

OFFICIAL STATEMENT DATED APRIL 16, 2009

**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 Series A Bonds may be includable in the calculation of certain taxes under the Code, including the alternative minimum tax on certain corporations. Interest on the Series B Bonds is not taken into account in the calculation of adjusted current earnings for purposes of the alternative minimum tax imposed on corporations. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. (See "Tax Matters" herein).*



**CITY OF STAMFORD, CONNECTICUT  
\$54,405,000  
GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2009**

**Comprising  
\$10,480,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES A  
and  
\$43,925,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES B**

**BOOK-ENTRY ONLY**

**Dated: Date of Delivery**

**Due: July 1, as shown on inside cover**

The Series A Bonds and the Series B Bonds (herein collectively, 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 July 1, 2009 and semiannually thereafter on January 1 and July 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 not subject to redemption prior to maturity.

*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, Connecticut. It is expected that delivery of the Bonds in definitive form will be made on or about April 30, 2009 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.

**MORGAN KEEGAN & COMPANY, INC.**



CITY OF STAMFORD, CONNECTICUT  
\$54,405,000  
GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2009

**\$10,480,000 SERIES A BONDS**

**Dated: Date of Delivery**

**Due: July 1, as shown below**

<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>
2014	\$1,750,000	4.000%	1.870%	852634AA2	2017	\$ 250,000	3.000%	2.580%	852634AF1
2015	825,000	2.500	2.110	852634AB0	2017	1,495,000	5.000	2.580	852634AG9
2015	925,000	5.000	2.110	852634AC8	2018	950,000	3.250	2.810	852634AH7
2016	375,000	2.750	2.350	852634AD6	2018	800,000	5.000	2.810	852634AJ3
2016	1,370,000	4.000	2.350	852634AE4	2019	1,740,000	3.250	3.040	852634AK0

**\$43,925,000 SERIES B BONDS**

**Dated: Date of Delivery**

**Due: July 1, as shown below**

<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>
2013	\$4,565,000	5.000%	1.510%	852634AL8	2017	\$ 4,520,000	5.000%	2.580%	852634AQ7
2014	4,620,000	5.000	1.870	852634AM6	2018	10,590,000	5.000	2.810	852634AR5
2015	5,915,000	5.000	2.110	852634AN4	2019	9,210,000	4.000	3.040	852634AS3
2016	4,505,000	4.000	2.350	852634AP9					

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**OFFICIAL STATEMENT**

**CITY OF STAMFORD, CONNECTICUT**

**\$54,405,000**

**GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2009**

**COMPRISING**

**\$10,480,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES A**

**AND \$43,925,000 GENERAL OBLIGATION REFUNDING BONDS, 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 \$54,405,000 General Obligation Refunding Bonds, Issue of 2009 comprising \$10,480,000 General Obligation Refunding Bonds, Series A (the "Series A Bonds") and \$43,925,000 General Obligation Refunding Bonds, Series B (the "Series B Bonds")(herein collectively, 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 has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in the Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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

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.**

## SECTION I – SECURITIES OFFERED

### Description of the Bonds

The Bonds will be dated the date of delivery and will mature on July 1 in each of the years and in the principal amounts and will bear interest at the rate or rates per annum payable on July 1, 2009 and semiannually thereafter on January 1 and July 1 in each year until maturity, as set forth on the inside 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 June and December, or the preceding business day if such fifteenth day is not a business day, in each year, 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.

The Bonds are not subject to redemption prior to maturity.

### 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 refund all or any portion of the aggregate principal amount outstanding of certain City of Stamford General Obligation Bonds (the “Refunded Bonds”) and pay costs of issuance, including underwriter’s discount. See “Plan of Refunding” herein.

### Plan of Refunding

The Bonds are being issued to refund at or prior to maturity the outstanding maturities of the City’s General Obligation Bonds as set forth below:

#### Series A Bonds

<u>Dated Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP Number</u>
11/01/03	11/01/14	3.750%	\$ 1,750,000	11/01/13	100.0%	852631Y20
11/01/03	11/01/15	4.000	1,750,000	11/01/13	100.0	852631Y38
11/01/03	11/01/16	4.000	1,750,000	11/01/13	100.0	852631Y46
11/01/03	11/01/17	4.100	1,750,000	11/01/13	100.0	852631Y53
11/01/03	11/01/18	4.200	1,750,000	11/01/13	100.0	852631Y61
11/01/03	11/01/19	4.200	<u>1,750,000</u>	11/01/13	100.0	852631Y79
			\$10,500,000			

## Series B Bonds

<u>Dated Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Redemption Date</u>	<u>Redemption Price</u>	<u>CUSIP Number</u>
09/01/04	09/01/09	3.000%	\$ 2,445,000	N/A	N/A	8526313H1
09/01/04	09/01/13	3.500	1,700,000	09/01/11	100.0	8526313M0
09/01/04	09/01/14	4.000	1,700,000	09/01/11	100.0	8526313N8
09/01/04	09/01/15	4.000	1,700,000	09/01/11	100.0	8526313P3
09/01/04	09/01/16	4.000	1,700,000	09/01/11	100.0	8526313Q1
09/01/04	09/01/17	4.000	1,700,000	09/01/11	100.0	8526313R9
09/01/04	09/01/18	4.000	1,700,000	09/01/11	100.0	8526313S7
09/01/04	09/01/19	4.000	<u>1,700,000</u>	09/01/11	100.0	8526313T5
			\$14,345,000			
02/15/06	02/15/10	5.000%	\$ 1,100,000	N/A	N/A	8526316N5
02/15/06	02/15/11	5.000	385,000	N/A	N/A	8526316P0
02/15/06	02/15/12	5.000	405,000	N/A	N/A	8526316Q8
02/15/06	02/15/13	5.000	425,000	N/A	N/A	8526316R6
02/15/06	02/15/14	3.500	3,250,000	02/15/13	100.0%	8526316S4
02/15/06	02/15/15	3.625	3,250,000	02/15/13	100.0	8526316T2
02/15/06	02/15/16	3.750	3,000,000	02/15/13	100.0	8526316U9
02/15/06	02/15/17	3.875	3,000,000	02/15/13	100.0	8526316V7
02/15/06	02/15/18	4.000	3,000,000	02/15/13	100.0	8526316W5
02/15/06	02/15/19	4.000	3,000,000	02/15/13	100.0	8526316X3
02/15/06	02/15/20	4.000	<u>3,000,000</u>	02/15/13	100.0	8526316Y1
			\$23,815,000			
06/01/08	06/01/19	3.625%	\$4,400,000	06/01/18	100.0%	8526317S3
06/01/08	06/01/20	4.000	<u>4,400,000</u>	06/01/18	100.0	8526317T1
			\$8,800,000			

The refunding is contingent upon delivery of the Bonds.

Upon delivery of the Bonds, a portion of the Bond proceeds will be deposited 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 April 30, 2009 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 thereof (the "Escrow Securities"). 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 the maturing principal of the Escrow Securities held in the Escrow Deposit Fund will be irrevocably deposited by the City for payment of the Refunded Bonds. The balance of the proceeds will be used to pay costs of issuance and the Underwriter's discount.

## Sources and Uses of Bond Proceeds

Proceeds of the Bonds are to be applied as follows:

	<u>Series A</u> <u>Bonds</u>	<u>Series B</u> <u>Bonds</u>	<u>Total</u>
Sources:			
Principal Amount of the Bonds .....	\$10,480,000.00	\$43,925,000.00	\$54,405,000.00
Net Original Issue Premium/(Discount) .....	<u>991,852.85</u>	<u>6,253,842.10</u>	<u>7,245,694.95</u>
Total Sources .....	\$11,471,852.85	\$50,178,842.10	\$61,650,694.95
Uses:			
Refunding Escrow Deposit .....	\$11,395,664.65	\$49,870,860.07	\$61,266,524.72
Underwriter's Discount .....	43,634.16	182,884.59	226,518.75
Costs of Issuance .....	<u>32,554.04</u>	<u>125,097.44</u>	<u>157,651.48</u>
Total Uses .....	\$11,471,852.85	\$50,178,842.10	\$61,650,694.95

### Ratings

On April 14, 2009, Moody's Investors Service assigned a rating of Aaa to the Bonds and affirmed the Aaa rating on the City's outstanding parity debt. On April 15, 2009, Standard & Poor's, a division of the McGraw-Hill Companies, assigned a rating of AAA to the Bonds and affirmed the AAA rating 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.

### Tax Matters

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met at and subsequent to delivery of the Bonds in order that interest on the Bonds 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 for purposes of computing the federal alternative minimum tax. Interest on the Series A Bonds is includable in adjusted current earnings for purposes of computing the alternative minimum tax on certain corporations. Interest on the Series B Bonds is not taken into account in the calculation of adjusted current earnings for purposes of the alternative minimum tax imposed on 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 obligations, such as the Bonds. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax

advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Bonds.

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. The opinion of Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective.

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

### **Original Issue Discount**

The initial public offering price of certain maturities of the Bonds may be less than the principal amount payable on such Bonds at maturity. The excess of the principal amount payable at maturity over the initial public offering price at which a substantial amount of these Bonds 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 may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds 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. Under the Federal bankruptcy code, the City may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by state law or by a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

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

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership 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 Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

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

#### **DTC Practices**

The City can make no assurances that DTC, 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 Morgan Keegan & Company, Inc. (the "Underwriter"), and the Underwriter has agreed to purchase, the Series A Bonds from the City at the net aggregate purchase price of \$11,428,218.69 (consisting of the principal amount of \$10,480,000.00, plus original issue premium of \$991,852.85, less underwriter's discount of \$43,634.16) and to purchase the Series B Bonds at the net aggregate purchase price of \$49,995,957.51 (consisting of the principal amount of \$43,925,000.00, plus original issue premium of \$6,253,842.10, less underwriter's discount of \$182,884.59). 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 inside cover 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.

#### **Verification of Mathematical Computations**

Causey, Demgen & Moore Inc. will verify from the information provided to it the mathematical accuracy as of the date of the closing of the Bonds of: (1) the computation that the anticipated receipts from the Escrow Securities and cash deposits set forth in the Underwriter's schedules will be sufficient to pay, when due, the principal, interest and applicable call premium, if any, payment requirements of the Refunded Bonds, and (2) the computations of yield on the Bonds and the Escrow Securities contained in the provided schedules. Causey, Demgen & Moore Inc. will express no opinion on the assumptions provided to it.

## 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 New Haven line of MetroNorth Commuter Railroad, and also receives service from Shoreline East, 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 has a high concentration of international corporate headquarters and it is 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. 2008 saw significant new development activity in downtown Stamford and the South End. New projects that are under way include a new one-million-square-foot North American headquarters for the Royal Bank of Scotland and an 82-acre land assemblage in the South End by a developer initiating a significant project which includes six million square feet of mixed-use development. The full scope of the project includes 4,000 residential units of which ten percent is affordable housing, commercial space including office buildings, a grocery store, a waterfront hotel, restaurants and a full-service marina, and more than 11 acres of parks and public spaces, a community school, and publicly accessible waterfront areas. Also in process is the second phase of the Metro Center project, "MetroGreen," with a 325,000-square-foot office building and 220 housing units just to the south of the Transportation Center currently under construction. Trump Parc, a mixed-use development, is also well under way in the downtown providing for 170 residential units as is Highgrove with 84 units. The City's East Side has also grown with four developments providing for 372 new living units.

