000	7,985,000	2031
11/5/2020	Series C Refunding - School Purpose (This Issue) ...	1.50 - 5.00	930,000	930,000	2031
11/5/2020	Series D Refunding - General Purpose (This Issue)..	0.35 - 2.07	8,806,000	8,806,000	2032
11/5/2020	Series D Refunding - School Purpose (This Issue) ..	0.35 - 2.07	3,899,000	3,899,000	2032
	Total .....		<u>\$192,808,000</u>	<u>\$125,145,000</u>	

<sup>1</sup> Excludes the Refunded Bonds.

## **BOND AUTHORIZATION PROCEDURE**

Debt for capital projects is authorized by Town Council ordinance. Bond ordinances in excess of \$500,000 are subject to referendum if three percent of the Town electors sign a petition for referendum within thirty days of the ordinance publication. Refunding bonds are authorized by resolution of the Town Council.

## **TEMPORARY FINANCING**

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing not more than two years from their original issue date (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 from the date of original issue and again for each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer and school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of any bonds issued must be reduced by the amount of time temporary financing exceeds two years.

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

## **CAPITAL IMPROVEMENT PROGRAM**

In June 2020, the Town Council approved a twelve-year Capital Improvement Program ("CIP") in which approximately \$262 million is expected to be invested in capital improvements through fiscal year 2032. Approximately \$86 million (33%) of this investment is for transportation and infrastructure related projects. \$109 million (42%) is for school facilities and \$67 million (25%) has been allocated to other Town projects. The CIP anticipates non-debt financing of approximately \$58 million. The remainder of the CIP funding, approximately \$204 million, is subject to debt authorization by the Town Council or the development of other funding sources during the period 2021-2032.

## **CAPITAL LEASES**

The Town currently has no outstanding capital leases.

## **LIMITATION OF INDEBTEDNESS**

Municipalities shall not incur indebtedness through the issuance of bonds which will cause aggregate indebtedness by class to exceed the following:

General Purposes: 2.25 times annual receipts from taxation  
 School Purposes: 4.50 times annual receipts from taxation  
 Sewer Purposes: 3.75 times annual receipts from taxation  
 Urban Renewal Purposes: 3.25 times annual receipts from taxation  
 Unfunded Past Benefit Obligation: 3 times annual receipts from taxation

In no case, however, shall total indebtedness exceed seven times the annual tax receipts.

Annual receipts from taxation (the "base"), is defined as total tax collections, including interest, penalties, late payment of taxes and payments made by the State for revenue loss under CGS Sections 12-129d and 7-528.

The statutes also provide for exclusion from the debt limit calculation of debt issued in anticipation of taxes; for the supply of water, gas, electricity; for the construction of subways for cables, wires, and pipes; for the construction of underground conduits for cables, wires, and pipes; and for two or more of such purposes. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement and for indebtedness issued in anticipation of the receipt of proceeds from state or federal grants evidenced by a written commitment or contract, but only to the extent such indebtedness can be paid from such proceeds.



**STATEMENT OF STATUTORY DEBT LIMITATION**

As of November 5, 2020

(Pro forma, Amounts Expressed in Thousands)

TOTAL TAX COLLECTIONS (including interest and lien fees)	
received by the Tax Collector for the year ended June 30, 2020 (unaudited estimate)	\$ 265,830
REIMBURSEMENT FOR REVENUE LOSS ON:	
Tax Relief for Elderly	<u>5</u>
BASE	265,835

	General Purposes	Schools	Sewers	Urban Renewal	Pension
DEBT LIMITATION:					
2 1/4 times base .....	\$ 598,129	-	-	-	-
4 1/2 times base .....	-	\$1,196,258	-	-	-
3 3/4 times base .....	-	-	\$ 996,881	-	-
3 1/4 times base .....	-	-	-	\$ 863,964	-
3 times base .....	-	-	-	-	\$ 797,505
Total debt limitation .....	<u>598,129</u>	<u>1,196,258</u>	<u>996,881</u>	<u>863,964</u>	<u>797,505</u>
INDEBTEDNESS:					
Bonds Payable <sup>1</sup> .....	86,198	39,572	-	-	-
The Series C Bonds (This Issue) .....	7,985	930	-	-	-
The Series D Bonds (This Issue) .....	8,806	3,899	-	-	-
Refunded Bonds .....	(17,497)	(4,748)	-	-	-
Notes Payable .....	-	-	-	-	-
Overlapping Debt <sup>2</sup> .....	-	-	183,140	-	-
Debt Authorized but Unissued .....	17,895	18,426	-	-	-
Total Indebtedness .....	<u>103,387</u>	<u>58,079</u>	<u>183,140</u>	<u>-</u>	<u>-</u>
Less: School Construction Grants Receivable <sup>3</sup> .....	-	(14,572)	-	-	-
Net Indebtedness: .....	<u>103,387</u>	<u>43,507</u>	<u>183,140</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS OF TOTAL INDEBTEDNESS .....	<u>\$ 494,742</u>	<u>\$1,152,751</u>	<u>\$ 813,741</u>	<u>\$ 863,964</u>	<u>\$ 797,505</u>

<sup>1</sup> Excludes the Refunded Bonds.<sup>2</sup> Excludes debt related to the Clean Water Project to be paid from proceeds of MDC's Special Sewer Service Charge. See "Overlapping Debt" herein.<sup>3</sup> The Town anticipates receiving \$14,572,434 in progress payments for current school construction projects. See "School Projects" herein.

Note: In no case shall indebtedness exceed seven (7) times annual receipts from taxation. The maximum permitted under this formula would be \$1.86 billion.

**SHORT-TERM DEBT**

The Town does not have any short-term debt outstanding.

**SCHOOL PROJECTS**

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, the State of Connecticut will provide proportional progress grant payments for eligible school construction expenses on school projects approved after July 1, 1996. The full amount of all current projects is authorized. When progress payments are received those amounts are removed from the authorized totals. This is done on June 30 of each year for payments received during that fiscal year. Under the current

program, the Town expects to receive progress payments for eligible school construction costs at the rate of approximately 23-80 percent.

<b>Project</b>	<b>Total Authorization</b>	<b>Estimated Reimbursement Rate</b>	<b>Estimated Grant <sup>1</sup></b>
Asbestos Removal .....	\$ 725,000	31.03%	\$ 225,000
Charter Oak School .....	42,000,000	80.00%	33,600,000
Exterior School Building Improvements .....	6,825,000	39.71%	2,710,000
Hall High Science Classrooms .....	12,800,000	63.44%	8,120,000
Interior School Building Improvements .....	8,432,000	23.01%	1,940,000
Portable Classrooms .....	500,000	38.00%	190,000
School Security .....	700,000	28.57%	200,000
<b>Total .....</b>	<b>\$ 71,982,000</b>		<b>\$46,985,000</b>

<sup>1</sup> Estimated grants receivable are based upon eligibility of project costs. Eligible costs are to be determined at completion of a post-project audit. As of November 5, 2020, the Town has received \$32,412,566 for the above projects.

Debt service reimbursement will continue under the prior school grant program for all school projects approved prior to July 1, 1996. Under the prior program the State of Connecticut will reimburse the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds. The Town no longer receives any reimbursement under the prior program.

#### OVERLAPPING DEBT

The Town is a member of the Metropolitan District Commission (the "MDC"), a special district in Hartford County formed under the Connecticut General Statutes to provide water and sanitary sewer services to its eight member towns. Water services are provided directly by the MDC and billed to the users. As of June 30, 2020, the total net overlapping debt of the MDC is \$903,187,761, of which \$207,913,754 or 23.02% is attributable to the Town. However, the MDC currently has approximately \$107,616,884 in interim debt outstanding related to the Clean Water Project, which is expected to be repaid from a special sewer service charge collected directly from MDC water customers (the "Special Sewer Service Charge"). Excluding the self-supporting interim debt, the Town of West Hartford net share is reduced to \$183,140,347.

The MDC was cited by the U.S. Environmental Protection Agency ("USEPA") and the United States Department of Justice ("USDOJ") for overflows from the sewer systems in West Hartford, Newington, Wethersfield, Rocky Hill and Windsor. The MDC was fined \$850,000 and signed a Consent Decree to cease all overflows within 12 years. The MDC also negotiated a Consent Order with the Connecticut Department of Energy & Environmental Protection ("CTDEEP") to control the Combined Sewer Overflows ("CSO") located in the Hartford sewer system within 15 years (by the year 2021).

The MDC has conducted studies of the CSO under the direction of the CTDEEP. A plan for abating these pollution sources, called the Clean Water Project, has been prepared by consultants to the MDC. The plan combines several abatement approaches including: new sewers, removal of storm water flows during storm events, and additional treatment capacity. Completion of these system improvements will require a construction program of at least 15 years. Significant abatement can also be achieved by individual homeowners disconnecting roof leaders, sump pumps and yard drains.

On November 7, 2006 and November 6, 2012, voters in the eight member towns approved referenda authorizing the issuance of \$1,740,000,000, in bonds to finance the Clean Water Project. The MDC is pursuing state funding from the State of Connecticut's Clean Water Fund Program and federal funding to assist with the cost of the project. The Special Sewer Service Charge applies to customers of the MDC who utilize the MDC's sewer system and are furnished water directly by the MDC. The proceeds from the Special Sewer Service Charge will be used exclusively for the payment of the principal and interest on certain bonds issued or which may be issued and other loans, including State of Connecticut Clean Water Fund loans, to finance all costs associated with the Clean Water Project. The Town's allocation of the interim debt for the Clean Water Project (\$24,773,407) is directly supported by the Special Sewer Service charge and therefore is deducted from the calculation of Total Overall Debt in the table herein.

**UNDERLYING DEBT**

The Town of West Hartford has no underlying debt.

**DEBT STATEMENT**

As of November 5, 2020 (Pro forma)

**Long-term Debt**

The Series C Bonds (This Issue) .....	\$ 8,915,000
The Series D Bonds (This Issue) .....	12,705,000
Refunded Bonds.....	(22,245,000)
General Purpose Bonds <sup>1</sup> .....	86,197,526
School Bonds <sup>1</sup> .....	39,572,474
<b>Total Long-term Debt .....</b>	<b>125,145,000</b>

**Short-term Debt**

Bond Anticipation Notes .....	-
<b>Total Direct Debt .....</b>	<b>125,145,000</b>
MDC Overlapping Debt - Gross .....	207,913,754
MDC Overlapping Debt – Clean Water Project <sup>2</sup> .....	(24,773,407)
<b>Total Overall Debt .....</b>	<b>308,285,347</b>
Less: State School Bond Subsidy <sup>3</sup> .....	-
<b>Total Overall Net Debt .....</b>	<b>\$ 308,285,347</b>

<sup>1</sup> Excludes the Refunded Bonds

<sup>2</sup> To be paid from proceeds of the MDC's Special Sewer Service Charge. See "Overlapping Debt" herein.

<sup>3</sup> Represents a subsidy for the principal component of all bonds issues for school projects approved prior to July 1, 1996. All Town bonds issued for school projects approved prior to July 1, 1996 have been retired and the Town no longer receives any subsidy. See "School Projects" herein.

**CURRENT DEBT RATIOS**

As of November 5, 2020 (Pro forma)

Population 2018 <sup>1</sup> .....	63,127
Net Taxable Grand List (10/1/19) .....	\$6,363,394,009
Estimated Full Value (10/1/19) .....	\$9,090,562,870
Equalized Net Grand List (10/1/18) <sup>2</sup> .....	\$9,876,620,438
Per Capita Income <sup>1</sup> .....	\$54,601

	<b>Total Direct Debt</b>	<b>Total Overall Debt</b>	<b>Total Overall Net Debt</b>
Debt per Capita .....	\$1,982	\$4,884	\$4,884
Percent of Net Taxable Grand List .....	1.97%	4.84%	4.84%
Percent of Estimated Full Value .....	1.38%	3.39%	3.39%
Percent of Equalized Net Grand List .....	1.27%	3.12%	3.12%
Percent of Debt per Capita to Income per Capita ...	3.63%	8.94%	8.94%

<sup>1</sup> Source: U.S. Bureau of Census, American Community Survey, 2014-18.

<sup>2</sup> Source: Office of Policy & Management, State of Connecticut.

**HISTORICAL DEBT RATIOS**

<b>Fiscal Year Ended</b>	<b>Net Assessed Value <sup>1</sup></b>	<b>Estimated Full Value</b>	<b>Total Direct Debt <sup>2</sup></b>	<b>Ratio of Total Direct Debt to Net Assessed Value</b>	<b>Ratio of Total Direct Debt to Estimated Full Value</b>	<b>Population <sup>3</sup></b>	<b>Total Direct Debt per Capita</b>	<b>Ratio of Total Direct Debt per Capita to Per Capita Income <sup>4</sup></b>
<b>June 30</b>	<b>\$(000s)</b>	<b>\$(000s)</b>	<b>\$(000s)</b>	<b>Value</b>	<b>Full Value</b>			
2020	\$6,314,734	\$9,097,612	\$135,210	2.14%	1.49%	63,127	\$2,142	3.92%
2019	6,285,118	9,069,234	139,675	2.22%	1.54%	63,127	\$2,213	4.05%
2018	6,232,711	8,981,615	147,085	2.36%	1.64%	63,127	\$2,330	4.27%
2017	5,980,473	8,634,838	150,455	2.52%	1.74%	63,360	\$2,375	4.49%
2016	5,946,171	8,591,093	148,675	2.50%	1.73%	63,187	\$2,353	4.56%
2015	5,924,662	8,556,847	149,280	2.52%	1.74%	63,288	\$2,359	4.76%
2014	5,888,535	8,504,964	140,830	2.39%	1.66%	63,396	\$2,221	4.55%
2013	5,878,019	8,491,271	133,085	2.26%	1.57%	63,340	\$2,101	4.42%
2012	5,034,402	8,945,738	145,620	2.89%	1.63%	63,268	\$2,302	5.23%

<sup>1</sup> Assessment Ratio: 70%<sup>2</sup> Excludes school building grants receivable and overlapping MDC debt.<sup>3</sup> Source: U.S. Census Bureau.<sup>4</sup> Per Capita Income based on U.S. Census Bureau American Community Survey.
**RATIO OF ANNUAL BONDED DEBT SERVICE TO TOTAL GOVERNMENTAL FUNDS EXPENDITURES**  
 (Amounts Expressed in Thousands)

<b>Fiscal Year Ended 6/30</b>	<b>Total Debt Service <sup>1</sup></b>	<b>Total Governmental Funds Expenditures <sup>2</sup></b>	<b>Debt Service as a Percent of Non-Capital Expenditures</b>
2019	\$ 22,375	\$ 325,508	6.87%
2018	21,536	336,748	6.40%
2017	20,435	323,072	6.33%
2016	19,513	300,044	6.50%
2015	17,836	289,729	6.16%
2014	17,232	286,006	6.03%
2013	17,952	278,491	6.45%
2012 <sup>3</sup>	20,022	282,644	7.08%
2011	19,877	257,064	7.73%
2010	19,268	244,463	7.88%

<sup>1</sup> Represents debt service on all General Obligation Bonds including debt issued for the public improvement portion of the Blue Back Square project which is paid from a combination of parking revenues and an additional tax levy imposed within the West Hartford Center Special Services District.<sup>2</sup> Includes all Governmental Funds, excluding capital outlay. Data is reflected on a modified accrual basis of accounting.<sup>3</sup> In fiscal year 2012, the Town incurred expenditures of \$12 million related to clean up for Winter Storm Alfred, an unusual October 2011 snowstorm. The Town received reimbursement of \$9.1 million from the Federal Emergency Management Agency (FEMA).



**ANNUAL BONDED DEBT MATURITY SCHEDULE <sup>1</sup>**

As of November 5, 2020

(Pro forma)

<b>Fiscal Year Ending</b>	<b>Outstanding Principal Payments <sup>2</sup></b>	<b>Outstanding Interest Payments <sup>2</sup></b>	<b>Total Debt Service <sup>3</sup></b>	<b>Refunded Bonds</b>	<b>Series C Bonds Principal</b>	<b>Series D Bonds Principal</b>	<b>Total Principal Payments</b>	<b>Cumulative Percent of Principal Retired</b>
2021	\$ 8,270,000	\$ 2,835,534	\$ 11,105,534	\$ (935,000)	\$ 510,000	\$ 140,000	\$ 7,985,000	6.38%
2022	16,225,000	4,164,931	20,389,931	(1,270,000)	785,000	-	15,740,000	18.96%
2023	14,715,000	3,465,519	18,180,519	(935,000)	800,000	140,000	14,720,000	30.72%
2024	13,855,000	2,868,169	16,723,169	(935,000)	795,000	140,000	13,855,000	41.79%
2025	12,830,000	2,337,919	15,167,919	(935,000)	805,000	145,000	12,845,000	52.06%
2026	12,035,000	1,886,519	13,921,519	(3,070,000)	820,000	1,280,000	11,065,000	60.90%
2027	7,970,000	1,539,863	9,509,863	(3,065,000)	835,000	2,250,000	7,990,000	67.28%
2028	7,995,000	1,282,300	9,277,300	(2,065,000)	860,000	2,220,000	9,010,000	74.48%
2029	7,010,000	1,033,500	8,043,500	(2,930,000)	885,000	2,070,000	7,035,000	80.10%
2030	5,695,000	795,838	6,490,838	(2,930,000)	905,000	2,045,000	5,715,000	84.67%
2031	5,710,000	597,825	6,307,825	(2,065,000)	915,000	1,155,000	5,715,000	89.24%
2032	4,775,000	409,250	5,184,250	(1,110,000)	-	1,120,000	4,785,000	93.06%
2033	3,685,000	257,350	3,942,350	-	-	-	3,685,000	96.00%
2034	2,830,000	147,950	2,977,950	-	-	-	2,830,000	98.27%
2035	2,170,000	64,100	2,234,100	-	-	-	2,170,000	100.00%
	<u>\$125,770,000</u>	<u>\$23,686,566</u>	<u>\$149,456,566</u>	<u>\$(22,245,000)</u>	<u>\$ 8,915,000</u>	<u>\$12,705,000</u>	<u>\$125,145,000</u>	

<sup>1</sup> Excludes Overlapping Debt<sup>2</sup> Excludes the Refunded Bonds<sup>3</sup> Totals may not add up due to rounding*{The remainder of this page intentionally left blank}*

## V. FINANCIAL INFORMATION

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### ACCOUNTING POLICIES

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

### BASIS OF ACCOUNTING

By Charter, the responsibility for managing the Town's finances rests with the Director of Financial Services. The Director of Financial Services is responsible for a broad and integrated fiscal operation consisting of general accounting, grants accounting, cash management, revenue collection, purchasing, debt management, and capital financing. The Director of Financial Services is also the Treasurer of the Town, a voting member of the Pension Board, and an advisor to the Risk Management Advisory Board and the Finance and Budget Committee of the Town Council.

The Department of Financial Services utilizes a computerized financial management system which integrates budgeting, purchasing, accounting, and financial reporting. The Town uses the modified accrual basis of accounting for its governmental and expendable trust funds. Revenues are recognized when determined to be measurable and available, and expenditures are recognized when services or goods are received and a liability is incurred. The accrual basis of accounting is used for the Town's proprietary, fiduciary, and non-expendable trust funds.

### ANNUAL AUDIT

The Town, pursuant to local ordinance and provisions of the Connecticut General Statutes, is required to undergo an annual audit by an independent public accountant. The auditor, currently BlumShapiro, LLP of West Hartford, Connecticut, is appointed by the Council, and is required to conduct the audit under the guidelines outlined by the Office of Policy and Management, which also receives a copy of the audit report.

The most recent annual audit covers the fiscal year ended June 30, 2019, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are the Town's Basic Financial Statements, Notes to the Financial Statements and Required Supplemental Information, together with the report of the independent auditor as prepared by the Town's independent auditor. The information contained in Appendix A is not the whole audit report. Individuals wishing a complete document should contact the Town's Director of Financial Services.

### BUDGETARY PROCEDURES

In March 1981, the Town Council adopted a comprehensive budgeting and accounting ordinance which sets forth the standards and practices governing the Town's financial management. All funds must be appropriated except those which may be expended outside budgetary operations in accordance with specific laws or ordinances. The ordinance also provides administrative flexibility in the management of long-term financing options for capital improvements.

The budget is legally enacted at the department and character of expenditure level (personal services, non-personal expense, capital outlay, and sundry). Budgetary control is maintained via an encumbrance system. Expenditures require a purchase order and accounts are encumbered when the purchase order is issued. An expenditure or expense is recorded when a liability is incurred. Commitments which exceed an appropriation balance are not processed until transfers or additional appropriations are made. Encumbrances outstanding at year-end are recorded as budgetary expenditures and reported as a reservation of fund balance at June 30.

A twelve-year Capital Improvement Program (the "CIP") provides the basis for formulating the annual capital budget. A capital financing model is used to determine the impact of debt service on the operating budget over the life of the CIP. The capital budget is funded via bonds, contributions from the Capital and Non-Recurring Expenditure ("CNRE") Fund, other fund contributions and state grant progress payments. These funds are revenues to the Capital Projects Fund, which is used to account for the acquisition or construction of major capital facilities. Bond proceeds flow directly to the Capital Projects Fund. The Town contributions are transferred from the CNRE Fund to the Capital Projects Fund. The CNRE Fund receives funds from appropriated transfers from the General Fund annual budget, residual balances of closed projects, and proceeds on the sale of Town property.

On March 15, 2020, Governor Lamont issued emergency Executive Order No. 7C ("Order 7C") which permits adjustment to the budget adoption process in response to the COVID-19 public health crisis. Order 7C extended all budget

deadlines that fall on any date prior to May 15, 2020 by thirty (30) days. Pursuant to such order, the Town extended both the operating and capital budget adoption schedule until late May and early June.

On March 21, 2020, Governor Lamont issued Executive Order No. 71 ("Order 71") which suspends in-person budget adoption requirements for municipalities. In accordance with Order No. 71, as amended by Executive Order No. 7HH, the fiscal year 2020-21 budget was approved by the Town Council at its meeting held on May 12, 2020.

#### **CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

The Town has received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association ("GFOA") of the United States and Canada for its comprehensive annual financial reports for fiscal years ended June 30, 1986 through 2018. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted audited standards. The report also contains a wide variety of information useful in evaluating the financial condition of a government and conforms to certain generally accepted terminology and formatting standards established for the Certificate Program. The Town has submitted its comprehensive annual financial report for fiscal year ended June 30, 2019 to the GFOA to determine its eligibility for another certificate however the review has been delayed due to the COVID-19 pandemic.

#### **DISTINGUISHED BUDGET PRESENTATION AWARD**

The Town has received a Distinguished Budget Presentation Award from the GFOA of the United States and Canada (GFOA) for its annual budget for the fiscal year ending June 30, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device. The award is valid for a period of one year only. The Town has submitted the fiscal years ending June 30, 2020 and June 30, 2021 budgets to the GFOA for certification however the review has been delayed due to the COVID-19 pandemic.

#### **EMPLOYEE PENSION SYSTEMS**

The Town sponsors and maintains a single-employer defined benefit plan ("West Hartford Retirement System"). This plan covers all full-time employees of the Town and Board of Education, except for those employees eligible for participation in the State of Connecticut Teachers' Retirement System. Refer to the "Notes to the General Purpose Financial Statements", Note 11. Employee Retirement Systems and Pension Plans.

The plan is administered by a Pension Board that is appointed by the Town Council and represents both management and employees. The Pension Board consists of five members who each serve a five-year term.

The Town implemented Government Accounting Standards Board's ("GASB") Statement No. 67 effective fiscal year ending June 30, 2014. In accordance with GASB Statement No. 67, the net position is based on the fair market value as of the end of the fiscal year and the total pension liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The components of the net pension liability of the West Hartford Retirement System as of June 30, 2019 were as shown below. The Town's June 30, 2020 net pension liability information is not yet available.

