

**Refunding Issue**

**Ratings: Moody's Investors Service ..... Aaa**  
**Standard & Poor's ..... AAA**

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



**\$17,530,000**  
**CITY OF STAMFORD, CONNECTICUT**  
**GENERAL OBLIGATION REFUNDING BONDS**  
**ISSUE OF 2005, SERIES B**  
**BOOK-ENTRY-ONLY**

**Dated: Date of Delivery****Due: Serially, August 1, 2007-2023**

<u>Due</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number</u>	<u>Due</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number</u>
2007	\$ 70,000	3.000%	2.890%	8526315R7	2016	\$ 975,000	4.000%	3.920% <sup>1</sup>	8526316A3
2008	70,000	3.000	3.020	8526315S5	2017	1,010,000	4.000	4.020	8526316B1
2009	75,000	3.000	3.120	8526315T3	2018	1,055,000	4.250	4.070 <sup>1</sup>	8526316C9
2010	75,000	3.250	3.260	8526315U0	2019	3,200,000	4.250	4.130 <sup>1</sup>	8526316D7
2011	80,000	3.500	3.400	8526315V8	2020	3,230,000	4.250	4.190 <sup>1</sup>	8526316E5
2012	80,000	3.500	3.520	8526315W6	2021	3,260,000	4.250	4.250	8526316F2
2013	85,000	3.750	3.600	8526315X4	2022	1,200,000	4.125	4.300	8526316G0
2014	885,000	5.000	3.670	8526315Y2	2023	1,250,000	4.250	4.350	8526316H8
2015	930,000	5.000	3.770	8526315Z9					

<sup>1</sup> Priced assuming redemption on August 1, 2015; however, any such redemption is at the option of the City.

The Bonds are subject to redemption prior to maturity as more fully described herein. (See "SECURITIES OFFERED - Redemption" herein.)

The Bonds are issuable only as fully registered Bonds, without coupons, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds will be made in book-entry-only form, in denominations of \$5,000 or any integral multiple thereof. Beneficial owners of the Bonds will not receive physical delivery of the bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. Interest on the Bonds will be payable on February 1, 2006 and semiannually thereafter on August 1 and February 1 in each year until maturity. So long as DTC or its nominee is the registered owner of the Bonds, reference herein to the Bond owners or registered owners shall mean Cede & Co., as aforesaid. Principal of and interest on the Bonds will be paid by the City or its agent directly to DTC. (See "SECURITIES OFFERED - Book-Entry-Only System" herein.)

The Certifying Agent, Paying Agent, Registrar, Transfer Agent and Escrow Agent will be U.S. Bank National Association in Hartford, Connecticut (the "Paying Agent").

The Bonds will be general obligations of the City of Stamford and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

*The Bonds are offered for delivery when, as and if issued, and received by the Underwriter, subject to the final approving opinion of Robinson & Cole LLP, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut. It is expected that delivery of the Bonds in definitive form will be made on or about August 10, 2005 in New York, New York.*

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

**UBS Financial Services Inc.**

Dated as of August 3, 2005

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**OFFICIAL STATEMENT**  
**CITY OF STAMFORD, CONNECTICUT**  
**\$17,530,000**  
**GENERAL OBLIGATION REFUNDING BONDS**  
**ISSUE OF 2005, SERIES B**  
**(BOOK ENTRY ONLY)**

**Introduction**

The purpose of this Official Statement is to provide certain financial information and supplementary economic and demographic data relevant to the City of Stamford, Connecticut (the "City") in connection with the issuance and sale of \$17,530,000 General Obligation Refunding Bonds, Issue of 2005, Series B (the "Bonds") of the City.

The Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale in such jurisdiction. No dealer, salesman, or any other person has been authorized to give any information or make any representation, other than those contained herein, in connection with the offering of the Bonds, and if given or made, such information or representation must not be relied upon. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue to be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. All quotations and summaries and explanations of provisions of law herein do not purport to be complete and reference is made to said laws for full and complete statements of their provisions.

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

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

The information in this Official Statement has been prepared by the City's financial advisor, Webster Bank (the "Financial Advisor"), from information supplied by City officials and other sources as indicated. The Financial Advisor does not assume responsibility for the adequacy or accuracy of the statements made herein and makes no representation that it has independently verified the same. An agreement between the City and the Financial Advisor has been entered into to conform to Municipal Securities Rulemaking Board Rule G-23. U.S. Bank National Association, of Hartford, Connecticut will act as Certifying Agent, Paying Agent, Registrar, Transfer Agent and Escrow Agent for the Bonds.

The independent auditors for the City are not passing upon and do not assume responsibility for the accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in Appendix A - "Auditor's Section" herein), and they make no representation that they have independently verified the same.

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

The Underwriter and Underwriter's Counsel for the Bonds are not passing upon and do not assume responsibility for the accuracy or adequacy and completeness of the statements made in this Official Statement, and they make no representation that they have independently verified the same.

The City currently files its official statements for primary offerings with all nationally recognized municipal securities information repositories. In accordance with the requirements of Rule 15c2-12(b)5 promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data and notices of material events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the City in substantially the form attached as Appendix C to this Official Statement.

**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.**

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**SECTION I – SECURITIES OFFERED**

**Description of the Bonds**

The Bonds will be dated the date of delivery and will mature on August 1 in each of the years and in the principal amounts and will bear interest at the rate or rates per annum payable on February 1, 2006 and semiannually thereafter on August 1 and February 1 in each year until maturity, as set forth on the cover page hereof. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. Interest will be payable to the registered owner as of the close of business on the fifteenth day of January and July in each year, or the preceding business day if such fifteenth day is not a business day, by check mailed to the registered owner, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC and the City shall agree. The Bonds will be payable at the principal office of U.S. Bank National Association. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only System” herein.

**Redemption**

The Bonds maturing on and after August 1, 2016 are subject to redemption prior to maturity, at the election of the City, on and after August 1, 2015, 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 City may determine, at the respective prices (expressed as percentages of the principal amounts of Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
August 1, 2015 and thereafter .....	100.0%

Notice of redemption shall be given by the City or its agent by mailing a copy of the redemption notice by registered mail not less than thirty (30) days and no more than (60) days prior to the date fixed for redemption to the registered owner of any Bonds designated for redemption in whole or in part, at the address of such registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

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

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

## Authorization and Purpose

### Authorization

The Bonds are issued pursuant to Title 7 of the Connecticut General Statutes, as amended, the Charter of the City of Stamford and resolutions adopted by the Board of Finance and the Board of Representatives of the City and approved by the Mayor.

### Purpose

Proceeds of the Bonds will be used to advance refund all or any portion of the aggregate principal amount outstanding of certain City of Stamford General Obligation Bonds. See "Plan of Refunding" herein.

### Plan of Refunding

The Bonds are being issued to refund prior to maturity all or any portion of certain of the City's outstanding General Obligation Bonds (the "Refunded Bonds") as set forth below:

<u>Issue</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Payment/ Redemption Date</u>	<u>Redemption Price</u>
2002	04/01/02	08/15/19	5.000%	\$2,105,000	08/15/12	100.0%
2002	04/01/02	08/15/20	5.000	2,105,000	08/15/12	100.0
2002	04/01/02	08/15/21	5.000	2,105,000	08/15/12	100.0
2004	10/01/04	02/01/07	3.000	260,000	02/01/07	N/A
2004	10/01/04	02/01/15	5.000	780,000	02/01/14	100.0
2004	10/01/04	02/01/16	5.000	815,000	02/01/14	100.0
2004	10/01/04	02/01/17	5.000	860,000	02/01/14	100.0
2004	10/01/04	02/01/18	5.000	900,000	02/01/14	100.0
2004	10/01/04	02/01/19	5.000	945,000	02/01/14	100.0
2004	10/01/04	02/01/20	5.000	995,000	02/01/14	100.0
2004	10/01/04	02/01/21	5.250	1,045,000	02/01/14	100.0
2004	10/01/04	02/01/22	5.250	1,095,000	02/01/14	100.0
2004	10/01/04	02/01/23	5.250	1,155,000	02/01/14	100.0
2004	10/01/04	02/01/24	5.250	<u>1,215,000</u>	02/01/14	100.0
				\$16,380,000		

Upon delivery of the Bonds, a portion of the Bond proceeds will be placed in an irrevocable trust fund (the "Escrow Deposit Fund") established with U.S. Bank National Association, as escrow agent (the "Escrow Agent") under an Escrow Agreement (the "Escrow Agreement") dated as of August 10, 2005, between the Escrow Agent and the City. The Escrow Agent will use such proceeds 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, Federal National Mortgage Association ("FNMA") securities and any other securities permitted by Section 7-400 of the Connecticut General Statutes, all of which shall not be callable or prepayable at the option of the issuer (the "Escrow Securities"), the principal of and interest on which, when due, will provide amounts sufficient to pay the principal, interest and redemption premium on the Refunded Bonds to the redemption dates (the "Escrow Requirements"). The City may also enter into an agreement to reinvest receipts from Escrow Securities not immediately required to pay the principal of and redemption premium, if any, and interest on the Refunded Bonds. All investment income on and maturing principal of the Escrow Securities held in the Escrow Deposit Fund and needed to pay the principal, interest and redemption premium on the Refunded Bonds will be irrevocably deposited by the City for payment of the Refunded Bonds. The balance of the proceeds of the Bonds will be used to pay costs of issuance and Underwriter's discount.

## Verification of Mathematical Computations

The accuracy of the mathematical computations relating to (i) the adequacy of the maturing principal amounts of the Escrow Securities together with the interest income thereon and uninvested cash, if any, to pay when due, the principal of and interest on the Refunded Bonds and (ii) the yield on the Bonds and on the Escrow Securities for purposes of determining compliance with certain requirements of the Internal Revenue Code of 1986, as amended, will be verified by McGladrey & Pullen, LLP, independent certified public accountants. Such verification shall be based upon information and assumptions supplied by the Underwriter and the City, and such verification, information and assumptions will be relied on by Bond Counsel in rendering its opinion described herein.

### Sources and Uses of Bond Proceeds

Proceeds of the Bonds are to be applied as follows:

Sources:	
Principal Amount of the Bonds .....	\$17,530,000.00
Net Original Issue Premium .....	<u>210,551.05</u>
Total Sources .....	\$17,740,551.05
Uses:	
Deposit to Refunding Bond Escrow Fund .....	\$17,539,426.17
Underwriter's Discount .....	98,289.89
Costs of Issuance .....	100,000.00
Additional Proceeds .....	<u>2,834.99</u>
Total Uses .....	\$17,740,551.05

### Ratings

Moody's Investors Service has assigned a rating of Aaa with a stable outlook to the Bonds, and affirmed the Aaa rating and revised the outlook from negative to stable on the City's outstanding parity debt. Standard & Poor's, a division of the McGraw-Hill Companies, has assigned a rating of AAA with a stable outlook to the Bonds and affirmed the AAA rating and stable outlook on the City's outstanding parity debt. The City furnished to the rating agencies certain information and materials, some of which may not have been included in this Official Statement. The ratings reflect only the view of each rating agency and are subject to revision or withdrawal, which could affect the market price of the Bonds. Each rating agency should be contacted directly for its rating on the Bonds and the explanation of such rating.

Moody's Investors Service and AAA by Standard and Poor's.

### Tax Exemption

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

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

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

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding the State and local tax consequences of ownership and disposition of, or receipt of interest on, the Bonds.

### **Original Issue Discount**

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

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

### **Original Issue Premium**

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

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

## **Security and Remedies**

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

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the City 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 obligation debt of the City. 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 City is subject to suit on its general obligation bonds and notes, and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the City. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the City to take all lawful action to obtain the same, including the raising of the required amount in the next tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors, including the current operating needs of the City and the availability and adequacy of other remedies.

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

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

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

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

#### **Book-Entry-Only System**

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

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities

Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that its participants (“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, in turn, is owned by a number of its Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as U.S. and non-U.S. securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are 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 Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by 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. effect no 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 securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

Principal and interest payments on the Bonds will be made to Cede & Co., as nominee of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from the City or Paying Agent, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in

bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

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

The City may decide to discontinue 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.

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

#### **DTC Practices**

The City can make no assurances that DTC, DTC 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**

Subject to the terms and conditions of the Bond Purchase Agreement, the City has agreed to sell to UBS Financial Services Inc. (the "Underwriter"), and the Underwriter has agreed to purchase, the Bonds at the net aggregate purchase price of \$17,642,261.16 (consisting of the principal amount of \$17,530,000, plus original issue premium of \$210,551.05, less underwriter's discount of \$98,289.89). The Underwriter will be obliged to purchase all such Bonds, if any such Bonds are purchased. The Underwriter intends to offer the Bonds to the public initially at the offering prices or yields set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Bonds may be offered and sold to certain dealers (including unit investment trusts and other affiliated portfolios of certain underwriters and other dealers depositing the Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

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## SECTION II - THE ISSUER

### History, Location, and Other Information

Stamford, first settled in 1641, is Connecticut's fourth largest city by population. It was named the Town of Stamford in 1642 and was admitted to Connecticut in October 1662. In 1893 the City of Stamford, comprising the central portion of the Town of Stamford, was incorporated. Thereafter, the City of Stamford became a composite part of the Town of Stamford, resulting in two separate governments. On April 15, 1949 the Town and City were consolidated and named the City of Stamford. Stamford covers an area of 39.9 square miles located on Long Island Sound between Greenwich to the west and New Canaan and Darien to the east.