Stamford is 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.

### 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.

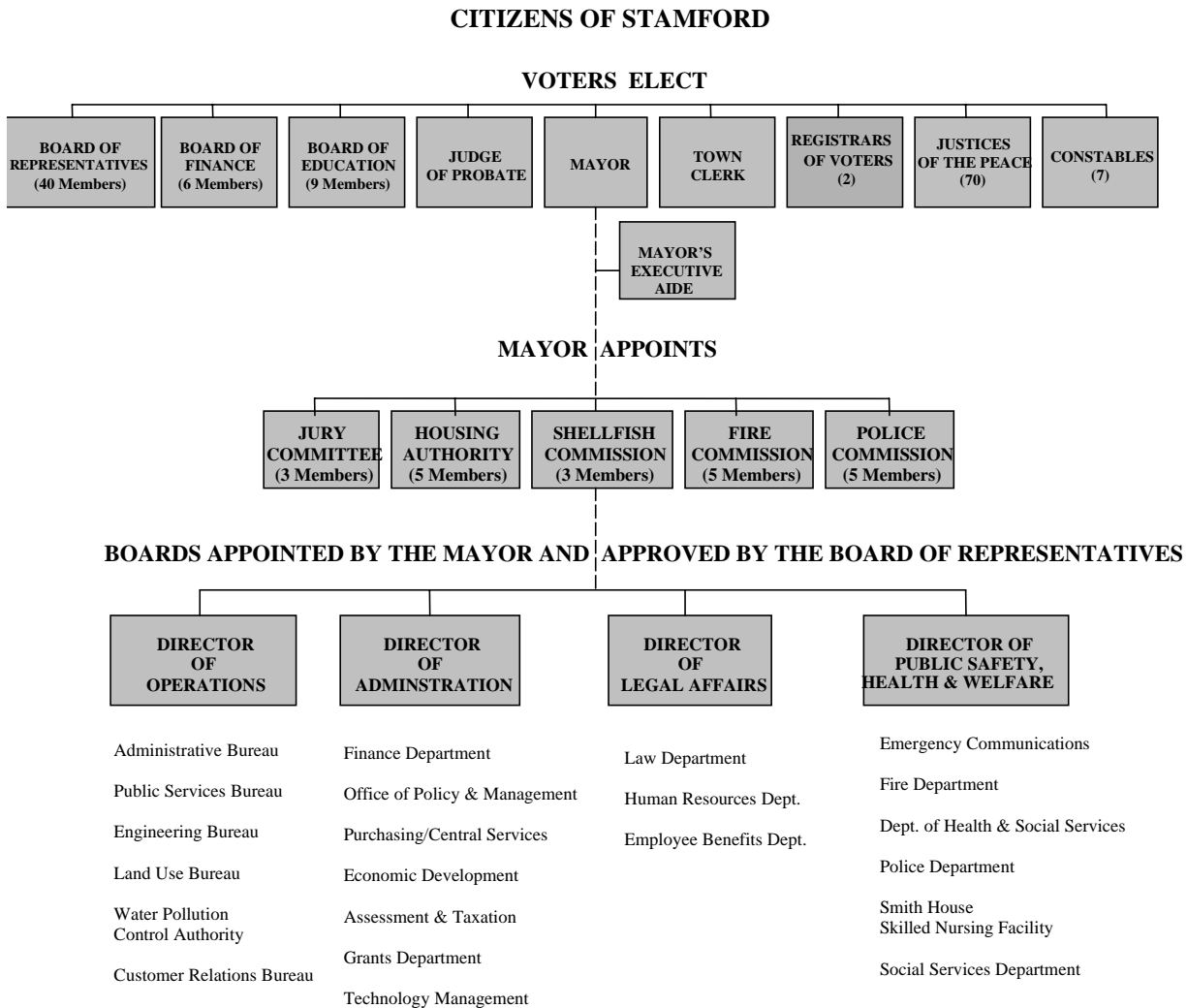
The chief executive officer of the City is the Mayor, elected for a four-year term of office. The legislative function is performed by a forty-member Board of Representatives whose members are elected, two from each of twenty districts, for four-year terms. The Board of Representatives adopts ordinances 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, Central Services, Economic Development, 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 functions for the Board of Education during fiscal year 2003-04, which continues today.

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 an 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	13 years
Director of Administration .....	Sandra L. Dennies	Appointed/3 years	27 ½ years <sup>1</sup>
Director of Operations .....	Benjamin Barnes	Appointed/4 years	7 ½ years <sup>2</sup>
Director of Legal Affairs .....	Thomas Cassone	Appointed/4 years	6 ½ years
Director of Public Safety, Health and Welfare .....	William Callion	Appointed/4 years	5 ½ years
Controller .....	Lisa M. Reynolds	Civil service/indefinite	10 years
Director of Policy & Management .....	Peter Privitera	Civil service/indefinite	6 years
Superintendent of Schools .....	Dr. Joshua Starr	Appointed/3-year contract	4 years

<sup>1</sup> Ms. Dennies was appointed by the Mayor as Director of Administration on February 10, 2007. She previously served 25 years as Director of Grants and Government Relations.

<sup>2</sup> Mr. Barnes was appointed by the Mayor to the position of Director of Operations on January 20, 2007. He previously served 2½ years as Director of Public Safety, Health and Welfare and 3 years as Director of Administration.

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 3,345 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>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>
General Government <sup>2</sup> .....	1,231	1,263	1,264	1,260	1,268	1,245	1,243
Board of Education .....	<u>2,114</u>	<u>2,123</u>	<u>2,128</u>	<u>1,890</u>	<u>2,050</u>	<u>2,027</u>	<u>2,139</u>
Total .....	3,345	3,386	3,392	3,150	3,318	3,272	3,382

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

<sup>2</sup> General Government includes employees assigned to the Smith House Nursing Home (105) the Water Pollution Control Authority (35); the E. Gaynor Brennan Golf Course (6); the Risk Management Fund (3); the Marina Fund (2) and the Parking Fund (19).

**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 .....	290	06/30/10
Local #786 of the International Association of Firefighters, AFL-CIO (downtown) .....	269	06/30/10
Local #2657 of the AFSCME, Council #4, AFL-CIO (Supervisors) .....	108	06/30/10
Local #465 of the AFSCME, Council # 4, AFL-CIO (Registered Nurses) .....	45	06/30/10
Local #1303-273 of the AFSCME, Council #4, AFL-CIO (Hygienists) .....	5	06/30/10
Local #1303-191 of the AFSCME, Council # 4, AFL-CIO (Attorneys) .....	5	06/30/09
Local #145 of the International Brotherhood of Teamsters, AFL-CIO .....	21	06/30/10
Local #2377 of the International Union, United Automobile Workers, AFL-CIO .....	280	06/30/10
New England Health Care Employees Union, District 1199 (Smith House) .....	88	06/30/10
Local #222 of the United Electrical Radio & Machine Workers of America .....	<u>120</u>	06/30/10
Total Employees	1,231	
<i>Board of Education</i>		
Local #2657 of the AFSCME, Council #4, AFL-CIO (Supervisors) .....	4	06/30/10
Local #2377 of the International Union, United Automobile Workers, AFL-CIO .....	80	06/30/10
Stamford Board of Education Employee Association (Custodian & Maintenance) .....	142	06/30/10
Stamford Board of Education Employee Association (Security and Community Liaison Employees) .....	33	06/30/09
Stamford Education Association .....	1,457	06/30/10
Education Assistants of Stamford Association .....	324	06/30/10
School Administrators Association of Stamford .....	<u>74</u>	06/30/09
Total Employees	2,114	

Connecticut General Statute section 7-473c provides for a mandatory binding arbitration procedure of collective bargaining agreements between municipal employers and municipal employee organizations. Section 10-153f provides for mandatory mediation and arbitration of disagreements between any local or regional board of education and the exclusive bargaining representatives of a teachers' or administrators' unit concerning the terms and conditions of employment applicable in such unit. A panel of arbitrators or a single arbitrator shall hold a hearing or hearings and take testimony and evidence. At the conclusion of the hearing process the parties file last best offers. The arbitrator(s) are required to accept the last best offer of either party. In arriving at a decision, the arbitrator(s) shall give priority to the public interest and the financial capability of the municipal employer (town), including consideration of other demands on the financial capability of the town. Statute section 10-153f requires that when assessing the financial capability of the town, there is an irrefutable presumption that a budget reserve of five percent or less isn't available for payment of the cost of items that are the subject of the arbitration. In light of financial capability the arbitrator(s) are also required to consider the following factors: prior negotiations between the parties, interests and welfare of the employee group, cost of living changes (section 10-153f requires that the cost of living be averaged over the preceding three years), existing employment conditions of the specific employee group and similar groups, and wages/salaries, fringe benefits, and employment conditions in the labor market, including developments involving wages and benefits in the private sector (section 10-153f further provides the review of contract settlements and arbitration awards for other employee organizations in assessing this factor). An arbitration award may be rejected by a two-thirds majority vote of the legislative body of the municipal employer. Such vote must take place within twenty-five days of receipt of the award. If the award is rejected, the body must notify in writing, the reasons for the vote, to the appropriate employee organization and the State of Connecticut. In the event

of a rejection the appropriate State agency or department selects an arbitration panel of three arbitrators or, if the parties agree, a single arbitrator may be used. The arbitrator(s) review the record, briefs, and the decision on each rejected issue from the prior award. The reviewing arbitrator(s) are required to accept the last best offer of either of the parties and are limited to considering the public interest and financial capability of the town and the other previously mentioned factors, in light of the town's financial capability. After completion of such review the arbitrator(s) render a decision on each rejected issue which is final and binding on the parties unless a motion to vacate or modify the award is filed in the Superior Court of the State of Connecticut.

### **Summary of Municipal Services**

**Fire Services:** Background - The City of Stamford is served by six autonomous fire departments. The Stamford Fire and Rescue Department, under the control of the Chief, serves the City Fire Service District, except in case of emergency or special agreement. The fire districts outside of the Stamford Fire and Rescue fire district are served by five volunteer departments which have come to be called "The Big Five." Although nominally characterized as volunteer companies, historically they have relied upon paid professional firefighters, such that more accurately they are "combination" departments. In fiscal year 2007-08, an attempted re-organization was initiated by the Mayor's Office to augment staffing at three volunteer fire departments whereby the City would oversee the management and training of professional firefighters. The anticipated result of the reorganization would have been improved fire protection throughout all fire districts and more effective management and training of professional and volunteer firefighters. However, due to litigation the plan has only been partially implemented to date. The current status is:

- Glenbrook (New Hope) Volunteer Fire Department - Professional staff managed by Stamford Fire & Rescue
- Springdale Volunteer Fire Department - Professional staff managed by Stamford Fire & Rescue
- Turn of River Volunteer Fire Department - All volunteer
- Long Ridge Volunteer Fire Department - Professional staff managed by volunteer department
- Belltown Volunteer Fire Department - All volunteer

Stamford Fire and Rescue augments fire protection in all volunteer districts via mutual aid.