	(in Thousands)				
	2019	2018	2017	2016	2015
Total pension liability	\$ 476,986	\$ 463,250	\$ 424,744	\$ 414,551	\$ 375,665
Plan fiduciary net position	212,171	207,224	194,122	175,246	182,086
Net pension liability	<u>\$ 264,815</u>	<u>\$ 256,026</u>	<u>\$ 230,622</u>	<u>\$ 239,305</u>	<u>\$ 193,579</u>
Plan fiduciary net position as a % of total pension liability	44.48%	44.73%	45.70%	42.27%	48.47%

The following represents the net pension liability of the West Hartford Retirement System, calculated using the current discount rate, 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 or 1 percentage point higher than the current rate:

	(in Thousands)		
	Current		
	1% Decrease (6.125%)	Discount Rate (7.125%)	1% Increase (8.125%)
Town's Net Pension Liability	\$ 322,193	\$ 264,815	\$ 216,549

The Town's most recent actuarial valuation is as of July 1, 2019. The following changes were adopted by the Town and incorporated into the July 1, 2019 valuation: (1) change in mortality tables, (2) a reduction in the discount rate from 7.125% to 6.99%, and (3) change in amortization increase rate from 1.75% to 2.75% per year.

*Schedule of Funding Progress (in Thousands)*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll ((b-a)/c)
July 1, 2019	\$ 209,053	\$ 521,756	\$ 312,703	40.1%	\$ 63,885	489.5%
July 1, 2018	200,504	469,051	268,547	42.7%	60,176	446.3%
July 1, 2017	189,993	452,993	263,000	41.9%	58,708	448.0%
July 1, 2016	179,642	414,533	234,891	43.3%	58,065	404.5%
July 1, 2015	173,141	403,746	230,605	42.9%	56,649	407.1%

*Schedule of Employer Contributions (in Thousands)*

Fiscal Year	Actuarial Determined Contribution	Actual Contribution	Percentage Contributed
2021 <sup>1</sup>	\$ 25,439	\$ 25,439	100.0%
2020 <sup>2</sup>	25,232	25,232	100.0%
2019	23,880	23,880	100.0%
2018	21,615	21,615	100.0%
2017	20,551	20,551	100.0%

<sup>1</sup> Adopted budget.

<sup>2</sup> Unaudited estimate.

In the July 1, 2019 valuation, the Town's actuary has determined that the Actuarially Determined Employer Contribution for Fiscal Year 2020-21 will increase to \$26,328,447.

## OTHER POST-EMPLOYMENT BENEFITS

The Town, in a single-employer plan in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The plan covers Town, Board of Education, Police and Fire employees as further defined in collective bargaining agreements. Eligibility and premium sharing information is detailed in the various collective bargaining agreements and is summarized in the Town's financial statements.

Management of the Other Post-Employment Benefits ("OPEB") plan is vested with the Town Manager and Director of Financial Services. The members of the Risk Management Advisory Board constitute the Other Post-Employment Benefits Advisory Board (the "OPEB Board"), which provides policy oversight. The OPEB Board consist of six members, three appointed by the Town Council and three appointed by the Board of Education, who each serve three-year terms.

In 1985, the Town established a reserve fund for retiree health care benefits. Annual contributions to the reserve fund are made by the Town and employees, and health care costs for retirees are paid from this fund. The Town actuarially measures OPEB obligations every two years in order to determine its liability and model its funding policy. The Town's funding policy calls for increasing contributions from the General Fund and employees, as well as Medi-gap reimbursements and investment



income on the reserve balance, in order to fund current retiree health benefits and grow the reserve to cover future claims costs. As of June 30, 2020 the reserve had a balance of \$14.6 million.

The Town has negotiated significant changes in the retirement benefits for new employees in all union labor contracts. For non-public safety employees, the normal retirement age was increased from 55 to 65 years of age and the early retirement age was increased from 45 to 55 years of age. The required years of service for the Police and Fire Unions, was increased from 20 to 25 years. A minimum age of 50 was established for retirement for the Fire Union. In addition, overtime was removed from pension calculations for all police and fire new hires and the retirement multiplier was reduced from 2.5 times years of service to 2.0 times years of service. These changes will have a long-term effect on retiree pension and health care liabilities as the existing workforce retires and new employees are hired to replace them. During fiscal year 2009 the Town established an OPEB Trust Fund from which benefits for these new employees will be paid. The Town continues long-term financial planning to manage liabilities and funding for post-employment pension and health care benefits for employees and has implemented the new accounting standards that address this issue.

For fiscal year 2016-17, the Town implemented Government Accounting Standards Board's ("GASB") Statement No. 74. In accordance with GASB Statement No. 74, the net position is based on the fair market value as of the end of the fiscal year and the total OPEB liability is based on the actuarial assumptions as of the prior valuation date updated to the end of the fiscal year. The components of the net OPEB liability of the Town as of June 30, 2019 were as shown below. The Town's June 30, 2020 net OPEB liability information is not yet available.

	(in Thousands)			
	2019	2018	2017	2016
Total OPEB liability	\$ 180,223	\$ 179,124	\$ 157,148	\$ 152,469
Plan fiduciary net position	7,205	4,762	2,961	1,440
Net OPEB liability	<u>\$ 173,018</u>	<u>\$ 174,362</u>	<u>\$ 154,187</u>	<u>\$ 151,029</u>
Plan fiduciary net position as a % of total OPEB liability	4.00%	2.66%	1.88%	0.94%

The following represents the net OPEB liability of the Town, calculated using the current discount rate, as well as a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	(in Thousands)		
	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Town's Net OPEB Liability	\$ 195,209	\$ 173,018	\$ 154,626

The following represents the net OPEB liability of the Town, calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	(in Thousands)		
	1% Decrease (6.10% decreasing to 3.6%)	Current Rate (7.10% decreasing to 4.6%)	1% Increase (8.10% decreasing to 5.6%)
Town's Net OPEB Liability	\$ 151,060	\$ 173,018	\$ 199,930

The following presents historical information regarding the post-employment benefit funding progress. The Town's most recent complete actuarial valuation was effective July 1, 2019. Please see "Appendix A", for more information.

*Schedule of Funding Progress (in Thousands)*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll ((b-a)/c)
July 1, 2019	\$ 7,205	\$ 215,240	\$ 208,035	3.3%	\$ 109,142	190.6%
July 1, 2017	2,960	169,415	166,455	1.7%	116,440	143.0%
July 1, 2015	702	147,594	146,892	0.5%	105,853	138.8%
July 1, 2013	183	118,865	118,682	0.2%	127,047	93.4%
July 1, 2011	80	107,490	107,410	0.1%	121,405	88.5%

*Schedule of Employer Contributions (in Thousands)*

Fiscal Year	Actuarial Required Contribution	Actual Contribution	Percentage Contributed
2021 <sup>1</sup>	\$ 16,669	\$ 11,648	69.9%
2020 <sup>2</sup>	14,836	12,180	82.1%
2019	14,255	12,551	88.0%
2018	12,689	12,208	96.2%
2017	11,981	12,019	100.3%

<sup>1</sup> Adopted budget.<sup>2</sup> Unaudited estimate.**INVESTMENT POLICY FOR OPERATING AND PENSION FUNDS**

Eligible investments for Connecticut municipalities are governed by the Connecticut General Statutes, Sections 7-400, 7-402, and 7-403. Refer to the "Notes to the General Purpose Financial Statements," Note 3. Cash, Cash Equivalents and Investments, regarding the Town's investments and investment policies.

The Town invests operating funds in qualified public depositories or the State of Connecticut Short Term Investment Fund ("STIF"). STIF was authorized in 1978 (P.A. 78-236) to enable the State Treasurer to invest various state funds. Section 3-27a spells out the various governmental entities eligible to participate in STIF. C.G.S. Section 3-27d details eligible investments for STIF as those relating to the investments approved for savings banks, or U.S. government obligations, U.S. agency obligations, U.S. postal service obligations, certificates of deposit, commercial paper, corporate bonds, savings accounts and bank acceptances, and repurchase agreements relating to the above securities. C.G.S. Section 3-27f authorizes all agencies, instrumentalities, and political subdivisions of the State of Connecticut to invest in STIF.

**ASSESSMENT PRACTICES**

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 Town Assessor. The Grand List represents the total assessed values for all taxable real and personal property located within the Town on October 1 of a given year. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last revaluation. Revaluations are conducted in accordance with Connecticut General Statutes, currently every five years. The Town last conducted a revaluation for the grand list of October 1, 2016 which was effective for fiscal year 2017-18.

When the building of a new structure - or modification to an existing structure - is undertaken, the Assessment Department receives a copy of the permit issued by the Building Inspection Division of the Community Development Department. A physical inspection is then completed and the structure classified and priced from a schedule developed at the time of the last revaluation. The proper 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 NADA price guides with a valuation schedule recommended by the Office of Policy and Management in cooperation with the Connecticut Association of Assessing Officials.

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

## TAX COLLECTION PROCEDURE

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Taxes are due July 1; however, at the discretion of the Town and for the convenience of the taxpayer, real estate tax bills are payable in two installments – July 1 and January 1. Motor vehicle taxes are due in one installment on July 1. Supplemental motor vehicle taxes (for vehicles registered between October 1 and August 1) are due in one installment on January 1. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor errors, is provided by including a modest estimate for prior years' delinquent taxes when computing anticipated property tax revenue from the current levy. A modest estimate for interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Taxes become delinquent one month after the installment is due. Delinquent taxes are billed at least four times a year, with interest charged at the rate of 1½ percent per month retroactive to the original due date. In accordance with state law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically lien-ed each year in June, with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

## COMPARATIVE ASSESSED VALUATIONS

(Amounts Expressed in Thousands)

Grand List as of 10/1	Real Property <sup>1</sup>			Personal Property <sup>1</sup>		Less: Exemption on Taxable Property	Net Taxable Grand List	Total Direct Tax Rate
	Residential	Commercial	Industrial	Other	Motor Vehicle			
2019	\$4,553,755	\$1,083,069	\$86,516	\$252,235	\$453,426	\$65,607	\$6,363,394	41.80
2018	4,533,613	1,076,472	85,861	242,671	437,930	61,813	6,314,734	41.80
2017	4,524,296	1,061,804	87,823	237,868	436,673	63,346	6,285,118	41.00
2016 <sup>2</sup>	4,517,901	1,038,528	87,682	213,611	429,408	54,419	6,232,711	41.04 <sup>3</sup>
2015	4,467,509	854,835	81,443	218,497	422,102	63,913	5,980,473	39.51 <sup>4</sup>
2014	4,448,363	846,482	81,656	218,010	419,255	67,595	5,946,171	38.31
2013	4,429,342	845,804	86,007	212,811	415,829	65,131	5,924,662	37.37
2012	4,410,715	845,821	86,130	204,405	406,403	64,939	5,888,535	36.30
2011 <sup>2</sup>	4,399,030	843,891	86,022	201,370	413,576	65,870	5,878,019	35.75
2010	4,763,366	842,798	71,412	197,281	387,159	1,227,614	5,034,402	39.44

<sup>1</sup> Assessed Value is 70% of Estimated Actual Value.

<sup>2</sup> Year of revaluation.

<sup>3</sup> For fiscal year 2017-18 the mill rate for real and personal property was 41.04 mills and the mill rate for motor vehicles was 32.00 mills. Pursuant to Public Act 17-2 of the Connecticut General Assembly (June 2017 Special Session), the mill rate for motor vehicles was capped at 39.00 mills. ("Motor Vehicle Property Tax Rate" herein).

<sup>4</sup> For fiscal year 2016-17 the mill rate for real and personal property was 39.51 mills and the mill rate for motor vehicles was 37.00 mills. Pursuant to Public Act No. 16-3 of the Connecticut General Assembly (May 2016 Special Session), the mill rate for motor vehicles was capped at 37.00 mills. (See "Motor Vehicle Property Tax Rate" herein).

Source: Assessor's Office, Town of West Hartford.

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**EXEMPT PROPERTY**  
(Assessed Value, Amounts Expressed in Thousands)

	<b>Assessed Value as of 10/1/19</b>
<b>Public</b>	
Federal .....	\$ 10,798
Town of West Hartford .....	145,064
State of Connecticut <sup>1</sup> .....	10,472
Sub-Total Public .....	<u>166,334</u>
<b>Private</b>	
Public Service Companies .....	4,086
Scientific, Educational, Historical, Charitable .....	353,946
Churches .....	123,970
Cemeteries .....	12,900
Veteran's Organizations .....	1,161
Recreation .....	71,710
Private Colleges and Hospitals .....	115,701
Sub-Total Private .....	<u>683,474</u>
<b>Total Exempt Property .....</b>	<b><u>\$ 849,808</u></b>
Percent of Net Taxable Grand List of 10/1/19 .....	13.34%

<sup>1</sup> For the October 1, 2019 Grand List the former UCONN property was changed from exempt to taxable.

Source: Assessor's Office, Town of West Hartford.

**PRINCIPAL TAXPAYERS**  
(Amounts Expressed in Thousands)

<b>Name of Taxpayer</b>	<b>Nature of Business</b>	<b>Grand List of October 1, 2019</b>		
		<b>Taxable Value</b>	<b>Rank</b>	<b>Percent of Total</b>
Sof-Ix Blueback Square Holdings LP.....	Retail, Office, Apartments, Residential ..	\$ 72,983	1	1.15%
Westfarms Associates.....	Mall .....	52,530	2	0.83%
Connecticut Light and Power.....	Utility.....	46,100	3	0.72%
FW CT Corbins Corner Shopping Center..	Shopping Center.....	42,378	4	0.67%
SF WH Property Owner LLC.....	Shopping Center/Hotel.....	29,271	5	0.46%
Town Center West Associates.....	Office, Retail .....	28,069	6	0.44%
McAuley Center Inc. (Sisters of Mercy)...	Assisted Living .....	24,529	7	0.39%
Steele Road LLC.....	Apartments .....	23,426	8	0.37%
BFN Westgate LLC.....	Apartments .....	20,510	9	0.32%
Bishop's Corner (E&A) LLC.....	Shopping Center.....	18,200	10	0.29%
	<b>Total.....</b>	<b><u>\$358,000</u></b>		<b><u>5.64%</u></b>

Note: Assessments include Real Property, Personal Property and Motor Vehicles.

Source: Assessor's Office, Town of West Hartford.

**PROPERTY TAX LEVIES AND COLLECTIONS**

(Amounts Expressed in Thousands)

<b>Fiscal Year Ending 6/30</b>	<b>Total Tax Rate (In Mills)</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within Fiscal Year of Levy</b>		<b>Collections Subsequent Years</b>	<b>Total Collections to Date</b>	
			<b>Collections</b>	<b>Percentage of Levy</b>		<b>Collections</b>	<b>Percentage of Levy</b>
2021 <sup>1</sup>	41.80	\$261,486	n/a	n/a	n/a	n/a	n/a
2020 <sup>2</sup>	41.80	265,632	\$263,783	99.3%	n/a	\$263,783	99.3%
2019	41.00	258,647	256,840	99.3%	\$1,029	257,869	99.7%
2018 <sup>3</sup>	41.04 <sup>4</sup>	252,998	251,419	99.4%	1,415	252,834	99.9%
2017	39.51 <sup>5</sup>	236,740	234,921	99.2%	1,692	236,613	99.9%
2016	38.31	229,112	227,450	99.3%	1,547	228,997	99.9%
2015	37.37	222,213	220,483	99.2%	1,661	222,144	100.0%
2014	36.30	214,310	212,530	99.2%	1,718	214,248	100.0%
2013 <sup>3</sup>	35.75	210,065	208,258	99.1%	1,753	210,011	100.0%
2012	39.44	199,192	197,344	99.1%	1,814	199,158	100.0%

n/a - information not yet available

<sup>1</sup> Adopted Budget<sup>2</sup> Unaudited estimate<sup>3</sup> Year of revaluation

<sup>4</sup> For fiscal year 2017-18 the mill rate for real and personal property was 41.04 mills and the mill rate for motor vehicles was 32.00 mills. Pursuant to Public Act 17-2 of the Connecticut General Assembly (June 2017 Special Session), the mill rate for motor vehicles was capped at 39.00 mills. ("Motor Vehicle Property Tax Rate" herein).

<sup>5</sup> For fiscal year 2016-17 the mill rate for real and personal property was 39.51 mills and the mill rate for motor vehicles was 37.00 mills. Pursuant to Public Act No. 16-3 of the Connecticut General Assembly (May 2016 Special Session), the mill rate for motor vehicles was capped at 37.00 mills. (See "Motor Vehicle Property Tax Rate" herein).

Source: Revenue Collection Division, Town of West Hartford

**PROPERTY TAXES RECEIVABLE**

(Amounts Expressed in Thousands)

(As of June 30, 2020)

<b>Grand List Year</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Remaining Uncollected Levy</b>	<b>Percent of Levy Uncollected</b>
2018 <sup>1</sup>	\$265,632	\$1,849	0.7%
2017	258,647	778	0.3%
2016	252,998	164	0.1%
2015	236,740	127	0.1%
2014	229,112	115	0.1%
2013	222,213	69	0.0%
2012	214,310	62	0.0%
2011	210,065	54	0.0%
2010	199,192	34	0.0%
2009	192,761	39	0.0%

<sup>1</sup> Unaudited estimate.

Source: Tax Collector's Report, Town of West Hartford



**PROPERTY TAX REVENUES**  
(Amounts Expressed in Thousands)

<b>Fiscal Year</b>	<b>General Fund Revenues &amp; Transfers in</b>	<b>Property Tax Revenues</b>	<b>Property Tax Revenues as a Percentage of Fund Revenues</b>
2021 <sup>1</sup>	\$300,247	\$265,926	88.6 %
2020 <sup>2</sup>	299,226	265,957	88.9
2019	306,682	258,047	84.1
2018	322,008	253,000	78.6
2017	304,245	236,916	77.9
2016	281,874	229,630	81.5
2015	271,837	223,063	82.1
2014	264,659	214,923	81.2
2013	257,007	210,571	81.9
2012 <sup>3</sup>	253,929	200,033	78.8

<sup>1</sup> Adopted budget, budgetary basis, does not include on-behalf payments to the Connecticut State Teachers' Retirement System.

<sup>2</sup> Unaudited estimate, budgetary basis, does not include on-behalf payments to the Connecticut State Teachers' Retirement System.

<sup>3</sup> In fiscal year 2012, the Town incurred expenditures of \$12 million related to clean up for Winter Storm Alfred, an unusual October 2011 snowstorm. The Town received reimbursement of \$9.1 million from the Federal Emergency Management Agency (FEMA).

Source: Annual audited financial statements; fiscal year 2019-20 unaudited estimate and fiscal year 2020-21 adopted budget.

**INTERGOVERNMENTAL REVENUES**  
(Amounts Expressed in Thousands)

<b>Fiscal Year</b>	<b>General Fund Revenues &amp; Transfers in</b>	<b>Intergovernmental Revenue</b>	<b>Aid As a Percentage Of General Fund Revenues</b>
2021 <sup>1</sup>	\$300,247	\$24,717	8.2 %
2020 <sup>2</sup>	299,226	24,593	8.2
2019	306,682	39,827	13.0
2018	322,008	57,711	17.9
2017	304,245	59,758	19.6
2016	281,874	44,086	15.6
2015	271,837	41,016	15.1
2014	264,659	43,115	16.3
2013	257,007	39,863	15.5
2012 <sup>3</sup>	253,929	46,477	18.3

<sup>1</sup> Adopted budget, budgetary basis, does not include on-behalf payments to the Connecticut State Teachers' Retirement System.

<sup>2</sup> Unaudited estimate, budgetary basis, does not include on-behalf payments to the Connecticut State Teachers' Retirement System.

<sup>3</sup> In fiscal year 2012, the Town incurred expenditures of \$12 million related to clean up for Winter Storm Alfred, an unusual October 2011 snowstorm. The Town received reimbursement of \$9.1 million from the Federal Emergency Management Agency (FEMA).

Source: Annual audited financial statements; fiscal year 2019-20 unaudited estimate and fiscal year 2020-21 adopted budget.

## **MOTOR VEHICLE PROPERTY TAX RATE**

Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. The statute provides that (1) for the assessment year October 1, 2016 (the fiscal year ending June 30, 2018), the mill rate for motor vehicles shall not exceed 39 mills, and (2) for the assessment year October 1, 2017 (the fiscal year ending June 30, 2019), and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 45 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town or city in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps. For fiscal year 2020-21 the Town issued motor vehicles tax bills based on a mill rate of 41.80.

For the fiscal year ending June 30, 2018, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 39 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 39 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2013 (the fiscal year ending June 30, 2015), and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 39 mills. For the fiscal year ending June 30, 2019, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 45 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 45 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 45 mills.

## **MUNICIPAL BUDGET EXPENDITURES CAP**

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

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## GENERAL FUND EXPENDITURES

<b>Fiscal Year</b>	<b>Education</b>	<b>Public Safety</b>	<b>Non- Departmental <sup>1</sup></b>	<b>Community Maintenance</b>	<b>Transfers Out <sup>2</sup></b>	<b>General Government</b>	<b>Human &amp; Cultural</b>
2021 <sup>3</sup>	56.6%	9.8%	17.6%	5.4%	6.4%	2.2%	2.0%
2020 <sup>4</sup>	55.6%	10.1%	17.4%	4.9%	7.9%	2.1%	2.0%
2019	58.4%	9.5%	15.6%	5.1%	7.4%	2.0%	2.0%
2018	61.0%	8.3%	14.6%	4.8%	7.4%	1.9%	2.0%
2017	61.1%	8.7%	13.9%	5.1%	7.0%	2.1%	2.1%
2016	59.5%	9.3%	14.1%	5.6%	7.3%	2.1%	2.2%
2015	60.0%	9.5%	13.7%	5.8%	6.8%	2.0%	2.2%
2014	60.7%	9.6%	13.0%	5.9%	6.3%	2.0%	2.3%
2013	60.6%	10.0%	12.7%	6.0%	6.4%	2.0%	2.3%
2012	58.8%	10.0%	16.0%	5.7%	5.3%	2.0%	2.2%

<sup>1</sup> Includes pension and risk management costs, Metropolitan District Commission ("MDC") assessment for water and sewer services, health district assessment and contingency. See "Overlapping Debt" herein for more information on the Town's membership with the MDC.

<sup>2</sup> Includes transfers to Debt Service Fund and non-public school health and transportation expenses.

<sup>3</sup> Adopted budget, budgetary basis, does not include on-behalf payments to the Connecticut State Teachers' Retirement System.

<sup>4</sup> Unaudited estimate, budgetary basis, does not include on-behalf payments to the Connecticut State Teachers' Retirement System.

Source: Annual audited financial statements, fiscal year 2019-20 unaudited estimate and fiscal year 2020-21 adopted budget.

Note: Totals may not add due to rounding.

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**COMPARATIVE GENERAL FUND OPERATING STATEMENT**  
 Budget and Actual (Budgetary Basis)  
 (Amounts Expressed In Thousands)

	Fiscal Year 2018-19			Fiscal Year	Fiscal Year
	Revised		Variance	2019-20	2020-21
	Budget	Actual	Favorable (Unfavorable)	Unaudited Estimate	Adopted Budget
<b>REVENUES</b>					
Property Taxes .....	\$ 258,119	\$ 258,047	\$ (72)	\$ 265,957	\$ 265,926
Intergovernmental .....	24,435	24,442	7	24,593	24,717
Charges for Services .....	5,429	5,768	339	5,795	5,942
Investment Income.....	1,650	1,714	64	1,284	850
Miscellaneous .....	1,429	929	(500)	1,138	752
<b>TOTAL REVENUES .....</b>	<b>291,062</b>	<b>290,900</b>	<b>(162)</b>	<b>298,767</b>	<b>298,187</b>
<b>EXPENDITURES</b>					
Current:					
General Government .....	6,234	6,229	5	\$ 6,309	6,503
Public Safety .....	28,992	28,992	-	30,252	29,392
Community Maintenance .....	15,494	15,448	46	14,526	16,153
Human & Cultural Resources .....	6,269	6,269	-	5,983	6,141
Education .....	164,058	163,007	1,051	166,186	170,074
Debt and sundry .....	47,712	47,624	88	51,976	52,843
<b>TOTAL EXPENDITURES .....</b>	<b>268,759</b>	<b>267,569</b>	<b>1,190</b>	<b>275,232</b>	<b>281,106</b>
Excess (deficiency) of revenues over expenditures .....	22,303	23,331	1,028	23,535	17,081
Other financing sources (uses):					
Use of fund balance.....	-	-	-	-	1,500
Operating transfers in .....	484	396	(88)	459	560
Operating transfers out <sup>1</sup> .....	(22,787)	(22,787)	-	(23,651)	(19,141)
Total Other financing sources (uses) ..	(22,303)	(22,391)	(88)	(23,192)	(17,081)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses .....	\$ -	\$ 940	\$ 940	\$ 343	\$ -

<sup>1</sup> Includes transfers to Debt Service Fund and non-public school health and transportation expenses.