The City is about one hour from New York City by rail or highway transportation. It is on the mainline of Metro North Commuter Railroad, Amtrak and Conrail, which provide daily passenger and freight service. It is served by interstate, intrastate, and local bus lines. The Connecticut Turnpike, I-95; the Boston Post Road, U.S. Route 1; and the Merritt Parkway, State Route 15, traverse the City.

Stamford is a center for major international corporate headquarters and the major retail trade center of Fairfield County, yet it maintains its suburban character and residential areas. Through sound urban planning, the City has strengthened its retail core, increased its housing and cultural facilities and attracted major office development. It is also an important residential suburb in one of the highest per capita income areas of the United States. The 2000 U.S. Census reports Stamford's per capita income for 2000 was \$34,987 with a 2000 population of 117,083. According to the 2000 U.S. Census, the Stamford Metropolitan Area ranked third in the nation with a median family income of \$69,337.

Notwithstanding the City's position as a major corporate and retail trade center, the City continues to move aggressively to enhance the opportunities for neighborhood revitalization and economic development. It has expended its technical capabilities to organize and manage comprehensive development strategies; it continues to work with the business community and the Stamford Partnership to address economic problem-solving that only such a public/private partnership pooling of resources can realistically address. It has also created citizen advisory groups in key target neighborhoods thus building a bridge of dialogue essential to progress.

### Description of Government

The City of Stamford operates under a Charter adopted in 1949 and most recently revised in November 2004. The 2004 revisions created an Undesignated Fund Balance or Rainy Day Fund, added the Mayor to the Board of Education as a non-voting member and made a number of technical changes to the Charter.

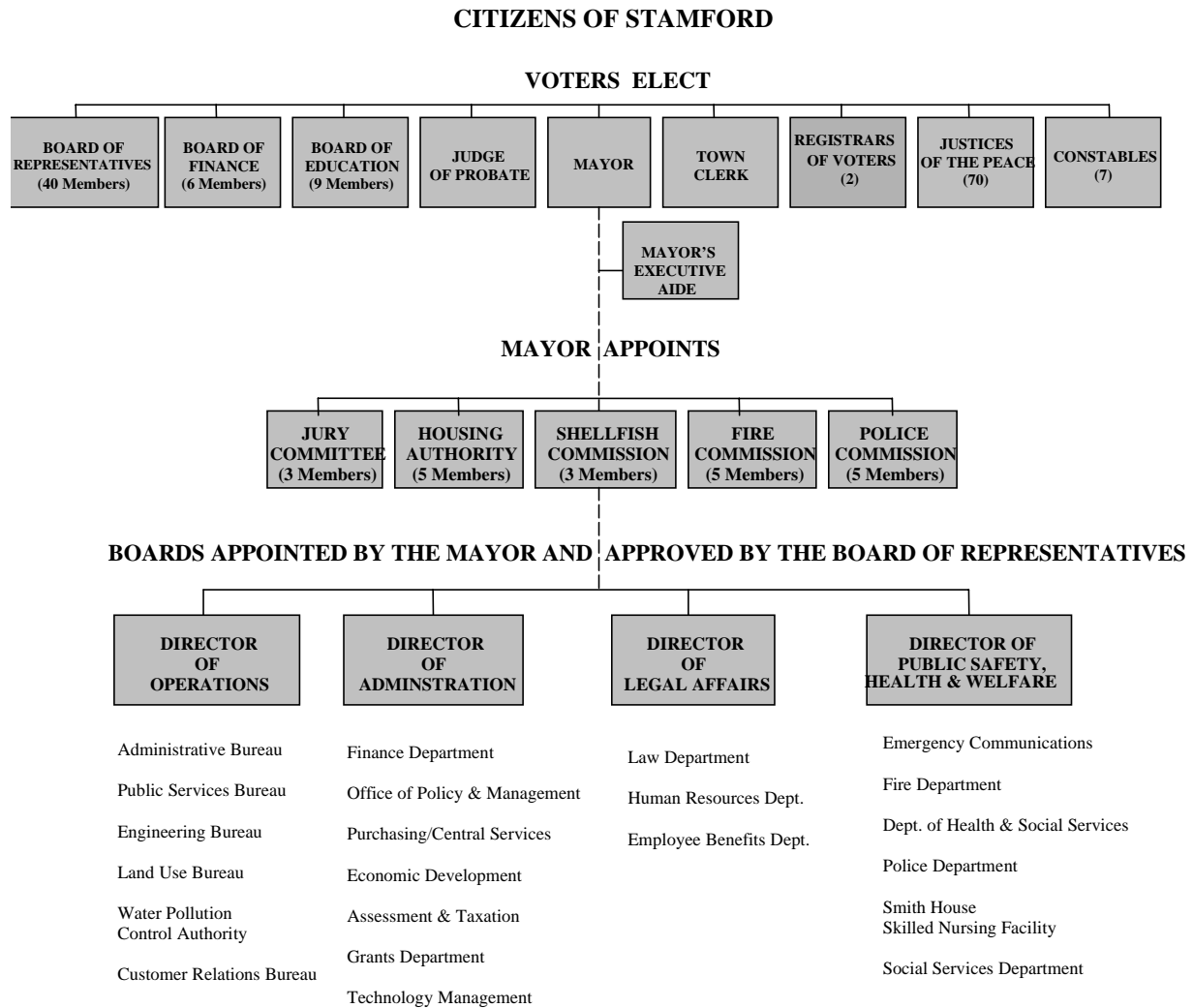
The chief executive officer of the City is the Mayor, currently elected for a four-year term of office. The legislative function is performed by a forty-member Board of Representatives whose members are elected, two from each of twenty districts, for four-year terms. The Board of Representatives adopts ordinances and resolutions and must approve all expenditures of funds. A six-member Board of Finance, elected to staggered four-year terms with provisions for representation of two major political parties, establishes fiscal policy and must approve all expenditures of funds.

The Director of Administration is appointed by the Mayor and confirmed by the Board of Representatives. Under the direction of the Mayor, the Director of Administration has supervision over the Department of Finance, Office of Policy and Management, Purchasing, Assessment and Taxation, Community Development, Intergovernmental Grants, and Technology Management Services. The Director of Administration is the Chief Fiscal Officer of the City and performs accounting of all funds showing all financial transactions for all commissions, boards, departments, offices, agencies, authorities and other entities of the City. The Office of Administration assumed finance and grant functions for the Board of Education during fiscal year 2003-04.

The Director of Administration has the powers and duties conferred on town treasurers, to issue and market all Bonds and to invest funds of the City. The Director of Administration is also responsible for the

preparation of the operating and capital budgets of the City. In addition, in accordance with Section 8-20-3 of the City Charter, the Director of Administration submits his opinion to the Mayor and Board of Finance in December of each year setting forth the amount and nature of capital expenditures that the City may incur safely for each of the six succeeding years.

### Organizational Chart



### Administration

The Mayor, subject to the approval of the Board of Representatives, appoints four Directors to his cabinet: the Director of Administration, Director of Operations, Director of Legal Affairs, and Director of Public Safety, Health and Welfare. The Directors serve at the Mayor's pleasure, and their terms are coterminous with the Mayor's term of office. The Mayor's Executive Aide also serves as a member of the cabinet.

### Principal Municipal Officials

<u>Office</u>	<u>Name</u>	<u>Manner of Selection/Term</u>	<u>Years of Service</u>
Mayor .....	Dannel P. Malloy	Elected/4 years	9½ years
Director of Administration .....	Benjamin Barnes	Appointed/4 years	2 years <sup>1</sup>
Director of Operations .....	Timothy Curtin	Appointed/4 years	5 years
Director of Legal Affairs .....	Thomas Cassone	Appointed/4 years	3 years
Director of Public Safety, Health and Welfare .....	William Callion	Appointed/4 years	2 years
Controller .....	Lisa M. Reynolds	Civil service/indefinite	6½ years
Director of Policy & Management .....	Peter Privitera	Civil service/indefinite	2½ years
Superintendent of Schools .....	Dr. Joshua Starr	Appointed/3-year contract	Newly appointed

<sup>1</sup> Mr. Barnes previously served 2½ years as Director of Public Safety, Health and Welfare.

The City administers a Civil Service System, including hiring, promotional and competitive examinations and disciplinary actions. In addition, the Civil Service System conducts training programs and maintains employee benefit programs. The Department of Human Resources conducts collective bargaining negotiations on 14 contracts with municipal employee labor unions. The Board of Education negotiates with its employee labor unions. See “Municipal Employees Bargaining Organizations” herein.

The City currently employs 3,318 full time persons for General Government and the Board of Education. The following table shows the City’s employment rolls for the past seven fiscal years.

#### Municipal Employees<sup>1</sup>

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General Government <sup>2</sup> .....	1,268	1,245	1,243	1,241	1,342 <sup>2</sup>	1,358	1,342
Board of Education .....	<u>2,050</u>	<u>2,027</u>	<u>2,139</u>	<u>2,141</u>	<u>2,143</u>	<u>2,005</u>	<u>1,835</u>
Total .....	3,318	3,272	3,382	3,382	3,485	3,363	3,177

<sup>1</sup> As of July 1 each fiscal year.

<sup>2</sup> General Government includes employees assigned to the Smith House Nursing Home (112) the Water Pollution Control Authority (38); the E. Gaynor Brennan Golf Course (6); and the Risk Management Fund (3).

## Municipal Employees Bargaining Organizations

<u>Organization</u>	<u>Number of Employees</u>	<u>Current Contract Expiration Date</u>
<i>General Government</i>		
Stamford Police Association .....	294	06/30/05 <sup>1</sup>
Local #786 of the International Association of Firefighters, AFL-CIO (downtown) .....	227	06/30/05 <sup>1</sup>
Local #786 of the International Association of Firefighters, AFL-CIO (volunteer companies) .....	35	06/30/04 <sup>1</sup>
Local #2657 of the AFSCME, Council #4, AFL-CIO (Supervisors) .....	108	06/30/09
Local #465 of the AFSCME, Council # 4, AFL-CIO (Registered Nurses) .....	46	06/30/05 <sup>1</sup>
Local #1303-273 of the AFSCME, Council #4, AFL-CIO (Hygienists) .....	6	06/30/05 <sup>1</sup>
Local #1303-191 of the AFSCME, Council # 4, AFL-CIO (Attorneys) .....	5	06/30/03 <sup>1</sup>
Local #145 of the International Brotherhood of Teamsters, AFL-CIO .....	148	06/30/05 <sup>2</sup>
Local #2377 of the International Union, United Automobile Workers, AFL-CIO .....	288	06/30/05 <sup>1</sup>
New England Health Care Employees Union, District 1199 (Smith House) .....	<u>96</u>	06/30/05 <sup>1</sup>
Total Employees	1,253	
<i>Board of Education</i>		
Local #2657 of the AFSCME, Council #4, AFL-CIO (Supervisors) .....	4	06/30/05 <sup>1</sup>
Local #2377 of the International Union, United Automobile Workers, AFL-CIO .....	80	06/30/05 <sup>1</sup>
Stamford Board of Education Employee Association (Custodian & Maintenance) .....	144	06/30/05 <sup>1</sup>
Stamford Board of Education Employee Association (Security and Community Liaison Employees) .....	28	06/30/05 <sup>1</sup>
Stamford Education Association .....	1,394	06/30/07
Education Assistants of Stamford Association .....	306	06/30/04 <sup>1</sup>
School Administrators Association of Stamford .....	<u>66</u>	06/30/06
Total Employees	2,022	

<sup>1</sup> In negotiation.

<sup>2</sup> Tentative settlement for 6/30/09, pending ratification.

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 teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. Effective October 1, 1997, for binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In the light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

## Summary of Municipal Services

**Fire Department:** The Stamford Fire and Rescue Department is responsible for fire protection in Tax Districts A and B, covering the southern third of the City, including the central business district. The department has a total of 233 authorized personnel operating out of five fire stations. The northern two-thirds of the City is served by five volunteer fire companies operating out of seven fire stations complemented by a limited number of paid firefighters. In 1999, the City transitioned thirty-seven (37) paid firefighters assigned to the volunteer fire companies onto the City's payroll. This change resulted in improved fire protection in volunteer districts and reduced employee benefit costs for the paid personnel.

**Department of Health and Social Services:** The Department of Health and Social Services is responsible for a wide range of public health services including preventive treatment, public education, epidemiology laboratory work and code enforcement. The department provides testing, clinics and immunizations for numerous disease and health problems.

The environmental health program inspects and licenses food service establishments, grocery stores, markets, septic systems, refuse collectors and beaches.

The City enforces minimum housing standards as established by City ordinances, and the school health program serves all public and private school programs.

**Police Department:** The Stamford Police Department provides full-time police protection with an authorized strength of 302 officers. The Department consists of detective, youth, patrol and marine divisions. A computerized incident-tracking system maintains on-line information for all service calls handled by the department throughout the year. The Department's diligence joined with the Community Policing Initiative continues to fight crime with unprecedented success. The FBI declared Stamford the safest city in America during the first six months of 2004. For 2002 and 2003, Stamford was the 5<sup>th</sup> and 4<sup>th</sup> safest city, respectively, in the nation.

**Smith House Health Care Center:** The City operates a 128-bed skilled nursing facility, in order to provide financially viable long-term health care services to the elderly of the City of Stamford, which includes medical and nursing care, meals, various therapy treatments, recreation activities, and a living environment which conforms to State and Federal requirements. Smith House was founded in 1962 in response to a demand for such specialized services which was prompted particularly through the introduction of Medicaid and Medicare Programs. The City contracts with a private nursing home management firm for management of the facility. Since 2000, the Smith House has transitioned to a full accrual basis of accounting.