**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 health education, epidemiology, laboratory services, and code enforcement. The department provides testing, clinics and immunizations for numerous diseases and health conditions.

The environmental health program inspects and licenses food service establishments, grocery stores, markets, septic systems, refuse collectors, beaches, apartments, and multi-family housing units.

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 is the sole, full-time law enforcement agency responsible for public safety in the City. The authorized strength of the Department is 306 sworn officers. The Department consists of several different units all falling within one of six distinct Divisions. The Divisions within the Department are: Office of Chief of Police, Bureau of Criminal Investigations, Patrol Operations, Family and Youth Services, Homeland Security and Administrative Services. A computerized incident-based tracking system maintains on-line information for all calls for services handled by the Department throughout the year. The Department has had enormous success in establishing and maintaining a comparatively low crime rate. Although the 2008 ranking will not be known until early fall 2009, the FBI ranked Stamford for calendar year 2007 as the 4th safest of the 257 cities with a population over 100,000. This ranking tied 2003 as the highest Stamford has ever achieved. It was also the seventh consecutive year that Stamford has ranked among the top 11 safest cities in the nation. Although the City recognizes these achievements are the result of a truly collaborative effort by

many different segments within the community, much of this success can be attributed to the diligent work of the Police Department.

***Smith House Health Care Center:*** The City operates a 128-bed skilled nursing facility, which provides medical and nursing care, meals, therapy, recreation activities and living accommodations that comply with state and federal requirements for such a facility. Services include a 30-bed secure Alzheimer's unit for patients suffering from Alzheimer's disease and dementia.

Premier Healthcare Resources has managed the facility since June 2005. Since the State of Connecticut continues to under-fund its nursing home industry, the facility, like many other skilled nursing facilities in the state, continues to lose money. The operation has recently been reclassified from its status as an Enterprise Fund business to the General Fund, further improving its financial results.

In January, 2008, the facility was surveyed by the Connecticut Department of Public Health and received its license renewal following findings of full compliance with the Public Health Code. The Department of Public Health survey was one of the best of any nursing homes in the state.

***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. From 2000-03 the Theater underwent extensive renovations 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 contains conference rooms and an art gallery. The Theater reopened in October 2003. Due to the combined effect of significantly reduced state grant support as well as corporate giving, the Stamford Center for the Arts opted to file Chapter 11 Reorganization during 2008, allowing SCA to restructure its staff, productions and long-term debt and develop a business plan. Very recently, NBC Universal entered into a lease of SCA for use as production space, employing 150-200 people. In July 1998 the City initiated funding for the arts and cultural activities through a community grant program supporting local arts organizations. Other municipal organizations that provide or promote cultural activities are supported by the City including 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 Ferguson Library is Stamford's public library system, consisting of the Main Library downtown, the Harry Bennett Branch, the Weed Memorial & Hollander Branch, the South End Branch and a bookmobile. Total annual circulation system-wide is 981,000 items. Attendance system-wide is more than 989,000. More than 225,000 users visited the Library remotely via the Internet. All library facilities are operated by The Ferguson Library, a 501 (c)(3) non-profit corporation.

***Stamford Partnership:*** In 1979, the City established a non-profit partnership of business and governmental leaders 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 current activities focus on the strategic areas of education and youth development, neighborhood revitalization, land use and development, economic and social integration of newcomers, entrepreneurship and emerging technologies.

#### ***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 parks and facilities is carried out by a private management company.

**The Leisure Services Division** – 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** – The Public Services Bureau was established as part of the Office of Operations as a result of the City of Stamford’s Charter Revision which took place during the 1995–96 fiscal year. The Public Services Bureau has integrated functional elements from what was the City’s Public Works Department. Detailed below is a summary of accomplishments of each of the Divisions in this Bureau during the 2008–09 fiscal year.

**Solid Waste Division** – The Solid Waste Department comprises two major Divisions: the Transfer Station, which includes the two City Recycling Centers and the Collections Division.

The Collections Division continued the following major programs:

- Curbside semi-automated garbage and recycling pickup.
- Maintaining backyard pickup for 850 back yard waivers.
- Purchased and put into use two new rear-load garbage trucks and one front-end-load truck.
- Continued use of new “fully automated” garbage truck that is staffed by one driver only.

The Collections section provides for the once a week collection of garbage from over 19,000 single homes, 2,342 two-family homes and 686 three-family dwellings along with over 11,000 condominium units, as well as the collection of waste and recyclables from the City’s public schools, fire and police stations and municipally owned buildings including the Government Center, Libraries, etc.

In addition, the Collections section is responsible for the operation and collection of the City’s litter basket program that has over 1,300 units throughout the City. During the summer months this is a seven-day-a-week program because of the increased outdoor activity at the parks, schools and beaches as well as the downtown business district in Stamford.

The Solid Waste Department coordinated the following new programs:

- Established a recycling education program in conjunction with the WPCA, which resulted in four Stamford school class trips to the facilities to promote recycling education and information.
- The Department coordinated with the Zoning Department to establish regulations to approve City garbage collection at new condominiums.
- Instituted a Solid Waste Safety Committee in conjunction with Risk Management to help reduce Worker Compensation and include staff in departmental safety concerns.
- Coordinated an improved Fall Leaf Haulaway program out of the Transfer Station complex which resulted in cost savings as well as traffic flow improvements.
- Initiated a swap program with a local vendor for bulky waste to be removed from the facility without having to shred these items.
- Revised work schedules to better control overtime within budget.

The responsibilities of the Transfer Station section include managing the six-day-a-week operation of a State-licensed 400-ton-per-day transfer facility in which all of the City’s municipal solid waste (“MSW”) and bulky waste is accepted. In fiscal year 2007–08, approximately 62,422 tons of MSW and 6,291 tons of brush and logs were processed. Recycling totaled 5,917 tons of co-mingled, newspapers, mixed paper, cardboard, and 488 tons of mixed metal. The new fluorescent light bulb recycling program generated 749 pounds of recycled bulbs.

Recycling center highlights include: usage of an electronic powered cardboard compactor, and installation of Goodwill containers at the Katrina Mygatt center resulting in 5,400 pounds of clothing being removed from waste stream.

**Fleet Management Division** - The Fleet Management Division comprises three (3) sections; vehicle and equipment maintenance, small equipment maintenance, and an auto body shop.

The division provides maintenance for over 600 vehicles and pieces of equipment all of which are used in the operations of Refuse Collection, Recycling Center, Composting Sites, Water Pollution Control, Highway & Road Maintenance, Fleet Management, Traffic Enforcement, Facilities Management, Traffic Maintenance, Traffic Signal, Parks Maintenance, Recreation, Parks Police, Board of Education, Health Department and the City administrative staff.

Fleet Management also manages the scheduling of inspections for transit Recreation Department, and Smith House; handles emissions testing and all municipal marker plates; maintains the fuel dispensing facilities at both the Magee Avenue and the Haig Avenue locations; and produces and assists others in developing the specifications for vehicles and equipment purchased by the City.

The Fleet Management Division has recently implemented a preventive maintenance program that has become extremely efficient. The Division is also in the process of launching a new management software program that will maintain all information pertaining to the City's fleet as well as its fuel consumption. This information will allow them to see where adjustments need to be made in order to run the City's fleet more efficiently.

The Fleet Management Division held its first on-line auction in May which proved to very beneficial to the City. There were 272 pieces auctioned. The first auction consisted of 72 pieces of equipment for a net total of \$276,938. The second auction consisted of unused, outdated and seized vehicles from the Police Department and netted \$41,187 for the City. The third auction of unused and outdated paving equipment netted \$52,777 giving the City a total net of \$370,902.

The Fleet Management Division also cleaned their facility and scrapped old burnt vehicles and metals for a net of \$9,296.

**Engineering Bureau:** The mission of the Engineering Bureau is to strive to deliver the City's vast number of construction projects in an expeditious, cost-effective manner while maintaining the highest degree of architectural, engineering, and construction quality. The Engineering Bureau is committed to providing the highest level of customer service to the public by closely managing the activities and staff of the Engineering Department, Building Department, Traffic Engineering Department, Traffic and Road Maintenance and Parking Management Department in addition to quickly and effectively responding to citizens' complaints.

The Engineering Bureau deals with many capital improvement projects to the City's infrastructure including storm and sanitary sewers, school construction, roadways, sidewalks, bridges, parks, City building facilities, street lights, traffic signals, energy performance and mechanical systems. In addition to managing design and construction of Engineering Bureau projects, the Bureau has undertaken the management of many capital projects for other departments including the Board of Education, WPCA, Land Use, Police Department, Fire Department, Public Safety, Parks and Recreation Department, Facilities Management, and the Urban Redevelopment Commission.

Over the next three years, the Bureau is anticipating municipally bonded projects of approximately \$21 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 \$40 million in capital design and construction per year. The Bureau prepares and administers design of many public improvement projects "in house," with the majority of Board of Education and larger transportation projects utilizing professional consulting architects and engineers.

There are 55 Stamford-owned bridges. The Engineering Bureau is responsible for the administration of design, construction and inspection of bridges that require rehabilitation and replacement of bridges that become functionally and structurally deficient. Several projects utilize context sensitive design in the development of bridge aesthetics. Most current bridge projects are partially funded under the Connecticut Department of Transportation's Local or Federal Bridge Program. Currently the Bureau is completing the construction of the Farms Road Bridge project. There are four major bridge replacements and repairs scheduled to be completed over the next three years. Those bridges are: Cold Spring Road Bridge, West Main Street Bridge, June Road Bridge, and Richmond Hill Avenue Bridge.

The Citywide storm drainage projects are on-going yearly projects to improve existing drainage conditions throughout the City's rights-of-way and to upgrade existing drainage structures. The Engineering Bureau is responsible for improving many miles of storm culverts, more than 12,000 catch basins and 7,000 manholes.

The Engineering Bureau is responsible for improving traffic flow, safety and operations. The Engineering Bureau administers City roadway and street network planning, traffic analysis, design, construction of new roadways, and reconstruction of existing roadways. Stamford Urban Transitway, a \$62 million Federally-funded project, is one of the largest on-going new roadway construction projects and will provide a direct link from the Transportation Center to Elm Street. This work is scheduled for completion in December 2009.

Several other on-going roadway improvement/reconstruction projects include: West Avenue from I-95 to Winsted Street, North Street from Washington Boulevard to Summer Street, Hope Street between Northhill Street and Weed Hill Avenue, as well as Stillwater Road and Greenwich Avenue.

The Engineering Bureau now oversees the City sidewalks and the resurfacing of 345 miles of City roadway. Many streets were completed in 2008. More streets identified on the City's priority list will be undertaken in 2009.

The Engineering Bureau administers the design, construction, and renovation of all Board of Education facilities which include: two pre-schools with a combined size of 49,213 square feet; 20 school buildings totaling 2,785,524 square feet; 21,000 square feet of Stamford Academy and another 105,000 square feet under construction for a new Environmental Magnet School ("EMS"). This new school provides kindergarten to 8th grades for a student population of 660 with 70 faculty members. The EMS project cost is approximately \$58 million with 95% of the cost reimbursed by the State. The project is scheduled to be completed for the opening of school in the fall of 2009.