Source: Town annual audited financial statements, annual budgets.

## COMPARATIVE BALANCE SHEET – GENERAL FUND

Fiscal Year Ended:	(In Thousands)				
	2015	2016	2017	2018	2019
<b>Assets</b>					
Cash and cash equivalents .....	\$ 43,244	\$ 32,548	\$ 34,059	\$ 41,047	\$ 38,718
Investments .....	-	10,187	10,211	8,900	5,729
Receivables, net .....	3,144	3,182	3,444	3,336	3,065
Due from other funds .....	2,287	2,355	2,457	2,494	9,102
Inventories .....	172	257	193	289	263
<b>Total Assets .....</b>	<b>\$ 48,847</b>	<b>\$ 48,529</b>	<b>\$ 50,364</b>	<b>\$ 56,066</b>	<b>\$ 56,877</b>
<b>Liabilities</b>					
Accounts payable .....	\$ 2,434	\$ 2,639	\$ 2,847	\$ 2,640	\$ 3,322
Payroll liabilities .....	3,933	5,070	6,503	8,142	6,193
Other liabilities .....	735	670	792	888	874
Unearned revenue .....	1,316	1,433	1,347	2,478	3,051
<b>Total Liabilities .....</b>	<b>8,418</b>	<b>9,812</b>	<b>11,489</b>	<b>14,148</b>	<b>13,440</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes ..	1,748	1,789	2,174	2,006	2,153
Unavailable revenue - school grants ...	494	374	253	-	-
Advance tax collections .....	17,132	14,762	13,903	13,685	14,257
<b>Total Deferred Inflows of Resources .....</b>	<b>19,374</b>	<b>16,925</b>	<b>16,330</b>	<b>15,691</b>	<b>16,410</b>
<b>Fund Balances (Deficits)</b>					
Nonspendable .....	172	257	193	289	263
Restricted .....	-	-	-	-	-
Committed .....	-	-	-	-	-
Assigned .....	262	441	541	500	389
Unassigned .....	20,621	21,094	21,811	25,438	26,375
<b>Total Fund Balances .....</b>	<b>21,055</b>	<b>21,792</b>	<b>22,545</b>	<b>26,227</b>	<b>27,027</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits) .....</b>	<b>\$ 48,847</b>	<b>\$ 48,529</b>	<b>\$ 50,364</b>	<b>\$ 56,066</b>	<b>\$ 56,877</b>

Source: Town annual audited financial statements.



**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND**

<b>Fiscal Year Ended:</b>	<b>(In Thousands)</b>				
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Revenues</b>					
Property taxes .....	\$223,062	\$229,630	\$236,916	\$253,000	\$258,047
Intergovernmental .....	41,016	44,086	59,758	57,711	39,827
Charges for services .....	5,711	5,625	5,374	5,579	5,768
Income on investments .....	282	629	377	987	1,714
Miscellaneous .....	844	976	1,227	1,154	930
<b>Total Revenues .....</b>	<b>\$270,915</b>	<b>\$280,946</b>	<b>\$303,652</b>	<b>\$318,431</b>	<b>\$306,286</b>
<b>Expenditures</b>					
Current:					
General government .....	5,393	5,807	6,300	5,954	6,236
Public Safety .....	25,609	26,100	26,445	26,530	28,971
Community maintenance .....	15,701	15,681	15,591	15,198	15,464
Human and cultural .....	6,055	6,230	6,309	6,324	6,256
Education .....	162,477	167,362	185,537	194,291	178,489
Debt and sundry .....	37,184	39,573	42,094	46,427	47,679
Capital outlay .....	132	88	62	34	-
<b>Total Expenditures .....</b>	<b>252,551</b>	<b>260,841</b>	<b>282,338</b>	<b>294,758</b>	<b>283,095</b>
Excess (deficiency) of revenues over expenditures .....	18,364	20,105	21,314	23,673	23,191
<b>Other financing sources (uses):</b>					
Operating transfers in .....	922	928	593	3,577	396
Operating transfers (out) .....	(18,436)	(20,425)	(21,154)	(23,568)	(22,787)
Issuance of refunding bonds .....	-	12,295	-	-	-
Bond premium on refunding .....	-	1,258	-	-	-
Payment to refunded bond escrow agent ..	-	(13,424)	-	-	-
<b>Total other financing sources (uses) .....</b>	<b>(17,514)</b>	<b>(19,368)</b>	<b>(20,561)</b>	<b>(19,991)</b>	<b>(22,391)</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses .....	850	737	753	3,682	800
Fund Balance - July 1 .....	20,205	21,055	21,792	22,545	26,227
<b>Fund Balance - June 30 .....</b>	<b>\$ 21,055</b>	<b>\$ 21,792</b>	<b>\$ 22,545</b>	<b>\$ 26,227</b>	<b>\$ 27,027</b>

Source: Town annual audited financial statements.

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**VI. ADDITIONAL INFORMATION**

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**LITIGATION**

In the opinion of the Town's Corporation Counsel, as of the date of this Official Statement, there are no claims or litigation pending or to his knowledge threatened, which would individually or in the aggregate result in final judgments against the Town that would have a material adverse effect on the finances of the Town or its financial position or the power of the Town to levy and collect taxes.

**MUNICIPAL ADVISOR**

The Town has retained Hilltop Securities Inc. (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Bonds. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. The Town may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regard to the investment of Bond proceeds.

**TRANSCRIPT AND CLOSING DOCUMENTS:**

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

1. Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town signed by the Town Manager and the Director of Financial Services, which will be dated the date of delivery, together with a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that as of the date of the signing of the Bond Purchase Agreement, 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 light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. Receipts for the purchase price of the Bonds.
4. The approving opinions of Shipman & Goodwin LLP, Bond Counsel of Hartford, Connecticut substantially in the forms attached as Appendices B and C to this Official Statement.
5. Executed Continuing Disclosure Agreements substantially in the forms attached as Appendices D and E to this Official Statement.
6. Such other documents as required by the Bond Purchase Agreement.

The Town of West Hartford, Connecticut has prepared an Official Statement for the Bond issue, which is dated October 21, 2020. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b) (1), but it is subject to revision or amendment.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the principal office of the Paying Agent, U.S. Bank National Association, in Hartford, Connecticut and may be examined upon reasonable notice.

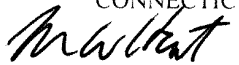
**CONCLUDING STATEMENT**

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the Town of West Hartford from official and other sources and is believed by the Town of West Hartford to be reliable, but such information, other than that obtained from official records of the Town of West Hartford, has not been independently confirmed or verified by the Town of West Hartford and its accuracy is not guaranteed.

Additional information may be obtained upon request from the Department of Finance, Attn. Mr. Peter Privitera, Director of Financial Services, or Mrs. Lisa Newton, Financial Operations Manager, Town Hall, 50 South Main Street, West Hartford, CT 06107, (860) 561-7460.

This Official Statement has been duly prepared and delivered by the Town, and executed for and on behalf of the Town of West Hartford by the following officials:

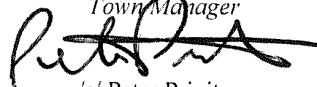
TOWN OF WEST HARTFORD,  
CONNECTICUT



/s/ Matthew Hart

Matthew Hart

*Town Manager*



/s/ Peter Privitera

Peter Privitera

*Director of Financial Services*

Dated as of October 21, 2020

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**Appendix A – Audited Financial Statements**

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29 South Main Street  
P.O. Box 272000  
West Hartford, CT 06127-2000  
**Tel** 860.561.4000

[blumshapiro.com](http://blumshapiro.com)

## **Independent Auditors' Report**

To the Town Council  
Town of West Hartford, Connecticut

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of West Hartford, Connecticut, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of West Hartford, Connecticut's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of West Hartford, Connecticut, as of June 30, 2019 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters******Required Supplementary Information***

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

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

West Hartford, Connecticut  
December 20, 2019

**TOWN OF WEST HARTFORD, CONNECTICUT****MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

This discussion and analysis of the financial performance of the Town of West Hartford (the Town) is prepared by management to provide a narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our transmittal letter and the Town's financial statements, Exhibits I to IX. All amounts, unless otherwise stated, are expressed in thousands of dollars.

**FINANCIAL HIGHLIGHTS**

- At the close of fiscal year 2019, liabilities and deferred inflows of the Town exceeded its assets and deferred outflows by \$136,797 on a government wide basis, an increase in the deficit of \$9,796 as compared to the prior year.
- The governmental activities funds reported consolidated net position of (\$138,428), an increase in the deficit of \$7,998 from fiscal year 2018.
- The business-type activities of the Town had net position of \$1,631 at fiscal year-end, a reduction of \$1,798 from the prior year.
- The Town's net investment in capital assets increased \$22,826 as the Town continued to invest in infrastructure and reduced outstanding long-term debt.
- Unassigned fund balance of the General Fund increased to \$26,350 or 9.1% of total expenditures on a budgetary basis.
- The Town achieved a current year property tax collection rate of 99.3% for fiscal year 2019 and delinquent tax collections remained strong.

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements.** The government-wide financial statements are designed to provide the reader with a broad overview of the Town's financial position in a manner similar to the private-sector.

The *statement of net position* (Exhibit I) presents information on all the Town's assets and liabilities, with the difference between the two reported as *net position* and is one way to measure the Town's financial health. Over time, increases or decreases in net position may serve as a useful indicator as to whether the Town's financial position has improved or deteriorated.

The *statement of activities* (Exhibit II) presents changes to the Town's net position during the fiscal year presented. Changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items, such as uncollected taxes and earned but unused vacation leave, which will only result in cash flows of future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town that are primarily supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or most of their costs through user charges and fees (business-type activities). Both are discussed below:

- *Governmental Activities* - Most of the Town's basic services, which include general government, public safety, community maintenance, human and cultural, and education, are recorded here. Property taxes, charges for services, and state and federal grants finance most of these activities.
- *Business-Type Activities* - The Town charges user fees to customers to help cover all or a significant portion of the costs of these services.

The government-wide financial statements include not only the Town itself, but also a discretely presented component unit known as the West Hartford Center Special Services District which was established in 2004. Financial information for the discretely presented component unit is reported separately from the financial information of the primary government. The government-wide financial statements can be found on pages A-17 - A-18 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts used to maintain control over resources segregated for a specific objective or activity. Some funds are required to be established by Town Charter. The Town Council establishes many other funds to help control and manage financial activities for particular purposes (such as the Capital Projects Fund and the Police Private Duty Services Fund) or to show that it is meeting legal responsibilities for using grants and other money (such as grants received from the State Department of Education and the United States Department of Housing and Urban Development). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

**Governmental Funds (Exhibits III and IV).** The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. These financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. These funds are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in the reconciliation at the bottom of the fund financial statements. By reading both of these, readers may better understand the long-term impact of the government's short-term financing decisions.

The Town maintains twenty-seven (27) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Funds (comprised of the Capital Projects Fund and the Capital Non-recurring Expenditure Fund), CDBG (Community Development Block Grant) Housing Rehabilitation Fund, and the Debt Service Funds (comprised of the Debt Service Fund and the Blue Back Square Fund), all of which are considered major funds. The remaining twenty-one (21) funds are combined into a single aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the combining statements located on pages 90-95 of this report.



The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement, showing original budget, final budget and actual results has been provided to demonstrate compliance with this budget and is located in the required supplementary information on pages 74-78 of this report.

The basic governmental fund financial statements can be found on pages 20-23.

***Proprietary Funds (Exhibits V, VI and VII).*** The Town maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town's only enterprise fund is the Leisure Services Fund. *Internal service funds* are used to accumulate and allocate internal costs among various departments. The Town uses internal service funds to account for risk management costs and utility costs. Because both of these functions predominantly benefit governmental rather than business-type functions, these activities have been included within governmental activities in the government-wide financial statements. Proprietary funds are reported using the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when a liability is incurred.

***Fiduciary Funds (Exhibits VIII and IX).*** The Town is the trustee, or fiduciary, for its employees' pension plan and other postemployment benefits trust plan. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. Fiduciary funds are not reflected in the government-wide financial statements as the resources for those funds are not available to support the Town's operations. The Town is responsible for ensuring that the assets reported in the fund are used for their intended purposes. The accounting method used for fiduciary funds is similar to that used for proprietary funds.

**Notes to the Financial Statements.** The notes provide additional information necessary to fully understand the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-73.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful tool to analyze a government's financial position. The Town's combined net position decreased from (\$127,001) at the end of fiscal year 2018 to (\$136,797) at the end of fiscal year 2019. The discussion below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

The largest component of the Town's net position is its \$238,248 investment in capital assets. This represents capital assets (such as land, buildings, infrastructure, vehicles, machinery and equipment) net of accumulated depreciation, less any related debt outstanding to acquire such assets. These assets are used to provide services to citizens and thus are not available to finance future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that resources necessary to repay this debt must be provided from other sources, as capital assets cannot be used to satisfy these liabilities.

An additional \$82 of the Town's net position represents resources subject to use restrictions by external sources. The remaining balance is a deficit of \$375,127 and is comprised of the Town's net pension liability of \$264,815 and OPEB liability of \$173,018 offset by unrestricted funds which may be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

<b>TABLE 1</b> <b>Net Position</b> <b>In Thousands</b>						
	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Primary Government</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Current and other assets	\$ 105,480	\$ 112,065	\$ 35	\$ 37	\$ 105,515	\$ 112,102
Capital assets, net of accumulated depreciation	371,533	356,980	10,779	11,663	382,312	368,643
Total assets	477,013	469,045	10,814	11,700	487,827	480,745
Deferred charge on refunding	873	998			873	998
Deferred outflows related to pensions	18,563	29,461	284	452	18,847	29,913
Deferred outflows related to OPEB	11,189	14,614	163	212	11,352	14,826
Total deferred outflows of resources	30,625	45,073	447	664	31,072	45,737
Long-term liabilities	609,261	608,539	6,602	6,478	615,863	615,017
Other liabilities	17,746	19,326	2,957	2,411	20,703	21,737
Total liabilities	627,007	627,865	9,559	8,889	636,566	636,754
Deferred inflows related to pensions	1,028	2,998	16	46	1,044	3,044
Deferred inflows related to OPEB	3,774		55		3,829	
Advance property tax collections	14,257	13,685			14,257	13,685
Total deferred inflows of resources	19,059	16,683	71	46	19,130	16,729
Net Position:						
Net investment in capital assets	227,469	203,759	10,779	11,663	238,248	215,422
Restricted	82	82			82	82
Unrestricted (deficit)	(365,979)	(334,271)	(9,148)	(8,234)	(375,127)	(342,505)
Total Net Position	\$ (138,428)	\$ (130,430)	\$ 1,631	\$ 3,429	\$ (136,797)	\$ (127,001)

**Governmental Activities.** The net position of the Town's governmental activities decreased \$7,998 from the prior year. Investment in capital assets, net of related debt, increased \$9,541 due to continued investment in the Town's buildings and infrastructure, as well as a reduction in outstanding general obligation bonds. Net position classified as unrestricted decreased \$31,708, mainly from the change in deferred outflows related to pensions and OPEB.

Total assets increased \$7,968 from the prior year due to the aforementioned investment in capital assets offset by reduced cash and investment balances on-hand as of June 30, 2019. Total deferred outflows of resources decreased \$14,448. Deferred outflows related to Pensions and OPEB decreased \$10,898 and \$3,425 respectfully due to changes in assumptions.

**Business-Type Activities.** The total net position of the Town's business-type activities decreased \$1,798 in fiscal year 2019. Investment in capital assets was reduced by \$884, as depreciation expense exceeded additions to capital assets in fiscal year 2019, and the deficit in unrestricted net position increased \$914.

TABLE 2

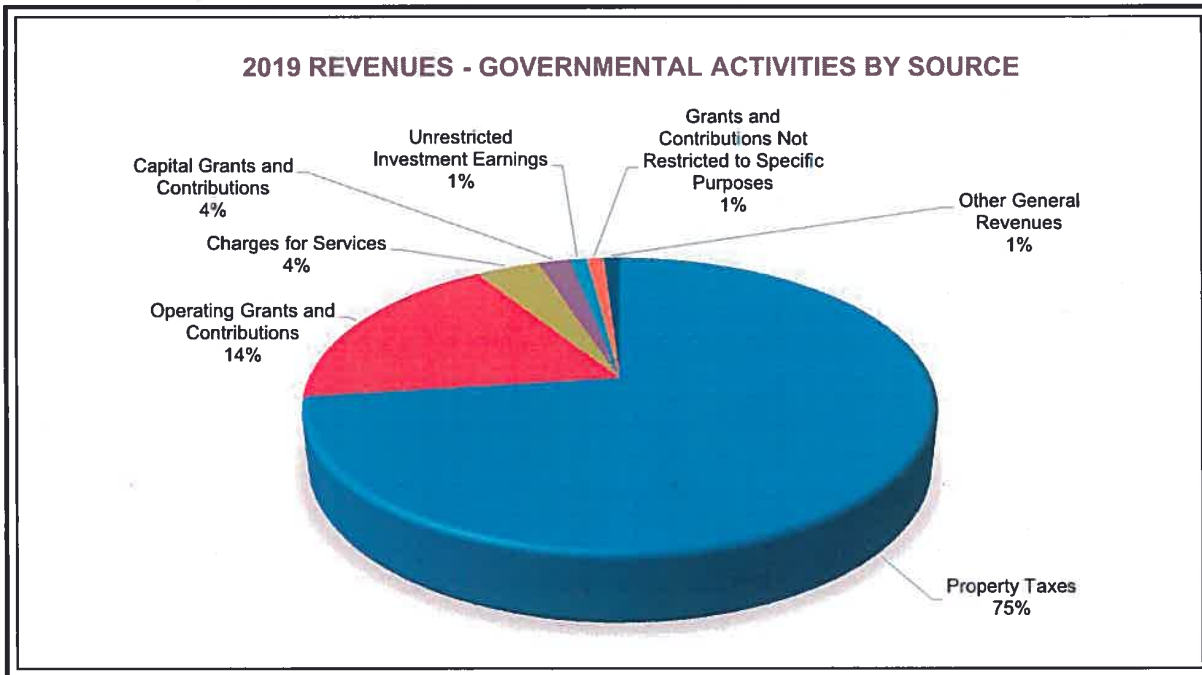
	<b>Changes in Net Position In Thousands</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Revenues:						
Program revenues:						
Charges for services	\$ 15,298	\$ 15,406	\$ 3,694	\$ 3,814	\$ 18,992	\$ 19,220
Operating grants and contributions	46,558	63,999			46,558	63,999
Capital grants and contributions	12,970	6,673	168	356	13,138	7,029
General revenues:						
Property taxes	258,308	252,899			258,308	252,899
Grants and contributions not restricted to specific purposes	2,127	2,360			2,127	2,360
Unrestricted investment earnings	3,719	2,737			3,719	2,737
Other general revenues	4,718	4,855			4,718	4,855
Total revenues	<u>343,698</u>	<u>348,929</u>	<u>3,862</u>	<u>4,170</u>	<u>347,560</u>	<u>353,099</u>
Program expenses:						
General government	15,076	12,947			15,076	12,947
Public safety	65,519	62,903			65,519	62,903
Community maintenance	37,686	42,443			37,686	42,443
Human and cultural	20,843	13,812			20,843	13,812
Education	208,031	220,200			208,031	220,200
Interest on long-term debt	4,271	4,601			4,271	4,601
Leisure services			5,930	6,179	5,930	6,179
Total program expenses	<u>351,426</u>	<u>356,906</u>	<u>5,930</u>	<u>6,179</u>	<u>357,356</u>	<u>363,085</u>
Change in net position before transfers	(7,728)	(7,977)	(2,068)	(2,009)	(9,796)	(9,986)
Transfers	(270)	(20)	270	20		
Change in net position	<u>(7,998)</u>	<u>(7,997)</u>	<u>(1,798)</u>	<u>(1,989)</u>	<u>(9,796)</u>	<u>(9,986)</u>
Net Position at Beginning of Year	<u>(130,430)</u>	<u>(122,433)</u>	<u>3,429</u>	<u>5,418</u>	<u>(127,001)</u>	<u>(117,015)</u>
Net Position at End of Year	<u>\$ (138,428)</u>	<u>\$ (130,430)</u>	<u>\$ 1,631</u>	<u>\$ 3,429</u>	<u>\$ (136,797)</u>	<u>\$ (127,001)</u>

### Primary Government

Total primary government revenues decreased \$5,539 or 1.5% from the prior year, while total primary government program expenses decreased \$5,729 or 1.5% over the same time period. The following analysis separately considers the operations of governmental and business-type activities.

### Governmental Activities

Revenues from governmental activities exclusive of transfers totaled \$343,698 for fiscal year 2019, a decrease of \$5,231 over the prior year. Property taxes (75%) and operating grants and contributions (14%) were the primary revenue sources, while charges for services, capital grants and contributions, unrestricted grants, investment earnings and other general revenues combined (11%) comprised the balance of the Town's revenues.



Operating grants and contributions totaled \$46,558 in fiscal year 2019, a reduction of \$17,441 from the prior year. Capital grants and contributions increased \$6,297 from the prior year from funds received from Federal and State reimbursements for the construction of the Park Road Interchange project as well as the Hall High School Science labs. On a government-wide basis, unrestricted investment earnings include both short-term investments in the governmental funds as well as investment income from the risk management reserve accounts. There was a favorable variance of \$982 in unrestricted investment earnings in fiscal year 2019 as compared to the prior year.

In order to cover the increased cost of services and significant uncertainty regarding State aid, the fiscal year 2019 adopted General Fund budget required an increase in current year property tax revenue. Actual property tax revenue was \$5,409 higher than in fiscal year 2018.

Program expenses for governmental activities totaled \$351,426 for fiscal year 2019. Approximately 21% of program expenses were supported by program revenues with the balance funded from general revenues, primarily property taxes. Expenses for education (59%), public safety (19%), and community maintenance (11%) comprise 89% of total governmental activities program expenses, with general government, human and cultural, and interest on long-term debt comprising the balance (11%).