**Arts and Culture:** The Stamford Center for the Arts, established in 1983, is a regional performing arts center that annually sponsors productions and performances by individual artists and groups that include music, dance and theater. In 1989, the Center acquired the 1,600-seat Palace Theater. The Theater has attracted some of the world's finest artists for 78 years. The Theater recently underwent extensive renovations so as to preserve the structure and to provide state-of-the-art technology for its performers and patrons. Throughout the process, the City worked closely with the Historic Neighborhood Preservation Program in an effort to preserve Atlantic Street's architecture, which has remained virtually unchanged since 1860. In addition to the restored 1,600-seat theater, the property now boasts a 192-seat theater, conference rooms, and an art gallery. The Theater reopened in October 2003.

In July 1998 the City formed the Stamford Cultural Development Corporation ("SCDC"), a designated local arts service agency that provides consulting services on cultural development issues. It offers professional services to artists and cultural organizations which enable them to provide diverse cultural services to the citizens of Stamford and the surrounding region. Services and programs include professional development opportunities, research, organizational stabilization and audience development, public/private partnerships, and grants to arts organizations. The SCDC also distributes City-funded grants to various local artists.

Other organizations that provide or promote cultural activities in the City are the Stamford Museum and Nature Center, a 118-acre natural woodland park and museum that blends history, nature and art; the Bartlett Arboretum, a facility in North Stamford with 63 acres of nature trails and landscaped gardens; and the Stamford Historical Society Museum, a museum of local history.

**Library:** The City of Stamford has one main library, the Ferguson Library, four branches and one bookmobile. The main library is approximately 100,000 square feet with more than 377,000 volumes, over 2,000 periodicals and approximately 27,000 audiovisual items. Total annual circulation exceeds 950,000 items with approximately 74,000 registered borrowers. A new, expanded branch library has been completed and was opened to the public in January 2000. All of the libraries are operated by the Ferguson Library, Inc., a 501(c)(3) non-profit corporation.

**Stamford Partnership:** In 1979, the City established a non-profit partnership of business and governmental leaders so as to improve its economic and physical health. The Stamford Partnership is charged with the following: (1) to work with public officials on strategies related to community-wide issues; (2) to act as a catalyst for civic action; and (3) to serve as a conduit for the application of private sector resources for civic purposes. The Partnership's activities are based on strategic objectives of employment and skills retention, downtown revitalization, neighborhood improvement, municipal finance, municipal facilities and transportation improvement.

#### **Office of Operations:**

**Administrative Bureau:** The mission of the Administrative Bureau is to provide the other bureaus of the Office of Operations with administrative assistance and to provide the general policy guidelines by which all bureaus operate. In addition, the Administrative Bureau oversees the maintenance of all City facilities. Facilities Management provides the citizens, employees and visitors to the City of Stamford safe, comfortable, high-quality functional facilities for professional, recreational and service functions. Responsibility for the day-to-day management of City facilities was recently contracted to a private management company.

The Leisure Services Division enhances the quality of life in Stamford by providing diverse recreational programs and coordinating services with and to other leisure service providers. The City has over 650 acres of park land and recreational facilities, structures and buildings, including four beaches, four municipal marinas that can serve over 600 boats up to 28 feet in length, athletic fields, game courts and picnic areas, an indoor ice-skating rink, a theater program, as well as planting beds and roadside areas and cultural and historic resources such as Fort Stamford and the Cove Island Mansion.

**Public Services Bureau:** This area comprises the Highway, Fleet Management, Facilities Management and Solid Waste divisions. The City directs the personnel and equipment of each respective division to specific City projects. The Public Services Bureau champions inter-division coordination so as to maintain a clean and efficient City.

The Highway division's responsibility is to monitor and to maintain all City rights-of-way. The City's road network consists of some 345 miles, which is the largest municipal road system in the state.

The City's annual leaf pick-up program provides a means for meeting state solid waste reduction demands and for maintaining safe roads and intersections.

The Solid Waste division operates a State-licensed solid waste transfer station six days a week, two shifts per day. In fiscal year 2003-04, 70,712 tons of municipal solid waste ("msw") and 13,259 tons of bulky waste were accepted, sorted, processed and reloaded for over-the-road hauling to disposal facilities. The msw is disposed of at the Bridgeport incinerator operated by the Connecticut Resources Recovery Authority under a newly negotiated three-year contract at \$76.76 per ton. The bulky waste is currently processed and disposed of in a landfill in Massachusetts at \$55.89 per ton.

The transfer station also operates a recycling drop-off center. In addition, the City provides for the once-a-week combined collection of co-mingled recyclables of glass, metal, plastic food and beverage

containers, and monthly collection of newspapers, mixed paper and corrugated cardboard from approximately 40,000 residences in the City.

The transfer station operation also includes a scalehouse facility and processes approximately 45,000 separate transactions annually. The City charges \$76.76 per ton for commercially generated municipal solid waste and bulky waste effective February, 2004.

**Engineering Bureau:** Over the next three years, the City is anticipating approximately \$30 million per year in capital construction including Board of Education projects. Coupled with Federal- and State-funded programs, the Engineering Bureau will be overseeing as much as \$30 million in capital design and construction per year. It is the Bureau's goal to be able to prepare all designs of public works projects "in house," with the majority of Board of Education designs prepared by outside architects and engineers.

**Land Use Bureau:** The Planning Board is responsible for planning and coordinating the development of the City in accordance with the City Master Plan. The Board prepares, adopts and amends the Master Plan; adopts and amends Subdivision Regulations; reviews and acts upon subdivision applications; prepares capital project budgets and programs; reviews and acts upon referrals from the Zoning Board and Zoning Board Appeals; and prepares and adopts neighborhood plans.

The Zoning Board is responsible for regulating the use of land and buildings within the City. The Board prepares, adopts and amends the Zoning Regulations and Zoning map so as to control and guide the appropriate use and development of property. The Board also reviews site and architectural plans, special exceptions and Coastal Site Plan applications.

The primary function of the Zoning Board of Appeals is to consider variances of the zoning regulations where there is an unusual hardship with the land.

The Environmental Protection Board is organized by Ordinance as a multipurpose City Agency combining the duties and responsibilities of a local Inland Wetland and Watercourses Agency, a local Conservation Commission, a local Flood and Erosion Control Board, and a local Aquifer Protection Agency.

**Water Pollution Control Authority ("WPCA"):** The mission of the WPCA is to protect the environment and public health of the City of Stamford. The WPCA operates and maintains the Water Pollution Control Facility, pumping stations and sanitary sewer systems. This includes applying "state-of-the-art" process control techniques to the operation of the treatment plant and good maintenance management for the plant, pumping stations and sanitary sewer systems. The City is currently in the process of upgrading the treatment plant. Completion of that project is expected in the Spring of 2005. The upgrade is being financed primarily by grants and loans under the Clean Water Fund program of the State of Connecticut. See "DEBT SECTION - State of Connecticut Clean Water Fund" herein. A smaller portion of the project is expected to be financed by general obligation bonds of the City. The debt service associated with the Clean Water Fund loans is expected to be paid entirely from revenues of the sewerage system under the Indenture of Trust, dated as of December 21, 2001, by and among the City, the WPCA and Wachovia Bank, National Association (as successor to First Union National Bank) as Trustee (the "Trustee")(the "Original Indenture"), as amended and supplemented by the First Supplemental Indenture, dated as of October 1, 2003, by and among the City, the WPCA and the Trustee (the "First Supplemental Indenture")(the Original Indenture and the First Supplemental Indenture referred to herein as the "Indenture"). The debt service associated with the general obligation bonds is expected to be paid entirely from revenues of the sewerage system on a subordinated basis under the Indenture.

On October 9, 2003, the City issued \$12,480,000 Water Pollution Control System and Facility Revenue Bonds, 2003 Series A, under the Indenture, to finance various sewer projects contained in capital budgets of the City, for improvements to the City's sewerage system. The 2003 Series A Bonds are special limited obligations of the City payable solely from revenues and other receipts, funds and moneys pledged therefor pursuant to the Indenture. See "DEBT SECTION - Sewer Revenue Bonds" herein.

Construction on the treatment plant upgrade is virtually complete and is expected to be fully completed in the fall of 2005.

**Colleges:** The Stamford branch of the University of Connecticut, recently relocated downtown, serves approximately 1,200 full-time and part-time undergraduate students and approximately 500 active MBA candidates. The undergraduate program is both a two-year and four-year program, with baccalaureate majors offered in political science, economics, sociology, psychology, English and history, as well as a bachelor of general studies program for returning adult students.

A number of other colleges and universities offer both credit and non-credit programs in Stamford, including Norwalk Community College, Sacred Heart University, Fairfield University, Bridgeport Engineering Institute and the University of Bridgeport.

**Central Business District:** The City of Stamford's central business district redevelopment is under the jurisdiction of two City agencies, the Planning Board and the Urban Redevelopment Commission ("URC"). The URC is responsible for approximately 130 acres known as the "Southeast Quadrant" comprising 90 percent of the central business district. The original redevelopment plan was approved in 1963 and has been amended from time to time since then.

The redevelopment program has two major objectives; first, to eliminate blight and deterioration in Stamford's downtown area and secondly, to provide a physical environment that would attract the investment of private capital in the central business district and beyond.

Since 1970 the URC has completed in the central business district the development of over 5,729,000 square feet of office space, 1,094,685 square feet of retail space and 1,717 new residential units. The URC is constructing a new 500-space parking garage in 2005, which will be managed by the City.

The Stamford Town Center, the retail centerpiece for the City and region, has 1,000,000 square feet of retail space on four levels, served by seven levels of enclosed parking that accommodates 4,000 vehicles. Over \$175 million has been invested in this center which generates between \$200 to \$250 million in annual sales.

The URC was also involved in the development of a new headquarters building and trading facility for UBS, which opened in October 1997. The first phase of this facility cost approximately \$140 million. Phase 2 of this project was completed in 2002 at a cost of \$100 million. This expansion included 36,000 square feet for an expanded trading floor, 36,000 square feet for technical operations, and a 500-vehicle parking garage. Four thousand employees from UBS are now currently located in Stamford.

In addition to the above, additional housing, retail and offices are currently being planned for development in this area. According to the Master Plan for this area, this new development will take place on a re-configured block which will provide space to promote and enhance pedestrian movement. In addition, the City is actively undertaking the development of the Mill River Corridor area, directly adjacent to downtown.

The Mill River Corridor Plan includes establishment of a tax increment financing district to support development within the plan area.

On November 9, 2004, the City issued \$15,190,000 General Obligation Bonds, Parking Garage Issue, to provide financing for the Block 9 Parking Garage (the "Garage") project. The Garage is a critical component of a substantial downtown redevelopment effort that is under way. The Garage will contain approximately 487 parking spaces, providing public parking for existing nearby restaurants, retail establishments, the Palace Theater and a multiplex cinema, as well as for a newly opened Target department store on an adjacent lot, a new Marriot Hotel under construction across the street from the Garage, a new Burlington Coat Factory across Broad Street, and approximately 410 units of housing and 30,000 square feet of retail space planned for the next several years within the same block. Construction is expected to begin in the spring of 2005 and will be completed in approximately twelve months. The URC will develop the Garage, and the City will own and operate the Garage in conjunction with its other parking assets throughout the City.

***Government Assisted Housing:*** The Stamford Housing Authority constructs, operates and maintains housing for low- and moderate-income families and senior citizens. The Authority manages over 1,400 dwelling units in 19 projects as well as a rental assistance program for 966 families in privately owned housing units throughout the City. Some of the City's most recent accomplishments include the revitalization of two large facilities, Southwood Village and Fairfield Court.

In November 2003, the City of Stamford received \$4.7 million from the State of Connecticut to redevelop Southfield Village in Waterside. The \$4.7 million was critical because it fulfilled the local component for the 1997 Hope VI grant from the U.S. Department of Housing and Urban Development. The new facility, Southwood Square, will consist of 160 low-to-moderate-income units, 70 moderate-income units, 85 market-rate units, and 15 units for sale. The City will receive an additional \$16 million from the Connecticut Housing Finance Authority and \$10 million from the Connecticut Department of Community Development to ease the total cost of \$94 million.

Most recently, in June 2004 Stamford secured a \$20 million Hope VI grant to reconstruct the aging Fairfield Court on the West Side. In addition to rebuilding the 144 existing units, the City will construct 111 new affordable, home ownership, and market-rate units. Fairfield Court, like Southwood Square, is a mixed-income development which accommodates residents from a broad spectrum of economic opportunity. City, State and private funds will cover the remaining \$70 million.

***Stamford Community Development Program:*** The City administers Federal community development block grants as well as the Federal HOME program. The program's objective is to improve the quality of life and create a suitable living environment for needy residents in targeted neighborhoods with an emphasis on rehabilitation of existing housing stock and the creation of new housing at levels affordable to low- and moderate-income individuals and families. The City also offers assistance to non-profit housing developers and supports a variety of social service activities for low- and moderate-income individuals and families.

### **Educational System**

Stamford has a ten-member Board of Education, elected to three-year terms, with three members elected each year. The officers of the Board, elected by Board members at the organizational meeting held every January, include a Chairman, a Vice-Chairman and a Secretary. The Mayor serves as a non-voting member.

The primary function of the Board is to establish policy and oversee the operations of the public school system. Some of the areas for which such policies are set include curriculum, budget requests submissions, policies ensuring that funds for education as appropriated by the City are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation.

The City has two public high schools, a specialized Academy of Information Technology serving grades 9-12, five middle schools and twelve elementary schools. In addition, there are twelve private and parochial schools, as well as a State technical high school. The Board employs 1,484 professional (certified) personnel and 659 non-certified personnel including secretaries, clerks, custodians, maintenance personnel and teachers' aides.