The Engineering Bureau is responsible for maintaining and upgrading 9,828 roadway and streetscape lights. Included in the 9,828 are 423 aluminum pole (30-foot) street lights on downtown roads and 333 decorative streetscape lights.

The Engineering Bureau assists the Parks and Recreation Department and Facilities Management with the improvement and rehabilitation of 55 City parks, two City-owned golf courses, and three marinas. The Bureau recently completed the rehabilitation of Cove Island Park, Cummings Park, Kosciuszko Park, Scalzi Park, Mill River Park playground area, Sterling Farms Golf Course entry drive reconstruction, and several synthetic turf projects at two park locations. Upcoming projects include a Cummings Marina dock upgrade in order to accommodate larger vessels, the Cummings Park pier replacement and completion of Hatch Field Park improvements.

The Engineering Bureau is responsible for performing project oversight and administration for major renovations, reconstruction and new construction (if needed) at all City facilities and amenities which include but are not limited to: the Police Headquarters and garage; seven police sub-stations; five fire houses; seven volunteer fire houses; the Government Center; the Old Town Hall; four community centers; an arboretum; a residential care facility; a skilled nursing facility; four Ferguson Libraries; the Historical Society; an animal shelter; a Solid Waste facility; a Highway Garage; three town yards; a

vehicle maintenance facility; the Stamford Museum and Nature Center; an Emergency Medical Services facility; and an ice rink.

Major on-going projects are: Old Town Hall additions and renovations with an estimated cost of \$15 million; Glenbrook Community Center air conditioning units, windows and roof repairs; a new Vital Records Vault at the Town Clerk's Office; and several projects for the Police Headquarters and Stamford Fire and Rescue.

The Engineering Bureau is responsible for Stamford's traffic signalization and system operations. The Stamford Traffic Control Signal System consists of 192 traffic signals. All traffic signals are controlled by a computerized central traffic control system via a network of twisted pair communications cables. A central computer communicates with all traffic signals to enable the Bureau to change traffic signal timings at any specific location depending on the need.

All traffic signals have pre-emption equipment to provide green signal indication for fire and ambulance vehicles. A state-of-the-art Bus Priority system is being designed for the new Stamford Urban Transitway corridor.

The existing twisted pair copper communications cable network is gradually being replaced by fiber optic communications cables to enhance the reliability of the system. This network of fiber optic cables will also provide access to the video from a network of traffic video surveillance cameras located at critical locations around the City to monitor traffic conditions and system operations. Twenty-six cameras are currently in operation to monitor traffic conditions. All traffic signal displays were outfitted with energy efficient LED lamps that consume only 20 percent of the energy compared to regular incandescent lamps.

The Engineering Bureau has the responsibility to install, maintain, repair and replace 710 on-street parking meters, 65 multi-space parking meters, and all street name signs on 1,100 streets. In addition, the Bureau is responsible for maintaining and renovating three City-owned parking garages, and six surface parking lots.

The Engineering Bureau has most recently structurally rehabilitated the expansion joints at the Bell Street Garage and is in the process of awarding a design/build contract to install video surveillance systems in all three parking garages and some City facilities for security purposes. The Traffic Maintenance Division is responsible for replacing and upgrading every street name sign, and installing seven remote pay stations that can accept multiple forms of payment to facilitate parking customers.

**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 of 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 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 WPCA is responsible for the operations and maintenance of the Water Pollution Control Facility, pumping stations, sanitary sewer systems, Hurricane Flood Control Barrier and stormwater stations. The mission of the WPCA is to protect the environment and public health by using the most efficient and effective management and engineering methodologies. These methodologies include applying state-of-the-art process control, maintenance and management techniques. The WPCA completed a \$105 million upgrade of the treatment plant in late 2005. Because of quality of design and operation, the Stamford WPCA has become the largest seller of nitrogen credits in the State of Connecticut. Not only does this increase revenue, but it also enforces the mission of the WPCA which is to be a steward of the environment dedicated to protecting water quality and public health. The upgrade was 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 was financed by general obligation bonds of the City. The debt service associated with the Clean Water Fund loans is being paid entirely from revenues from services provided by the WPCA under the Indenture of Trust, dated as of December 21, 2001, by and among the City, the WPCA and U.S. 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, the Second Supplemental Indenture, dated as of February 28, 2006, and the Third Supplemental Indenture, dated as of September 1, 2006, by and among the City, the WPCA and the Trustee (the Original Indenture and the First, Second and Third Supplemental Indentures 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. In 2008, the WPCA completed construction of the Solids Drying process which is Phase 1 of a unique waste-to-energy project. When this project is completed in 2010, the WPCA will be a major supplier of electrical energy. This project is being funded in part by the U.S. Department of Energy.

The City has issued \$12,480,000 Water Pollution Control System and Facility Revenue Bonds, 2003 Series A, a \$73,561,481 Clean Water Fund Loan, and \$19,765,000 Water Pollution Control System and Facility Revenue Bonds, 2006 Series, 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, the Clean Water Fund Loan and the 2006 Series Bonds are special limited obligations of the City payable solely from revenues and other receipts, funds and moneys pledged therefore pursuant to the Indenture. See “DEBT SECTION – Sewer Revenue Bonds” herein.

***Stamford Community Development Program (“SCDP”)*:** The City’s Stamford Community Development Program administers the various Federal, State and local funds for housing and community development activity.

The Community Development Block Grant (“CDBG”) allocation to the City of Stamford is approximately \$1,100,000 annually. The program’s objective is to improve the quality of life and create a suitable living environment for low-income residents in targeted neighborhoods with an emphasis on rehabilitation of existing housing stock and the creation of new housing at levels affordable to low-income individuals and households (i.e., \$76,550 for a household of four persons). CDBG funds also support non-profit organizations for a variety of public improvements to community facilities as well as social service activities for the homeless, the elderly, youth and the unemployed. CDBG supports economic development activities to assist businesses to create jobs and strengthen retail activity.

The Community Development Office administers the Federal HOME Investment Partnerships Program (approximately \$600,000 annually) that provides funding for down-payment loans to low-income homebuyers, as well as construction loans to developers of affordable housing.

The Community Development Office administers a Brownfields Clean-up Revolving Loan Fund (approximately \$750,000) from the U.S. Environmental Protection Agency that provides short-term loans to developers who remediate the environmental contamination on former industrial properties and redevelop them for productive uses.

The Community Development Office also administers local funds that are available annually for affordable housing development. The Capital Projects Budget funding totaling approximately \$1,000,000 for affordable housing is loaned to non-profit developers to purchase building sites. In 2006, the City of Stamford began receiving payments from developers in lieu of building affordable housing as required by the City's Inclusionary Zoning regulations. The Community Development Office administers the distribution of these funds as loans to developers of affordable housing. Also in 2006, the City began dedicating a portion of its building permit fees on commercial construction to an affordable housing fund. The Community Development Office administers the distribution of these funds (approximately \$400,000 annually) to developers of affordable housing.

Beginning in the spring of 2009, the Community Development Office will receive \$2,909,550 under the federal Neighborhood Stabilization Program. These funds will be loaned to non-profit developers and low-income households to purchase and rehabilitate bank-owned foreclosed homes. The program will focus investments in the East Side, Westside and Cove neighborhoods. This funding, along with the net proceeds from the sale of rehabilitated property, will be used to purchase and rehabilitate approximately 50 homes over a four-year period.

**Colleges:** The University of Connecticut Stamford Campus, located in the downtown, serves approximately 1,300 full-time and part-time undergraduate students and approximately 500 active MBA students. The undergraduate program offers students a full four-year degree program, with baccalaureate majors offered in American Studies, Business and Technology, Economics, English, History, Human Development and Family Studies, Interdisciplinary Studies, Political Science, and Psychology, as well as a Bachelor in General Studies program for returning adults, a minor in Women's Studies and the Connecticut Information Technology Institute which offers IT solutions, training and education.

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 Retail:** 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, and a major expansion of the mall was completed in late 2007 creating over 130,000 square feet of new retail and restaurants.

The Urban Redevelopment Commission ("URC") is the City's development arm. Its land assembly activities helped establish Stamford as a major satellite to New York City for corporate headquarters in the 1960s and 70s, and more recently, as a financial services center. Downtown Stamford now boasts 10 million square feet of Class A office space, all within walking distance of an express rail connection to Manhattan and an extensive labor shed to the north and east. URC has now shifted its focus from office to housing development, to strengthen the walk-to-work labor pool for downtown employers and to create a 24/7 market for downtown retail.

Park Square West I, a mixed-used, mixed-income development on land assembled by the URC, has been completed, including 143 housing units, 20% at rents affordable to households with 50% of median income. Park Square West II, a mixed-use development with 185 housing units (with the same affordable component as PSW I) is in final design stages and will commence construction once financing is finalized.

The URC is working with the Downtown Special Services District on a comprehensive update of downtown zoning to enable more rapid approval of projects which embody the urban design principles of Stamford's 2004 Master Plan. The aim is to develop clear, consistent and simple zoning rules that make it easy to develop dense, mixed-use projects of outstanding design quality (building wall meets sidewalk, animated first floor, interesting façade, well-screened parking, etc.) and make it impossible to build projects that don't "work." This will have effect of raising land values and accelerating development once the housing and credit markets come back. This project will protect, enhance and extend the pedestrian core (Main, W. Park Place, Bank, Atlantic, Broad, lower Bedford and lower

Summer Street); concentrate broad market retail in the pedestrian core; manage auto traffic to achieve a better balance between auto and pedestrian; and incorporate traffic calming techniques to benefit the pedestrian experience. It is part of a larger effort to foster a seamless system of sidewalks, bike paths and high quality transit (e.g., street cars, light rail) that serves the downtown and the collar and connects them to surrounding neighborhoods, the Transportation Center and the Northeast Corridor rail line. These improvements would complement existing and proposed (e.g., Urban Transitway, redesigned I-95 underpasses) road projects that will improve auto traffic to and from I-95, the Transportation Center, downtown and the Southend.

Key values of the downtown zoning study are to maintain and expand diversity of people (incomes and ages) and uses (especially one-of-a-kind restaurants and shops and emerging businesses), and to promote building construction that is water and energy efficient and disaster resilient.

*The Mill River:* The Mill River Project is an innovative approach to urban development. It combines urban redevelopment, environmental restoration, the creation of a large downtown park that will spur development and tax revenues, and public/private partnerships in all aspects of the undertaking that leverages municipal funding with Federal, State and private funding.

The Mill River Corridor, which envelopes the Downtown reach of the Mill River, was established in 2001 as a designated urban redevelopment area with a 30-year tax increment financing (“TIF”) authority. Fifty percent of new real estate taxes resulting from new development are dedicated for reinvestment in the district for public infrastructure including Mill River Park and affordable housing. Included in the redevelopment program is a dramatic increase in residential density which is already reflected in a dramatic increase in downtown construction of apartments and condominiums. Increased downtown density called for in Stamford’s Master Plan will promote the growth of the core, decrease reliance on vehicles in these areas adjacent to the express railroad station and the high concentration of office buildings. One condominium is already contributing TIF revenues, and the 1,077,657-square-foot RBS headquarters and parking garage in the Corridor will dramatically increase TIF revenue going forward. Other Corridor development projects are in various stages of development and municipal approval. This transit-oriented denser development in the Downtown is a cornerstone of the City’s smart growth strategy.