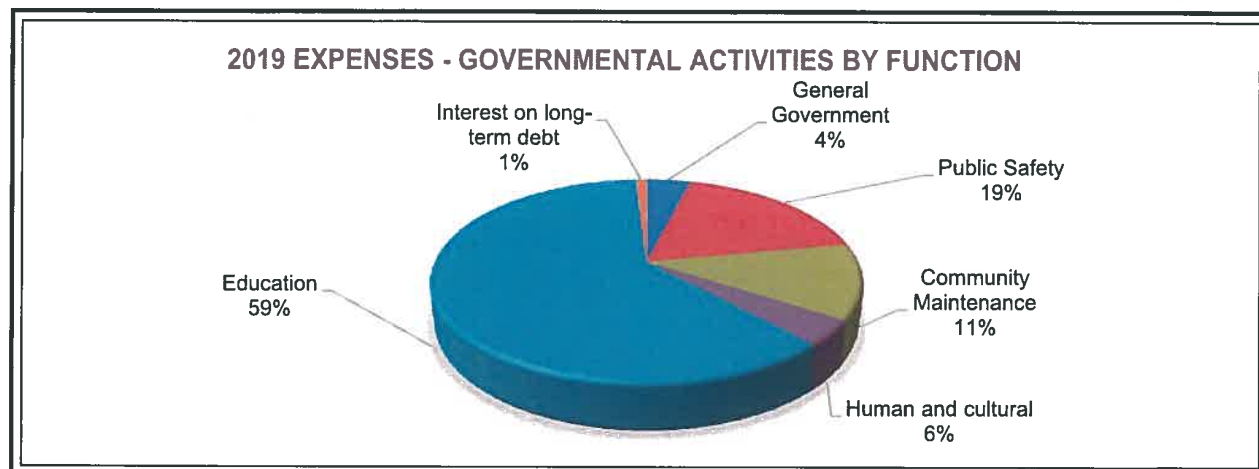
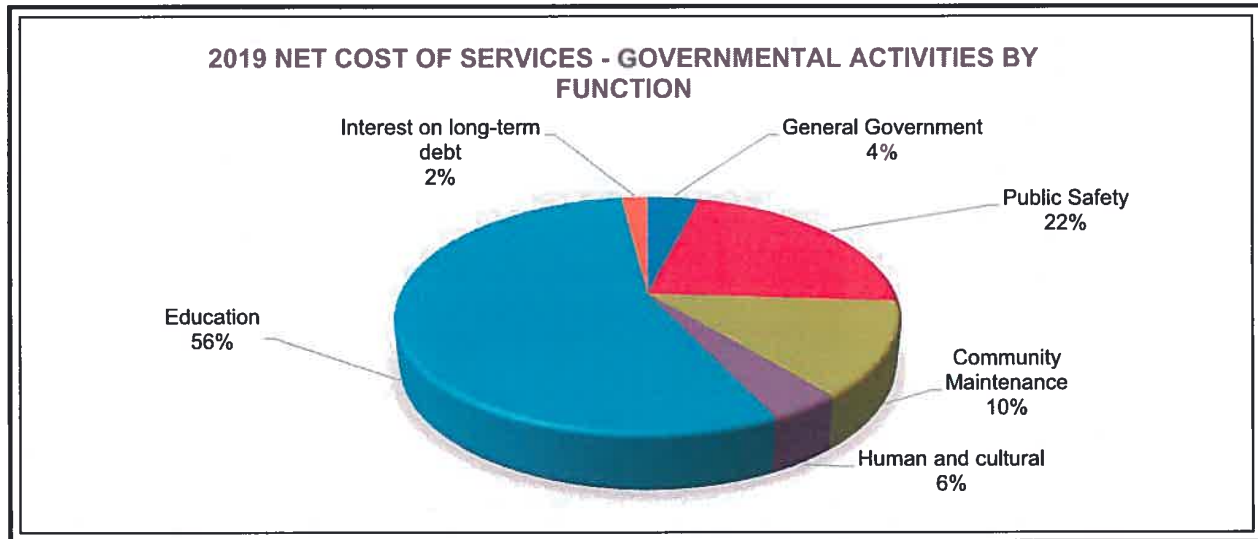


Table 3 presents the total cost and net cost of services (total cost less revenues from non-tax sources directly related to the individual function) for each of the Town's six major functions: education, public safety, community maintenance, human and cultural, general government, and interest on long-term debt. The net cost shows the financial burden placed on the Town's taxpayers by function.

<b>TABLE 3</b> <b>Cost of Governmental Activities by Function</b> <i>In Thousands</i>				
	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Education	\$ 208,031	\$ 220,200	\$ 153,859	\$ 151,435
Public safety	65,519	62,903	61,586	58,351
Community maintenance	37,686	42,443	26,409	34,055
Human and cultural	20,843	13,812	18,087	11,135
General government	15,076	12,947	12,388	11,251
Interest on long-term debt	4,271	4,601	4,271	4,601
<b>Total</b>	<b>\$ 351,426</b>	<b>\$ 356,906</b>	<b>\$ 276,600</b>	<b>\$ 270,828</b>





### **Business-Type Activities**

Revenues from business-type activities decreased \$308 from the prior year. Program revenue declined \$120 primarily due to declining sales experienced at Rockledge Golf Course. Program expenses decreased \$249 over the prior year, while net transfers were \$250 more than the prior year. The change in net assets for fiscal year 2019 was a net reduction of \$1,798 from the prior year.

### **FUND FINANCIAL ANALYSIS**

As noted earlier, the Town uses fund accounting to control and manage financial activities for a particular purpose or to demonstrate compliance with legal requirements.

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

As of June 30, 2019, the Town's governmental funds (as presented in the Balance Sheet - Exhibit III) reported a combined fund balance of \$40,690. This represents a decrease of \$7,015 or 14.7% from the prior year. Based upon fund balance classification under GASB 54, \$26,375 or 64.8% is unassigned and comprised of fund balance of the General Fund. An additional \$11,396 or 28% is committed or constrained for a specific purpose by the Town Council. The remainder is comprised of non-spendable (\$410), restricted (\$2,066), and assigned (\$443) fund balance, as defined in footnote 1.

For fiscal year 2019, the total net change in fund balances for governmental funds (Exhibit IV) was a decrease of \$7,015. Included in this total is an increase of \$800 for the General Fund. Factors affecting the General Fund are discussed below in the General Fund Highlights section. Fund balance of the Capital Project Funds decreased \$7,868, reflecting intergovernmental revenue of \$11,309 for school and infrastructure projects, transfers in of \$2,780, charges for services of \$173 and miscellaneous revenues from sale of assets and reimbursements of \$1,590. Capital expenditures totaled \$33,386, and transfers out were \$372. Non-major Governmental Funds experienced a net increase in fund balance of \$332, as detailed by fund in Exhibit B-2. Significant changes in fund balance were seen in the Parking Lot Fund (\$26), School Special Programs Fund (\$96), Westmoor Park Fund (-\$41), Cafeteria Fund (\$111), Cemetery Operating Fund (\$51) and Police Private Duty Fund (\$63), while the remaining non-major governmental funds experienced modest changes totaling a net increase of \$26.

### Proprietary Funds

The Town's proprietary fund statements (Exhibits V-VII) provide the same type of information found in the government-wide financial statements, but in more detail. Total net position of proprietary funds was \$17,966 at year-end, a decrease of \$1,519 from the prior year. Net position of the Internal Service Funds had a net increase of \$279 primarily from lower claim expense in the Risk Management Fund offset by increased expenses in the Utilities Services Fund. As mentioned previously, the Leisure Services Fund experienced a reduction in net position of \$1,798.

### General Fund Highlights

Over the course of the year, the Town Council approved budget revisions for factors not known during the budget process. Tables 4 and 5 highlight the changes from the original adopted budget to the final amended budget for fiscal year 2019 and the variance between the final budget and actual results.

<b>Revenue</b>	<b>Budget</b>		<b>Change</b>	<b>Actual Revenue</b>	<b>Over/ (Under) Final Budget</b>
	<b>Original</b>	<b>Final</b>			
Property taxes	\$ 257,144	\$ 258,119	\$ 975	\$ 258,047	\$ (72)
Federal	8	498	490	453	(45)
State	22,916	23,937	1,021	23,989	52
Charges for services	5,296	5,429	133	5,768	339
Local revenues	1,305	1,429	124	929	(500)
Income on investments	630	1,650	1,020	1,714	64
Transfers in	484	484		396	(88)
<b>Total</b>	<b>\$ 287,783</b>	<b>\$ 291,546</b>	<b>\$ 3,763</b>	<b>\$ 291,296</b>	<b>\$ (250)</b>

### General Fund Budgetary Amendments

The General Fund's final estimated revenues increased \$3,763 or 1.3% from the original adopted budget.

- Estimated revenues from property taxes increased \$975 to fund year-end contributions to the Capital Non-recurring Expenditure (CNRE) Fund.
- Additional federal grants totaling \$490 were appropriated during the fiscal year. These included police grants (\$264) relating to underage drinking, distracted driving and driving under the influence, Federal Emergency Management Agency reimbursement (\$215) for winter storms, and Dial-a-Ride grants (\$11).
- Estimated intergovernmental revenue from the State of Connecticut increased \$1,021 primarily due to an increase in Education Cost Sharing grant which was used to fund year-end transfers to the CNRE and Utility Services Funds.
- Estimated charges for services increased \$133 primarily due to an increase in building permit revenue which was used to fund year end transfers to the CNRE Fund.
- The increase in local revenues of \$124 resulted from the expired tax overpayments.
- Estimated income on investments increased \$1,020 to fund a year-end transfer to the Debt Service Fund.

### General Fund Revenue Variance

When compared to final estimated revenues, total revenue was slightly less than budgeted by \$250. Successful collection of property taxes has been key to the financial health of the Town. Current year property tax collection remains strong, with the Town achieving a collection rate of 99.3% and demonstrated strong collection of delinquent taxes.

State revenue was greater than the final budget by \$52 primarily due to an increase in the payment-in-lieu of taxes grant and school building subsidy grants. Charges for services exceeded budget by \$339. Favorable variances in paramedic services (\$106), program registrations at leisure facilities (\$96), conveyance tax (\$20), fire plan review fees (\$76), parking violations (\$58), miscellaneous permits and licenses (\$27), alarm fees (\$7) and public works permits (\$21) were offset by lower than land record fees (-\$45) library fees (-\$21) and refuse fees (-\$8). Local revenue fell short of budget by (-\$500) exceeded estimates due to positive variances in workers' compensation reimbursements (\$187) and refund of prior year expenditures (\$194). Income on investments achieved a favorable variance of \$64 due to favorable interest rates. Transfers in fell short of budget by (-\$88). A transfer from the Police Private Duty Fund for Construction Site Traffic Control (\$125) was not deemed necessary and was offset by an increase in reimbursements from the Capital Projects Fund for survey and design related to the Park Road interchange project (\$74).

**TABLE 5**  
**Summary of General Fund Budget - Original and Final**  
**Appropriations vs. Actual**  
**In Thousands**

<u>Department</u>	<u>Original</u>	<u>Final</u>	<u>Change</u>	<u>Actual</u> <u>Expenditure</u>	<u>(Over)/</u> <u>Under</u> <u>Final Budget</u>
Town Clerk	\$ 253	\$ 260	\$ 7	\$ 258	\$ 2
Town Council	384	392	8	389	3
Town Manager	384	386	2	386	-
Corporation Counsel	382	463	81	463	-
Registrar of Voters	267	323	56	323	-
Information Technology	914	936	22	936	-
Financial Services	2,367	2,215	(152)	2,215	-
Assessment	753	766	13	766	-
Human Resources	444	493	49	493	-
Fire	11,614	12,973	1,359	12,973	-
Police	14,928	16,019	1,091	16,019	-
Community Development	2,453	2,408	(45)	2,408	-
Public Works	10,518	10,150	(368)	10,104	46
Facilities	2,423	2,936	513	2,936	-
Library	3,432	3,305	(127)	3,305	-
Leisure and Social Services	3,130	2,964	(166)	2,964	-
Education	164,058	164,058	-	163,007	1,051
Debt and Sundry	49,528	47,712	(1,816)	47,624	88
Transfers Out	19,551	22,787	3,236	22,787	-
<b>Total</b>	<b>\$ 287,783</b>	<b>\$ 291,546</b>	<b>\$ 3,763</b>	<b>\$ 290,356</b>	<b>\$ 1,190</b>

Changes to departmental budgets resulted from resolutions relating to grant funds, transfers between departments, and transfers of current year surplus to other funds. Significant variances between the original and amended budget result from the following:

- The Corporation Counsel budget increased \$81 due to the need for retain outside counsel for various issues including resolving billing disputes with the former Advanced Life Support provider. These paramedic services were brought in house.
- The Registrar of Voters budget was increased \$56 primarily due to additional costs of the 2018 primaries.
- The budget of the Financial Services department decreased \$152 due to savings from vacant positions and reduced banking services fees and software maintenance costs.
- The final budget of the Fire Department was \$1,359 higher than that originally adopted. The Fire union contract settled during fiscal year 2019. Budgeted cost for this had previously been budgeted in contingency and was transferred to Fire. The retirement thirteen firefighters also attributed to the increase. These vacancies resulted in an increase overtime due to minimum staffing requirements.
- The Police department budget had an increase of \$1,091 from the originally adopted budget. Appropriations were increased as a result of the Police union contract which settled during fiscal year 2019 and had previously been budgeted in contingency.
- The Department of Public Works budget was reduced \$368 primarily due to payroll savings from a reduction in the number of snow operations from 17 in fiscal year 2018 to 12 in the current year.
- Facilities Services had an increase of \$513 over the original and used this surplus to fund additional contributions to the Utility Services Fund, offset by overtime and regular payroll savings.
- The final budget of the Library was \$127 lower than the original budget. Personal services costs were reduced \$100, primarily in part-time personnel, and office expenses were deferred due to budget constraints.
- The budget of the Department of Leisure and Social Services was reduced \$166 in non-personal savings in accounts throughout the department.
- The final Debt and Sundry budget was decreased \$1,816 primarily from transferring accrued costs associated with previous unsettled Police and Fire collective bargaining agreements to the respective department's budget.
- The final budget for transfers to other funds increased \$3,236 from the original budget. The majority of the current year surplus funded transfers of \$2,375 to the CNRE Fund and \$950 to the Debt Service Fund.

#### ***General Fund Expenditure Variance***

- In comparison to final appropriations, actual expenditures were \$1,190 less than budgeted. Public Works generated savings of \$46 in personal services due to a concerted effort to limit overtime and temporary payroll expenditures. The Board of Education achieved savings of \$1,051, primarily in personnel costs. Debt and sundry was \$88 under budget due to an accrual for unsettled collective bargaining agreements.

**CAPITAL ASSET AND DEBT ADMINISTRATION****Capital Assets**

At June 30, 2019 the Town had \$382.3 million (net of accumulated depreciation) invested in a broad range of capital assets including land, land improvements, buildings, park facilities, vehicles, furniture and equipment, and infrastructure (such as roads, bridges, dams, storm sewers, and traffic signals) as detailed in Table 6. This amount represents a net increase of \$13.6 million, or 3.6%, from the prior year.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Land	\$ 10.5	\$ 10.5	\$	\$	\$ 10.5	\$ 10.5
Construction in progress	102.0	79.8	1.0	1.1	103.0	80.9
Buildings and land improvements	168.8	174.9	9.7	10.5	178.5	185.4
Furniture and equipment	4.2	4.6	0.1	0.1	4.3	4.7
Vehicles	4.5	3.0			4.5	3.0
Infrastructure	81.5	84.2			81.5	84.2
<b>Total Capital Assets</b>	<b>\$ 371.5</b>	<b>\$ 357.0</b>	<b>\$ 10.8</b>	<b>\$ 11.7</b>	<b>\$ 382.3</b>	<b>\$ 368.7</b>

The increase is primarily due to the reconstruction of the Park Road Interchange. This project, which began in fiscal year 2017, has an estimated cost of \$10,265, with 90% of the funded from Federal and State reimbursements. In addition, the continued construction of the new science labs at Hall High School totaled \$9,841 in the current year. The Town has no plans to fund current operations from the proceeds of debt issuance. Detailed information about the Town's capital assets is presented in note 5 to the basic financial statements.



**Long-Term Debt**

On June 30, 2019, the Town had \$139,675 in bonds outstanding versus \$147,085 at the end of the prior year.

<b>Table 7</b> <b>Outstanding Debt at Year-End</b> <i>In Millions</i>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	
General Obligation Bonds (backed by the Town)	\$ 139.7	\$ 147.1	\$ -	\$ -	\$ 139.7
					\$ 147.1

The reduction in outstanding debt results from principal payments on existing debt of \$17,410 in fiscal year 2019, offset by the issuance of \$10,000 in general obligation bonds in January 2019. Long-term debt is discussed in greater detail in note 7 to the financial statements. The Town's general obligation bonds continue to carry the highest ratings awarded by both Moody's Investors Services, Inc. and Standard & Poor's Financial Services, LLC (Aaa and AAA, respectively). These ratings, which have been assigned to the Town since 1972, were reaffirmed by the rating agencies in January 2019.

The State limits the amount of general obligation debt towns can issue based upon a State mandated formula calculated on the type of debt and tax base. The Town's total debt, as calculated by State guidelines, is significantly below the \$1.78 billion State imposed limit. The Town has adopted its own capital financing guidelines which state that annual debt service as a percentage of General Fund expenditures shall not exceed 10% and is targeted to be 8% or less. Actual debt service for fiscal year 2019, inclusive of debt service of the Blue Back Square Fund, was 7.7% of General Fund expenditures. The General Fund portion of debt service was 6.3% of General Fund expenditures. More information on the Town's debt is available in Tables 8, 9 and 10 in the statistical section of this document.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The fiscal year 2020 budget process focused on providing a consistent level of services to residents and visitors while limiting the increase in local taxes. Doing so was challenging as operating expenses continue to increase and there is uncertainty in State aid and diminishing non-tax revenue. The fiscal year 2020 General Fund budget totals \$296,494 and represents an increase of \$8,412 or 2.9% over fiscal year 2019, at the time of adoption. The municipal services portion of the budget totals \$110,360, an increase of \$4,192 or 4%. The education budget totals \$168,801, an increase of \$4,449 or 2.7%. The capital financing portion of the budget for both municipal and education services is \$17,333, a decrease of \$229 or 1.3%.

The fiscal year 2020 budget maintains town and education services with the following assumptions and policy decisions reflected in the adopted budget:

- Grand List increase of approximately \$27.4 million, or 0.4%;
- A current year property tax collection rate of 99.1%;
- A uniform mill rate for real, personal and motor vehicle property;
- Conservative estimates of non-current year tax revenue;
- Current services budget with no new programs;
- Full funding of the actuarially determined contribution to the Town's Pension Plan;
- Reduce debt service costs by utilizing the Capital Non-recurring Expenditure Fund rather than long-term debt financing; and,
- Continued efforts to modify employee benefit programs to reduce costs.

In order to finance the budget, an increase in current year property tax revenue of \$6,471 or 2.6% was required. Approximately \$1,100 will be generated as a result of growth in the Grand List, effectively reducing the tax increase for existing taxpayers by .18mills. In order to generate the necessary property tax revenue, a uniform mill rate of 41.8 was adopted, an increase of 0.8 mills from the prior year rate on real and personal property and motor vehicles.

#### **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the monies it receives. If you have questions about this report or need additional financial information, contact the Department of Financial Services, Town of West Hartford, 50 South Main Street, West Hartford, Connecticut 06107, (860) 561-7460, or visit the Town's website at <http://www.westhartfordct.gov>.

## EXHIBIT I

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**  
**(In Thousands)**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental</b>	<b>Business-Type</b>		<b>West Hartford</b>
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>	<b>Special Services District</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 62,549	\$ 2	\$ 62,551	\$ 26
Investments	27,362		27,362	
Receivables, net	15,239	15	15,254	9
Inventories	328		328	
Prepaid items	2	18	20	
Capital assets:				
Assets not being depreciated	112,538	1,003	113,541	
Assets being depreciated, net	258,995	9,776	268,771	
Total assets	477,013	10,814	487,827	35
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding	873		873	
Deferred outflows related to pensions	18,563	284	18,847	
Deferred outflows related to OPEB	11,189	163	11,352	
Total deferred outflows of resources	30,625	447	31,072	-
<b>Liabilities:</b>				
Accounts and other payables	8,330	148	8,478	
Payroll liabilities	6,480	158	6,638	
Other current liabilities	930		930	4
Internal balances	(2,055)	2,055	-	
Unearned revenue	4,061	596	4,657	31
Noncurrent liabilities:				
Due within one year	32,194	53	32,247	
Due in more than one year	577,067	6,549	583,616	
Total liabilities	627,007	9,559	636,566	35
<b>Deferred Inflows of Resources:</b>				
Deferred inflows related to pensions	1,028	16	1,044	
Deferred inflows related to OPEB	3,774	55	3,829	
Advance property tax collections	14,257		14,257	
Total deferred inflows of resources	19,059	71	19,130	-
<b>Net Position:</b>				
Net investment in capital assets	227,469	10,779	238,248	
Restricted for:				
Perpetual care:				
Nonexpendable	82		82	
Unrestricted	(365,979)	(9,148)	(375,127)	
Total Net Position	\$ (138,428)	\$ 1,631	\$ (136,797)	\$ -

The accompanying notes are an integral part of the financial statements

## EXHIBIT II

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
(In Thousands)

(in thousands)

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets					Component Unit West Hartford Special Services District
	Primary Government				Total	
	Program Revenues	Charges for Services	Expenses	Business-Type Activities		
	Operating Grants and Contributions	Capital Grants and Contributions				
Primary Government:						
Governmental activities:						
General government						
Public safety	7	\$ 1,165	\$ (12,388)	\$ (12,388)	\$ (12,388)	\$ (12,388)
Community maintenance	360	254	(61,586)	(61,586)	(61,586)	(61,586)
Human and cultural	686	5,631	(26,409)	(26,409)	(26,409)	(26,409)
Education	1,229		(18,087)	(18,087)	(18,087)	(18,087)
Interest on long-term debt	44,276	5,920	(153,859)	(153,859)	(153,859)	(153,859)
Total governmental activities	46,558	12,970	(4,271)	(276,600)	(4,271)	(276,600)
Business-type activities:						
Leisure services		168	(2,068)	(2,068)	(2,068)	(2,068)
Total Primary Government	46,558	13,138	(276,600)	(276,600)	(276,600)	(276,600)
Component Unit:						
West Hartford Special Services District	-	-				(1,756)
General revenues:						
Property taxes			258,308		258,308	1,711
Grants and contributions not restricted to specific programs			2,127		2,127	
Unrestricted investment earnings			3,719		3,719	45
Miscellaneous			4,718		4,718	
Transfers			(270)		270	
Total general revenues and transfers			268,602		268,602	1,756
Change in net position			(7,998)		(1,798)	-
Net Position at Beginning of Year			(130,430)		3,429	(127,001)
Net Position at End of Year			\$ (138,428)	\$ 1,631	\$ (136,797)	\$ -

The accompanying notes are an integral part of the financial statements

## EXHIBIT III

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**  
**(In Thousands)**

	General	Capital Project Funds	CDBG Housing Rehabilitation Fund	Debt Service Funds	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 38,718	\$ 5,571	\$	\$ 3,135	\$ 8,810	\$ 56,234
Investments	5,729					5,729
Receivables, net	3,065	5,272	2,777	2	1,743	12,859
Due from other funds	9,102					9,102
Inventories	263				65	328
Total Assets	<u>\$ 56,877</u>	<u>\$ 10,843</u>	<u>\$ 2,777</u>	<u>\$ 3,137</u>	<u>\$ 10,618</u>	<u>\$ 84,252</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts and other payables	\$ 3,322	\$ 2,195	\$	\$	\$ 283	\$ 5,800
Payroll liabilities	6,193				257	6,450
Due to other funds		5,746		268	1,033	7,047
Other liabilities	874				56	930
Unearned revenue	3,051				1,010	4,061
Total liabilities	<u>13,440</u>	<u>7,941</u>	<u>-</u>	<u>268</u>	<u>2,639</u>	<u>24,288</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	2,153					2,153
Unavailable revenue - loans receivable			2,777		87	2,864
Advance property tax collections	14,257					14,257
Total deferred inflows of resources	<u>16,410</u>	<u>-</u>	<u>2,777</u>	<u>-</u>	<u>87</u>	<u>19,274</u>
Fund balances:						
Nonspendable	263				147	410
Restricted					2,066	2,066
Committed		2,902		2,869	5,625	11,396
Assigned	389				54	443
Unassigned	26,375					26,375
Total fund balances	<u>27,027</u>	<u>2,902</u>	<u>-</u>	<u>2,869</u>	<u>7,892</u>	<u>40,690</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 56,877</u>	<u>\$ 10,843</u>	<u>\$ 2,777</u>	<u>\$ 3,137</u>	<u>\$ 10,618</u>	<u>\$ 84,252</u>

(Continued on next page)



## EXHIBIT III

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2019**  
**(In Thousands)**

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

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

Fund balances - total governmental funds (Exhibit III)	\$	40,690
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$	643,618	
Less accumulated depreciation		(272,085)	
Net capital assets			371,533