### School Facilities

<u>School</u>	<u>Grades</u>	<u>Date Constructed (Last Remodeled)</u>	<u>Type of Construction</u>	<u>Number of Classrooms</u>	<u>Enrollment As of 10/1/04</u>
Davenport Ridge .....	K-5	1972	Concrete	40	595
Murphy .....	K-5	1900 (2002)	Brick	33	512
Newfield .....	K-5	1954 (2002)	Brick	26	663
Northeast .....	K-5	2003	Brick/Stone	37	798
Rogers .....	Pre-K-5	1889 (1964)	Brick	32	571
Bank St. at Toquam ...	Pre-K-5	1967 (1991)	Brick	37	450
Roxbury .....	K-5	1955 (2002)	Brick	35	720
Springdale .....	K-5	1908 (2003)	Brick	34	567
Hart .....	Pre-K-4	1915 (1998)	Brick	40	500
Stark .....	K-5	1927 (1997)	Brick	33	645
Stillmeadow .....	K-5	2003	Block	39	618
Westover .....	K-5	1999	Brick	26	637
Cloonan .....	6-8	2002	Brick	52	625
Dolan .....	6-8	1949	Brick	31	643
Turn of River .....	6-8	1963	Block/Brick	41	671
Rippowam Middle ....	6-8	2003	Steel Frame	77	850
Magnet Middle .....	6-8	2001	Brick	32	571
AIT .....	9-12	1961 (2001)	Steel/Frame	n/a	319
Stamford High .....	9-12	1928 (2003)	Brick/Stone	106	1,915
Westhill High .....	9-12	2003	Steel Frame/Brick	121	2,070
Boyle Stadium .....	n/a	1937 (1997)	Stone	n/a	-
Special Enrollments ..	n/a	n/a	n/a	n/a	118
Out-of-District .....	n/a	n/a	n/a	n/a	100
Home Instruction .....	n/a	n/a	n/a	n/a	<u>110</u>
Total .....					15,268

### School Enrollments

<u>As of October 1</u>	<u>Elementary Headstart/K-5</u>	<u>Middle School 6-8</u>	<u>High School 9-12</u>	<u>Bilingual/Pre-K/ Special Education</u>	<u>Total Enrollment</u>
<i>Historical</i>					
1993 .....	6,187	2,659	3,390	982	13,218
1994 .....	6,464	2,677	3,312	1,198	13,651
1995 .....	6,612	2,785	3,358	1,289	14,044
1996 .....	6,735	2,789	3,343	1,463	14,330
1997 .....	6,743	2,901	3,364	1,393	14,401
1998 .....	7,359	3,012	3,295	842	14,508
1999 .....	6,973	2,793	3,410	1,508	14,684
2000 .....	6,908	2,999	3,651	1,361	14,919
2001 .....	6,936	3,248	3,769	1,256	15,209
2002 .....	6,930	3,351	3,937	1,152	15,370
2003 .....	7,003	3,354	4,139	1,070	15,566
2004 .....	6,854	3,278	4,190	946	15,268
<i>Projected</i>					
2005 .....	6,810	3,260	4,379	1,040	15,489
2006 .....	6,840	3,330	4,385	1,030	15,585
2007 .....	6,780	3,290	4,340	1,102	15,512
2008 .....	6,765	3,270	4,330	1,090	15,455

**SECTION III - DEMOGRAPHIC AND ECONOMIC DATA**

**Population Trends and Densities**

<u>Year</u>	<u>Population</u> <sup>1</sup>	<u>Percent Change</u>	<u>Density</u> <sup>2</sup>
1960 .....	92,713	-%	2,324
1970 .....	108,798	17.3	2,727
1980 .....	102,453	(5.8)	2,568
1990 .....	108,056	5.5	2,708
2000 .....	117,083	8.4	2,934
2003 .....	120,107	2.6	3,010

Sources: <sup>1</sup>U.S. Department of Commerce, Bureau of Census, Census of Population 1960-2000; State of Connecticut Department of Public Health estimate 2003.  
<sup>2</sup>Population per square mile: 39.9 square miles.

**Age Distribution of the Population**

<u>Age</u> <sup>1</sup>	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5 years .....	8,108	6.9%	223,344	6.5%
5 to 9 years .....	7,452	6.4	244,144	7.2
10 to 14 years .....	6,704	5.7	241,587	7.1
15 to 19 years .....	5,669	4.8	216,627	6.4
20 to 24 years .....	6,617	5.7	187,571	5.5
25 to 34 years .....	20,802	17.8	451,640	13.2
35 to 44 years .....	20,202	17.3	581,049	17.1
45 to 54 years .....	15,142	12.9	480,807	14.1
55 to 59 years .....	5,665	4.8	176,961	5.2
60 to 64 years .....	4,547	3.9	131,652	3.9
65 to 74 years .....	8,271	7.1	231,565	6.8
75 to 84 years .....	5,663	4.8	174,345	5.1
85 years and over .....	<u>2,241</u>	<u>1.9</u>	<u>64,273</u>	<u>1.9</u>
Total .....	117,083	100.0%	3,405,565	100.0%
2000 median age (years) <sup>1</sup> .....	36.4	-	37.4	-
1990 median age (years) <sup>2</sup> .....	34.9	-	34.4	-

Sources: <sup>1</sup>U.S. Department of Commerce, Bureau of Census, 2000 Census.  
<sup>2</sup>U.S. Department of Commerce, Bureau of Census, 1990 Census.

### Income Distribution

	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
\$ 0 - 9,999 .....	1,082	3.7%	33,423	3.8%
10,000 - 14,999 .....	847	2.9	23,593	2.7
15,000 - 24,999 .....	2,094	7.1	63,262	7.1
25,000 - 34,999 .....	2,534	8.7	75,413	8.5
35,000 - 49,999 .....	3,619	12.4	120,134	13.6
50,000 - 74,999 .....	5,486	18.8	198,924	22.5
75,000 - 99,999 .....	3,709	12.7	141,981	16.0
100,000 - 149,999 .....	4,682	16.0	132,177	14.9
150,000 - 199,999 .....	1,968	6.7	42,472	4.8
200,000 and over .....	<u>3,218</u>	<u>11.0</u>	<u>54,368</u>	<u>6.1</u>
Total .....	29,239	100.0%	885,747	100.0%

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

### Comparative Income Measures

	<u>City of Stamford</u>	<u>State of Connecticut</u>
Per capita income, 1999 .....	\$34,987	\$28,766
Median family income, 1999 .....	\$69,337	\$65,521
Median household income, 1999 .....	\$60,556	\$53,935

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

### Educational Attainment

Years of School Completed - Age 25 and Over

	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade .....	6,287	7.6%	132,917	5.8%
9th to 12th grade, no diploma .....	8,454	10.2	234,739	10.2
High school graduate .....	20,320	24.5	653,300	28.5
Some college, no degree .....	11,114	13.4	402,741	17.5
Associate's degree .....	3,926	4.7	150,926	6.6
Bachelor's degree .....	18,769	22.7	416,751	18.2
Graduate or professional degree .....	<u>14,016</u>	<u>16.9</u>	<u>304,243</u>	<u>13.2</u>
Total .....	82,886	100.0%	2,295,617	100.0%
Total high school graduate or higher .....	-	82.2%	-	84.0%
Total bachelor's degree or higher .....	-	39.6	-	31.4

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

## Labor Force Data

<b>Reporting Period Average</b>	<b>Labor Force</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Unemployment Rate (%)</b>		
				<b>City of Stamford</b>	<b>Stamford Labor Market</b>	<b>State of Connecticut</b>
June 2005 .....	66,152	63,073	3,079	4.7	5.1	5.4
2004 .....	66,511	64,258	2,253	3.4	2.9	4.7
2003 .....	66,538	63,773	2,765	4.2	3.6	5.5
2002 .....	65,837	63,380	2,457	3.7	3.2	4.3
2001 .....	65,817	64,025	1,792	2.7	2.4	3.3
2000 .....	67,479	66,318	1,161	1.7	1.4	2.3
1999 .....	66,131	64,472	1,659	2.5	2.1	3.2
1998 .....	65,538	63,791	1,747	2.7	2.2	3.4
1997 .....	65,803	63,196	2,607	4.0	3.2	5.1
1996 .....	65,143	62,172	2,971	4.6	3.7	5.7
1995 .....	62,391	59,444	2,947	4.7	3.8	5.5

Source: State of Connecticut, Labor Department, Office of Research.

## Industry Classification

<b>Sector</b>	<b>City of Stamford</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Agriculture, forestry, fishing, hunting, and mining.....	162	0.3%	7,445	0.4%
Construction .....	3,893	6.4	99,913	6.0
Manufacturing .....	6,040	9.9	246,607	14.8
Wholesale trade .....	1,891	3.1	53,231	3.2
Retail trade .....	6,209	10.2	185,633	11.2
Transportation, warehousing and utilities .....	2,244	3.7	64,662	3.9
Information .....	2,954	4.8	55,202	3.3
Finance, insurance, real estate and leasing .....	8,039	13.2	163,568	9.8
Professional, scientific, management, administrative and waste management .....	10,784	17.7	168,334	10.1
Educational, health and social services .....	9,872	16.2	366,568	22.0
Arts, entertainment, recreation, accommodation and food services .....	3,902	6.4	111,424	6.7
Other services .....	3,518	5.8	74,499	4.5
Public administration .....	<u>1,439</u>	<u>2.3</u>	<u>67,354</u>	<u>4.1</u>
Total .....	60,947	100.0%	1,664,440	100.0%

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

**Commute to Work  
16 years of age and over**

	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Drove alone .....	41,951	70.1%	1,312,700	80.0%
Car pools .....	6,372	10.7	154,400	9.4
Using public transportation .....	6,414	10.7	65,827	4.0
Walked .....	2,216	3.7	44,348	2.7
Using other means .....	620	1.0	12,130	0.8
Worked at home .....	<u>2,295</u>	<u>3.8</u>	<u>51,418</u>	<u>3.1</u>
Total .....	59,868	100.0%	1,640,823	100.0%
Mean travel to work (minutes) .....	24.0	-	24.4	-

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

**Major Employers**

There are over 350 corporate and manufacturing industries located in Stamford. Stamford's major employers include the following:

<u>Name</u>	<u>Nature of Business</u>
City of Stamford	Government and Education
Pitney Bowes, Inc.	Office Equipment (HQ)
UBS	Investment Banking (HQ)
Gartner, Inc.	Information Technology Advisory Services
GE Commercial Finance (formerly General Electric Capital Corporation)	Finance (HQ)
GE Equipment Management (formerly General Electric Capital Corporation)	(HQ)
GE Consumer Finance (formerly General Electric Capital Corporation)	Finance (HQ)
GE insurance (formerly General Electric Capital Corporation)	Insurance
Stamford Town Center	Retail Stores
Stamford Health Systems	Medical Care
Clairol, Inc.	Cosmetics (HQ and Mfg.)
General Cologne Re Corporation	Insurance (HQ)
U.S. Postal Service	Local and Regional Mail Service
Purdue Pharma	Pharmaceuticals (HQ)
Xerox Corporation	Office Equipment
Hyperion Solutions	Computer Software
Moore Corporation	Printed Forms
Macy's	Retailing
Omega Engineering	Temperature Control Devices (HQ and Mfg.)
Price WaterhouseCoopers	Public Accounting/Consulting
Thomson Corporation	Publishing
SBC	Telephone and Communications
Shamrock Maintenance Inc.	Building Cleaning Services
United Distillers & Vinters	Beverages (HQ)
First Union National Bank	Banking
International Paper	Forest Products (HQ)

## Major Employers (continued)

<u>Name</u>	<u>Nature of Business</u>
Citizen Utilities	Utility
CYTEC	Chemicals (Research Laboratories)
Circom/ACMI	Medical Instruments (HQ and Mfg.)
Citibank Global Asset Management	Finance
Graph Network	Cable Television
General Signal	Transportation
META Group	Consumer Services
ITDS	Computer Software
NacRe Insurance	Insurance
Semprra Energy Trading	Trading
Bank of America	Finance
The Stamford Hospital	Medical Services
Virgin Atlantic Airways	Travel Airlines
TIG Reinsurance	Insurance
Group W Network Services	Programming
Mead Westvaco Corp.	Pulp Mills
Tosco	Petroleum Refining
Crane	Industrial
Crompton & Knowles	Chemicals
Silgan Holdings	Metal Products
AC Nielsen	Computer and Data Services
Titan Sports WWE	Professional Wrestling
Asbury Automotive Group Inc.	New and Used Car Dealers
Chartwell Re Corp.	Reinsurance
Chirex Inc.	Contract Research and Development for Pharmaceutical Company
Gantos	Women's Apparel and Accessories
Star Gas Partners	Liquefied Petroleum Gas Dealers
Hexcel Corp.	Carbon Fiber Industrial Products Manufacturer
Independence Holding Co.	Life and Health Insurer
International Telecomm Data	Billing Management Information Systems and Support Services
Lone Star Industry	Manufacturing and Distribution of Cement

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HQ — Headquarters/Offices

Mfg — Manufacturing Facilities

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Source: City of Stamford Department of Economic Development and the Stamford Chamber of Commerce.