Mill River itself looms large as a development issue with its deteriorated dam and Mill Pond and the increase in downtown flood risk it has caused. Historically, all buildings faced away from the river and it was essentially a sewer for the mills that used it for power. Stamford has created a Mill River Collaborative that is spearheading the restoration of the river and creation of a new 26-acre urban park along its banks and a greenway through downtown to Long Island Sound. Anticipation of the park is already spurring development of parcels around the park site. Five million dollars in Federal funding has been secured for the Army Corps of Engineers Mill River and Mill Pond Restoration Project. The river restoration will reduce 100-year flood levels in downtown by an average of 2.5 feet and will contain such floods totally within the park south of North Street reducing flood damage, flood insurance and construction costs in surrounding areas. The removal of the Mill Pond and its dam will eliminate \$1.5 million in dredging and sediment disposal costs every five years. Construction will start on the river restoration in winter 2009. An additional \$10 million Federal authorization is included the 2007 Water Resources Development Act.

The City will piggyback its investment in the park on the Army Corps construction and has employed Olin Partnership, a world-recognized landscape architecture firm, to lead the design of the park. Permitting for the \$7 million river restoration and an estimated \$60 million in park improvements was completed in August 2008. Design of the river restoration is completed, construction has been bid and a contractor selected by the Army Corps of Engineers. Design of \$12 million in park improvements in the primary park area are nearing completion, and park construction will follow closely behind the river restoration work. Mill River Collaborative is in the preliminary stages of a \$20 million private capital campaign to complement Stamford’s investment in the park, which will increasingly be funded through tax increment financing. The City of Stamford has entered into a 10-year contract with the Mill River Collaborative to develop, operate and maintain Mill River Park and Greenway with the City and Collaborative each contributing a portion of the operating costs. The construction of Mill River Park will

further spur development and real estate tax revenues. As with most well executed and operated major central parks, Mill River Park will stimulate more new tax revenues than the City will ultimately invest in its construction.

**Harbor Point Project:** Recognizing an opportunity that stood silent for decades, Harbor Point Development set into motion an unprecedented vision of the Stamford waterfront known as Harbor Point. The development group, which owns in excess of 80 acres in the South End, has begun to execute a sweeping and ambitious plan to redevelop the South End into a vibrant waterfront destination that would strengthen the neighborhood, provide positive and long-term economic development and greatly increase tax revenue that would benefit all of Stamford.

The project, as approved, includes 6 million square feet of mixed-use development: 85 percent residential (4,000 residential units—10-percent of which is affordable housing); 15 percent commercial including office buildings, a grocery store a waterfront hotel, restaurants and a full-service marina; more than 11 acres of parks and public spaces; a community school; and publicly accessible waterfront areas. It will also create 9,598 new construction and 2,538 permanent jobs.

Harbor Point is a transportation-oriented development, situated only a ten-minute walk from the Stamford Transportation Center, and includes improved street and pedestrian areas. Harbor Point will also lead the way in environmental design and expects its master plan to be certified under the LEED-ND (Leadership in Energy and Environmental Design for Neighborhood Development) pilot program.

In addition to the new jobs, increase in affordable housing stock, and new parks and public spaces, the City of Stamford will benefit from this development in the form of fees, new tax revenue and other public improvements. By way of fees and taxes, the project will generate an average of \$52 million per year in property taxes, \$41 million in fees, and \$162 million in personal property, automobile and conveyance taxes over 30 years. The City will also receive public improvements including new and improved roads, utilities, sidewalks, streetscapes, street lighting, and the environmental remediation of public spaces, a substantial portion of which is already complete.

In connection with the project, the City has entered into an interlocal agreement with the Harbor Point Infrastructure Improvement District, a tax assessment district formed for the purpose of financing the infrastructure needs of the Harbor Point project. The interlocal agreement provides for the District to construct certain public improvements and issue up to \$145 million of bonds of the District (not the City) to finance these public improvements. The interlocal agreement obligates the City to pay the lesser of 50% of the incremental property taxes collected in the District or the debt service on the bonds, and provide certain services to the District

**General Economic Development:** Stamford has become a thriving City that many businesses have selected as their home. Businesses are still moving into Stamford in spite of a general decline nationally. The Bank of Ireland has moved to Stamford, Lloyds of London, RLI, and Greenwich Associates. Perdue Pharma has weathered patent and legal disputes and has sited itself in a new facility downtown, and GE has taken on renovation of the former Xerox site to call its home. The Royal Bank of Scotland opened its 1,000,000-square-foot office and parking facility in March 2009 with 1,800 new employees and the expectation to increase that to 3,000. The State, using REMI model, indicates that two jobs will be created for every job they bring to Stamford, predicting that they will sustain the City's growth in the commercial sector.

Construction activity continues with two office buildings totaling 300,000 square feet under way as part of the first phase of Harbor Point; over 600 housing permits active (three times any other Connecticut community) and in construction including three high-rise buildings (Trump Parc, High Grove, and Harbor Point) and large retail projects (80,000-square-foot South End approved and 300,000-square-foot Bull's Head under review) with plans for 2009 construction with full cognition of the current economic period.

The City's commercial property maintains a cost advantage over mid-town Manhattan and Greenwich, helping to sustain the commercial base during these economic times at rent levels still at historical highs.

**Housing:** The successful attraction of businesses has also caused a swelling in the number of housing units in construction or being planned. Trump Parc, Thomas Rich & 33 Broad Street LLC with 170 dwelling units, and Highgrove, LLC with 84 units are both well under way as is Harbor Point with 336 residential units in this first phase of construction. (That first phase is a part of an 82-acre development including a total of 4,000 housing units, a school, a hotel, office complex, retail, and open space.) Glenview House with 141 residential units is anticipated to be completed in the winter of 2009 as is East Side Commons with 108 residential units and Garden Homes Prospect Street Limited Partnership with 45 residential units. Metro Green, BBSF, LLC, Phase I is in construction with 50 residential units and Liberty Development Groups, LLC with 53 units. TAG Forest, LLC, currently in construction, includes 16 residential units, and Century Plaza Investor Associates, LLC includes 94. Both are in construction at this time.

Approved projects not yet under construction, but anticipated to begin shortly are 124 residential units in New Hope Manor, by New Hope Realty, and New Neighborhoods, Inc anticipates construction of an additional 50 units.

Tresser Square (Loews) has recently received zoning approvals as well as HUD approvals for its acquisition of one tower of St. John's low- and moderate-income housing so that it can develop 834 units of housing and an additional 110,000 square feet of commercial space.

Projects that are currently pending final Zoning Board approval include the Charter Oak Community (Stamford housing Authority) 95 residential units, Chainani Associates, LLC with 76 residential units, and Garden Homes Office Investors Limited Partnership with 50 residential units.

**Government Assisted Housing:** The Stamford Housing Authority d/b/a Charter Oak Communities constructs, operates and maintains housing for low- and moderate-income families, market rate residents and senior citizens. The Authority manages over 1,400 dwelling units in 18 housing complexes as well as a rental assistance program for 1,200 families in privately owned housing units throughout the City. Charter Oak Communities also sponsors a variety of workforce homeownership programs including down payment assistance and newly constructed units for households ranging from 40% to 80% of the Area Median Income. Some of the City's most recent accomplishments include the revitalization of two large facilities, Southfield Village (now Southwood Square) and Fairfield Court (now Fairgate). The Housing Authority has also commenced redevelopment of a State moderate rental complex, Vidal Court, by leveraging a \$20 million commitment of State bond funds with \$110 million of private equity and debt. When completed, the Vidal Court revitalization will replace the existing 216 low/moderate-income rental units with 350 mixed-income units on several sites.

In November 2003, the City of Stamford provided a commitment \$3.5 million to redevelop Southfield Village in Waterside. The \$3.5 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, consists of 160 low-to-moderate-income units, 70 moderate-income units, 85 market-rate units, and 15 publicly available units. The City received an additional \$16 million from the Connecticut Housing Finance Authority and \$13 million from the Connecticut Department of Economic and Community Development totaling \$94 million.

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 is constructing 131 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 cover the remaining \$70 million.

## Educational System

Stamford has a nine-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 tenth non-voting member.

The primary function of the Board is to establish policy and the budget of the public school system. Some of the areas for which such policies are set include curriculum, budget requests, 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, an Interdistrict Magnet School, 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 1488 professional (certified) personnel and 626 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 10/1/08</u>
Davenport Ridge .....	K-5	1972	Concrete	51	510
Murphy .....	K-5	1900 (2002)	Brick	49	540
Newfield .....	K-5	1954 (2002)	Brick	51	629
Northeast .....	K-5	2003	Brick/Stone	63	794
Rogers .....	Pre-K-5	1889 (1964)	Brick	61	534
Bank St. at Toquam ...	Pre-K-5	1967 (1991)	Brick	56	487
Roxbury .....	K-5	1955 (2002)	Brick	59	663
Springdale .....	K-5	1908 (2003)	Brick	46	572
Hart .....	Pre-K-4	1915 (1998)	Brick	53	426
Stark .....	K-5	1927 (1997)	Brick	55	594
Stillmeadow .....	K-5	2003	Block	49	609
Westover .....	K-5	1999	Brick	65	642
Cloonan .....	6-8	2002	Brick	58	575
Dolan .....	6-8	1949	Brick	50	636
Turn of River .....	6-8	1963	Block/Brick	60	595
Rippowam Middle ....	6-8	2003	Steel Frame	150	746
Scofield Middle .....	6-8	2001	Brick	54	615
AITE .....	9-12	2007	Steel/Frame	60	604
Stamford High .....	9-12	1928 (2006)	Brick/Stone	215	1,638
Westhill High .....	9-12	2003 (2007)	Steel Frame/Brick	230	2,283
Boyle Stadium .....	n/a	1937 (1997)	Stone	n/a	n/a
Out-of-District .....	n/a	n/a	n/a	n/a	129
Home Instruction .....	n/a	n/a	n/a	n/a	84
Pre-K Special Ed./ Speech .....	n/a	n/a	n/a	n/a	90

**School Enrollments**

<b>As of October 1</b>	<b>Elementary Headstart/K-5</b>	<b>Middle School 6-8</b>	<b>High School 9-12</b>	<b>Bilingual/Pre-K/ Special Education</b>	<b>Total Enrollment</b>
<i>Historical</i>					
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
2005 .....	6,891	3,280	4,465	668	15,304
2006 .....	6,663	3,178	4,414	851	15,106
2007 .....	6,649	3,158	4,346	808	14,961
2008 .....	6,693	3,109	4,453	740	14,995
<i>Projected</i>					
2009 .....	6,782	3,143	4,526	735	15,186
2010 .....	6,532	3,077	4,380	730	14,719
2011 .....	6,475	3,049	4,342	723	14,589
2012 .....	6,525	3,076	4,240	720	14,561

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**SECTION III - DEMOGRAPHIC AND ECONOMIC DATA**

**Population Trends and Densities**

<u>Year</u>	<u>Population<sup>1</sup></u>	<u>Percent Change</u>	<u>Density<sup>2</sup></u>
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
2007 .....	118,475	1.2	2,969

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 July 1, 2007.