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

Property tax receivables greater than 60 days	2,153
Interest receivable on property taxes	1,058
Housing loans receivable	2,865
Interest receivable on housing loans	754
Deferred charges	873
Deferred outflows related to pensions	18,563
Deferred outflows related to OPEB	11,189

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

16,335

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

Bonds and notes payable	(139,675)
Interest payable on bonds and notes	(2,016)
Compensated absences	(21,326)
Bond premium	(5,262)
Net pension liability	(260,816)
Net OPEB liability	(170,544)
Deferred inflows related to pensions	(1,028)
Deferred inflows related to OPEB	(3,774)

Net Position of Governmental Activities (Exhibit I)	\$	<u>(138,428)</u>
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The accompanying notes are an integral part of the financial statements

## EXHIBIT IV

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(In Thousands)**

	<u>General</u>	<u>Capital Project Funds</u>	<u>CDBG Housing Rehabilitation Fund</u>	<u>Debt Service Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Property taxes	\$ 258,047	\$	\$	\$	\$	\$ 258,047
Intergovernmental	39,827	11,309	154		8,546	59,836
Charges for services	5,768	173		19	8,852	14,812
Income on investments	1,714	38			500	2,252
Miscellaneous	930	1,590		3,643	856	7,019
Total revenues	<u>306,286</u>	<u>13,110</u>	<u>154</u>	<u>3,662</u>	<u>18,754</u>	<u>341,966</u>
Expenditures:						
Current:						
General government	6,236					6,236
Public safety	28,971				1,628	30,599
Community maintenance	15,464				2,895	18,359
Human and cultural	6,256		27		1,746	8,029
Education	178,489				13,697	192,186
Debt and sundry	47,679			22,420		70,099
Capital outlay		33,386			179	33,565
Total expenditures	<u>283,095</u>	<u>33,386</u>	<u>27</u>	<u>22,420</u>	<u>20,145</u>	<u>359,073</u>
Excess (Deficiency) of Revenues over Expenditures	<u>23,191</u>	<u>(20,276)</u>	<u>127</u>	<u>(18,758)</u>	<u>(1,391)</u>	<u>(17,107)</u>
Other Financing Sources (Uses):						
Transfers in	396	2,780		18,422	2,218	23,816
Transfers out	(22,787)	(372)	(127)	(250)	(495)	(24,031)
Issuance of bonds		10,000				10,000
Bond premium				307		307
Total other financing sources (uses)	<u>(22,391)</u>	<u>12,408</u>	<u>(127)</u>	<u>18,479</u>	<u>1,723</u>	<u>10,092</u>
Net Change in Fund Balances	800	(7,868)	-	(279)	332	(7,015)
Fund Balances at Beginning of Year	<u>26,227</u>	<u>10,770</u>	<u>-</u>	<u>3,148</u>	<u>7,560</u>	<u>47,705</u>
Fund Balances at End of Year	<u>\$ 27,027</u>	<u>\$ 2,902</u>	<u>\$ -</u>	<u>\$ 2,869</u>	<u>\$ 7,892</u>	<u>\$ 40,690</u>

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## EXHIBIT IV

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(In Thousands)**

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ (7,015)
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	32,820
Depreciation expense	(15,849)

The statement of activities reports losses arising from the trade-in or disposal of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in or disposal of capital assets.	(2,418)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Property tax receivable - accrual basis change	147
Property tax interest and lien revenue - accrual basis change	114
Housing loans accrued interest	(127)
Housing loans receivable	43
Change in deferred outflows related to pensions	(10,898)
Change in deferred outflows related to OPEB	(3,425)
Change in deferred inflows related to pensions	1,970
Change in deferred inflows related to OPEB	(3,774)

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

Bond proceeds	(10,000)
Bond premium	(307)
Bond principal payments	17,410

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

Compensated absences	(374)
Accrued interest	137
Amortization of deferred charge on refunding	(125)
Amortization of bond premiums	727
Change in net OPEB liability	1,323
Change in net pension liability	(8,656)

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

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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (7,998)</u>
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The accompanying notes are an integral part of the financial statements

## EXHIBIT V

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2019**  
**(In Thousands)**

	<b>Business-Type Activities Leisure Services Fund</b>	<b>Governmental Activities Internal Service Funds</b>
<b>Assets:</b>		
<b>Current:</b>		
Cash and cash equivalents	\$ 2	\$ 6,315
Investments		21,633
Receivables, net	15	567
Prepaid items	18	2
Total current assets	<u>35</u>	<u>28,517</u>
<b>Noncurrent:</b>		
<b>Capital assets:</b>		
Assets not being depreciated	1,003	
Assets being depreciated, net	9,776	
Total noncurrent assets	<u>10,779</u>	<u>-</u>
Total assets	<u>10,814</u>	<u>28,517</u>
<b>Deferred Outflows of Resources:</b>		
Deferred outflows related to pensions	284	
Deferred outflows related to OPEB	163	
Total deferred outflows of resources	<u>447</u>	<u>-</u>
<b>Liabilities:</b>		
<b>Current:</b>		
Accounts and other payables	148	516
Payroll liabilities	158	28
Due to other funds	2,055	
Risk management claims		6,401
Unearned revenue	596	
Compensated absences	53	
Total current liabilities	<u>3,010</u>	<u>6,945</u>
<b>Noncurrent:</b>		
Compensated absences	76	
Net pension liability	3,999	
Net OPEB liability	2,474	
Risk management claims		5,237
Total noncurrent liabilities	<u>6,549</u>	<u>5,237</u>
Total liabilities	<u>9,559</u>	<u>12,182</u>
<b>Deferred Inflows of Resources:</b>		
Deferred inflows related to pensions	16	
Deferred inflows related to OPEB	55	
Total deferred inflows of resources	<u>71</u>	<u>-</u>
<b>Net Position:</b>		
Invested in capital assets	10,779	
Unrestricted	(9,148)	16,335
<b>Total Net Position</b>	<u>\$ 1,631</u>	<u>\$ 16,335</u>

The accompanying notes are an integral part of the financial statements

## EXHIBIT VI

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN FUND NET POSITION - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(In Thousands)**

	<u>Business-Type Activities Leisure Services Fund</u>	<u>Governmental Activities Internal Service Funds</u>
Operating Revenues:		
Fund premiums	\$	\$ 40,758
Charges for services	3,685	
Employee contributions		7,536
Other	9	386
Total operating revenues	<u>3,694</u>	<u>48,680</u>
Operating Expenses:		
Administrative expense		256
Personal services	1,290	
Employee benefits		39,048
Insurance and program services		5,847
Utilities	483	4,668
Other operating expense	3,013	
Depreciation	1,144	
Total operating expenses	<u>5,930</u>	<u>49,819</u>
Operating Loss	(2,236)	(1,139)
Nonoperating Revenue:		
Income on investments		<u>1,473</u>
Income (Loss) Before Contributions and Transfers	(2,236)	334
Capital contributions	168	
Transfers in	270	
Transfers out		<u>(55)</u>
Change in Net Position	(1,798)	279
Net Position at Beginning of Year	<u>3,429</u>	<u>16,056</u>
Net Position at End of Year	\$ <u><u>1,631</u></u>	\$ <u><u>16,335</u></u>

The accompanying notes are an integral part of the financial statements



## EXHIBIT VII

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(In Thousands)**

	<b>Business-Type Activities Leisure Services Fund</b>	<b>Governmental Activities Internal Service Funds</b>
Cash Flows from Operating Activities:		
Cash received from employees	\$	\$ 7,536
Cash received from operating funds		40,758
Cash received from customers	3,731	
Cash payments to employees for services	(847)	
Cash payments to suppliers for goods and services	(3,071)	(11,472)
Cash payment to providers benefits		(37,597)
Other operating receipts	9	386
Net cash provided by (used in) operating activities	<u>(178)</u>	<u>(389)</u>
Cash Flows from Noncapital Financing Activities:		
Transfers from other funds	270	
Transfers to other funds		(55)
Net cash flows provided by (used in) noncapital financing activities	<u>270</u>	<u>(55)</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition of capital assets	(92)	
Cash Flows from Investing Activities:		
Gain on investments		88
Net Increase (Decrease) in Cash and Cash Equivalents	-	(356)
Cash and Cash Equivalents at Beginning of Year	2	6,671
Cash and Cash Equivalents at End of Year	<u>\$ 2</u>	<u>\$ 6,315</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ (2,236)	\$ (1,139)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,144	
Change in assets and liabilities:		
(Increase) decrease in receivables	(1)	606
(Increase) decrease in prepaid items	3	
(Increase) decrease in deferred outflows	217	
Increase (decrease) in accounts and other payables	3	(713)
Increase (decrease) in payroll liabilities	87	12
Increase (decrease) in pension liability	133	
Increase (decrease) in OPEB liability	(19)	
Increase (decrease) in risk management claim liability		845
Increase (decrease) in due to other funds	419	
Increase (decrease) in deferred inflows	25	
Increase (decrease) in unearned revenue	47	
Net Cash Provided by (Used in) Operating Activities	<u>\$ (178)</u>	<u>\$ (389)</u>
Noncash Investing and Capital Financing Activities:		
Net increase (decrease) in fair value of investments	<u>\$ -</u>	<u>\$ 1,381</u>
Contribution of Capital Assets from Town	<u>\$ 168</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

## EXHIBIT VIII

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2019**  
**(In Thousands)**

	<b>Pension and Other Employee Benefit Trust Funds</b>	<b>Student Activity Fund</b>
<b>Assets:</b>		
Cash and cash equivalents	\$ 3,101	\$ 1,173
Investments:		
Mutual funds	176,283	
Common stock	16,928	
Alternative investments	23,203	
Receivables:		
Interest and dividends	16	
<b>Total assets</b>	<b>219,531</b>	<b>\$ 1,173</b>
<b>Liabilities:</b>		
Accounts and other payables	156	\$ 1,173
<b>Net Position:</b>		
Restricted for Pension and OPEB Benefits	<b>\$ 219,375</b>	

The accompanying notes are an integral part of the financial statements

## EXHIBIT IX

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(In Thousands)**

	<b>Pension and Other Employee Benefit Trust Funds</b>
Additions:	
Contributions:	
Employer	\$ 36,431
Plan members	3,410
Other revenue	294
Total contributions	<u>40,135</u>
Investment income (loss):	
Net change in fair value of investments	7,456
Interest	151
Dividends	4,401
Total investment income (loss)	<u>12,008</u>
Less investment expense	<u>(445)</u>
Net investment income (loss)	<u>11,563</u>
Total additions	<u>51,698</u>
Deductions:	
Benefits	43,971
Administration	<u>338</u>
Total deductions	<u>44,309</u>
Change in Net Position	7,389
Net Position at Beginning of Year	<u>211,986</u>
Net Position at End of Year	<u><u>\$ 219,375</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**  
**(In Thousands)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Town was incorporated in 1854. The Town operates under a Council-Manager form of government and provides the following services as authorized by its Charter: public safety, community maintenance, human and cultural resources, education and general government.

The primary government includes the Town of West Hartford, the Town of West Hartford Board of Education and the Town of West Hartford Library Board, as the Town exercises legal powers on their behalf. All functions included in the primary government are under the jurisdiction of the Town Council and administered by the Town Manager as determined on the basis of budget adoption. The West Hartford-Bloomfield Health District, the West Hartford Housing Authority and the Metropolitan District Commission (MDC), a quasi-municipal corporation that provides water and sewer services to West Hartford and other member communities, are excluded from this report.

**Discretely Presented Component Unit**

Pursuant to Chapter 105A of the Connecticut General Statutes, the Town established a special service district to be known as "West Hartford Center Special Service District." The purpose of the West Hartford Center Special Service District shall be to promote the economic and general welfare of the citizens and property owners of West Hartford both within and without such district through the preservation, enhancement, protection and development of the economic health and vitality of West Hartford. This legally separate entity is included as a component unit due to its close relationship to, or financial integration with the Town. This entity has its own separate corporate powers and cannot be reported as a component unit of another entity. The governing body of the special service district is substantially the same as the governing body of the Town. The Town is not responsible for the operational management of the special service district and the services provided by the district are not provided entirely to the Town or exclusively benefit the Town. Separate financial statements have not been prepared for the West Hartford Center Special Service District.

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

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

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**  
**(In Thousands)**

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Fund and Trust Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues, including property taxes, to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of housing loans receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

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

The Capital Project Funds are used to account for financial resources to acquire or construct major capital facilities, other than those financed by proprietary funds.

The CDBG Housing Rehabilitation Fund accounts for housing loan activity under the federal grant program. The major source of revenue for this fund is federal assistance.

The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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The Town reports the following major proprietary fund:

The Leisure Services Fund accounts for recreation activities of the Town.

Additionally, the Town reports the following fund types:

The Internal Service Funds account for the risk management activities and utilities services of the Town.

The Pension and Other Employee Benefit Trust Funds account for the activities of the defined benefit pension plans and Other Post Employment Benefits Trust Fund, which accumulate resources for pension and health benefit payments to qualified employees upon retirement.

The Agency Fund is used to account for assets held by the Town in an agent capacity for student activities. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

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

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

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

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

#### **D. Deposits and Investments**

Cash and cash equivalents consist of cash in banks and short-term investments in certificates of deposits having an original maturity of 90 days or less, money market accounts and the State of Connecticut's Short-Term Investment Fund (STIF), which has legislative approval for municipal use. The Town uses a pooled investment account for all funds except the Pension Trust Fund to maximize cash management opportunities. Section 18-41 of the Town code requires apportionment of interest income, which is done on a monthly basis, based on the average daily cash balance of all funds in the pooled cash account.

Investments are reported at fair value.



**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**  
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**E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property taxes are levied on July 1 on all assessed property on the Grand List as of October 1 prior to the beginning of the fiscal year. Taxes are due July 1; however, at the discretion of the Town, and for the convenience of the taxpayer, real estate and business personal property tax bills are payable in two installments - July 1 and January 1. Motor vehicle taxes are due in one installment on July 1. Supplemental motor vehicle taxes (for vehicles registered between October 1 and August 1) are due in one installment on January 1. Taxes become delinquent one month after the installment is due. Delinquent taxes are billed at least four times a year, with interest charged at the rate of 1.5% per month retroactive to the original due date.

In accordance with state law, the oldest outstanding tax is collected first. Prior to June 30 of each year, liens are automatically placed on outstanding real estate tax accounts, with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years, at which time they cease to be carried as receivables.

Real estate, motor vehicle and personal property accounts are no longer collectible 15 years after due date in accordance with State Statutes. An amount of \$468 has been established as an allowance for uncollectible taxes at June 30, 2019. This represents 14.6% of all property taxes receivable.

**F. Inventories and Prepaid Items**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**G. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 (\$100,000 for infrastructure) (amounts not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

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

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is not included as part of the capitalized value of the assets constructed.

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

<b>Assets</b>	<b>Years</b>
Buildings	25-50
Land improvements	20
Vehicles	5-15
Furniture and equipment	3-20
Infrastructure	15-60

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

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

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

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**I. Long-Term Obligations**

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

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

**J. Net Pension Liability**

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

**K. Net OPEB Liability**

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

**L. Compensated Absences**

A limited amount of vacation earned may be accumulated by employees until termination of their employment, at which time they are paid for accumulated vacation. Vacation leave liability is valued using current salary costs, as well as any salary-related payments that are directly and incrementally connected with leave payments to employees. (The calculation includes any nonvested leave earned by employees that are considered likely to vest for both sick and vacation leave). Sick leave is accrued and is contingent upon absences being caused by employees' future illnesses or retirements. The sick leave calculation is also based on current salary costs as well as salary-related payments.

Eligible Town employees earn 15 days of sick leave per year and 10-25 days of vacation per year depending on the employees' length of service. A maximum of 150 days of sick leave and 50 days of vacation leave may be accrued. An employee leaving the employ of the Town is entitled to be paid a maximum of 50 days for vacation and 70-100 days unused sick leave upon retirement, based upon union contract.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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Board of Education employees earn 10-18 days of sick leave per year. Maximum sick leave accrual varies by bargaining units from 90-220 days. Board of Education employees, with the exception of teachers, earn 10-30 days of vacation leave that cannot be accrued and must be used within the fiscal year. Upon termination, Board employees are paid for all unused vacation leave. Unused sick leave is paid only on retirement to a maximum of 35-60 days depending on bargaining units.

**M. Equity**

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

**Net Investment in Capital Assets**

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

**Restricted**

Net position is restricted because it is externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted**

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

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

**Nonspendable Fund Balance**

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

**Restricted Fund Balance**

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

**Committed Fund Balance**

This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of West Hartford Town Council). A commitment of fund balance and any subsequent modification or rescission requires a resolution of the West Hartford Town Council.

**Assigned Fund Balance**

This balance represents amounts constrained for the intent to be used for a specific purpose by the Town of West Hartford Town Council. The Town Council has authorized the finance director to assign fund balance.

**Unassigned Fund Balance**

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



**TOWN OF WEST HARTFORD, CONNECTICUT**  
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**N. Fund Balance Flow Assumptions**

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**O. Accounting Estimates**

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

**P. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date the financial statements were available to be issued, which date is December 20, 2019.

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

The budgetary basis follows the modified accrual basis of accounting except that encumbrances are recognized as a valid and proper charge against an appropriation in the year the purchase order is issued. In accordance with the Town Charter, Chapter VII, not later than 130 days before the end of the fiscal year, each department files a detailed statement of estimated revenues and proposed expenditures for the ensuing fiscal year. The Superintendent of Schools files a similar statement with the Board of Education and Town Manager at least 115 days prior to the end of the fiscal year.

Not later than 110 days prior to the end of the fiscal year, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

Not later than 75 days before the end of the fiscal year, two or more public hearings are conducted at locations throughout the Town to obtain taxpayer comments.

Not later than 65 days before the end of the fiscal year, the budget is legally enacted through passage of an ordinance. The appropriated budget is prepared by fund, department and character of expenditure. The legal level of budgetary control is at both the character and department level. Each department's budget is appropriated at four characters of expenditure (personal services, nonpersonal services, capital outlay and debt and sundry). The budget for education is appropriated at the department level.

**TOWN OF WEST HARTFORD, CONNECTICUT**  
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The Town Manager is authorized to transfer appropriated amounts within departments as long as the characters of expenditure remain the same. Transfers between characters of expenditure and departments must be approved by resolution of the Town Council. During the last three months of the fiscal year, the Town Council may delegate this authority to transfer between departments to the Town's administration. Any revisions that alter the total revenues or expenditures must be approved by the Town Council.

Legally adopted operating budgets were employed during the year for the General Fund and all special revenue funds, except the following: Cafeteria Fund, Drug Enforcement Fund, School Grants Fund, School Special Programs Fund, School Interscholastic Sports Fund, Police Home Ownership Program Fund, C.F. Morway Fund, The Town That Cares Fund, School Donations Trust, Affordable Housing Trust and Veterans Memorial. A budget is also adopted for the Leisure Services Fund (enterprise fund). The Capital Projects Fund budget is adopted on a project basis for the life of the project, and a budgetary comparison is included as a schedule in this report and includes the activity of the Capital and Nonrecurring Expenditure Fund.

For financial statement comparisons, budgetary results have been reconciled to GAAP. Budgeted amounts are as originally adopted or as amended by the Town Council. Supplemental budget amendments totaling \$3,763 were made to the adopted fiscal year 2019 General Fund budget to increase total appropriations.

Unencumbered appropriations lapse at year end with the exception of the Capital Projects Fund.

Appropriations in addition to those contained in the budget, made for the purpose of meeting a public emergency threatening the public peace, life, health or property within the Town and emergency appropriations, the total amount of which shall not exceed 3% of the current tax levy in any one fiscal year, may be made upon the recommendation of the Town Manager and by a vote of not less than two-thirds of the entire membership of the Town Council. A public hearing, at which any elector or taxpayer of the Town shall have an opportunity to be heard, shall be held prior to making such appropriation, notice of which hearing shall be given in a newspaper having circulation in the Town not more than ten (10) nor less than five (5) days prior to such hearing.

Such hearing and notice of hearing may be waived if the Town Council, by at least two-thirds of its entire membership, shall decide that a delay in making the emergency appropriation would jeopardize the public peace, life, health or property within the Town. In the absence of an available unappropriated and unencumbered General Fund cash balance to meet such appropriation, additional means of financing shall be provided in such manner, consistent with the provisions of the Connecticut General Statutes and of the Town Charter, as may be determined by the Town Council.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as commitment or assignment of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

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

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



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

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

**Deposits**

**Deposit Custodial Credit Risk**

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$49,151 of the Town's bank balance of \$54,522 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	44,136
Uninsured and collateral held by the pledging trust department, not in the Town's name		<u>5,015</u>
Total Amount Subject to Custodial Credit Risk	\$	<u><u>49,151</u></u>

The table above includes \$26 related to West Hartford Special Service District (a discretely presented component unit).

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**Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. At June 30, 2019, the Town's cash equivalents amounted to \$16,909. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations.

	<b>Standard &amp; Poor's</b>
State Short-Term Investment Fund (STIF)	AAAm
Wells Fargo	*
* Not Rated	

**Investments**

As of June 30, 2019, the Town had the following investments in the General Fund, Pension, OPEB and Risk Management Funds:

Investment Type	Fair Value	Investment Maturities (Years)		
		Less Than 1	1-10	More Than 10
Interest-bearing investments:				
Certificates of Deposit	\$ 3,249	\$ 1,999	\$ 1,250	\$
U.S. Government Securities	5,742	2,480	1,856	1,406
U.S. Government Agencies	3,913	279	1,778	1,856
Corporate Bonds	1,173		1,084	89
Total	14,077	\$ 4,758	\$ 5,968	\$ 3,351
Other investments:				
Common Stock	16,928			
Mutual Funds	189,568			
Alternative Investments	23,203			
Total Investments	\$ 243,776			

**Interest Rate Risk**

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

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**Credit Risk - Investments**

As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further limit its investment choices. Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the average rating of investments in debt securities.

<u>Average Rating</u>	<u>Corporate Bonds</u>	<u>U.S. Government Securities</u>	<u>U.S. Government Agencies</u>	<u>Certificates of Deposit</u>
Aaa	\$ 1,173	\$ 5,742	\$ 3,913	
Unrated				3,249
	<u>\$ 1,173</u>	<u>\$ 5,742</u>	<u>\$ 3,913</u>	<u>\$ 3,249</u>

**Concentration of Credit Risk**

The Town's general investment policy does not allow for an investment in any one issuer that is in excess of 5% of the Town's total investments at the time of purchase.

**Custodial Credit Risk**

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2019, the Town's investments, other than open-end mutual funds and other pooled accounts that are not categorized as to custodial credit risk, were uninsured and unregistered securities held by the counterparty, or by its trust department or agent, and were not in the Town's name.

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

	<u>June 30, 2019</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
U.S. Government Securities	\$ 5,742	\$ 3,262	\$ 2,480	\$
U.S. Government Agencies	3,913		3,913	
Corporate Bonds	1,173		1,173	
Common Stock	16,928	16,204	724	
Mutual Funds	189,568	189,568		
Alternative Investments	<u>23,203</u>			<u>23,203</u>
Total Investments by Fair Value Level	<u>\$ 240,527</u>	<u>\$ 209,034</u>	<u>\$ 8,290</u>	<u>\$ 23,203</u>

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Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The alternative investments classified in Level 3 are not actively traded and significant observable inputs are not available; therefore, a degree of judgment is necessary to estimate fair value. The valuation process for alternative investments takes into consideration factors such as interest rate changes, movement in credit spreads, default rate assumptions, prepayment assumptions, type and quality of collateral and market dislocation.