### Office Vacancy Rates

<u>Calendar Year</u>	<u>Stamford Central Business District</u>		<u>Stamford Non-Central Business District</u>		<u>Fairfield County</u>	
	<u>Square Feet Existing</u>	<u>Vacancy Percent</u>	<u>Square Feet Existing</u>	<u>Vacancy Percent</u>	<u>Square Feet Existing</u>	<u>Vacancy Percent</u>
2004 .....	6,307,898	16.0	8,279,388	18.2	38,236,387	18.1
2003 .....	6,307,898	18.0	8,265,861	16.1	38,345,381	17.4
2002 .....	6,307,898	17.9	8,357,572	17.8	38,242,993	20.7
2001 .....	6,311,533	14.0	8,269,133	12.6	37,458,689	16.5
2000 .....	6,248,071	9.6	8,433,193	5.4	37,540,194	6.8
1999 .....	6,248,071	6.5	8,434,180	9.6	37,353,281	10.0
1998 .....	6,248,071	6.2	8,386,631	12.0	37,526,869	9.7
1997 .....	5,668,071	7.6	8,357,324	12.4	36,665,658	11.0
1996 .....	5,750,655	12.0	8,729,308	20.8	37,306,798	15.1
1995 .....	5,827,091	15.6	8,654,636	15.8	37,626,408	15.4
1994 .....	5,810,706	17.4	8,871,806	19.7	37,710,476	17.7

Source: Cushman & Wakefield.

### Value of Building Permits

<u>Fiscal Year Ended 6/30</u>	<u>Residential</u>	<u>Commercial/Industrial</u>	<u>Apartments/Condominiums</u>	<u>Total</u>
2004 .....	\$138,432,128	\$196,867,884	\$ 4,311,000	\$339,611,012
2003 .....	76,738,245	117,209,684	4,487,000	198,434,929
2002 .....	66,706,336	195,330,791	16,057,715	278,094,842
2001 .....	45,405,860	156,978,838	45,614,700	247,996,398
2000 .....	45,087,299	171,945,326	69,203,887	286,236,512
1999 .....	41,062,696	115,280,275	42,893,700	199,236,671
1998 .....	51,375,256	92,721,886	5,708,361	149,805,503
1997 .....	32,554,217	202,105,799	13,708,600	248,368,616
1996 .....	50,219,499	157,298,746	5,770,000	213,288,245
1995 .....	60,462,008	64,019,438	6,149,081	130,630,527
1994 .....	15,908,982	25,638,198	1,304,000	42,851,180

### Age Distribution of Housing

<u>Household Characteristics</u>	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Built in 1939 or earlier .....	8,255	17.4%	308,896	22.3%
Built in 1940-1969 .....	21,791	46.0	571,218	41.2
Built in 1970-1979 .....	7,129	15.1	203,377	14.7
Built in 1980-1989 .....	5,995	12.7	183,405	13.2
Built in 1990-1994 .....	1,647	3.5	56,058	4.0
Built in 1995-March 2000 .....	<u>2,500</u>	<u>5.3</u>	<u>63,021</u>	<u>4.6</u>
Total .....	47,317	100.0%	1,385,975	100.0%

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

### Housing Units by Type of Structure

<u>Household Characteristics</u>	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Single-family detached .....	19,017	40.2%	816,706	58.9%
Single-family attached .....	2,958	6.2	71,185	5.1
Multifamily .....	25,315	53.5	485,890	35.1
Mobile home, trailer, or other .....	<u>27</u>	<u>0.1</u>	<u>12,194</u>	<u>0.9</u>
Total .....	47,317	100.0%	1,385,975	100.0%

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

### Housing Unit Vacancy Rates

<u>Housing Units</u>	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Occupied housing units .....	45,399	95.9%	1,301,670	93.9%
Vacant housing units .....	<u>1,918</u>	<u>4.1</u>	<u>84,305</u>	<u>6.1</u>
Total units .....	47,317	100.0%	1,385,975	100.0%
Homeowner vacancy rate .....	-	0.6%	-	1.1%
Rental vacancy rate .....	-	3.0	-	5.6

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

### Owner-Occupied Housing Units

<u>Specified Owner-occupied Units</u>	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$50,000 .....	71	0.4%	5,996	0.8%
\$ 50,000 to \$ 99,999 .....	177	1.0	85,221	11.7
\$100,000 to \$149,999 .....	509	2.8	212,010	29.1
\$150,000 to \$199,999 .....	1,104	6.1	156,397	21.5
\$200,000 to \$299,999 .....	4,616	25.6	137,499	18.9
\$300,000 to \$499,999 .....	6,960	38.6	79,047	10.9
\$500,000 or more .....	<u>4,597</u>	<u>25.5</u>	<u>52,074</u>	<u>7.1</u>
Total .....	18,034	100.0%	728,244	100.0%
Median value .....	\$362,300	-	\$166,900	-

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

## Number and Size of Households

<u>Household Characteristics</u>	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Persons in households .....	115,330	-	3,297,626	-
Persons per household (average) .....	2.54	-	2.53	-
Persons per family (average) .....	3.13	-	3.08	-
Family households .....	28,951	63.8%	881,170	67.7%
Non-family households .....	<u>16,448</u>	<u>36.2</u>	<u>420,500</u>	<u>32.3</u>
All households .....	45,399	100.0%	1,301,670	100.0%
Family households by type				
Married couple .....	22,006	76.0%	676,467	76.8%
Female householders, no spouse .....	5,240	18.1	157,411	17.8
Other .....	<u>1,705</u>	<u>5.9</u>	<u>47,292</u>	<u>5.4</u>
Total family households .....	28,951	100.0%	881,170	100.0%
Non-family households by type				
Householders living alone .....	13,033	79.2%	344,224	81.9%
Other .....	<u>3,415</u>	<u>20.8</u>	<u>76,276</u>	<u>18.1</u>
Total non-family households .....	16,448	100.0%	420,500	100.0%

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

## Land Use Summary

<u>Land Use Category</u>	<u>Acres</u>	<u>Percent</u>
Zoned for single family .....	19,693	80.1%
Zoned for multi-family .....	1,964	8.0
Zoned for mixed use .....	84	0.3
Zoned for business .....	996	4.1
Zoned for industry .....	988	4.0
Zoned for open space .....	<u>863</u>	<u>3.5</u>
Total .....	24,588	100.0%

Source: City of Stamford, Land Use Bureau, 2003 GIS data.

## SECTION IV - DEBT SECTION

### Legal Requirements for Approval of Borrowing

The City has the power to incur indebtedness by issuing its bonds and notes as authorized by the General Statutes of the State of Connecticut, subject to statutory debt limitations and the requirements of the City Charter for the authorization of indebtedness.

#### Debt Authorization

Debt is authorized by the Board of Representatives, upon request of the Mayor and approval by the Board of Finance. The City adopts a capital budget at the time that it adopts an annual operating budget. Each capital budget is financed from a combination of bonds, grants and other City funds.

#### Safe Debt Limit

The City of Stamford is also guided by a safe debt limit that is set each year by the Board of Finance. Section 8-20-3 of the Charter of the City of Stamford requires the preparation of an annual report analyzing the amount and nature of expenditures that the City may incur safely for capital projects during each of the next six succeeding years, and the effect of those expenditures on the current budgets for each of those years. The report prepared for Fiscal Year 2005-2006 recommended a safe debt limit of \$40 million per year for the next two years followed by \$36 million for four years for a total of \$224 million. Of this total, it was recommended that \$6 million each year (\$36 million over six years) be financed over seven years or less in order to meet capital equipment needs while minimizing long-term interest costs.

#### School Projects

The State of Connecticut provides proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. Debt service reimbursement will continue under the old program for all projects approved prior to July 1, 1996.

Under the old program, the State of Connecticut will reimburse the City for principal and interest costs for eligible school construction projects over the life of outstanding school bonds and the subsequent bond issues necessary to completely fund the projects. The City anticipates reimbursements of approximately \$10.7 million for projects approved under the old program.

Under the new program, the State of Connecticut will make proportional progress payments for eligible construction costs during certain construction phases of the projects. The percentage reimbursement for each school project is based on eligible costs as determined by the Connecticut Department of Education.

#### Sewer Projects

The Stamford Water Pollution Control Authority (the "SWPCA") is an agency of the City as established on November 28, 1996 pursuant to Ordinance No. 803 and Chapter 103, Sections 7-245 through 7-273a, inclusive, of the Connecticut General Statutes, as amended. The SWPCA is governed by a nine-member Board of Directors. Since 1996, it has operated as an enterprise fund.

The SWPCA has various debt obligations outstanding, including certain revenue bonds issued pursuant to an indenture of trust and certain general obligation bonds which are completely supported by sewer user fees. Such debt is completely separate from the City's Safe Debt Limit and statutory debt limitation of the State of Connecticut. See "Debt of the SWPCA" herein for more information.

**Current Debt Statement<sup>1</sup>  
Pro Forma  
As of August 10, 2005**

Bonded debt <sup>2</sup> :	
This issue .....	\$ 17,530,000
General purpose .....	159,842,484
Schools .....	<u>119,079,868</u>
Total bonded debt .....	296,452,352
Short-term debt <sup>3</sup> .....	<u>                  -</u>
Total overall debt .....	296,452,352
Less school construction grants receivable (principal only as of 6/30/05) .....	<u>10,769,919</u>
Total overall net debt .....	<u>\$285,682,433</u>

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

<sup>2</sup>Excludes \$15,057,648 of bonded general obligation sewer debt and three project loan obligations totaling \$4,541,922 for which the City has pledged its full faith and credit, but which are expected to be repaid entirely from revenues of the sewerage system. (See "Debt of the SWPCA" herein.)

<sup>3</sup>Excludes an interim funding obligation in the amount of \$74.1 million which will be secured by revenues of the sewerage system at the time of permanent financing.

**Current Debt Ratios  
Pro Forma  
As of August 10, 2005**

Population, 2003 .....	120,107
Per capita income, 1999 .....	\$34,987
Net taxable grand list, 10/1/04 .....	\$11,036,517,000
Estimated full value @ 70% .....	\$15,766,452,857
Equalized net grand list (2003) .....	\$29,834,627,040

	<b>Overall Debt</b>	<b>Overall Net Debt</b>
	<b><u>\$296,452,352</u></b>	<b><u>\$285,682,433</u></b>
Per capita .....	\$2,468.24	\$2,378.57
To net taxable grand list .....	2.69%	2.59%
To estimated full value .....	1.88%	1.81%
To net equalized grand list .....	0.99%	0.96%
Ratio of debt per capita to per capita income .....	7.05%	6.80%

**Bonded Debt Maturity Schedule<sup>1,2</sup>**  
**Pro Forma**  
**As of August 10, 2005**

<b>Fiscal Year Ending</b>	<b>Principal Payments</b>	<b>Interest Payments</b>	<b>Total Payments</b>	<b>This Issue</b>	<b>Cumulative Principal Retired (%)</b>
2006 <sup>3</sup> .....	\$ 8,866,516	\$ 8,648,945	\$ 17,515,461	\$ -	2.99
2007 .....	23,018,337	11,991,285	35,009,622	-	10.76
2008 .....	22,883,608	10,976,606	33,860,214	70,000	18.50
2009 .....	22,885,540	9,913,076	32,798,616	70,000	26.24
2010 .....	22,962,362	8,833,114	31,795,476	75,000	34.01
2011 .....	22,528,990	7,734,566	30,263,556	75,000	41.64
2012 .....	20,672,862	6,787,356	27,460,218	80,000	48.64
2013 .....	19,844,193	5,858,073	25,702,266	80,000	55.36
2014 .....	18,819,068	4,918,704	23,737,772	85,000	61.74
2015 .....	17,756,121	4,012,411	21,768,532	885,000	68.02
2016 .....	13,933,610	3,270,927	17,204,537	930,000	73.04
2017 .....	14,058,539	2,630,229	16,688,768	975,000	78.11
2018 .....	14,055,337	1,969,432	16,024,769	1,010,000	83.19
2019 .....	11,195,973	1,384,582	12,580,555	1,055,000	87.32
2020 .....	6,695,648	977,061	7,672,709	3,200,000	90.66
2021 .....	6,695,648	672,404	7,368,052	3,230,000	94.01
2022 .....	3,450,000	446,506	3,896,506	3,260,000	96.27
2023 .....	3,450,000	298,313	3,748,313	1,200,000	97.84
2024 .....	3,450,000	147,750	3,597,750	1,250,000	99.43
2025 .....	<u>1,700,000</u>	<u>36,125</u>	<u>1,736,125</u>	<u>-</u>	100.00
<b>Total</b>	<b>\$278,922,352</b>	<b>\$91,507,465</b>	<b>\$370,429,817</b>	<b>\$17,530,000</b>	

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

<sup>2</sup>Excludes \$15,057,648 of bonded general obligation sewer debt and three project loan obligations totaling \$4,541,922 for which the City has pledged its full faith and credit, but which are expected to be repaid entirely from revenues of the sewerage system. (See "Debt of the SWPCA" herein.)

<sup>3</sup>Excludes \$13,936,533 of principal payments and \$4,439,377 of interest payments made between July 1, 2005 and August 10, 2005.

**Overlapping/Underlying Debt**

The City of Stamford does not have any overlapping or underlying debt.

**Authorized but Unissued Debt**

As of June 30, 2005, the City had \$379,895,432 of authorized but unissued debt. The City expects that approximately \$259,759,811 of the authorized but unissued amount will be financed by State and Federal grants, and that approximately \$27,811,808 will be financed by sewer revenue bonds.