<sup>2</sup>Population per square mile: 39.9 square miles.

**Age Distribution of the Population**

<u>Age<sup>1</sup></u>	<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 9 <sup>th</sup> grade .....	6,287	7.6%	132,917	5.8%
9 <sup>th</sup> to 12 <sup>th</sup> 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

<u>Reporting Period Average</u>	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployment Rate (%)</u>		
				<u>City of Stamford</u>	<u>Bridgeport/Stamford Labor Market</u>	<u>State of Connecticut</u>
March 2009 .....	66,714	62,083	4,631	6.9	7.2	7.8
2008 .....	66,853	63,710	3,143	4.7	5.3	5.7
2007 .....	67,001	64,524	2,477	3.7	4.1	4.6
2006 .....	65,813	63,446	2,367	3.6	4.0	4.4
2005 .....	65,186	62,435	2,751	4.2	4.5	4.9
2004 .....	64,787	62,120	2,667	4.1	4.6	4.9
2003 .....	65,462	62,466	2,996	4.6	5.1	5.5
2002 .....	64,794	62,209	2,585	4.0	4.3	4.4
2001 .....	64,387	62,581	1,806	2.8	3.1	3.1
2000 .....	63,667	62,454	1,213	1.9	2.1	2.3

<u>Reporting Period Average</u>	<u>Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>City of Stamford</u>	<u>Stamford Labor Market</u>	<u>State of Connecticut</u>
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 .....	65,913	63,307	2,606	4.0	3.2	4.9

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

## Industry Classification

<u>Sector</u>	<u>City of Stamford</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
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	Finance (HQ)
GE Money	Finance
Stamford Town Center	Retail Stores
Stamford Health Systems	Medical Care
General Cologne Re Corporation	Insurance (HQ)
U.S. Postal Service	Local and Regional Mail Service
Purdue Pharma	Pharmaceuticals (HQ)
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
AT&T	Telephone and Communications
Shamrock Maintenance Inc.	Building Cleaning Services
United Distillers & Vinters	Beverages (HQ)
Wachovia Bank, National Association	Banking
Royal Bank of Scotland	Investment Banking
Carolee	Jewelry Manufacturing
Citizen Communications	Utility
CYTEC	Chemicals (Research Laboratories)
Circom/ACMI	Medical Instruments (HQ and Mfg.)
Legg Mason	Finance
Graph Network	Cable Television
General Signal	Transportation
META Group	Consumer Services

## Major Employers (continued)

<u>Name</u>	<u>Nature of Business</u>
ITDS	Computer Software
NacRe Insurance	Insurance
Sempra Energy Trading	Trading
Bank of America	Finance
The Stamford Hospital	Medical Services
Conair	Beauty Products (HQ)
TIG Reinsurance	Insurance
Group W Network Services	Programming
Elizabeth Arden	Cosmetics
Tosco	Petroleum Refining
Crane	Industrial
Daymon Worldwide	Financial
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
Jeffries & Co.	Investment Advisors
Fuji Photo Film	Manufacturing
Synapse	Marketing
Versus	Communications/Programming
Harmon International	Electronic Manufacturing
Bank of Ireland	Finance
Rochdale Securities	Finance
Rockefeller & Co.	Wealth Management
Digitas	Digital Media
Unilever Home & Personal Care	Home Care Products

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HQ — Headquarters/Offices

Mfg — Manufacturing Facilities

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Source: City of Stamford Department of Economic Development.

### 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>
2008 .....	6,741,182	16.9	8,061,946	19.1	40,041,515	14.7
2007 .....	6,308,281	14.2	8,243,247	15.8	39,581,321	12.5
2006 .....	6,308,281	13.7	8,174,740	15.7	38,774,641	14.7
2005 .....	6,308,281	15.7	8,174,740	19.0	38,774,641	16.9
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	37,306,79	15.1

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>
2008 .....	\$ 76,143,181	\$357,865,859	N/ A <sup>1</sup>	\$434,009,040
2007 .....	50,778,452	412,070,047	N/ A <sup>1</sup>	462,848,499
2006 .....	129,419,254	260,684,635	\$15,113,989	390,103,889
2005 .....	131,175,576	110,859,988	4,311,000	257,149,553
2004 .....	138,432,128	196,867,884	4,487,000	339,611,012
2003 .....	76,738,245	117,209,684	16,057,715	198,434,929
2002 .....	66,706,336	195,330,791	45,614,700	278,094,842
2001 .....	45,405,860	156,978,838	69,203,887	247,996,398
2000 .....	45,087,299	171,945,326	42,893,700	286,236,512
1999 .....	41,062,696	115,280,275	5,708,361	199,236,671

<sup>1</sup>Included in residential values.

### 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 .....	2,500	5.3	63,021	4.6
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>
Total owner-occupied units .....	25,719		869,729	
Persons per unit .....	2.65		2.67	
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 .....	19,688	80.0%
Zoned for multi-family .....	1,965	8.0
Zoned for mixed use .....	336	1.4
Zoned for business .....	754	3.1
Zoned for industry .....	982	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, 2008 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 budgets for each of those years. The report prepared for Fiscal Year 2009-10 recommended a safe debt limit of \$50 million, followed by \$50 million for the next five years for a total of \$300 million. Typically included in that debt is short-term debt which is financed over seven years or less. The short term debt allows the City to meet capital equipment needs while minimizing long-term interest costs. Following consideration of the annual report, the Board of Finance indicated their support of a \$37.5 million safe debt limit. The Planning Board's recommended Capital Projects Budget agreed that the debt be that put forward by the Administration. The Board of Finance determined the final amount allowed when they considered the FY 09-10 Capital Projects Budget, approving an amount of \$46,901,000 to be supported by general obligation bonds.

#### 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 \$9.0 million for projects approved under the old program.

Under the new program, the State of Connecticut will make proportional progress payments for eligible design and construction costs. The percentage reimbursement for each school project is based on eligible costs as determined by the Connecticut Department of Education. Stamford's rate of reimbursement for new school construction projects is 28% of eligible project costs with the exception of the inter-district magnet school, currently in construction, which is 95%.

#### Sewer Projects

The Stamford Water Pollution Control Authority (the "WPCA") is an agency of the City, 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 WPCA is governed by a nine-member Board of Directors. Since 1996, it has operated as an enterprise fund.

The WPCA 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 not included in the calculation of the City's Safe Debt Limit or the statutory debt limitation of the State of Connecticut. See "Debt of the WPCA" herein for more information.

**Current Debt Statement<sup>1</sup>**  
**Pro Forma**  
**As of April 30, 2009**

Bonded debt <sup>2</sup> :		
This issue, Series A .....		\$ 10,480,000
This issue, Series B .....		42,851,569
General purpose .....		180,534,428
Schools .....		<u>124,389,774</u>
Total bonded debt .....		358,255,771
Short-term debt .....		<u>                  -</u>
Total overall debt .....		358,255,771
Less school construction grants receivable .....		<u>5,663,107</u>
Total overall net debt .....		\$352,592,664

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

<sup>2</sup>Excludes \$13,098,192 of bonded general obligation sewer debt (including \$1,073,431 of the Refunding Bonds) and four Clean Water Fund project loan obligations totaling \$64,847,931 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 WPCA" herein.)

**Current Debt Ratios<sup>1</sup>**  
**Pro Forma**  
**As of April 30, 2009**

Population, 2007 .....	118,475	
Per capita income, 1999 .....	\$34,987	
Net taxable grand list, 10/1/08 <sup>2</sup> .....	\$24,081,717,728	
Estimated full value @ 70% .....	\$40,116,739,611	
Equalized net grand list (2006) .....	\$13,438,345,880	
	<b><u>Overall Debt</u></b>	<b><u>Overall Net Debt</u></b>
	<b><u>\$358,255,771</u></b>	<b><u>\$352,592,664</u></b>
Per capita .....	\$3,023.89	\$2,976.09
To net taxable grand list .....	1.49%	1.46%
To estimated full value .....	1.04%	1.02%
To net equalized grand list .....	2.67%	2.62%
Ratio of debt per capita to per capita income .....	8.64%	8.51%

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

<sup>2</sup>Before Board of Assessment Appeals.

**Bonded Debt Maturity Schedule<sup>1,2</sup>**  
**Pro Forma**  
**As of April 30, 2009**

<u>Fiscal Year</u> <u>Ending</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u> <u>Payments</u>	<u>This Issue</u> <u>Series A</u>	<u>This Issue</u> <u>Series B</u>	<u>Cumulative</u> <u>Principal</u> <u>Retired (%)</u>
2009 <sup>3</sup> .....	\$ 3,200,000	\$ 1,769,700	\$ 4,969,700	\$ -	\$ -	0.89
2010 .....	27,862,634	12,512,582	40,375,216	-	-	8.67
2011 .....	30,316,786	11,250,183	41,566,969	-	-	17.13
2012 .....	28,435,320	10,057,371	38,492,691	-	-	25.07
2013 .....	27,620,784	8,872,070	36,492,854	-	-	32.78
2014 .....	22,181,703	7,699,042	29,880,746	-	4,453,441	40.21
2015 .....	20,071,412	6,739,403	26,810,815	1,750,000	4,507,097	47.56
2016 .....	16,077,874	5,961,280	22,039,154	1,750,000	5,770,450	54.15
2017 .....	16,249,902	5,281,077	21,530,979	1,745,000	4,394,908	60.40
2018 .....	16,184,006	4,503,893	20,687,899	1,745,000	4,409,541	66.64
2019 .....	8,971,379	3,869,943	12,741,322	1,750,000	10,331,203	72.51
2020 .....	6,694,296	3,518,454	10,212,750	1,740,000	8,984,928	77.37
2021 .....	17,440,254	3,153,633	20,593,887	-	-	82.24
2022 .....	14,325,851	2,499,815	16,825,666	-	-	86.24
2023 .....	12,164,000	1,961,488	14,125,488	-	-	89.64
2024 .....	11,964,000	1,458,143	13,422,143	-	-	92.98
2025 .....	8,964,000	1,017,735	9,981,735	-	-	95.48
2026 .....	7,400,000	676,500	8,076,500	-	-	97.54
2027 .....	4,400,000	363,000	4,763,000	-	-	98.77
2028 .....	<u>4,400,000</u>	<u>181,500</u>	<u>4,581,500</u>	<u>-</u>	<u>-</u>	100.00
Total .....	\$304,924,202	\$93,346,812	\$398,271,014	\$10,480,000	\$42,851,569	

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

<sup>2</sup>Excludes \$13,098,192 of bonded general obligation sewer debt (including \$1,073,431 of the Refunding Bonds) and four Clean Water Fund project loan obligations totaling \$64,847,931 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 WPCA" herein.)

<sup>3</sup>Excludes \$26,216,555 principal payments and \$13,577,312 interest payments made from July 1, 2008 through April 30, 2009.

**Overlapping/Underlying Debt**

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

**Authorized but Unissued Debt**

As of March 31, 2009, the City had \$393,708,074 of authorized but unissued debt for various public improvement and school projects. The City expects that approximately \$332,386,118 will be financed by grants and other sources and \$61,321,956 will be financed by the issuance of general obligation bonds.