#### 4. RECEIVABLES

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

	<u>General</u>	<u>Capital Projects</u>	<u>CDBG Housing Rehabilitation</u>	<u>Debt Service</u>	<u>Leisure Service Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:							
Taxes	\$ 3,211	\$	\$	\$	\$	\$	\$ 3,211
Interest*						16	16
Accounts and other	88	34		2	15	1,059	1,198
Housing loans			2,777			84	2,861
Intergovernmental	234	5,238				1,167	6,639
Gross receivables	3,533	5,272	2,777	2	15	2,326	13,925
Less allowance for uncollectibles	468						468
Net Total Receivables	<u>\$ 3,065</u>	<u>\$ 5,272</u>	<u>\$ 2,777</u>	<u>\$ 2</u>	<u>\$ 15</u>	<u>\$ 2,326</u>	<u>\$ 13,457</u>

\*Accrued interest on property taxes and long-term housing loans in the amount of \$1,812 are not included in the fund financial statements.

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**5. CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 10,516	\$	\$	\$	\$ 10,516
Construction in progress	79,826	32,202	(8,714)	(1,292)	102,022
Total capital assets not being depreciated	90,342	32,202	(8,714)	(1,292)	112,538
Capital assets being depreciated:					
Buildings	278,279		4,177	(4,178)	278,278
Land improvements	22,103		180		22,283
Vehicles	11,999	408	1,886	(716)	13,577
Furniture and equipment	14,737	210	666	(400)	15,213
Infrastructure	199,924		1,805		201,729
Total capital assets being depreciated	527,042	618	8,714	(5,294)	531,080
Less accumulated depreciation for:					
Buildings	(116,208)	(8,191)		3,052	(121,347)
Land improvements	(9,274)	(1,145)			(10,419)
Vehicles	(9,068)	(722)		716	(9,074)
Furniture and equipment	(10,126)	(1,331)		400	(11,057)
Infrastructure	(115,728)	(4,460)			(120,188)
Total accumulated depreciation	(260,404)	(15,849)	-	4,168	(272,085)
Total capital assets being depreciated, net	266,638	(15,231)	8,714	(1,126)	258,995
Governmental Activities Capital Assets, Net	\$ 356,980	\$ 16,971	\$ -	\$ (2,418)	\$ 371,533
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Construction in progress	\$ 1,078	\$ 168	\$ (243)	\$	\$ 1,003
Capital assets being depreciated:					
Buildings and systems	20,027		243		20,270
Land improvements	10,431				10,431
Furniture and equipment	1,303	92		(45)	1,350
Total capital assets being depreciated	31,761	92	243	(45)	32,051
Less accumulated depreciation for:					
Buildings and systems	(15,993)	(590)			(16,583)
Land improvements	(3,934)	(539)			(4,473)
Furniture and equipment	(1,249)	(15)		45	(1,219)
Total accumulated depreciation	(21,176)	(1,144)	-	45	(22,275)
Total capital assets being depreciated, net	10,585	(1,052)	243	-	9,776
Business-Type Activities Capital Assets, Net	\$ 11,663	\$ (884)	\$ -	\$ -	\$ 10,779

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Depreciation expense was charged to functions of the Town as follows:

Governmental activities:	
General government	\$ 2,489
Public safety	1,205
Community maintenance	5,284
Human and cultural	736
Education	<u>6,135</u>
Total Depreciation Expense - Governmental Activities	\$ <u>15,849</u>
Business-type activities:	
Leisure Services Fund	\$ <u>1,144</u>

**Construction Commitments**

The Town had numerous active construction projects during the year ended June 30, 2019. The following is a summary of capital projects as of June 30, 2019:

	<u>Project Authorization</u>	<u>Cumulative Expenditures and Encumbrances</u>
Public buildings	\$ 11,276	\$ 10,922
Parks and recreation	4,260	2,899
Infrastructure	35,883	30,160
Miscellaneous	14,117	11,205
Schools	<u>72,875</u>	<u>69,484</u>
Total	\$ <u>138,411</u>	\$ <u>124,670</u>

The commitments are being financed with general obligation bonds and state and federal grants.



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**6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivable and payable balances at June 30, 2019 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 9,102	\$
Capital Projects Fund		5,746
Debt Service Funds		268
Nonmajor Governmental Funds		1,033
Leisure Services Fund		2,055
	<u>          </u>	<u>          </u>
Total	<u>\$ 9,102</u>	<u>\$ 9,102</u>

The above interfund balances are the result of temporary circumstances where one fund is due amounts based on budgetary or Town Council requirements or funds being temporarily advanced to provide cash flow.

The following is a schedule of transfers by fund type:

Transfers In	Transfers Out						Total Transfers In
	General	Capital Projects	CDBG Housing Rehabilitation Fund	Debt Service	Nonmajor Governmental	Internal Service	
General	\$	\$ 271	\$	\$	\$ 70	\$ 55	\$ 396
Capital Projects	2,375				405		2,780
Debt Service Fund	18,422						18,422
Nonmajor Governmental	1,990	101	127				2,218
Leisure Services Fund				250	20		270
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Transfers Out	<u>\$ 22,787</u>	<u>\$ 372</u>	<u>\$ 127</u>	<u>\$ 250</u>	<u>\$ 495</u>	<u>\$ 55</u>	<u>\$ 24,086</u>

Note: Transfers represent normal operating procedures required by budgetary or Town Council action.

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**7. LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation bonds	\$ 147,085	\$ 10,000	\$ (17,410)	\$ 139,675	\$ 17,310
Bond premium	<u>5,682</u>	<u>307</u>	<u>(727)</u>	<u>5,262</u>	
Total bonds payable	152,767	10,307	(18,137)	144,937	17,310
Compensated absences	20,952	8,597	(8,223)	21,326	8,483
Net OPEB liability	171,867		(1,323)	170,544	
Net pension liability	252,160	8,656		260,816	
Risk management liability	<u>10,793</u>	<u>38,442</u>	<u>(37,597)</u>	<u>11,638</u>	<u>6,401</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 608,539</u>	<u>\$ 66,002</u>	<u>\$ (65,280)</u>	<u>\$ 609,261</u>	<u>\$ 32,194</u>
Business-Type Activities:					
Compensated absences	\$ 119	\$ 61	\$ (51)	\$ 129	\$ 53
Net OPEB liability	2,493		(19)	2,474	
Net pension liability	<u>3,866</u>	<u>133</u>		<u>3,999</u>	
Total Business-Type Activities Long-Term Liabilities	<u>\$ 6,478</u>	<u>\$ 194</u>	<u>\$ (70)</u>	<u>\$ 6,602</u>	<u>\$ 53</u>

All general obligation long-term bonds are secured by the general revenue raising powers of the Town. No sinking funds have been established as of June 30, 2019. The net pension liability is paid from primarily the General Fund and Leisure Fund. The net OPEB obligation is paid from primarily the General Fund. Compensated absences are paid from revenues of the fund in which the employee is budgeted.

The liability for compensated absences includes termination payments for unused vacation and sick leave using the vesting method outlined in GASB Statement No. 16.

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**Bonds Payable**

The annual debt service requirements of the Town's bonded indebtedness reported in governmental activities described above are as follows:

<b><u>General Obligations</u></b>			
<b><u>Year Ending June 30</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2020	\$ 17,310	\$ 4,609	\$ 21,919
2021	17,465	3,867	21,332
2022	15,755	3,165	18,920
2023	14,155	2,595	16,750
2024	13,240	2,110	15,350
2025-2029	43,425	5,702	49,127
2030-2034	17,275	1,466	18,741
2035	<u>1,050</u>	<u>32</u>	<u>1,082</u>
Total	\$ <u>139,675</u>	\$ <u>23,546</u>	\$ <u>163,221</u>

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**Principal Amount of Debt Indebtedness**

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Debt Outstanding</u>	<u>Date of Fiscal Year Maturity</u>
1/15/2001	General Purpose	4.10-4.50	\$ 10,250	\$ 1,025	2021
1/15/2001	Schools	4.10-4.50	4,750	475	2021
1/15/2002	General Purpose	3.50-4.75	6,415	962	2022
1/15/2002	Schools	3.50-4.75	7,085	1,063	2022
6/15/2009	General Purpose	2.00-3.50	10,903	727	2024
6/15/2009	Schools	2.00-3.50	4,097	273	2024
9/15/2009	Refunding - General Purpose	2.00-4.00	38,583	24,302	2026
9/15/2009	Refunding - Schools	2.00-4.00	3,077	1,938	2026
4/1/2010	Refunding - General Purpose	2.00-5.00	10,280	5,497	2024
4/1/2010	Refunding - Schools	2.00-5.00	10,330	5,523	2024
10/15/2010	General Purpose	2.00-4.00	6,002	803	2026
10/15/2010	Schools	2.00-4.00	1,998	267	2026
2/15/2012	General Purpose	2.50-5.00	11,648	6,989	2028
2/15/2012	Schools	2.50-5.00	3,352	2,011	2028
2/5/2014	General Purpose	2.63-5.00	12,830	8,532	2029
2/5/2014	Schools	2.63-5.00	7,170	4,768	2029
2/12/2015	General Purpose	2.00-3.00	9,655	7,724	2035
2/12/2015	Schools	2.00-3.00	11,345	9,076	2035
1/28/2016	General Purpose	2.00-4.00	12,537	10,025	2031
1/28/2016	Schools	2.00-4.00	1,463	1,170	2031
3/2/2016	Refunding - General Purpose	2.00-4.00	7,055	6,527	2025
3/2/2016	Refunding - Schools	2.00-4.00	5,240	3,138	2025
2/16/2017	General Purpose	2.00-5.00	12,065	10,237	2032
2/16/2017	Schools	2.00-5.00	4,935	4,493	2032
1/11/2018	General Purpose	2.00-5.00	7,665	7,152	2033
1/11/2018	Schools	2.00-5.00	5,335	4,978	2033
2/5/2019	General Purpose	2.00-5.00	5,745	5,745	2034
2/5/2019	Schools	2.00-5.00	4,255	4,255	2034
			<u>\$ 236,065</u>	<u>\$ 139,675</u>	

**Prior Years' In-Substance Defeasance**

In prior years, the Town defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At June 30, 2019, \$7,650 of prior bonds outstanding is considered defeased, of which \$7,781 is held in escrow.

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The following is a schedule of direct and overlapping debt as of June 30, 2019:

<b>Jurisdiction</b>	<b>Outstanding Debt</b>	<b>Percentage Applicable to West Hartford</b>	<b>Outstanding Debt Applicable to Town</b>
West Hartford	\$ 139,675	100.00%	\$ 139,675
Metropolitan District Commission	922,227	22.93%	211,467
Total			\$ 351,142

The Town's indebtedness does not exceed the legal debt limitations as required by the Connecticut General Statutes as reflected in the following schedule:

<b>Category</b>	<b>Debt Limit</b>	<b>Indebtedness</b>	<b>Balance</b>
General purpose	\$ 571,309	\$ 99,207	\$ 472,102
Schools	1,142,617	47,278	1,095,339
Sewers	952,181	211,467	740,714
Urban renewal	825,224		825,224
Pension deficit	761,745		761,745

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$1.78 billion. Except for proprietary fund bonds, if any, all long-term debt obligations are retired through General Fund appropriations.

Indebtedness, in accordance with State Statutes, includes long-term debt outstanding, bond anticipation notes outstanding and the amount of bonds authorized and unissued against which bonds have been issued to partially finance the project. There were \$6,810 of bonds authorized and unissued, for debt limitation purposes, at June 30, 2019.

As of June 30, 2019 the Town had, in addition to amounts referred to above, a total of \$39,410 authorized but unissued debt, consisting of \$21,775 for general public improvements and \$17,635 for school purposes. It is the Town Council's policy to authorize the issuance of bonds for the first two years of the Capital Improvement Program to improve the ability to plan and execute projects. Project funding will be released over a two-year period according to the capital financing policy.

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**8. FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2019 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Inventory	\$ 263	\$	\$	65	\$ 328
Private Cemetery				82	82
Restricted for:					
Grants				110	110
Westmoor park				394	394
Cemetery operating				1,267	1,267
C.F. Morway				13	13
Town that cares				121	121
School donations				91	91
Affordable housing				4	4
Veteran memorial				38	38
State Housing and Community Development				28	28
Committed to:					
Parking lot				2,667	2,667
Cafeteria				692	692
School special programs				1,449	1,449
West Hartford library				81	81
School interscholastic sports				173	173
Technology investment				17	17
Police private duty				75	75
Police home ownership				17	17
Cemetery operating				454	454
Debt and sundry			2,869		2,869
Capital projects		2,902			2,902
Assigned to:					
General government encumbrances	9				9
Community maintenance encumbrances	62			37	99
Human and cultural encumbrances	18			17	35
Education encumbrances	279				279
Public safety encumbrances	21				21
Unassigned	<u>26,375</u>				<u>26,375</u>
Total Fund Balances	<u>\$ 27,027</u>	<u>\$ 2,902</u>	<u>\$ 2,869</u>	<u>\$ 7,892</u>	<u>\$ 40,690</u>

Significant encumbrances at June 30, 2019 are contained in the above table in assigned fund balance. General Fund encumbrances amounted to \$389 at June 30, 2019.



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**9. RISK MANAGEMENT**

**A. Types of Risk**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town established its Risk Management Fund (an internal service fund) in 1980 to account for and finance both its insured and self-insured risks of loss. There are six programs accounted for in the fund: Workers' Compensation, Heart and Hypertension, Town Health, Self-Insured, Insured and Board of Education Health. The Town is self-insured for workers' compensation, heart and hypertension, general liability, automobile liability, law enforcement liability, school leaders and public official's liability, and health claims. In addition, stop-loss or excess coverage is purchased for each of these programs.

**B. Insurance Coverage**

The following is a summary of major coverage:

<b>Coverage</b>	<b>Retention</b>	<b>Limits</b>
Excess workers' compensation	\$ 500	Statutory
General liability	250	\$ 20,000
Law enforcement liability	250	20,000
Public officials liability	250	20,000
School leaders liability	250	20,000
Automobile liability	250	20,000
Auto physical damage-comprehensive	5	Actual Cash Value
Property	50	\$ 500,000
Excess liability	N/A	15,000

Excess liability insurance is maintained with Gemini for \$5,000 excess of \$250 self-insurance retention, with Indemnity Insurance for \$10,000 excess of \$5,000 and with American Alternative Insurance for \$5,000 excess of \$15,000. PMA Management Corporation of New England administers the Self-Insured Workers' Compensation and Self-Insured Risk Programs. Settled claims have not exceeded the commercial coverages above in any of the previous three years.

**C. Loss Estimation Methodology**

The Risk Management Fund receives revenues from other funds to finance its costs. Risk allocations are based on both exposure and experience factors, depending on the risk. In the case of the self-insured, workers' compensation and heart and hypertension programs, actuarial estimates are used to determine ultimate losses. Claims and loss expenses are accrued at their present value utilizing actuarially developed factors and discount rates. The discount rate used is 7.25%. The estimate of incurred but not reported (IBNR) health claims is based on 45 days of average claims for the Town Health program and 30 days of average claims for the Board of Education Health program. Total claims liabilities of \$11.6 million at June 30, 2019 are based on the requirements of GASB Statement 10. This Statement requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred. At the date of the financial statements, the amount of the loss must be able to be reasonably estimated.

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Changes in the fund's claims liabilities for the past two years were as follows:

<u>Fiscal Year</u>	<u>Fiscal Year Liability</u>	<u>Current Year Changes in Estimates</u>	<u>Claim Payments</u>	<u>Fiscal Year Liability</u>
2017-18	\$ 10,262	\$ 38,318	\$ (37,787)	10,793
2018-19	10,793	38,442	(37,597)	11,638

**10. OTHER POSTEMPLOYMENT BENEFITS**

**OPEB Trust Fund**

**A. Plan Description**

The Town, in a single-employer plan in accordance with various collective bargaining agreements, provides retiree medical benefits for the lifetime of the retired member and covered dependents. The plan covers Town, Board of Education, Police and Fire employees as further defined in collective bargaining agreements and other written materials. Eligibility and premium sharing information is detailed in the various collective bargaining agreements.

Management of the other post-employment benefits (OPEB) plan is vested with the Town Manager and Director of Financial Services. The members of the Risk Management Advisory Board constitute the Other Post-Employment Benefits Advisory Board (OPEB Board), which provides policy oversight. The OPEB Board consists of six members, three appointed by the Town Council and three appointed by the Board of Education, who serve a three-year term.

At July 1, 2017, plan membership consisted of the following:

Number of members:	
Active members	1,456
Retired members	<u>813</u>
Total Participants	<u><u>2,269</u></u>

**B. Funding Policy**

The Town has actuarially calculated and funded retiree health benefits in a reserve fund since 1985. All retiree claims are paid for in the reserve fund and funded from a combination of employee contributions, investment income on the reserve balance, revenue from the Medicare subsidy and an annual appropriation from the General Fund. The Health Reserve portion of the Risk Management Fund had net position of \$14,256 on June 30, 2019. State law allows the fund to invest up to a maximum of 50% in equity securities and the assumed rate of return is 7.25%.

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The Town has established a trust fund to irrevocably segregate assets to fund the liability associated with the postemployment benefits, which requires the reporting of a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the Town are negotiated with the various unions representing the employees. Other postemployment benefits for Town and Board of Education employees hired subsequent to an increase in the normal retirement age (July 2003 and forward with varying dates depending on union affiliation) are accounted for in the OPEB Trust Fund.

The Town also began to fund pre-plan change OPEB liabilities in the Trust Fund in fiscal year 2015 and is phasing in the Annual Required Contribution. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

*Town Employees*

Date of hire prior to July 1, 1986 who receive either an early or normal retirement pension benefit: Town pays 100% of premium;

Date of hire after July 1, 1986 and prior to November 10, 1997 who receive a normal retirement pension benefit: Town pays 93% of the premium until Medicare eligibility, then Town pays 100%;

Date of hire after November 10, 1997 and prior to June 30, 2003 who receive a normal retirement pension benefit with eligibility at age 55 and 25 years of service: Town pays 85% of the premium until Medicare eligibility, then Town pays 100%;

Date of hire after November 10, 1997 and prior to June 30, 2003 who receive a normal retirement pension benefit with eligibility at age 60 and 10 years of service: Town pays 70% of the premium until Medicare eligibility, then Town pays 100%;

Date of hire after July 1, 2003 (July 1, 2007 for dispatchers union) who receive a normal retirement pension benefit with eligibility at age 65 with 15 years of service or age 62 with 35 years of service: Town pays 75% of the premium for employee and 50% of the premium for dependent until Medicare eligibility, then Town pays 100%.

*Board of Education*

Teachers and Administrators: Employee pays 100% of the premium for employee and dependent;

Secretarial/Clerical and Nonbargaining: Board pays 100% of the premium for employee and 50% of the premium for dependent;

Custodial and Maintenance: Pre-65, Board pays 100% of the premium for employee and 50% of the premium for dependent; Post-65, the employee pays 100% of the Major Medical premium for both employee and dependent. The Board pays 100% of the premium for the employee and 50% of the premium for dependent for the Over 65 portion;

Nurses: Board pays 50% of the premium for employee and dependent;

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*Police and Fire*

Date of hire prior to July 1, 1986:

- 10-15 years of service: Town pays greater of rate in effect on July 1 after retirement or 50% of the premium;
- 15-20 years of service: Town pays greater of rate in effect on July 1 after retirement or 75% of the premium;
- 20+ years of service: Town pays 100% of the premium.

Fire employees with date of hire on or after July 1, 1986 and prior to July 1, 2005:

- Less than 20 years of service: no coverage;
- 20+ years of service: Town pays 100% of the premium.

Fire employees with date of hire on or after July 1, 2005:

- Less than 25 years of service: no coverage;
- 25+ years of service and age 50: Town pays 100% of the premium.

Police employees with date of hire on or after to July 1, 1986 and prior to July 1, 2006:

- Less than 20 years of service: no coverage;
- 20+ years of service: Town pays 100% of the premium.

Police employees with date of hire on or after July 1, 2006:

- Less than 25 years of service: no coverage;
- 25+ years of service: Town pays 100% of the premium.

**Member Contributions:**

Effective October 2, 2000, active Police employees pay 1% of bi-weekly base wage toward the cost of retiree health benefits;

Effective July 15, 2002, active Fire employees pay 1% of bi-weekly base wage toward the cost of retiree health benefits;

Effective July 1, 2005, active Police and Fire employees pay 1.65% of bi-weekly base wage toward the cost of retiree health benefits.

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**C. Investments**

**Investment Policy**

The investment policy of the OPEB Plan is established and may be amended by the OPEB Board. The investment policy is designed to reflect a prudent investor's tolerance for risk, which is achieved through diversification of the portfolio across a broad selection of asset classes. It is the intent of the policy to pursue an investment strategy that produces a maximum return for the Town through prudent asset allocation and superior investment performance within designated asset classes.

**Rate of Return**

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 6.73%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**D. Net OPEB Liability of the Town**

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

Total OPEB liability	\$	180,222
Plan fiduciary net position		<u>7,204</u>
Net OPEB Liability	\$	<u><u>173,018</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		4.00%

For the year ended June 30, 2019, the Town's net OPEB liability is \$173,018, of which \$170,544 is reported as governmental activities and \$2,474 as business-type activities.

**E. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.60%
Salary increase	3.50%
Investment rate of return	7.25%
Healthcare cost trend rates	The annual healthcare cost trend rate starts at 7.1% in 2017, reducing by .5% each year to an ultimate rate of 4.6% per year rate for 2022 and later.
Mortality	RP-2000 Annuitant and Non-Annuitant Mortality Tables for males and females projected from base year of 2006 to valuation date by Scale BB. A Blue Collar adjustment is applied pre- and post-retirement for members.

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There was no actuarial experience study completed.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core fixed income	40.00 %	1.75 %
U.S. Large Cap Equities	28.50	5.60
Developed Foreign Equities	19.00	5.80
U.S. Small Cap Equities	7.50	5.90
Emerging Markets Equity	<u>5.00</u>	4.25
	<u>100.00 %</u>	

**F. Discount Rate**

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.



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**G. Changes in Net OPEB Liability**

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of July 1, 2018	\$ 179,124	\$ 4,762	\$ 174,362
Changes for the year:			
Service cost	2,903		2,903
Interest on total pension liability	12,439		12,439
Differences between expected and actual experience	915		915
Effect of assumptions changes or inputs	(4,314)		(4,314)
Benefit payments	(10,845)	(10,845)	-
Employer contributions		12,551	(12,551)
Member contributions		118	(118)
Contributions - TRB subsidy		294	(294)
Net investment income (loss)		324	(324)
Net changes	1,098	2,442	(1,344)
Balances as of June 30, 2019	\$ 180,222	\$ 7,204	\$ 173,018

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

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

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Net OPEB Liability	\$ 195,209	\$ 173,018	\$ 154,626

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

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

	<b>1% Decrease (6.10% decreasing to 3.60%)</b>	<b>Healthcare Cost Trend Rates (7.10% decreasing to 4.60%)</b>	<b>1% Increase (8.10% decreasing to 5.60%)</b>
Net OPEB Liability	\$ 151,060	\$ 173,018	\$ 199,930

**J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,249	\$	\$ 33	\$	\$ 2,282	\$
Changes of assumptions	8,752	3,774	127	55	8,879	3,829
Net difference between projected and actual earning on OPEB plan investments	188		3		191	
<b>Total</b>	<b>\$ 11,189</b>	<b>\$ 3,774</b>	<b>\$ 163</b>	<b>\$ 55</b>	<b>\$ 11,352</b>	<b>\$ 3,829</b>

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

<b>Year Ending June 30</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
2020	\$ 3,931	\$ 57	\$ 3,988
2021	3,931	57	3,988
2022	1,381	20	1,401
2023	(360)	(5)	(365)
2024	(377)	(5)	(382)
Thereafter	(1,091)	(16)	(1,107)

For the year ended June 30, 2019, the Town recognized OPEB expense of \$18,510, of which \$18,245 was reported as governmental activities and \$265 as business-type activities.