**Statement of Statutory Debt Limitation  
Pro Forma  
As of August 10, 2005**

**Debt Limitation Base**

Total tax collections, including interest and lien fees, for the fiscal year ended June 30, 2004 .....	\$311,521,759
Reimbursement for revenue loss on Elderly Tax Relief .....	<u>1,956,562</u>
Debt limitation base .....	\$313,478,321

**Debt Margin**

<u>Debt Limitation by Purpose</u>	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers<sup>1</sup></u>	<u>Urban Renewal</u>	<u>Pension Deficit Funding</u>
2.25 x base .....	\$ 705,326,222				
4.50 x base .....	-	\$1,410,652,445			
3.75 x base .....	-	-	\$1,175,543,704		
3.25 x base .....	-	-	-	\$1,018,804,543	
3.00 x base .....	-	-	-	-	<u>\$940,434,963</u>
Total debt limitation .....	<u>705,326,222</u>	<u>1,410,652,445</u>	<u>1,175,543,704</u>	<u>1,018,804,543</u>	<u>940,434,963</u>
Less indebtedness <sup>2,3</sup>					
This issue .....	14,793,404	2,736,596	-	-	-
Bonds payable .....	<u>159,842,484</u>	<u>119,079,868</u>	-	-	-
Total indebtedness .....	<u>174,635,888</u>	<u>121,816,464</u>	-	-	-
Less:					
School construction grants receivable .....	-	<u>10,769,919</u>	-	-	-
Net total indebtedness .....	<u>174,635,888</u>	<u>111,046,545</u>	-	-	-
Debt limitation in excess of outstanding & authorized debt .....	\$530,690,334	\$1,299,605,900	\$1,175,543,704	\$1,018,804,543	\$940,434,963

<sup>1</sup> Excludes \$15,057,648 of general obligation bonds and three project loan obligations outstanding in the amount of \$4,541,922 which are secured by the full faith and credit of the City, but which are expected to be repaid entirely from revenues of the sewerage system. Also excludes an interim funding obligation in the amount of \$74.1 million which will be secured by revenues of the sewerage system at the time of permanent financing.

<sup>2</sup> Excludes the Refunded Bonds.

<sup>3</sup> As of June 30, 2005 the City had \$379,895,432 of authorized but unissued debt of which approximately \$259,759,811 will be financed by State and Federal grants, and \$27,811,808 will be financed by sewer revenue bonds.

The State of Connecticut General Statutes require that in no event shall the total debt for the City exceed seven times the annual receipts from taxation. Maximum debt for the City of Stamford under this formula is \$2,194,348,247.

**Comparison of Annual Debt Service  
to General Fund Expenditures and Transfers Out**

<u>Fiscal Year Ended June 30</u>	<u>Debt Service</u>	<u>Total General Fund Expenditures and Transfers Out</u>	<u>Debt Service as Ratio to Total Expenditures and Transfers Out</u>
2005 (unaudited) .....	\$32,396,258	\$362,592,082	8.93
2004 .....	28,720,953	352,371,916	8.15
2003 .....	28,291,396	329,662,916	8.58
2002 .....	25,967,475	293,289,116	7.87
2001 .....	27,666,822	275,950,894	8.84
2000 .....	23,531,446	266,304,730	7.94

## **Debt of the SWPCA**

### **State of Connecticut Clean Water Fund**

The City of Stamford is a participant in the State of Connecticut Clean Water Fund Program (General Statutes Section 22a-475 et seq., as amended), which provides financial assistance for eligible sewer projects through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan). Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the Loan Agreement, or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are payable 1) in equal monthly installments commencing one month after the scheduled completion date, or 2) in a single annual installment representing 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement, and thereafter in monthly installments. The City may prepay their loans at any time prior to maturity without penalty. The City currently has an interim funding obligation ("IFO") outstanding in the amount of \$74.1 million which is expected to be refinanced by a project loan obligation ("PLO") in the amount of \$74.1 million, and has received a grant commitment of \$23 million. The IFO and PLO are authorized as revenue obligations to be secured by revenues of the sewerage system pursuant to an Indenture of Trust dated as of December 21, 2001, by and among the City, the Water Pollution Control Authority for the City and Wachovia Bank, National Association (as successor to First Union National Bank) as Trustee, as amended and supplemented by the First Supplemental Indenture, dated as of October 1, 2003 (the Indenture, as amended and supplemented by the First Supplemental Indenture, herein referred to as the "Indenture"). In addition, the City has three PLOs outstanding totaling \$4,541,922 for repayment of which the City has pledged its full faith and credit but which are expected to be repaid entirely from revenues of the sewerage system on a parity basis with the 2003 Series A Revenue Bonds issued in October 2003. (See "Sewer Revenue Bonds" herein.)

### **Sewer Revenue Bonds**

On October 9, 2003, the City issued \$12,480,000 Water Pollution Control System and Facility Revenue Bonds, 2003 Series A to finance various sewer projects contained in capital budgets of the City, for improvements to the City's sewerage system. The 2003 Series A Bonds are the first issuance of bonds to the public under the Indenture. In addition to the 2003 Series A Bonds, the Indenture also secures the City's obligations issued pursuant to the Clean Water Fund Act. See "State of Connecticut Clean Water Fund" herein. The 2003 Series A Bonds are special limited obligations of the City payable solely from revenues and other receipts, funds and moneys pledged therefor pursuant to the Indenture. The City expects that all future issuance of debt for improvements to the City's sewerage system will be funded under the program established by the Indenture for the issuance of revenue bonds, and that such amounts will accordingly be excluded from the Safe Debt Limit which is set each year for internal purposes by the Board of Finance. See "Safe Debt Limit" herein.

### **General Obligation Bonds**

The City, prior to the establishment of the revenue bond program for sewerage system improvements, has issued general obligation debt for purposes of sewerage system improvements. As of August 10, 2005 the City has \$15,057,648 of general obligation bonds outstanding and three project loan obligations outstanding in the amount of \$4,541,922 issued under the Clean Water Fund which are secured by the full faith and credit of the City. The City expects that debt service on such bonds and project loan obligations will be repaid entirely from revenues of the sewerage system. The debt service on the project loan obligations is treated as Parity Indebtedness and the general obligation bonds as Subordinated Indebtedness under the Indenture.

The following table sets forth the debt service requirements for indebtedness of the City incurred on behalf of the SWPCA to make capital improvements to the Sewerage System. The payment of debt service on general obligation bonds of the City, which proceeds were used for Sewerage System improvements, is subordinate to the payment of debt service on the 2003 Series A Bonds and the Parity Indebtedness.

**Pro Forma as of August 10, 2005**

Fiscal Year Ending June 30	<u>Subordinated Debt</u>		<u>Senior Lien Debt (Parity Indebtedness)</u>				Cumulative Percent Retired
	General Obligation		2003 Series A		Existing Clean		
	Sewer Bonds		Sewer Revenue Bonds		Water Fund Debt <sup>1</sup>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2006 <sup>2</sup> .....	\$ 353,484	\$ 420,082	\$ 245,000	\$ 541,755	\$ 312,272	\$ 80,670	2.86
2007 .....	1,621,663	716,681	255,000	532,930	343,772	81,447	9.83
2008 .....	1,566,392	634,901	265,000	523,243	347,082	74,542	16.68
2009 .....	1,564,460	552,921	270,000	516,555	350,459	67,569	23.54
2010 .....	1,497,638	472,818	280,000	508,980	353,904	60,528	30.23
2011 .....	1,211,010	394,088	285,000	500,505	357,419	53,418	36.05
2012 .....	1,082,138	338,993	295,000	491,436	361,005	46,237	41.51
2013 .....	1,190,807	281,557	305,000	481,305	364,663	38,984	47.36
2014 .....	1,220,932	217,982	315,000	470,455	368,395	31,656	53.34
2015 .....	1,158,879	155,683	330,000	458,961	292,541	24,652	58.93
2016 .....	701,390	109,180	340,000	446,605	239,525	19,619	62.96
2017 .....	561,461	78,733	355,000	433,130	225,482	14,852	66.54
2018 .....	564,663	51,024	370,000	418,630	204,316	10,642	70.12
2019 .....	414,027	27,324	385,000	401,605	208,440	6,518	73.28
2020 .....	174,352	13,076	405,000	381,855	212,647	2,311	75.77
2021 .....	174,352	4,359	425,000	361,105	-	-	77.65
2022 .....	-	-	445,000	339,355	-	-	79.05
2023 .....	-	-	470,000	317,890	-	-	80.53
2024 .....	-	-	490,000	296,525	-	-	82.07
2025 .....	-	-	515,000	272,625	-	-	83.68
2026 .....	-	-	540,000	246,250	-	-	85.38
2027 .....	-	-	570,000	218,500	-	-	87.17
2028 .....	-	-	600,000	189,250	-	-	89.06
2029 .....	-	-	630,000	158,500	-	-	91.03
2030 .....	-	-	660,000	126,250	-	-	93.11
2031 .....	-	-	695,000	92,375	-	-	95.29
2032 .....	-	-	730,000	56,750	-	-	97.58
2033 .....	-	-	770,000	19,250	-	-	100.00
Total .....	\$15,057,648	\$4,469,402	\$12,240,000	\$9,802,575	\$4,541,922	\$613,645	

<sup>1</sup> Principal and interest payments reflect existing project loan obligations ("PLOs") between the City and the State of Connecticut, as follows: PLO 177-C (original amount of loan \$2,731,211 and current principal amount outstanding \$1,274,566); PLO 375-C (original amount of loan \$852,229 and current principal amount outstanding \$496,961); and PLO 414-D (original amount of loan \$3,574,208 and current principal amount outstanding \$2,770,395). Each PLO bears interest at the rate of 2% per annum, with payments of principal and interest made on a monthly basis. Excludes an existing \$74,121,115 Interim Funding Obligation ("IFO"). It is expected that the IFO will be permanently financed with a PLO to be entered into with the State for \$74,121,115 in February 2006, with payments of principal and interest thereunder scheduled to commence in August 2006. It is assumed that the City will, in August 2006, make an initial payment on this PLO equal to one-twentieth of the principal amount plus six months of accrued interest at the stated rate of 2% per annum. This repayment structure is subject to adjustment at the option of the City between now and the time the PLO is finally entered into.

<sup>2</sup> Excludes total principal payments of \$1,241,722 and total interest payments of \$374,855 made from July 1, 2005 through August 10, 2005.

## SECTION V – FINANCIAL SECTION

### Estimated Operating Results for Fiscal Year 2004–05

Based on preliminary year-end estimates, the City of Stamford ended the 2004–05 fiscal year with positive results. On a budgetary basis, the City’s General Fund had an estimated \$4.7 million surplus, which will be offset by a \$1 million increase in reserves for long-term advances to cover losses at the City-owned nursing home. On a GAAP basis, management estimates positive results of \$2.9 million, raising the total General Fund balance to \$20.6 million, or 5.64% of operating revenues. Unreserved fund balance is estimated at \$11.8 million.

These positive operating results in the General Fund do not reflect the extremely favorable results within the City’s Risk Management internal service fund. This fund includes all insurances for the City and the Board of Education including liability, property, and the self-insured Worker’s Compensation program. Starting in 2004–05, this fund also includes the City’s self-insured employee health benefits program. The City’s preliminary estimate of results in the internal service fund is an operating surplus of \$4.8 million.

Pursuant to the Charter, as revised and approved by voters in November 2004, the Mayor may direct that any portion of any budget surplus from the prior fiscal year as evidenced by the audited financial statements for such prior fiscal year approved by the Board of Finance be transferred to an operating reserve or Rainy Day Fund. Such direction must occur by October 15 following the close of the fiscal year, must be approved by the Board of Finance, and cannot result in a Rainy Day Fund balance exceeding 5% of the prior year’s expenditures.

### Accounting Policies

The City’s accounting policies are summarized in Appendix A – “Auditor’s Section, Notes to Financial Statements, Note 1” herein.

### Basis of Accounting

See Appendix A – “Auditor’s Section, Notes to Financial Statements, Note 1” herein.

### Audit

Pursuant to the provisions of the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes) and the City of Stamford Charter, the City is obligated to undergo an annual examination by an independent public accountant. The auditors, McGladrey & Pullen, LLP, were appointed by the Board of Finance, and are required to conduct their examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, which receives a copy of the audit report when completed.

### Budgetary Procedures

The City of Stamford conforms to the following budgetary sequences and time schedules:

Department estimates due for six-year capital program	December 10
Report of the Director of Administration to Board of Finance recommending the amount and nature of capital expenditures for the ensuing year	December 15
Certificate of Board of Finance to Planning Board of amount and nature of capital Expenditures for subsequent year	January 15
Public hearing by Planning Board	February 10
Capital Budget from Planning Board to Mayor	March 1
Board of Education submits its budget to the Board of Finance	March 8
Mayor’s Operating and Capital Budget to Board of Finance	March 8

Joint Public Hearing before Board of Finance and Board of Representatives

April 8

Budget to Board of Representatives from Board of Finance

April 20

Budget adopted by Board of Representatives

May 15

Board of Finance establishes the mill rate

May 25

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

<b>Grand List 10/1</b>	<b>Commercial and Industrial Real Property</b>		<b>Other Percent</b>	<b>Personal Property Percent</b>	<b>Motor Vehicle Percent</b>	<b>Gross Taxable Grand List</b>	<b>Less Exemptions</b>	<b>Net Taxable Grand List</b>	<b>Percent Change</b>
	<b>Residential Real Property Percent</b>	<b>Industrial Real Property Percent</b>							
2004 .....	60.98%	24.87%	0.36%	6.60%	7.19%	\$11,226,848	\$190,331	\$11,036,517	1.3%
2003 .....	61.09	25.37	0.36	6.38	6.80	11,092,432	200,184	10,892,248	(0.1)
2002 .....	55.44	30.52	0.39	6.67	6.98	11,107,032	200,847	10,906,185	0.7
2001 .....	55.61	30.35	0.49	6.60	6.95	11,050,112	219,014	10,831,098	0.3
2000 .....	55.86	30.29	0.49	6.66	6.70	10,921,964	124,130	10,797,834	1.3
1999 <sup>1</sup> .....	56.08	30.69	0.50	6.30	6.43	10,809,830	147,114	10,662,716	21.1
1998 .....	55.67	26.84	0.51	10.11	6.87	8,920,335	116,738	8,803,597	1.9
1997 .....	56.19	28.03	0.52	8.78	6.48	8,737,508	98,341	8,639,167	1.2
1996 .....	56.64	28.93	0.40	7.77	6.26	8,619,789	82,736	8,537,053	-

<sup>1</sup> Revaluation.