	<u>Authorized but</u> <u>Unissued</u>	<u>Less Grant</u> <u>Funding</u>	<u>Net Authorized</u> <u>But Unissued</u>
Schools .....	\$201,931,774	\$190,108,628	\$11,823,146
Public improvements .....	<u>191,776,300</u>	<u>142,277,490</u>	<u>49,498,810</u>
Grand Total Authorized but Unissued .....	\$393,708,074	\$332,386,118	\$61,321,956

**Statement of Statutory Debt Limitation  
Pro Forma  
As of April 30, 2009**

**Debt Limitation Base**

Total tax collections, including interest and lien fees, for the fiscal year ended June 30, 2008 .....	\$357,000,350
Debt limitation base .....	\$337,000,350

**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 .....	\$803,250,788				
4.50 x base .....	-	\$1,606,501,575			
3.75 x base .....	-	-	\$1,338,751,313		
3.25 x base .....	-	-	-	\$1,160,251,138	
3.00 x base .....	-	-	-	-	\$1,071,001,050
Total debt limitation .....	<u>803,250,788</u>	<u>1,606,501,575</u>	<u>1,338,751,313</u>	<u>1,160,251,138</u>	<u>1,071,001,050</u>
Less indebtedness <sup>2</sup>					
This issue, Series A .....	7,754,152	2,725,848	-	-	-
This issue, Series B .....	21,229,966	21,621,603	-	-	-
Bonds payable .....	<u>180,534,428</u>	<u>124,389,774</u>	-	-	-
Total indebtedness .....	209,518,546	148,764,225	-	-	-
Less school construction grants receivable .....	-	<u>5,663,107</u>	-	-	-
Net total indebtedness .....	209,518,546	143,101,118	-	-	-
Debt limitation in excess of outstanding and authorized debt .....	\$593,732,242	\$1,463,400,457	\$1,338,751,313	\$1,160,251,138	\$1,071,001,050

<sup>1</sup> Excludes \$13,098,192 of bonded general obligation sewer debt (including \$1,073,431 of the Refunding Bonds) and four Clean Water Fund project loan obligations totaling \$64,847,931 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.

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

<sup>3</sup> As of March 31, 2009, the City had \$393,708,074 of authorized but unissued debt of which approximately \$332,386,118 will be financed by State and Federal grants and other sources.

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 \$2.5 billion.

**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>
2008 .....	\$45,402,419	\$441,518,588	10.3%
2007 .....	40,720,490	411,656,253	9.89
2006 .....	38,782,044	394,961,464	9.82
2005 .....	40,655,477	365,741,125	11.12
2004 .....	28,720,953	352,371,916	8.15

## Debt of the WPCA

### 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 its loans at any time prior to maturity without penalty. The City currently has a project loan obligation ("PLO") in the amount of \$73.6 million, and has received a grant commitment of \$23 million. The PLO is authorized as a revenue obligation 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 U.S. 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 Second Supplemental Indenture dated February 28, 2006, and the Third Supplemental Indenture dated as of September 1, 2006 (the Indenture, as amended and supplemented by the First, Second and Third Supplemental Indentures, herein referred to as the "Indenture"). In addition, the City has three PLOs outstanding totaling \$3,567,847 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, the PLO issued in February 2006, and the 2006 Series Revenue Bonds issued in September 2006. (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, and on September 28, 2006, the City issued \$19,765,000 Water Pollution Control System and Facility Revenue Bonds, 2006 Series, 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 and the 2006 Series 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 and the 2006 Series 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, as amended, 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, issued general obligation debt for purposes of sewerage system improvements. As of April 30, 2009 the City has \$13,098,192 of general obligation bonds outstanding and four Clean Water Fund project loan obligations outstanding in the amount of \$64,847,931 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 WPCA 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 Parity Indebtedness.

**Pro Forma as of April 30, 2009**

Fiscal Year Ending <u>June 30</u>	<u>Senior Lien Debt (Parity Indebtedness)</u>				<u>Subordinated Debt</u>			Cumulative Percent <u>Retired</u>
	<u>2003 Series A &amp; 2006 Sewer Revenue Bonds</u>		<u>Existing Clean Water Fund Debt <sup>2</sup></u>		<u>General Obligation Sewer Bonds</u>		<u>Series B</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	
2009 <sup>3</sup> .....	\$ -	\$ 256,590	\$ 591,102	\$ 215,668	\$ -	\$ -	\$ -	0.55
2010 .....	645,000	1,349,900	3,586,146	1,252,376	1,517,675	535,429	-	5.92
2011 .....	665,000	1,325,575	3,654,901	1,180,025	1,450,129	458,707	-	11.30
2012 .....	690,000	1,300,056	3,725,044	1,106,287	1,288,234	401,425	-	16.62
2013 .....	715,000	1,273,825	3,796,603	1,031,132	1,334,440	341,936	-	22.08
2014 .....	745,000	1,246,175	3,869,607	954,533	1,225,226	279,297	111,559	27.53
2015 .....	775,000	1,217,181	3,864,423	876,859	1,237,255	217,836	112,903	33.01
2016 .....	805,000	1,186,625	3,883,503	799,731	777,568	170,361	144,550	38.11
2017 .....	840,000	1,152,331	3,943,011	721,412	637,348	136,461	110,092	43.17
2018 .....	875,000	1,116,718	3,996,881	642,166	740,088	102,469	110,459	48.41
2019 .....	910,000	1,079,991	4,077,555	561,492	589,598	69,994	259,796	53.61
2020 .....	950,000	1,039,508	4,159,858	479,189	273,600	48,875	225,072	58.64
2021 .....	995,000	996,730	4,026,883	397,206	409,600	32,476	-	63.71
2022 .....	1,040,000	950,936	4,108,163	315,926	136,000	20,128	-	68.64
2023 .....	1,090,000	903,653	4,191,084	233,005	136,000	14,450	-	73.69
2024 .....	1,135,000	855,406	4,275,678	148,411	136,000	8,670	-	78.87
2025 .....	1,190,000	803,456	4,361,980	62,109	136,000	2,890	-	84.18
2026 .....	1,245,000	747,756	735,509	1,839	-	-	-	86.03
2027 .....	1,305,000	689,406	-	-	-	-	-	87.24
2028 .....	1,365,000	626,369	-	-	-	-	-	88.52
2029 .....	1,435,000	558,331	-	-	-	-	-	89.86
2030 .....	1,505,000	486,894	-	-	-	-	-	91.26
2031 .....	1,580,000	411,931	-	-	-	-	-	92.74
2032 .....	1,655,000	333,319	-	-	-	-	-	94.28
2033 .....	1,745,000	250,694	-	-	-	-	-	95.91
2034 .....	1,020,000	184,063	-	-	-	-	-	96.86
2035 .....	1,070,000	134,425	-	-	-	-	-	97.86
2036 .....	1,120,000	82,413	-	-	-	-	-	98.90
2037 .....	<u>1,175,000</u>	<u>27,906</u>	-	-	-	-	-	100.00
Total .....	\$30,285,000	\$22,588,163	\$64,847,931	\$10,979,366	\$12,024,761	\$2,841,404	\$1,073,431	

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

<sup>2</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 \$762,463); PLO 375-C (original amount of loan \$852,229 and current principal amount outstanding \$334,909); PLO 414-D (original amount of loan \$3,574,208 and current principal amount outstanding \$2,149,612); and PLO 414-C (original amount of loan \$73,561,481 and current principal amount outstanding \$61,600,947). Each PLO bears interest at the rate of 2% per annum, with payments of principal and interest made on a monthly basis.

<sup>3</sup> Excludes \$5,307,709 of principal payments and \$2,866,520 of interest payments made from July 1, 2008 through April 30, 2009.

## SECTION V - FINANCIAL SECTION

### Financial Results for Fiscal Year 2007-08 and Projections for 2008-09

During fiscal year 2007-08 the City's net assets increased as a result of this year's operations. On a government-wide basis including all governmental activities and business-type activities, but excluding component units, the assets of the City of Stamford exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$324.7 million. This represents an increase of 6.0% over last fiscal year's net assets of \$306.2 million.

At the end of the fiscal year 2007-08, the total fund balance for the General Fund alone was \$15.5 million. Of the total General Fund fund balance as of June 30, 2008, \$11.4 million represents unreserved General Fund fund balance (up from \$8.1 million as of June 30, 2007). Unreserved General Fund fund balance at year-end represents 2.6% of total General Fund expenditures of \$411.5 million (up 1.9% from the prior year).

Once again, the City achieved very strong results in all areas of tax collections. The current levy collection rates (for all property types) was 98.3%, the seventh consecutive year that the collection rate exceeded 98%. The positive results were achieved by 1) a continued stable municipal tax base and 2) a continuation of policy and strategies employed in the area of delinquent collections. The personal property audit program generated an additional \$1,264,030 in revenue and overall total revenues exceeded budgeted revenues by \$12.3 million dollars.

The City of Stamford's bonds and notes payable balances increased by \$55.9 million to \$501.1 million or a 12.6% increase during the current fiscal year. The City issued \$88 million in bonds (partially to refinance a \$47 million bond anticipation note from fiscal year 2007) that will mature incrementally over the next twenty years. In addition, the City executed a \$19.1 million swap refunding of bonds that generated a net present value savings of about 3.88% (or \$721,156) of refunded principal without extending the maturity of the debt.

The Office of Policy and Management ("OPM") has recently completed an analysis of general fund revenue and expenditure accounts. Based on six months of actual operations and conservative estimates for the remainder of the fiscal year, a balanced budget is projected.

Early in this fiscal year, uncertainty and volatility in the economic markets have pointed to the probability of significant reductions in some tax and non-tax revenues categories. In an effort to mitigate the impact of a potentially significant revenue loss, Mayor Malloy instructed Department Directors to reduce their operating budgets by approximately 3%. This action resulted in the reduction of municipal operating budgets by \$4.1 million through a variety of salary, benefit and operating account adjustments. Had this action not taken place early in the fiscal year, the City's financial position would be considerably worse.

OPM will continue to monitor major accounts for variances and adjust estimates accordingly to ensure a year-end positive operating position. The following are significant changes affecting expenditure and revenue projections.

On the expense side, public safety overtime, while projected at a higher rate in the first quarter, is now projected at a more manageable level based on a general overtime reduction policy. Gasoline, diesel and heating oil projections are within budgeted amounts, primarily due to conservative funding, the purchase of more efficient fleet vehicles and the implementation of fuel conservation methods. One other area that has seen a significant increase is the snow removal budget. The increase is based on more frequent snow events coupled with the ever-increasing cost of road salt. As with fuel accounts, a planned contingency budget assumption for a bad winter will be sufficient to cover the extra costs.

With regard to revenue projections, assumptions for supplemental motor vehicle taxes are well below the anticipated target due to residents not purchasing new vehicles. Reductions in building permits and conveyance taxes are also well below target amounts. These areas are all tied to the ailing economy. As money becomes tighter, people are buying fewer cars; developers are hesitant to start new projects or simply lack the financing to continue with existing projects; and houses are not selling due to the tight credit market.