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The following schedule presents the net position held in trust for OPEB benefits at June 30, 2019 and the changes in net position for the year ended June 30, 2019:

	<b>OPEB Trust Fund</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 2,049
Investments:	
Mutual funds	<u>5,157</u>
Total assets	<u>7,206</u>
<b>Liabilities:</b>	
Accounts and other payables	<u>2</u>
<b>Net Position:</b>	
Restricted for OPEB Benefits	<u>\$ 7,204</u>
	<b>OPEB Trust Fund</b>
<b>Additions:</b>	
Contributions:	
Employer	\$ 12,551
Plan members	118
Other revenue	<u>294</u>
Total contributions	<u>12,963</u>
<b>Investment income:</b>	
Net change in fair value of investments	213
Interest	1
Dividends	<u>112</u>
Total investment income	326
Less investment expense	<u>(2)</u>
Net investment income	<u>324</u>
Total additions	<u>13,287</u>
<b>Deductions:</b>	
Benefits	<u>10,845</u>
Change in Net Position	2,442
Net Position at Beginning of Year	<u>4,762</u>
Net Position at End of Year	<u>\$ 7,204</u>

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

**A. Plan Description**

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

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

**B. Benefit Provisions (not rounded)**

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

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

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

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

**Survivor Health Care Coverage**

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

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**C. Eligibility**

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

**Credited Service**

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

**Normal Retirement**

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

**Early Retirement**

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

**Proratable Retirement**

Age 60 with 10 years of Credited Service.

**Disability Retirement**

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

**Termination of Employment**

Ten or more years of Credited Service.

**D. Contributions (not rounded)**

*State of Connecticut*

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

*Employer (School Districts)*

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

*Employees*

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

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

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

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>48,724</u>
Total	<u>\$ 48,724</u>

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

For the year ended June 30, 2019, the Town recognized OPEB expense and revenue of \$16,186 in Exhibit II.

**F. Actuarial Assumptions**

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

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

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

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



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

**G. Discount Rate**

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

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

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

**I. Other Information**

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

**11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**Town of West Hartford Retirement System**

**A. Plan Description and Benefits Provided**

By the authority of Chapter VIII, Section 3, of the Town Charter and Chapter 30, Article II of the Code of Ordinances, the Town sponsors and maintains a single-employer defined benefit plan (West Hartford Retirement System). This plan covers all full-time employees of the Town and Board of Education, except for those employees eligible for participation in the State of Connecticut Teachers' Retirement System.

The Plan is administered by a Pension Board that is appointed by the Town Council and represents both management and employees. The Pension Board consists of 5 members who serve a 5-year term.

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Certified teachers employed by the Board of Education are eligible to participate in the State of Connecticut Teachers' Retirement System, which is a cost-sharing multi-employer defined benefit Public Employees Retirement System (PERS) with the State acting as a nonemployer contributor.

An annual valuation of the pension plan is conducted on July 1 of each year for the subsequent fiscal year.

Membership in the Plan as of July 1, 2018 was as follows:

Inactive participants:	
Retirees and beneficiaries currently receiving benefits	1,124
Terminated vested employees	67
Total inactive participants	<u>1,191</u>
Active participants	<u>854</u>
Total	<u><u>2,045</u></u>

**B. Summary of Significant Accounting Policies and Plan Asset Matters**

**Basis of Accounting**

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

**Method Used to Value Investments**

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

**C. Funding Policy**

The contribution requirements of plan members are established and may be amended by the Town Council subject to union contract negotiation. As a condition of participation, members are required to contribute a specified portion (1.8% to 7%) of their salary to the Plan, depending upon their class of membership.

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The Plan amortizes the actuarial accrued liability over a 30-year period. Contributions are recommended by the actuary through the Town's fiscal year end of June 30. The Town's contributions for the fiscal years ended June 30, 2019 and 2018 were \$23,880 and \$21,615, respectively, and were in accordance with actuarially determined requirements.

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**D. Investments**

**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Pension Board by a majority vote of its members. It is the policy of the Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Concentrations: The following investment represents more than 5% of the Pension Trust Funds net position as of June 30, 2019:

Baring Core Property Fund, LP	\$	12,408
Acadian Non-US All Cap Equity Fund, USD Hedged, LLC	\$	10,795

**Rate of Return**

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.22%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Net Pension Liability of the Town**

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

Total pension liability	\$	476,986
Plan fiduciary net position		<u>212,171</u>
Net Pension Liability	\$	<u>264,815</u>
Plan fiduciary net position as a percentage of the total pension liability		44.48%

For the year ended June 30, 2019, the Town's net pension liability is \$264,815, of which \$260,816 is reported as governmental activities and \$3,999 as business-type activities.

**F. Actuarial Assumptions**

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

Inflation	2.75%
Salary increases	2.50%
Investment rate of return	7.13%
Mortality	RP-2000 Annuitant and Non-Annuitant Mortality Tables for males and females projected from base year of 2006 to valuation date by Scale BB.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. large cap equities	35.50 %	5.55 %
Core fixed income	30.00	1.65
Developed foreign equities	19.00	5.55
U.S. small cap equities	8.00	6.00
Real estate (property)	5.00	4.20
Emerging market equities	2.50	6.50
	<u>100.00 %</u>	

**G. Discount Rate**

The discount rate used to measure the total pension liability was 7.13%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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<b>Employees' Pension Plan</b>			
	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances as of July 1, 2018	\$ 463,250	\$ 207,224	\$ 256,026
Changes for the year:			
Service cost	7,986		7,986
Interest on total pension liability	32,985		32,985
Effect of assumptions changes or inputs	5,891		5,891
Benefit payments	(33,126)	(33,126)	-
Employer contributions		23,880	(23,880)
Member contributions		3,292	(3,292)
Net investment income (loss)		11,239	(11,239)
Administrative expenses		(338)	338
Net changes	13,736	4,947	8,789
Balances as of June 30, 2019	\$ 476,986	\$ 212,171	\$ 264,815

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

The following presents the net pension liability of the Town, calculated using the current discount rate, 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 or 1 percentage point higher than the current rate:

	<b>1% Decrease (6.13%)</b>	<b>Current Discount Rate (7.13%)</b>	<b>1% Increase (8.13%)</b>
Net Pension Liability	\$ 322,193	\$ 264,815	\$ 216,549

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**  
**(In Thousands)**

**I. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Employees' Pension Plan					
	Governmental Activities		Business-Type Activities		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,814	\$	\$ 43	\$	\$ 2,857	\$ -
Changes of assumptions	15,749		241		15,990	-
Net difference between projected and actual earning on pension plan investments		1,028		16	-	1,044
Total	\$ 18,563	\$ 1,028	\$ 284	\$ 16	\$ 18,847	\$ 1,044

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
2020	\$ 9,500	\$ 146	\$ 9,646
2021	5,901	90	5,991
2022	1,290	20	1,310
2023	844	12	856

For the year ended June 30, 2019, the Town recognized pension expense of \$41,735, of which \$41,138 is reported as governmental activities and \$597 as business-type activities.



**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**  
**(In Thousands)**

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The following schedule presents the net position held in trust for pension benefits at June 30, 2019 and the changes in net position for the year ended June 30, 2019:

	<b><u>Pension Trust Fund</u></b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 1,052
Investments:	
Mutual funds	171,126
Common stock	16,928
Alternative investments	23,203
Receivables:	
Accounts and other receivables	
Interest and dividends	<u>16</u>
Total assets	<u>212,325</u>
<b>Liabilities:</b>	
Accounts and other payables	<u>154</u>
<b>Net Position:</b>	
Restricted for Pension Benefits	<u><u>\$ 212,171</u></u>

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**  
**(In Thousands)**

	<u>Pension Trust Fund</u>
Additions:	
Contributions:	
Employer	\$ 23,880
Plan members	<u>3,292</u>
Total contributions	<u>27,172</u>
Investment income:	
Net change in fair value of investments	7,243
Interest	150
Dividends	<u>4,289</u>
Total investment income	11,682
Less investment expense	<u>(443)</u>
Net investment income	<u>11,239</u>
Total additions	<u>38,411</u>
Deductions:	
Benefits	33,126
Administration	<u>338</u>
Total deductions	<u>33,464</u>
Change in Net Position	4,947
Net Position at Beginning of Year	<u>207,224</u>
Net Position at End of Year	<u>\$ 212,171</u>

**Connecticut Teachers Retirement System - Pension**

**A. Plan Description**

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

**B. Benefit Provisions**

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

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**  
**(In Thousands)**

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**Normal Retirement**

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

**Early Retirement**

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

**Disability Retirement**

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

**C. Contributions**

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

*Employer (School Districts)*

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

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

*Employees*

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

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

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**  
**(In Thousands)**

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

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

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>243,735</u>
Total	\$	<u>243,735</u>

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

For the year ended June 30, 2019, the Town recognized pension expense and revenue of \$27,355 in Exhibit II.

**E. Actuarial Assumptions**

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

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

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

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

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

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**  
**(In Thousands)**

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

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

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

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

**F. Discount Rate**

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

**TOWN OF WEST HARTFORD, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019  
(In Thousands)**

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

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

**H. Other Information**

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

**12. COMMITMENTS AND CONTINGENCIES**

The West Hartford-Bloomfield Health District is a regional health department servicing the towns of West Hartford and Bloomfield. The Town of West Hartford expends at least \$1.00 per capita per fiscal year from annual local tax receipts for the district's services.

The Metropolitan District Commission (the Commission) provides water and sewer services to the Town and certain other area municipalities financed by a service levy on the participating municipalities and user charges. This does not result in overlapping property tax for the residents of the Town. Since this is a separate governmental unit, its audited annual statements are not included in this report but are available from the Commission directly.

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

**13. SUBSEQUENT EVENTS**

On July 9, 2019, the Town issued \$19,900,000 in General Obligation Refunding Bonds (Series B) with a coupon rate between 1.1% and 5.0%. These bonds were issued to refund 2009 Series B Tax Exempt Bonds.

On December 18, 2019, the Town issued \$13,850,000 in General Obligation Refunding Bonds with a coupon rate between 4.0% and 5.0%.



RSI-1

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(In Thousands)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Property taxes:				
Current year levy	\$ 252,544	\$ 253,244	\$ 253,136	\$ (108)
Prior year's collections	1,425	1,425	1,404	(21)
Interest and liens fees	775	875	879	4
Motor vehicle supplement	2,400	2,575	2,575	-
Suspense			53	53
Total property taxes	<u>257,144</u>	<u>258,119</u>	<u>258,047</u>	<u>(72)</u>
Intergovernmental revenues:				
Federal:				
Impact Aid		215	218	3
EMS grant	8	8	32	24
Police Grants		264	154	(110)
Dial-A-Ride grant		11	49	38
Total federal assistance	<u>8</u>	<u>498</u>	<u>453</u>	<u>(45)</u>
State:				
Education Cost-Sharing	20,387	21,053	21,060	7
School Building Grants	121	121	137	16
Payments In Lieu of Taxes	518	867	900	33
Municipal Revenue Sharing	806	806	806	-
Disabled Tax Relief	6	6	5	(1)
Veterans Exemptions	63	63	57	(6)
Youth Services Grant	38	38	38	-
Alcohol/Drug Abuse Grant	7	7	7	-
Highway Town Aid	686	686	686	-
Mashantucket Pequot Fund	28	28	28	-
Miscellaneous State Grants		6	12	6
Emergency 911 Grant	141	141	139	(2)
Telephone Grant	115	115	114	(1)
Total state assistance	<u>22,916</u>	<u>23,937</u>	<u>23,989</u>	<u>52</u>
Total intergovernmental revenues	<u>22,924</u>	<u>24,435</u>	<u>24,442</u>	<u>7</u>

(Continued on next page)

RSI-1

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(In Thousands)**

	<u>Budgeted Amounts</u>			<u>Variance -</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>
Charges for services:				
Town Clerk	\$ 1,534	\$ 1,542	\$ 1,497	\$ (45)
Corporation Counsel			1	1
Financial Services	1	1	1	-
Assessment	2	2	2	-
Fire Department	960	960	1,170	210
Police Department	274	274	344	70
Community Services	1,515	1,640	1,649	9
Public Works	229	229	247	18
Human & Leisure Services	726	726	822	96
Library	55	55	35	(20)
Total charges for services	<u>5,296</u>	<u>5,429</u>	<u>5,768</u>	<u>339</u>
Miscellaneous local revenues:				
Workers' compensation reimbursement	420	420	365	(55)
Town-owned property rentals	352	352	337	(15)
Miscellaneous	533	657	227	(430)
Total miscellaneous local revenues	<u>1,305</u>	<u>1,429</u>	<u>929</u>	<u>(500)</u>
Income on investments	<u>630</u>	<u>1,650</u>	<u>1,714</u>	<u>64</u>
Total revenues	<u>287,299</u>	<u>291,062</u>	<u>290,900</u>	<u>(162)</u>
Other financing sources:				
Transfers in	<u>484</u>	<u>484</u>	<u>396</u>	<u>(88)</u>
Total	<u>\$ 287,783</u>	<u>\$ 291,546</u>	<u>291,296</u>	<u>\$ (250)</u>
Budgetary revenues are different than GAAP revenues because:				
On-behalf contributions to the Connecticut State				
Teachers' Retirement System for Town teachers are not budgeted:				
Pension			27,355	
OPEB			(16,186)	
The Board of Education does not budget for				
intergovernmental grants, which are credited against education				
expenditures for budgetary reporting. These amounts are recorded as				
revenues and expenditures for GAAP financial statement purposes.				
			<u>4,217</u>	
Total Revenues and Other Financing Sources as Reported on the Statement				
of Revenues, Expenditures and Changes in Fund Balances - Governmental				
Funds - Exhibit IV			<u>\$ 306,682</u>	

RSI-2

**TOWN OF WEST HARTFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED JUNE 30, 2019  
(In Thousands)**

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
General Government:				
Town Clerk:				
Personal services	\$ 159	\$ 165	\$ 165	\$ -
Non-personal expense	84	85	84	1
Debt and sundry	10	10	9	1
Total	253	260	258	2
Town Council:				
Personal services	118	121	120	1
Non-personal expense	257	262	260	2
Debt and sundry	9	9	9	-
Total	384	392	389	3
Town Manager:				
Personal services	353	351	351	-
Non-personal expense	9	13	13	-
Debt and sundry	22	22	22	-
Total	384	386	386	-
Corporation Counsel:				
Personal services	291	281	281	-
Non-personal expense	70	162	162	-
Debt and sundry	21	20	20	-
Total	382	463	463	-
Registrar of Voters:				
Personal services	221	260	260	-
Non-personal expense	35	53	53	-
Debt and sundry	11	10	10	-
Total	267	323	323	-
Information Technology:				
Personal services	438	445	445	-
Non-personal expense	445	460	460	-
Debt and sundry	31	31	31	-
Total	914	936	936	-
Financial Services:				
Personal services	1,635	1,619	1,619	-
Non-personal expense	613	481	481	-
Debt and sundry	119	115	115	-
Total	2,367	2,215	2,215	-
Assessment:				
Personal services	647	668	668	-
Non-personal expense	58	52	52	-
Debt and sundry	48	46	46	-
Total	753	766	766	-

(Continued on next page)

RSI-2

**TOWN OF WEST HARTFORD, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019  
(In Thousands)**

	<b>Budgeted Amounts</b>			<b>Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Human Resources:				
Personal services	\$ 350	\$ 353	\$ 353	\$ -
Non-personal expense	69	114	114	-
Debt and sundry	25	26	26	-
Total	444	493	493	-
Total general government	6,148	6,234	6,229	5
Public Safety:				
Fire Department:				
Personal services	10,333	11,627	11,627	-
Non-personal expense	1,106	1,163	1,163	-
Debt and sundry	175	183	183	-
Total	11,614	12,973	12,973	-
Police Department:				
Personal services	13,725	14,687	14,687	-
Non-personal expense	899	974	974	-
Debt and sundry	304	358	358	-
Total	14,928	16,019	16,019	-
Total public safety	26,542	28,992	28,992	-
Community Maintenance:				
Community Development:				
Personal services	2,100	2,084	2,084	-
Non-personal expense	198	174	174	-
Debt and sundry	155	150	150	-
Total	2,453	2,408	2,408	-
Public Works:				
Personal services	4,098	4,011	3,965	46
Non-personal expense	6,107	5,867	5,867	-
Debt and sundry	313	272	272	-
Total	10,518	10,150	10,104	46
Plant and Facility Services:				
Personal services	1,119	1,005	1,005	-
Non-personal expense	1,227	1,856	1,856	-
Debt and sundry	77	75	75	-
Total	2,423	2,936	2,936	-
Total community maintenance	15,394	15,494	15,448	46

(Continued on next page)

RSI-2

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(In Thousands)**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Human and Cultural:				
Library:				
Personal services	\$ 2,598	\$ 2,486	\$ 2,486	\$ -
Non-personal expense	655	644	644	-
Debt and sundry	179	175	175	-
Total	<u>3,432</u>	<u>3,305</u>	<u>3,305</u>	<u>-</u>
Leisure and Social Services:				
Personal services	2,032	1,904	1,904	-
Non-personal expense	983	966	966	-
Debt and sundry	115	94	94	-
Total	<u>3,130</u>	<u>2,964</u>	<u>2,964</u>	<u>-</u>
Total human and cultural	<u>6,562</u>	<u>6,269</u>	<u>6,269</u>	<u>-</u>
Education	<u>164,058</u>	<u>164,058</u>	<u>163,007</u>	<u>1,051</u>
Debt and sundry	<u>49,528</u>	<u>47,712</u>	<u>47,624</u>	<u>88</u>
Total expenditures	<u>268,232</u>	<u>268,759</u>	<u>267,569</u>	<u>1,190</u>
Other financing uses:				
Transfers out	<u>19,551</u>	<u>22,787</u>	<u>22,787</u>	<u>-</u>
Total	<u>\$ 287,783</u>	<u>\$ 291,546</u>	<u>290,356</u>	<u>\$ 1,190</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers'

Retirement System for Town teachers are not budgeted:

Pension

OPEB

27,355

(16,186)

The Board of Education does not budget for intergovernmental grants, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial statement purposes.

4,217

Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial statement purposes.

111

Inventory purchases are reported as expenditures for budgetary purposes

29

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

\$ 305,882

RSI-3

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**CDBG HOUSING REHABILITATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
**(In Thousands)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 200	\$ 154	\$ (46)
Expenditures:			
Current:			
Human and cultural:			
Non-personal expense	<u>200</u>	<u>27</u>	<u>173</u>
Excess of Revenues over Expenditures	-	127	127
Other Financing Uses:			
Transfers out	<u></u>	<u>(127)</u>	<u>(127)</u>
Net Change in Fund Balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund Balance at Beginning of Year		<u>-</u>	
Fund Balance at End of Year		\$ <u>-</u>	



RSI-4

**TOWN OF WEST HARTFORD, CONNECTICUT  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
TOWN OF WEST HARTFORD RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS\*  
(In Thousands)**

	2014	2015	2016	2017	2018	2019
Total pension liability:						
Service cost	\$ 5,563	\$ 5,845	\$ 5,841	\$ 7,641	\$ 7,832	\$ 7,986
Interest	27,384	27,666	27,784	30,633	31,343	32,985
Effect of plan changes	57	(185)	3		(334)	
Effect of economic/demographic gains or losses		886	31,784		5,865	
Effect of assumption changes or inputs		7,220	(12)		23,677	5,891
Benefit payments	(24,332)	(25,209)	(26,515)	(28,080)	(29,877)	(33,126)
Net change in total pension liability	8,672	16,223	38,885	10,194	38,506	13,736
Total pension liability - beginning	350,770	359,442	375,665	414,550	424,744	463,250
Total pension liability - ending	359,442	375,665	414,550	424,744	463,250	476,986
Plan fiduciary net position:						
Contributions - employer	15,957	17,712	17,917	20,551	21,615	23,880
Contributions - member	2,621	2,675	3,047	3,063	3,166	3,292
Net investment income (loss)	28,230	8,632	(976)	23,647	18,555	11,239
Benefit payments	(24,332)	(25,209)	(26,515)	(28,080)	(29,877)	(33,126)
Administrative expense	(314)	(306)	(313)	(305)	(357)	(338)
Net change in plan fiduciary net position	22,162	3,504	(6,840)	18,876	13,102	4,947
Plan fiduciary net position - beginning	156,420	178,582	182,086	175,246	194,122	207,224
Plan fiduciary net position - ending	178,582	182,086	175,246	194,122	207,224	212,171
Net Pension Liability - Ending	\$ 180,860	\$ 193,579	\$ 239,304	\$ 230,622	\$ 256,026	\$ 264,815
Plan fiduciary net position as a percentage of the total pension liability	49.68%	48.47%	42.27%	45.70%	44.73%	44.48%
Covered payroll	\$ 57,281	\$ 53,742	\$ 59,332	\$ 60,815	\$ 58,708	\$ 60,176
Net pension liability as a percentage of covered payroll	315.74%	360.20%	403.33%	379.22%	436.10%	440.07%

**Notes to Schedule**

**Assumption Changes:**

Investment rate of return

Discount rate

Inflation

Mortality:

RP-2000 Annuitant and Non-Annuitant Mortality Tables for males and females projected from base year of 2006 to valuation date by Scale BB. A Blue Collar adjustment is applied pre- and post-retirement for members.

RP-2000 Mortality Table with separate male and female rates, with separate tables for nonannuitants and annuitants, projected to the valuation date with Scale AA.

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available  
\*\* Applicable for that particular year

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RSI-5

**TOWN OF WEST HARTFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TOWN OF WEST HARTFORD RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS  
(In Thousands)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution	\$ 7,481	\$ 10,002	\$ 11,648	\$ 14,167	\$ 15,957	\$ 17,712	\$ 17,917	\$ 20,551	\$ 21,615	\$ 23,880
Contributions in relation to the actuarially determined contribution	7,480	10,000	11,648	14,167	15,957	17,712	17,917	20,551	21,615	23,880
Contribution Deficiency (Excess)	\$ 1	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 50,031	\$ 53,028	\$ 55,150	\$ 55,078	\$ 57,281	\$ 53,742	\$ 59,332	\$ 60,815	\$ 58,708	\$ 60,176
Contributions as a percentage of covered payroll	14.95%	18.86%	21.12%	25.72%	27.86%	32.96%	30.20%	33.79%	36.82%	39.68%

**Notes to Schedule**

Valuation date: July 1, 2018  
 Measurement date: June 30, 2019  
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported

## Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age  
 Amortization method: Level percentage of payroll, closed  
 Remaining amortization period: 27-year closed period  
 Asset valuation method: 5-year smoothed market  
 Inflation: 2.75%; Prior: 3%  
 Salary increases: 2.50%  
 Investment rate of return: 7.125%; Prior: 7.250%  
 Retirement age: Rates vary by group and age  
 Mortality: RP-2000 Annuitant and Non-Annuitant Mortality Tables for males and females projected from base year of 2006 to valuation date by Scale BB. A Blue Collar adjustment is applied pre- and post-retirement for members. Prior: RP-2000 Mortality Table with separate male and female rates, with separate tables for nonannuitants and annuitants, projected to the valuation date with Scale AA.

RSI-6

TOWN OF WEST HARTFORD, CONNECTICUT  
 SCHEDULE OF INVESTMENT RETURNS  
 TOWN OF WEST HARTFORD RETIREMENT SYSTEM  
 LAST SIX FISCAL YEARS\*

	2014	2015	2016	2017	2018	2019
Annual money-weighted rate of return, net of investment expense	18.43%	4.69%	-0.52%	12.95%	9.21%	5.22%

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

RSI-7

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

	2015	2016	2017	2018	2019
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
Slate's proportionate share of the net pension liability associated with the Town	188,888	204,358	262,780	249,079	243,735
Total	\$ 188,888	\$ 204,358	\$ 262,780	\$ 249,079	\$ 243,735
Town's covered payroll	\$ 70,896	\$ 73,271	\$ 75,921	\$ 76,720	\$ 79,162
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension	61.51%	59.50%	52.26%	55.93%	57.69%

**Notes to Schedule**

Changes in benefit terms Beginning January 1, 2018, member contributions increased from 6% to 7% of salary.  
Changes of assumptions During 2016, rates of withdrawal, disability, retirement, mortality and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2015.