**Tax Collections**

<b>Fiscal Year Ended 6/30</b>	<b>Net Taxable Grand List (000s)</b>	<b>Adjusted Annual Levy</b>	<b>Percent of Annual Levy Collected at End of Fiscal Year</b>	<b>Percent of Annual Levy Uncollected at End of Fiscal Year</b>	<b>Percent of Annual Levy Uncollected as of 5/31/05</b>
2005 (unaudited) .....	\$10,892,248	\$313,324,953	----In collection----		1.6
2004 .....	10,906,185	311,521,759	98.5	1.5	0.6
2003 .....	10,831,038	282,412,137	98.5	1.5	0.3
2002 .....	10,797,834	262,957,476	98.3	1.7	0.3
2001 .....	10,662,716	255,724,838	97.8	2.2	0.3
2000 .....	8,804,639	246,349,872	97.4	2.6	0.5
1999 .....	8,651,402	237,368,900	97.0	3.0	0.5
1998 .....	8,551,301	232,266,554	97.5	2.5	0.4
1997 .....	8,423,264	237,799,962	97.1	2.9	0.1

## Property Taxes Receivable

<u>Fiscal Year Ended June 30</u>	<u>Current Year (000s)</u>	<u>Total (000s)</u>
2005 (unaudited) .....	\$3,661	\$12,476
2004 .....	5,018	14,015
2003 .....	4,251	12,638
2002 .....	4,270	13,159
2001 .....	5,505	16,145
2000 .....	4,827	15,952
1999 .....	3,254	15,018

## Major Taxpayers

<u>Name</u>	<u>Business</u>	<u>Taxable Valuation As of 10/1/04</u>	<u>Percent of Net Taxable Grand List</u>
Swiss Bank Corp./UBS AG Stamford .....	Banking/finance	\$ 164,990,673	1.49%
EOP-Stamford Atlantic Forum, LLC .....	Office buildings	136,461,566	1.23
Connecticut Light & Power .....	Utility	111,519,187	1.01
Avalon Bay Communities .....	Office buildings	91,630,147	0.83
Pitney Bowes .....	Office equipment	77,031,526	0.70
Rich-Taubman Associates .....	Office buildings/retail	72,327,220	0.65
General Electric Capital Corporation .....	Consumer finance	70,763,896	0.64
HPHV Dirext LLC .....	Office buildings/retail	62,499,990	0.57
Reckson Operating Partnership/Reckson Associates .....	Office buildings	62,441,710	0.57
First Stamford Place Company .....	Office building	54,136,402	0.49
Stamford Associates .....	Office buildings	47,182,100	0.43
Soundview Farms LLC .....	Office building	45,994,983	0.42
Harbor Park Associates .....	Office buildings	43,143,609	0.39
AG-GCS HIGH RIDGE LLC .....	Office buildings	42,873,850	0.39
Four Hundred Atlantic Title, LLC .....	Office building	41,007,530	0.37
UB Stamford LP .....	Office/retail	39,826,070	0.36
Reckson/Stamford Towers, LLC .....	Office buildings	39,562,160	0.36
Procter & Gamble Hair Care, LLC .....	Beauty products	39,093,140	0.35
Town Grove LLC .....	Office buildings	36,979,470	0.33
One Station Place LTD Partnership .....	Office Building	<u>31,666,219</u>	<u>0.29</u>
Total .....		\$1,311,131,448	11.87%

Net Taxable Grand List for 10/1/04: \$11,036,517,000.

## Property Tax

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the City for inclusion onto the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total of assessed value for all taxable real and personal property located within the City on October 1, in accordance with Section 12-62a of the Connecticut General Statutes. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at 70 percent of the market value.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the building inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of revaluation (Grand List of 1999). The property depreciation and obsolescence factors are also considered when arriving at an equitable value. The City last completed a revaluation on the October 1, 1999 grand list. The revaluation which had been

mandated under State law for October 1, 2003 was postponed until October 1, 2006 in accordance with legislation passed during the 2004 session of the Connecticut General Assembly.

Motor vehicle lists are furnished to the City by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials.

All personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually with manufacturers and businesses completing and returning to the Assessor's Office standard worksheets for computing value. 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.

The City derived 89.6% of its annual revenues for fiscal year 2002-2003 through property taxes. For fiscal year 2003-2004 the City budgeted 88.3% of its annual revenues from property taxes, and expects that a similar proportion of its total revenue will be generated from property taxes in the future.

### **Tax Districts**

The City of Stamford is divided into four taxing districts, based upon municipal services furnished. As the City's sewer program is extended to new areas, municipal garbage collection service is provided and the tax district classification is changed accordingly.

District A: Basic services (schools, police, etc.) plus sanitary sewers, garbage collection and paid fire protection.

District B: Basic services plus paid fire protection.

District C: Basic services plus volunteer fire protection.

District C/S: Basic services plus volunteer fire protection, sanitary sewers and garbage collection.

The core of the City is represented by Districts A and B which include the highest density of residential, commercial, and industrial development. District B is a very small portion of this core area to which sanitary sewers have not been extended.

Districts C and C/S are predominantly zoned for single-family residential use. District C/S is that portion of District C that has been provided with sanitary sewers and garbage collection.

In September 1999 the City of Stamford, pursuant to State law and local ordinance, adopted a uniform, State-recommended depreciation schedule for business and personal property. As a result of this new depreciation schedule, which allows businesses to depreciate electronic data processing equipment much faster than had been previously permitted, Stamford businesses enjoyed a reduction in their assessments and corresponding taxes for electronic personal property, most notably computer equipment. In order to partially mitigate the impact of this reduction in personal property taxes, the City established a Personal Property Tax District. For fiscal year 2004-05 the Personal Property Tax District mill rate was set at 29.16 mills. Over time as the City's mill rate on real property increases, it is expected that the mill differential for personal property will be phased out.

**Tax Rates by District  
(Mills)**

<u>Tax List</u>	<u>Fiscal Year</u>	<u>District A</u>	<u>District B</u>	<u>District C</u>	<u>District C/S</u>	<u>Uniform Auto Rate</u>	<u>Personal Property</u>
October 1, 2004 .....	2005-06	29.81	29.01	27.16	27.90	35.62	29.81
October 1, 2003 .....	2004-05	29.16	28.31	26.67	27.26	34.37	29.16
October 1, 2002 .....	2003-04	28.68	28.59	27.00	27.56	33.19	28.68
October 1, 2001 .....	2002-03	26.16	26.03	24.59	25.11	30.25	27.44
October 1, 2000 .....	2001-02	24.57	24.44	23.11	23.61	27.09	27.44
October 1, 1999 .....	2000-01	23.87	23.74	22.50	22.96	26.47	28.64
October 1, 1998 .....	1999-00	28.64	27.84	26.00	26.79	30.90	-
October 1, 1997 .....	1998-99	28.50	27.80	25.90	26.70	30.80	-
October 1, 1996 .....	1997-98	28.10	27.30	25.60	26.40	30.30	-
October 1, 1995 <sup>1</sup> .....	1996-97	29.10	27.70	25.80	27.30	31.20	-

<sup>1</sup>The final year of a three-year phase-in of revaluation.

**Revenues**

The City derives its revenues from a direct tax levy on property, State and federal aid, various fees and charges, and certain miscellaneous sources. City revenues are summarized for fiscal years ended 2000-04 in "General Fund Revenue and Expenditures" herein. The prior year's appropriated surplus is also available to support current operating expenditures.

**Intergovernmental Revenues as a Percent of General Fund Revenues**

<u>Fiscal Year Ended June 30</u>	<u>Intergovernmental Revenues</u>	<u>General Fund Revenues</u>	<u>Aid as a Percentage of General Fund Revenues</u>
2005 (unaudited) .....	\$18,499,473	\$365,494,763	5.06%
2004 .....	18,836,844	342,806,718	5.49
2003 .....	19,926,170	330,045,168	6.04
2002 .....	21,513,708	316,619,272	6.79
2001 .....	22,389,477	307,559,174	7.30
2000 .....	17,717,212	290,042,506	6.12
1999 .....	17,043,533	277,467,381	6.14
1998 .....	17,615,684	279,925,825	6.29
1997 .....	21,406,212	298,760,652	7.17
1996 .....	19,986,710	276,538,567	8.35

**Real Property Tax Collection Procedure**

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

According to the provisions of Public Act No. 81-44, effective July 1, 1981, and applicable to property taxes due on or after said date, delinquent property taxes were subject to interest at the rate of 1.25% per month. Public Act No. 82-141, effective July 1, 1982, changed the interest rate to 1.5% per month for all delinquent property taxes.

## Real Property Tax Levies

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. At the discretion of the City and for the convenience of the taxpayer, tax bills are payable in two installments on July 1 and January 1. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor errors, is provided by establishing a reserve for uncollected amounts when computing anticipated property tax revenue from the current levy. A modest estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed at least three times a year, with interest charged at the rate of one and one-half percent per month in accordance with Connecticut General Statutes, with a minimum charge of \$2. Outstanding Real Estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Real estate accounts and other accounts are transferred to suspense 15 years after the due date in accordance with State Statutes.

### Capital Improvement Plan

	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
<i>Proposed Expenditures</i>						
Office of the Mayor .....	\$ 2,400,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000
Office of Administration .....	5,700,000	4,628,000	4,860,836	5,083,121	5,471,385	6,296,354
Office of Operations .....	39,025,689	13,718,000	12,904,000	17,831,000	15,490,000	12,025,000
Water Pollution Control						
Authority .....	1,175,000	2,900,000	-	-	-	-
Office of Public Safety,						
Health & Welfare .....	3,023,557	5,105,000	10,826,000	5,215,000	675,000	510,000
Scofield Manor .....	-	-	250,000	-	-	-
Ferguson Library/Stamford						
Museum/Historical						
Society .....	2,510,375	2,155,000	1,562,800	1,275,000	375,000	300,000
Board of Education .....	58,250,000	23,030,000	19,634,000	18,450,000	23,200,000	16,150,000
Parking Fund .....	505,000	-	-	-	-	-
Smith House Fund .....	250,000	253,000	-	-	-	-
Marina Fund .....	250,000	1,950,000	-	-	-	-
Total Expenditures .....	<u>\$113,089,621</u>	<u>\$54,539,000</u>	<u>\$50,837,636</u>	<u>\$48,654,121</u>	<u>\$46,011,385</u>	<u>\$36,081,354</u>
<i>Funding Sources</i>						
General Obligation Bonds						
and Notes.....	\$ 39,271,600	\$58,507,000	\$50,681,436	\$43,119,121	\$39,051,385	\$31,236,354
Grants .....	88,068,021	6,909,000	5,890,200	5,535,000	6,960,000	4,845,000
Out-Year Borrowing <sup>1</sup> .....	(16,430,000)	(15,980,000)	(5,734,000)	-	-	-
WPCA Revenue Bonds .....	1,175,000	2,900,000	-	-	-	-
Charges and assessments .....	1,005,000	2,203,000	-	-	-	-
Total Funding Sources.....	<u>\$113,089,621</u>	<u>\$54,539,000</u>	<u>\$50,837,636</u>	<u>\$48,654,121</u>	<u>\$46,011,385</u>	<u>\$36,081,354</u>

<sup>1</sup>State law now requires that the entire local share of school construction projects be appropriated prior to application for State assistance. The out-year borrowing reflects the City's intended schedule for expenditure of these funds.

**Comparative Balance Sheets – General Fund**

	<b>Estimated 6/30/05</b>	<b>Audited 6/30/04</b>	<b>Audited 6/30/03</b>	<b>Audited 6/30/02</b>	<b>Audited 6/30/01</b>
<b>Assets</b>					
Cash and cash equivalents .....	\$14,710,119	\$10,104,719	\$16,055,638	\$27,186,535	\$27,185,573
Property taxes and sewer assessments .....	10,311,941	10,914,891	9,537,944	10,059,295	13,045,128
Intergovernmental .....		-	-	-	4,109,962
Other receivables .....	20,378	955,482	2,806,422	2,869,621	2,030,173
Due from other funds .....	11,273,661	6,496,288	2,781,910	2,576,919	273,661
Inventory .....	58,058	-	-	-	26,703
Investments .....	17,956,026	20,077,999	14,160,661	-	-
Other assets .....	-	-	88,145	11,650	-
Total assets .....	<u>\$54,330,183</u>	<u>\$48,549,379</u>	<u>\$45,430,720</u>	<u>\$42,704,020</u>	<u>\$46,671,200</u>
<b>Liabilities and fund balance</b>					
<b>Liabilities</b>					
Accounts payable .....	\$14,329,155	\$11,888,598	\$12,595,215	\$14,306,289	\$13,017,939
Accrued wages .....	2,779,384	2,079,499	884,384	2,402,439	-
Deferred revenues .....	16,545,728	17,321,348	24,712,885	20,729,692	18,618,344
Due to other funds .....	<u>63,300</u>	<u>-</u>	<u>-</u>	<u>63,300</u>	<u>63,300</u>
Total liabilities .....	<u>33,717,567</u>	<u>31,289,445</u>	<u>38,192,484</u>	<u>37,501,720</u>	<u>31,699,583</u>
<b>Fund balance</b>					
Reserved:					
For encumbrances .....	5,789,070	5,702,645	3,304,375	2,850,312	4,162,107
For inventory .....	-	-	-	-	26,703
For debt service .....	-	531,032	239,509	239,509	227,490
For long-term advances .....	<u>3,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,500,000</u>
Total reserved fund balance .....	<u>8,789,070</u>	<u>5,434,977</u>	<u>4,543,884</u>	<u>4,089,821</u>	<u>5,916,300</u>
Unreserved:					
Designated for Risk Management Fund .....	-	-	-	-	2,400,000
Designated for future contracts ..	-	841,505	-	-	-
Undesignated <sup>1</sup> .....	<u>11,823,545</u>	<u>8,184,752</u>	<u>2,694,352</u>	<u>1,112,479</u>	<u>6,655,317</u>
Total unreserved fund balance .....	<u>11,823,545</u>	<u>8,184,752</u>	<u>2,694,352</u>	<u>1,112,479</u>	<u>9,055,317</u>
Total fund balance .....	<u>20,612,615</u>	<u>17,259,934</u>	<u>7,238,236</u>	<u>5,202,300</u>	<u>14,971,617</u>
Total liabilities and fund balance .....	<u>\$54,330,182</u>	<u>\$48,549,379</u>	<u>\$45,430,720</u>	<u>\$42,704,020</u>	<u>\$46,671,200</u>
Operating revenues .....	\$365,494,763	\$361,647,956	\$330,045,168	\$316,619,272	\$313,343,549
Fund balance as percent of operating revenues .....	5.64%	4.77%	2.19%	1.64%	4.78%
Unreserved fund balance as percent of operating revenues <sup>1</sup> ...	3.23%	2.26%	0.82%	0.35%	2.89%

<sup>1</sup>City Charter provisions require full appropriation of unreserved general fund balances to subsequent years' budgets for tax stabilization purposes.

## General Fund Revenues and Expenditures

The General Fund revenues, expenditures, and changes in fund balance for the fiscal years ended June 30, 2001 through 2004 have been derived from audited financial statements and are based on a GAAP basis of accounting. The adopted budgets for 2005-06 and 2004-05 are provided by the City and are based on the budgetary basis of accounting. The City's independent accountants have not examined, reviewed or compiled any of the estimates presented below or expressed any conclusion or provided any other form of assurance with respect to such estimates, and accordingly, assume no responsibility for them. The financial information presented herein is the responsibility of the City of Stamford's management.

	<u>Budget</u> <u>2005-06<sup>1</sup></u>	<u>Budget</u> <u>2004-05<sup>1,3</sup></u>	<u>2003-04<sup>2</sup></u>	<u>2002-03<sup>2</sup></u>	<u>2001-02<sup>2</sup></u>	<u>2000-01<sup>2</sup></u>
<b>Revenues</b>						
General property taxes .....	\$323,169,032	\$310,620,235	\$312,461,970	\$284,240,611	\$267,269,486	\$259,289,493
Intergovernmental .....	18,594,456	18,499,473	27,509,205	19,926,170	21,513,708	22,389,477
Charges for services .....	18,475,003	19,680,036	19,855,343	16,983,903	16,873,458	16,291,738
Interest and dividends .....	2,750,000	1,672,000	1,082,948	1,899,235	2,770,656	7,086,912
Other .....	<u>6,581,236</u>	<u>7,622,126</u>	<u>738,490</u>	<u>6,995,249</u>	<u>8,191,964</u>	<u>8,285,929</u>
Total revenues .....	369,569,727	358,093,870	361,647,956	330,045,168	316,619,272	313,343,549
<b>Expenditures</b>						
Government and community						
services .....	13,381,343	12,623,335	12,108,515	12,153,098	12,037,891	11,429,090
Administration.....	7,172,171	6,861,734	6,304,502	6,171,420	6,963,983	5,301,579
Legal affairs .....	3,467,781	3,071,818	4,511,351	3,424,589	5,804,364	19,848,872
Public health, safety & welfare ..	80,733,481	80,029,569	80,686,633	71,986,812	70,881,339	59,678,227
Operations .....	37,123,802	38,052,482	38,322,013	37,097,967	44,841,226	35,475,317
Board of Education .....	194,527,805	185,265,181	178,171,950	170,537,634	160,363,110	153,158,511
Capital outlay .....	-	-	-	-	-	-
Debt service <sup>4</sup> .....	-	-	-	-	-	-
Total expenditures.....	<u>336,406,383</u>	<u>325,904,119</u>	<u>320,104,964</u>	<u>301,371,520</u>	<u>300,891,913</u>	<u>284,891,596</u>
Excess (deficiency) of revenues over expenditures.....	33,163,344	32,189,751	41,542,992	28,673,648	15,727,359	28,451,953
Other financing sources (uses):						
Bond issue proceeds .....	-	-	-	-	43,850,000	-
Transfer to escrow .....	-	-	-	-	(45,180,000)	-
Capital lease proceeds .....	-	-	-	-	-	-
Operating transfers in .....	-	-	745,658	1,653,684	3,737,931	712,625
Operating transfers out <sup>4</sup> .....	(33,163,344)	(32,189,751)	(32,266,952)	(28,291,396)	(29,234,607)	(27,967,328)
Interest .....	-	-	-	-	1,330,000	-
Total other financing sources (uses) .....	(33,163,344)	(32,189,751)	(31,521,294)	(26,637,712)	(25,496,676)	(27,254,703)
Excess (deficiency) of revenues and other financing sources (uses)over (under) expenditures and other financing uses .....	-	-	10,021,698	2,035,936	(9,769,317)	1,197,250
Fund balance, July 1 .....			7,238,236	5,202,300	14,971,617	13,774,367
Residual equity transfer .....			-	-	-	-
Fund balance, June 30 .....			<u>\$17,259,934</u>	<u>\$ 7,238,236</u>	<u>\$ 5,202,300</u>	<u>\$14,971,617</u>

<sup>1</sup> Budgetary basis of accounting; does not include payments made on behalf of the City by the State of Connecticut for Teachers Retirement System

<sup>2</sup> GAAP basis of accounting

<sup>3</sup> Based on preliminary June 30, 2005 year-end GAAP estimates, General Fund revenues are expected to total \$365,494,763 and expenditures are expected to total \$331,885,493. Other financing transfers in are projected to total approximately \$1,689,669 and operating transfers out are estimated at \$32,396,258. The City is projecting an operating surplus of approximately \$2.9 million.

<sup>4</sup> Debt service shown as expenditure for budgetary purposes; for GAAP purposes debt service is included in transfers out.

## Pension Plans

The City's pension plans cover all employees of the City, except teachers, who are covered by the State Teachers Retirement Fund. There are four separate plans: Classified Employees' Retirement Fund; Firefighters Pension Trust Fund; Police Pension Trust Fund; and the Custodians' Retirement Fund. Buck Consultants of Stamford, Connecticut, are the consulting actuaries for the City.

The City's funding policy is to appropriate and recognize as an expenditure the amounts recommended by an actuary that are adequate to accumulate sufficient assets in each of the City's Plans to pay benefits when due. These amounts include normal cost and amortization of prior service costs over a period of 40 years. The City uses the projected unit credit actuarial funding method utilizing the same actuarial assumptions as described in Appendix A, "Auditor's Section, Notes to Financial Statements" in this Official Statement.

The following is a schedule of the total funding progress by the City to all City pension plans:

<u>As of July 1</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Unfunded Actuarial Accrued Liability</u>
2004 .....	\$478,298,132	\$418,828,016	114%	\$(59,470,116)
2003 .....	467,855,124	380,371,000	123	(87,484,124)
2002 .....	465,795,461	365,832,328	127	(99,963,133)
2001 .....	460,981,000	369,659,000	125	(91,322,000)
2000 .....	440,358,000	348,021,000	127	(92,337,000)
1999 .....	401,702,000	329,098,000	122	(72,604,000)
1998 .....	361,008,000	316,065,000	114	(44,943,000)
1997 .....	323,970,000	294,815,000	110	(29,155,000)
1996 .....	294,758,000	270,692,000	109	(24,066,000)
1995 .....	269,360,000	253,182,000	106	(16,178,000)
1994 .....	250,077,000	250,892,000	100	815,000

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Based on the valuation completed by Buck Consultants.

## Self-Insurance Program

The City is exposed to various risk of loss related to torts, theft, or impairment of assets, errors and omissions, injuries to employees, and natural disasters. The City Risk Management office actively manages risk on behalf of the City, through a combination of loss prevention and control, risk retention, and risk transfer.

In response to changing market conditions, the City periodically evaluates its risk management program, including its self-insured retention levels. Currently, the City carries a \$250,000 self-insured retention for general liability and auto liability claims, \$100,000 for public officials' liability, \$100,000 for property losses, and \$1,000,000 for workers' compensation claims. The City purchases commercial insurance for claims in excess of these retentions. The City's insurance policies for general liability and auto liability also carry a combined maximum aggregate self-insured retention of \$750,000 per policy year. All claim expenses, insurance premiums, and administrative expenses for risk management are reported in a separate Risk Management Internal Service fund.

It is also the City's policy to self-insure its employee health insurance programs with an individual stop loss currently set at \$200,000 per claim. Above this threshold, the City purchases commercial insurance. Costs associated with employee health insurance risks are reported in the City's general fund.

## Investment Policies and Practices

The City Charter and Connecticut General Statutes Sections 7-400, as amended by Public Act 94-190, 7-401 and 7-402 govern the investments the City is permitted to acquire. Generally, the City may invest in certificates of deposit, repurchase agreements, municipal bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, The Federal Savings and Loan

Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, certain mutual funds and money market mutual funds.

The City's investment practices have been to invest only in certificates of deposit, repurchase agreements, the State of Connecticut Short-Term Investment Fund, MBIA Class Investment Fund, the State of Connecticut Tax-Exempt Proceeds Fund, and United States Treasury Bills. The City has followed these investment practices and the City's operating funds and capital funds are currently invested in the following short-term investments: (1) various certificates of deposit with Connecticut banks; (2) the State of Connecticut Short-Term Investment Fund; (3) the State of Connecticut Tax-Exempt Proceeds Fund; (4) United States Treasury Bills; and (5) MBIA Class (an investment fund managed by MBIA Municipal Bond Investors Service Corporation, which, according to MBIA Class, invests only in (i) high-grade short-term Federal securities and variable rate obligations backed by Federal agencies having monthly or quarterly resets based on indices like the prime rate, LIBOR, or a combination of the two, and (ii) very short-term (usually overnight) repurchase agreements secured by high-quality collateral which is valued daily and fully delivered to the Program's custodial bank to be held for the benefit of the Plan's participants.

On the basis of a Request for Proposals, the City of Stamford recently engaged MBIA Customized Asset Management as investment advisor for a portion of its short-term investments. The City's objective is to increase its investment return by increasing the level of diversification among United States Treasuries and United States Agencies with maturities which extend beyond one year to approximately 18 months. The City has modified its Investment Policy and continues compliance with applicable State statutes in all respects.

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## SECTION VI - ADDITIONAL INFORMATION

### Litigation

In the opinion of the City's Director of Legal Affairs, 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 City which would have a material adverse effect on the finances of the City or which would impact the validity of the Bonds or the power of the City to levy and collect taxes to pay them.

### Availability of Continuing Information

The City prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide or cause to be provided annual financial information and operating data and notices of material events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed in substantially the form attached as Appendix C to this Official Statement.

The City 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). To date the City has not failed to meet any of its undertakings under such agreements.

### Documents to Be Furnished at Closing

Upon delivery of the Bonds, the Underwriter will be furnished with the following:

1. A 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 City, signed by the Mayor and the Director of Administration, which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time the Bond Purchase Agreement was executed, the description and statements in the Official Statement relating to the City 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 City from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Robinson & Cole LLP, Bond Counsel.
5. An executed Continuing Disclosure Agreement substantially in the form attached hereto as Appendix C.
6. Any other documents required by the Bond Purchase Agreement.

The City of Stamford has prepared an Official Statement for the Bonds which is dated August 3, 2005. The City 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 transcript of the proceedings taken by the City 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.

### **Additional Information**

Additional information may be obtained upon request from Mr. Benjamin Barnes, Director of Administration, City of Stamford, Government Center, 888 Washington Boulevard, Stamford, Connecticut 06904-2152, telephone (203) 977-4182 or from Barry J. Bernabe, Vice President, Webster Bank, National Association, 185 Asylum Street, Hartford, Connecticut 06103, telephone (203) 578-2203.

The City has retained Webster Bank, National Association, Hartford Connecticut (the "Financial Advisor") in connection with the preparation of the City's issuance of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement.

The Official Statement is submitted in connection with the sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. This Official Statement has been duly authorized and approved by the City and duly executed and delivered on its behalf by the City.

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

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

This Official Statement has been duly prepared and delivered by the City and executed for and on behalf of the City by the following officials.

#### **CITY OF STAMFORD, CONNECTICUT**

By /s/ Dannel P. Malloy  
Dannel P. Malloy  
*Mayor*

By /s/ Benjamin Barnes  
Benjamin Barnes  
*Director of Administration*

Dated as of August 3, 2005