Actuarial cost method Entry age  
Amortization method Level percent of salary, closed  
Remaining amortization period 17.6 years  
Asset valuation method 4-year smoothed market  
Investment rate of return 8.00%, net of investment-related expense

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

RSI-8

**TOWN OF WEST HARTFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**OTHER POST-EMPLOYMENT BENEFIT TRUST FUND**  
**LAST THREE FISCAL YEARS\***  
**(In Thousands)**

	2017	2018	2019
Total OPEB liability:			
Service cost	\$ 2,242	\$ 2,321	\$ 2,903
Interest	11,278	11,557	12,439
Change of benefit terms		70	
Differences between expected and actual experience	2,300	2,694	915
Changes of assumptions		16,278	(4,314)
Benefit payments, including refunds of member contributions	(11,141)	(10,944)	(10,845)
Net change in total OPEB liability	4,679	21,976	1,098
Total OPEB liability - beginning	152,469	157,148	179,124
Total OPEB liability - ending	157,148	179,124	180,222
Plan fiduciary net position:			
Contributions - employer	12,019	12,208	12,551
Contributions - member	99	100	118
Contributions - TRB subsidy	378	358	294
Net investment income	166	79	324
Benefit payments, including refunds of member contributions	(11,141)	(10,944)	(10,845)
Net change in plan fiduciary net position	1,521	1,801	2,442
Plan fiduciary net position - beginning	1,440	2,961	4,762
Plan fiduciary net position - ending	2,961	4,762	7,204
Net OPEB Liability - Ending	\$ 154,187	\$ 174,362	\$ 173,018
Plan fiduciary net position as a percentage of the total OPEB liability	1.88%	2.66%	4.00%
Covered payroll	\$ 113,393	\$ 120,515	\$ 124,733
Net OPEB liability as a percentage of covered payroll	135.98%	144.68%	138.71%

**Notes to Schedule**

**Assumption Changes:**

Investment rate of return	7.50%	7.04%	7.25%
Inflation	2.50%	2.60%	2.60%

**Healthcare cost trend rates:**

7.1% in 2017, reducing by .5% each year to an ultimate rate of 4.6% per year rate for 2022 and later	**	**
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8% in 2015, decreases by .5% per year down to 4.5% in 2022 and later.

\*\*

**Mortality:**

RP-2000 Annuitant and Non-Annuitant Mortality Tables for males and females projected from base year of 2006 to valuation date by Scale BB. A Blue Collar adjustment is applied pre- and post-retirement for members.

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\*\*

RP-2000 Mortality Table with separate male and female rates, with separate tables for nonannuitants and annuitants, projected to the valuation date with Scale AA.

\*\*

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

\*\* Applicable for that particular year

RSI-9

**TOWN OF WEST HARTFORD, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND  
LAST TEN FISCAL YEARS  
(In Thousands)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actuarially determined contribution (1)	\$ 7,062	\$ 6,979	\$ 7,318	\$ 8,506	\$ 8,999	\$ 9,780	\$ 11,251	\$ 11,981	\$ 12,689	\$ 14,255
Contributions in relation to the actuarially determined contribution	6,400	6,381	6,450	7,381	7,690	8,473	10,813	12,019	12,208	12,551
Contribution Deficiency (Excess)	\$ 662	\$ 598	\$ 868	\$ 1,125	\$ 1,309	\$ 1,307	\$ 438	\$ (38)	\$ 481	\$ 1,704
Covered payroll	N/A	N/A	N/A	N/A	N/A	\$ 105,853	\$ 109,558	\$ 113,393	\$ 120,515	\$ 124,733
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	8.00%	9.87%	10.60%	10.13%	10.06%

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

**Notes to Schedule**

Valuation date:

July 1, 2017

June 30, 2019

Measurement date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27 years, closed
Asset valuation method	Market Value
Inflation	2.60%; Prior: 2.50%
Healthcare cost trend rates	The annual healthcare cost trend rate starts at 7.1% in 2017, reducing by .5% each year to an ultimate rate of 4.6% per year rate for 2022 and later. Prior: 8% in 2015, decreases by .5% per year down to 4.5% in 2022 and later.
Salary increases	3.50%
Investment rate of return	7.25%; Prior: 7.04%
Retirement age	Varies by function
Mortality	RP-2000 Annuitant and Non-Annuitant Mortality Tables for males and females projected from base year of 2006 to valuation date by Scale BB. A Blue Collar adjustment is applied pre- and post-retirement for members. Prior: RP-2000 Mortality Table with separate male and female rates, with separate tables for nonannuitants and annuitants, projected to the valuation date with Scale AA.

N/A - not available



RSI-10

**TOWN OF WEST HARTFORD, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND  
LAST THREE FISCAL YEARS\***

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	<b>2017</b>	<b>2018</b>	<b>2019</b>
Annual money-weighted rate of return, net of investment expense	11.19%	2.63%	6.73%

\* Schedule is intended to show information for 10 years - additional years will be displayed as they become available

RSI-11

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

	<u>2018</u>	<u>2019</u>
Town's proportion of the net OPEB liability	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>64,110</u>	<u>48,724</u>
Total	<u>\$ 64,110</u>	<u>\$ 48,724</u>
 Town's covered payroll	 \$ 76,720	 \$ 79,162
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%	1.49%

**Notes to Schedule**

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

\* Schedule is intended to show information for 10 years - additional years' will be displayed as they become available

**Appendix B – Form of Legal Opinion of Bond Counsel and Tax Exemption – The Series C Bonds**

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of West Hartford, Connecticut (the "Town") of its \$8,915,000 General Obligation Refunding Bonds, Series 2020C, dated November 5, 2020, maturing January 15, 2021-2031 (the "Series C Bonds").

In connection with our representation of the Town as bond counsel with respect to the Series C Bonds, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of November 5, 2020, the executed Series C Bonds, and certified records of proceedings of the Town authorizing the Series C Bonds. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

On the basis of our review noted above and subject to the qualifications set forth herein:

1. We are of the opinion that the proceedings and above-referenced evidence show lawful authority for the issuance and sale of the Series C Bonds under the authority of the constitution and statutes of the State of Connecticut, and that the Series C Bonds are valid and binding general obligations of the Town payable, with respect to both principal and interest, unless paid from other sources, from ad valorem taxes which may be levied on all property subject to taxation by the Town without limitation as to rate or amount except as to classified property. Classified property includes certified forest land which is taxable at a limited rate. Classified property also includes dwelling houses of qualified elderly persons of low income which are taxable at limited amounts.

2. We are of the opinion that the Tax Compliance Agreement is a valid and binding agreement of the Town and that the Tax Certificate and Tax Compliance Agreement were duly authorized by the Town.

3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series C Bonds if interest on the Series C Bonds is to be excludable from gross income under Section 103 of the Code. The Town has covenanted in the Tax Compliance 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 Series C Bonds will not be includable in the gross income of the owners thereof for federal income tax purposes under the Code. In our opinion, under existing law:

(i) interest on the Series C Bonds is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code; and

(ii) such interest is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax.

We express no opinion regarding other federal income tax consequences caused by ownership of, or receipt of interest on, the Series C Bonds. In rendering the foregoing opinions regarding the federal income tax treatment of interest on the Series C Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate and the Tax Compliance Agreement, and (ii) full compliance by the Town with the covenants set forth in the Tax Compliance Agreement. The inaccuracy of the representations, statements of intention and reasonable expectations, and certifications of fact, contained in the Tax Certificate or the Tax Compliance Agreement, or the failure of the Town to fully comply with the covenants set forth therein, may cause interest on the Series C Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series C Bonds.

4. We are of the opinion that, under existing statutes, interest on the Series C Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

The rights of the holders of the Series C Bonds and the enforceability of the Series C Bonds and the enforceability of the Tax Compliance Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series C Bonds.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law, regulation or judicial interpretation that may hereafter occur.

Very truly yours,

Shipman & Goodwin LLP

## CERTAIN ADDITIONAL FEDERAL TAX CONSEQUENCES.

The following is a brief discussion of certain federal income tax matters with respect to the Series C Bonds under existing statutes. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of a bond. Prospective owners of the Series C Bonds, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series C Bonds.

*Recent Tax Legislation.* The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinion.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series C Bonds or otherwise prevent holders of the Series C Bonds from realizing the full benefit of the tax exemption of interest on the Series C Bonds.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series C Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series C Bonds would be impacted thereby.

Purchasers of the Series C Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series C Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

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

*Financial Institutions.* The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The Series C Bonds **shall not** be designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

*Changes in Federal Tax Law.* Legislation affecting municipal 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 Series C Bonds will not have an adverse effect on the tax-exempt status or the market price of the Series C Bonds.

*Other.* Ownership of the Series C Bonds may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, and individuals otherwise eligible for the earned income credit, and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes.

## STATE OF CONNECTICUT TAX ON INTEREST.

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

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

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

#### **ORIGINAL ISSUE DISCOUNT.**

The initial public offering prices of certain maturities of the Series C Bonds (the “Series C OID Bonds”) may be less than their stated principal amounts. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the Series C OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the Series C OID Bonds is sold will constitute original issue discount (“OID”). The offering prices relating to the yields set forth in this Official Statement for the Series C OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the Series C OID Bonds are sold. Under existing law OID on the Series C Bonds accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Series C Bonds is not included in gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner’s adjusted basis in an Series C OID Bond, OID treated as having accrued while the owner holds the Series C OID Bond will be added to the owner’s basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an Series C OID Bond.

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

#### **ORIGINAL ISSUE PREMIUM.**

The initial public offering prices of certain maturities of the Series C Bonds (the “Series C OIP Bonds”) may be more than their stated principal amounts. An owner who purchases a Series C Bond at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the Series C Bond for federal income tax purposes. Prospective purchasers of Series C Bonds should consult their tax advisors regarding the amortization of premium and the effect upon basis.

\* \* \* \* \*

The information above does not purport to deal with all aspects of federal or state taxation that may be relevant to particular investors. Prospective investors, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal and state tax consequences of owning and disposing of the Series C Bonds, including any tax consequences arising under the laws of any state or other taxing jurisdiction.



**Appendix C – Form of Legal Opinion of Bond Counsel and Tax Status– The Series D Bonds**

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of West Hartford, Connecticut (the “Town”) of its \$12,705,000 General Obligation Refunding Bonds, Series 2020D (Federally Taxable), dated November 5, 2020, maturing January 15, 2021 and January 15, 2023-2032 (the “Series D Bonds”).

In connection with our representation of the Town as bond counsel with respect to the Series D Bonds, we have examined the executed Series D Bonds and certified records of proceedings of the Town authorizing the Series D Bonds. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

On the basis of our review noted above and subject to the qualifications set forth herein:

1. We are of the opinion that the proceedings and above-referenced evidence show lawful authority for the issuance and sale of the Series D Bonds under authority of the constitution and statutes of the State of Connecticut, and that the Series D Bonds are valid and binding general obligations of the Town payable, with respect to both principal and interest, unless paid from other sources, from ad valorem taxes which may be levied on all property subject to taxation by the Town without limitation as to rate or amount except as to classified property. Classified property includes certified forest land which is taxable at a limited rate. Classified property also includes dwelling houses of qualified elderly persons of low income which are taxable at limited amounts.

2. We are of the opinion that, under existing law, interest on the Series D Bonds is included in gross income of the owners thereof for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended.

3. We are of the opinion that, under existing statutes, interest on the Series D 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.

The rights of the holders of the Series D Bonds and the enforceability of the Series D Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series D Bonds.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law, regulation or judicial interpretation that may hereafter occur.

Very truly yours,

Shipman & Goodwin LLP

## **TAX STATUS - CERTAIN ADDITIONAL FEDERAL TAX CONSEQUENCES**

The following is a brief discussion of certain federal income tax matters with respect to the Series D Bonds. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of a Series D Bond. Prospective owners of the Series D Bonds, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series D Bonds.

### **Federal Income Taxes**

In the opinion of Bond Counsel, under existing law, interest on the Series D Bonds is included in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended (the "Code").

### **United States Tax Consequences**

The following is a summary of certain United States federal income tax consequences resulting from the beneficial ownership of the Series D Bonds by certain persons. This summary does not consider all possible federal income tax consequences of the purchase, ownership, or disposition of the Series D Bonds, and is not intended to reflect the individual tax position of any beneficial owner. Moreover, except as expressly indicated, this summary is limited to those persons who purchase a Series D Bond at its issue price, which is the first price at which a substantial amount of the Series D Bonds is sold to the public, and who hold Series D Bonds as "capital assets" within the meaning of the Code (generally, property held for investment). This summary does not address beneficial owners that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, purchasers that hold Series D Bonds as a hedge against currency risks or as part of a straddle with other investments or as part of a "synthetic security" or other integrated investment (including a "conversion transaction") comprising a bond and one or more other investments, or United States Holders (as defined below) that have a "functional currency" other than the United States dollar. This summary is applicable only to a person (a "United States Holder") who or that is the beneficial owner of Series D Bonds and is (a) an individual citizen or resident of the United States, (b) a corporation or partnership or other entity created or organized under the laws of the United States or any State (including the District of Columbia), or (c) a person otherwise subject to federal income taxation on its worldwide income. This summary is based on the United States tax laws and regulations currently in effect and as currently interpreted and does not take into account possible changes in the tax laws or interpretations thereof any of which may be applied retroactively. Except as provided below, it does not discuss the tax laws of any state, local, or foreign governments.

### ***United States Holders***

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

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

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

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

***Purchase, Sale, Exchange, and Retirement of Bonds.*** A United States Holder's tax basis in a Series D Bond generally will equal its cost, increased by any market discount included in the United States Holder's income with respect to the Series D Bond, and reduced by the amount of any amortizable bond premium applied to reduce interest on the Series D Bond. A United States Holder generally will recognize gain or loss on the sale, exchange, or retirement of a Series D Bond equal to the difference between the amount realized on the sale or retirement (not including any amount attributable to accrued but unpaid interest) and the United States Holder's tax adjusted basis in the Series D Bond. Except to the extent described above under *Bonds Purchased at a Market Discount*, gain or loss recognized on the sale, exchange or retirement of a Series D Bond will be capital gain or loss and will be long-term capital gain or loss if the Series D Bond was held for more than one year. The material modification of the terms of any Series D Bond may result in a deemed reissuance thereof, in which event a United States Holder may recognize taxable gain or loss without any corresponding receipt of proceeds.

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

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

### ***Information Reporting***

In general, information reporting requirements will apply with respect to payments to a United States Holder of principal and interest (and with respect to annual accruals of original issue discount) on the Series D Bonds, and with respect to payments to a United States Holder of any proceeds from a disposition of the Series D Bonds. This information reporting obligation, however, does not apply with respect to certain United States Holders including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts. In the event that a United States Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or is notified by the IRS that it has failed properly to report payments of, interest and dividends, a backup withholding tax (currently at a rate of 24%) generally will be imposed on the amount of any interest and principal and the amount of any sales proceeds received by the United States Holder on or with respect to the Series D Bonds.

Any payments of interest and original issue discount on the Series D Bonds to a Non-United States Holder generally will be reported to the IRS and to the Non-United States Holder, whether or not such interest or original issue discount is exempt from United States withholding tax pursuant to a tax treaty or the portfolio interest exemption. Copies of these information returns also may be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the payee resides.

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

The federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a beneficial owner's particular situation. Beneficial owners should consult their tax advisors with respect to the tax consequences of the purchase, ownership, and disposition of the Series D Bonds, including the tax consequences under state, local, foreign, and other tax laws and the possible effects of changes in federal or other tax laws.

#### **State Taxes**

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

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

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

#### **General**

The opinions of Bond Counsel are rendered as of their date and Bond Counsel assumes no obligation to update or supplement their opinions to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinions. The discussion above does not purport to address all aspects of federal, state or local taxation that may be relevant to a particular owner of a Series D Bond. Prospective owners of the Series D Bonds, particularly those who may be subject to special rules, are advised to consult their tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Series D Bonds.



## **Appendix D – Form of Continuing Disclosure Agreement – The Series C Bonds**

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) certain annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Series C Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before a specified date, all pursuant to a Continuing Disclosure Agreement for the Series C Bonds in substantially the following form:

### **CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (the "Agreement") is made as of the 5th day of November, 2020 by the Town of West Hartford, Connecticut (the "Town") acting by its undersigned officers, duly authorized, in connection with the issuance of the Town's \$8,915,000 General Obligation Refunding Bonds, Series 2020C (the "Series C Bonds") dated November 5, 2020 for the benefit of the beneficial owners from time to time of the Series C Bonds.

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

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. As of the date of this Agreement, the MSRB has designated its Electronic Municipal Market Access System ("EMMA") (<http://emma.msrb.org>) to receive submissions of continuing disclosure documents that are described in the Rule.

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

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

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

(a) The Town agrees to provide, or cause to be provided, to the MSRB in an electronic format as prescribed by the MSRB, in accordance with the provisions of the Rule and this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2020), as follows:

(i) the audited general purpose financial statements of the Town, which financial statements include the Town's general fund, any special revenue funds, enterprise and internal service (proprietary) funds, agency and trust (fiduciary) funds and the general fixed assets and general long-term debt account groups, for the prior fiscal year, which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Town prepares its financial statements in accordance with generally accepted accounting principles.

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

- A. amounts of the gross and the net taxable grand list applicable to the fiscal year,
- B. listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- C. percentage of the annual property tax levy uncollected as of the close of the preceding fiscal year,
- D. schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- E. calculation of total direct debt and total direct net debt as of the close of the fiscal year,
- F. total direct debt and total direct net debt of the Town per capita,

- G. ratios of the total direct debt and total direct net debt of the Town to the Town's net taxable grand list,
- H. statement of statutory debt limitation as of the close of the fiscal year, and
- I. funding status of the Town's pension benefit obligation.

(b) The financial information and operating data described above shall be provided not later than eight months after the close of the fiscal year for which such information is being provided, commencing with information for the fiscal year ending June 30, 2020. The Town agrees that if audited information is not available eight months after the close of the fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

(c) Annual financial information and operating data may be provided in whole or in part by reference to other documents available to the public on the MSRB's internet website or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

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

(e) The Town may file information with the MSRB, from time to time, in addition to that specifically required by this Agreement (a "Voluntary Filing"). If the Town chooses to make a Voluntary Filing, the Town shall have no obligation under this Agreement to update information contained in such Voluntary Filing or include such information in any future filing. Notwithstanding the foregoing provisions of this Section 2(e), the Town is under no obligation to provide any Voluntary Filing.

### **Section 3. Listed Events.**

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, to the MSRB in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Series C Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Series C Bonds;
- (g) modifications to rights of holders of the Series C Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Series C Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;



- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

For purposes of events (o) and (p) above, the term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with the MSRB pursuant to the Rule.

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

The Town agrees to provide, or cause to be provided, in a timely manner, to the MSRB in an electronic format as prescribed by the MSRB, notice of any failure by the Town to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

#### **Section 5. Use of Agents.**

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

#### **Section 6. Termination.**

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

#### **Section 7. Identifying Information.**

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

#### **Section 8. Enforcement.**

The Town acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Series C Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to the undertakings set forth in Section 2 hereof or five (5) business days with respect to undertakings set forth in Sections 3 and 4 hereof) from the time the Director of Financial Services receives written notice from any beneficial owner of the Series C Bonds of such failure. The present address of the Director of Financial Services is Town of West Hartford, Town Hall, 50 South Main Street, West Hartford, Connecticut 06107. In the event the Town does not cure such failure within the time specified above, the beneficial owner of any Series C Bonds shall be entitled only to the remedy of specific performance. The Town expressly acknowledges and the beneficial owners are hereby deemed to expressly agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Series C Bonds.

**Section 9. Miscellaneous.**

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

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

(c) Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) the Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owner of the Series C Bonds. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following the adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

TOWN OF WEST HARTFORD, CONNECTICUT

By \_\_\_\_\_  
Matthew Hart  
Town Manager

By \_\_\_\_\_  
Peter Privitera  
Director of Financial Services

## **Appendix E – Form of Continuing Disclosure Agreement – The Series D Bonds**

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) certain annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Series D Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before a specified date, all pursuant to a Continuing Disclosure Agreement for the Series D Bonds in substantially the following form:

### **CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (the "Agreement") is made as of the 5th day of November, 2020 by the Town of West Hartford, Connecticut (the "Town") acting by its undersigned officers, duly authorized, in connection with the issuance of the Town's \$12,705,000 General Obligation Refunding Bonds, Series 2020D (the "Series D Bonds") dated November 5, 2020 for the benefit of the beneficial owners from time to time of the Series D Bonds.

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

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. As of the date of this Agreement, the MSRB has designated its Electronic Municipal Market Access System ("EMMA") (<http://emma.msrb.org>) to receive submissions of continuing disclosure documents that are described in the Rule.

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

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

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

(a) The Town agrees to provide, or cause to be provided, to the MSRB in an electronic format as prescribed by the MSRB, in accordance with the provisions of the Rule and this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2020), as follows:

(i) the audited general purpose financial statements of the Town, which financial statements include the Town's general fund, any special revenue funds, enterprise and internal service (proprietary) funds, agency and trust (fiduciary) funds and the general fixed assets and general long-term debt account groups, for the prior fiscal year, which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Town prepares its financial statements in accordance with generally accepted accounting principles.

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

- A. amounts of the gross and the net taxable grand list applicable to the fiscal year,
- B. listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- C. percentage of the annual property tax levy uncollected as of the close of the preceding fiscal year,
- D. schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- E. calculation of total direct debt and total direct net debt as of the close of the fiscal year,

- F. total direct debt and total direct net debt of the Town per capita,
- G. ratios of the total direct debt and total direct net debt of the Town to the Town's net taxable grand list,
- H. statement of statutory debt limitation as of the close of the fiscal year, and
- I. funding status of the Town's pension benefit obligation.

(b) The financial information and operating data described above shall be provided not later than eight months after the close of the fiscal year for which such information is being provided, commencing with information for the fiscal year ending June 30, 2020. The Town agrees that if audited information is not available eight months after the close of the fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

(c) Annual financial information and operating data may be provided in whole or in part by reference to other documents available to the public on the MSRB's internet website or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

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

(e) The Town may file information with the MSRB, from time to time, in addition to that specifically required by this Agreement (a "Voluntary Filing"). If the Town chooses to make a Voluntary Filing, the Town shall have no obligation under this Agreement to update information contained in such Voluntary Filing or include such information in any future filing. Notwithstanding the foregoing provisions of this Section 2(e), the Town is under no obligation to provide any Voluntary Filing.

### **Section 3. Listed Events.**

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, to the MSRB in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Series D Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Series D Bonds;
- (g) modifications to rights of holders of the Series D Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;

- (j) release, substitution, or sale of property securing repayment of the Series D Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

For purposes of events (o) and (p) above, the term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with the MSRB pursuant to the Rule.

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

The Town agrees to provide, or cause to be provided, in a timely manner, to the MSRB in an electronic format as prescribed by the MSRB, notice of any failure by the Town to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

#### **Section 5. Use of Agents.**

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

#### **Section 6. Termination.**

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

#### **Section 7. Identifying Information.**

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

#### **Section 8. Enforcement.**

The Town acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Series D Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to the undertakings set forth in Section 2 hereof or five (5) business days with respect to undertakings set forth in Sections 3 and 4 hereof) from the time the Director of Financial Services receives written notice from any beneficial owner of the Series D Bonds of such failure. The present address of the Director of Financial Services is Town of West Hartford, Town Hall, 50 South Main Street, West Hartford, Connecticut 06107. In the event the Town does not cure such failure within the time specified above, the beneficial owner of any Series D Bonds shall be entitled only to the remedy of specific performance. The Town expressly acknowledges and the beneficial owners are hereby deemed to expressly agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Series D Bonds.

**Section 9. Miscellaneous.**

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

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

(c) Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) the Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owner of the Series D Bonds. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following the adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

TOWN OF WEST HARTFORD, CONNECTICUT

By \_\_\_\_\_  
Matthew Hart  
Town Manager

By \_\_\_\_\_  
Peter Privitera  
Director of Financial Services





Municipal Advisory Services  
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