With all of the financial uncertainty, negative outlook on the economy and the impact it has had on the City's operating budget, no existing programs are scheduled to be eliminated and no employees are scheduled to lose their jobs. This can be attributed to the immediate recognition, acceptance and proactive steps taken early in the fiscal year to ensure the City's financial solvency.

### **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	March 16
Budget to Board of Representatives from Board of Finance	April 7
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</b>		<b>Other Property 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>							
2008 <sup>1</sup> .....	59.14%	33.54%	0.30%	4.10%	3.19%	\$24,290,653	\$208,935	\$24,081,718	0.6%
2007 <sup>2</sup> .....	59.02	31.14	2.64	3.78	3.42	24,162,168	217,625	23,944,543	81.4
2006 <sup>3</sup> .....	58.80	26.90	1.75	6.00	6.55	13,318,632	120,788	13,197,844	17.9
2005 .....	56.45	29.71	0.35	6.30	7.19	11,327,695	129,929	11,197,766	1.5
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>2</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	-

<sup>1</sup> Before Board of Assessment Appeals.

<sup>2</sup> Revaluation.

<sup>3</sup> Revaluation - Phase-In. See "Property Tax" herein.

**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 2/28/09</b>
2009 .....	\$23,944,543	\$386,200,745	In collection		3.690%
2008 .....	13,197,844	356,270,017	98.4	1.6	1.022
2007 .....	11,197,766	338,789,500	98.3	1.7	0.648
2006 .....	11,036,517	323,570,472	98.5	1.5	0.490
2005 .....	10,892,248	313,394,228	98.6	1.4	0.398
2004 .....	10,906,185	311,521,759	98.5	1.5	0.030
2003 .....	10,831,038	282,412,137	98.5	1.5	0.029
2002 .....	10,797,834	262,957,476	98.3	1.7	0.048
2001 .....	10,662,716	255,724,838	97.8	2.2	0.033

**Property Taxes Receivable**

<b>Fiscal Year Ended June 30</b>	<b>Current Year (000s)</b>	<b>Total (000s)</b>
2008 .....	\$6,104	\$14,185
2007 .....	5,764	12,216
2006 .....	4,884	9,452
2005 .....	4,486	14,443
2004 .....	5,018	14,015
2003 .....	4,251	12,638
2002 .....	4,270	13,159
2001 .....	5,505	16,145

## Major Taxpayers

<u>Name</u>	<u>Business</u>	<u>Taxable Valuation As of 10/1/07</u>	<u>Percent of Net Taxable Grand List</u>
RFR Properties .....	Office buildings	\$ 596,537,732	2.49%
Antares .....	Development	386,323,408	1.61
Avalon Bay Communities .....	Office buildings	270,135,833	1.13
One Stamford Realty LP .....	Office buildings	268,087,220	1.12
First Stamford Place .....	Office buildings	264,904,549	1.11
UBS AG Stamford .....	Banking/finance	246,396,520	1.03
HPHV Direct LLC .....	Office buildings/retail	212,829,350	0.89
Four Hundred Atlantic Title LLC .....	Office buildings	164,868,700	0.69
Reckson Operating Partnership .....	Office buildings	157,259,980	0.66
Rich-Taubman Associates .....	Office buildings/retail	148,972,530	0.62
UB Stamford LP .....	Office buildings/retail	99,983,290	0.42
Reckson/Stamford Towers LLC .....	Office buildings	95,744,360	0.40
General Electric Capital Corp. ....	Consumer finance	93,732,500	0.39
Soundview Farms LLC .....	Office buildings	89,251,660	0.37
One Station Place .....	Office buildings	87,521,950	0.37
Pitney Bowes .....	Office buildings	84,613,000	0.35
225 High Ridge LLC .....	Office buildings	71,967,730	0.30
RBS Greenwich Capital Property .....	Banking/finance	70,289,710	0.29
Stamford Square Associates .....	Office buildings	68,210,080	0.28
High Ridge Office Park LLC .....	Office buildings	<u>64,900,210</u>	<u>0.27</u>
Total .....		<u>\$3,542,530,312</u>	<u>14.79%</u>

Net Taxable Grand List for 10/1/07: \$23,944,543,152.

## 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 2007). The property depreciation and obsolescence factors are also considered when arriving at an equitable value. The City completed a revaluation on the October 1, 2006 grand list, which was phased in over a five-year period. The City completed another revaluation on the October 1, 2007 grand list that will supersede the October 1, 2006 revaluation.

Motor vehicle lists are furnished to the City by the State of Connecticut Department of Motor Vehicles. The state utilizes the NADA (National Automobile Dealers Association) pricing schedules to determine market value. Assessed value for motor vehicles are computed at 70% of market value.

All personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually with all manufacturers and businesses required to complete and return (by November 1<sup>st</sup>) a Personal Property Declaration. The declaration is a determination of value of taxable personal property as of October 1<sup>st</sup>. The city utilizes an accelerated depreciation schedule for certain types of personal property. Upon receipt of declarations, the assessor's staff reviews and prices property for all accounts.

The City projects to derive 83.56% of its annual revenues for fiscal year 2008–09 through property taxes. For fiscal year 2007–08 the City collected 84.17% 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 paid and volunteer fire protection.

District C/S: Basic services plus paid and 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 2008–09 the Personal Property Tax District mill rate is 16.18 mills.

### 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, 2007 .....	2008-09	16.18	15.82	15.16	15.49	24.00	16.18
October 1, 2006 .....	2007-08	27.03	26.28	25.20	25.88	34.00	27.03
October 1, 2005 .....	2006-07	30.68	29.94	27.89	28.56	36.60	30.68
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	-

### 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 through '08 in “General Fund Revenue and Expenditures” herein.

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

<b>Fiscal Year Ended June 30</b>	<b>Intergovernmental Revenues</b>	<b>General Fund Revenues</b>	<b>Aid as a Percentage of General Fund Revenues</b>
2008 .....	\$38,740,568	\$442,328,318	8.76%
2007 .....	35,462,340	408,263,643	8.69
2006 .....	38,510,261	389,612,700	9.88
2005 .....	28,609,083	367,435,215	7.79
2004 .....	27,509,205	361,647,956	7.61
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

**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. The tax office utilizes the City's legal department, outside attorneys, and collection agencies in the collection of real estate, 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>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
<i>Proposed Expenditures</i>						
Office of the Mayor .....	\$ 200,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Office of Administration .....	638,450	465,034	478,986	493,355	508,156	523,401
Office of Operations .....	38,215,767	61,066,000	39,535,000	37,453,350	42,022,140	45,532,500
Office of Public Safety, Health & Welfare .....	850,000	2,305,000	2,435,000	735,000	575,000	425,000
Smith House .....	260,000	365,000	-	-	-	-
Ferguson Library/Stamford Museum/Center for the Arts .....	4,050,000	1,627,000	445,000	1,425,000	2,625,000	375,000
Board of Education .....	3,900,000	4,750,000	13,150,000	13,950,000	16,050,000	18,750,000
Mill River Collaborative .....	4,123,000	1,553,000	1,418,000	1,294,000	1,300,000	1,300,000
Old Town Hall .....	2,700,000	-	-	-	-	-
Short-term Capital .....	10,716,036	11,550,000	9,950,000	9,710,000	9,210,000	9,320,000
Marina Fund .....	650,000	650,000	600,000	50,000	50,000	-
Parking Fund .....	530,000	450,000	550,000	450,000	450,000	350,000
Water Pollution Control .....	5,593,750	28,550,000	3,510,000	550,000	550,000	550,000
E.G. Brennan Golf Course .....	<u>50,000</u>	<u>300,000</u>	<u>150,000</u>	<u>125,000</u>	<u>-</u>	<u>-</u>
Total Expenditures .....	\$72,477,303	\$114,631,034	\$73,221,986	\$67,235,705	\$74,340,296	\$78,125,901
<i>Funding Sources</i>						
General Obligation Bonds and Notes.....	\$29,260,473	\$37,756,779	\$36,940,699	\$35,621,591	\$42,578,314	\$42,315,421
Short-term Capital General Obligation Bonds .....	10,524,527	11,225,000	9,650,000	9,435,000	8,960,000	8,945,000
Qualified Zone Academy Bonds .....	3,750,000	-	-	-	-	-
Grants .....	19,416,063	45,187,308	21,323,777	20,503,474	21,223,013	25,442,079
Other .....	5,432,490	1,911,947	1,797,510	1,125,640	1,028,969	873,401
WPCA Revenue Bonds .....	<u>4,093,750</u>	<u>18,550,000</u>	<u>3,510,000</u>	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>
Total Funding Sources.....	\$72,477,303	\$114,631,034	\$73,221,986	\$67,235,705	\$74,340,296	\$78,125,901

**Comparative Balance Sheets - General Fund**

	<u>6/30/08</u>	<u>6/30/07</u>	<u>6/30/06</u>	<u>6/30/05</u>	<u>6/30/04</u>
<b>Assets</b>					
Cash and cash equivalents .....	\$ 5,268,842	\$ 1,375,719	\$ 1,412,028	\$18,509,223	\$10,104,719
Property taxes .....	17,204,750	17,063,575	16,996,106	11,342,632	10,914,891
Intergovernmental .....	6,615,673	7,616,698	8,946,041	755,087	-
Other receivables .....	1,413,776	208,491	1,010,848	101,035	955,482
Due from other funds .....	5,039,386	8,423,416	4,415,552	13,387,371	6,496,288
Advances to other funds .....		6,200,000	5,500,000	-	-
Investments .....	21,370,819	20,050,109	19,019,245	17,911,899	20,077,999
Other assets .....	<u>364,447</u>	<u>409,914</u>	<u>273,661</u>	<u>12,924</u>	<u>-</u>
Total assets .....	<u>\$57,277,693</u>	<u>\$61,347,922</u>	<u>\$59,878,876</u>	<u>\$62,720,171</u>	<u>\$48,549,379</u>
<b>Liabilities and fund balance</b>					
<b>Liabilities</b>					
Accounts payable .....	\$ 7,234,456	\$ 8,488,399	\$ 9,171,634	\$ 9,451,098	\$11,888,598
Accrued wages .....	1,620,171	1,058,739	1,237,167	1,624,399	2,079,499
Deferred revenues .....	32,853,156	32,755,387	30,161,869	30,039,684	17,321,348
Due to other funds .....	<u>63,300</u>	<u>63,300</u>	<u>63,300</u>	<u>63,300</u>	<u>-</u>
Total liabilities .....	<u>41,771,083</u>	<u>42,365,825</u>	<u>40,633,970</u>	<u>41,178,481</u>	<u>31,289,445</u>
<b>Fund balance</b>					
Reserved:					
For encumbrances .....	4,092,404	4,592,469	5,555,791	6,839,773	5,702,645
For inventory .....	-	-	-	-	-
For debt service .....	-	-	-	-	531,032
For long-term advances .....	<u>-</u>	<u>6,200,000</u>	<u>5,500,000</u>	<u>5,000,000</u>	<u>2,000,000</u>
Total reserved fund balance .....	4,092,404	10,792,469	11,055,791	11,839,773	5,434,977
Unreserved:					
Designated for future contracts ..	-	2,804,312	1,420,417	1,144,607	841,505
Undesignated <sup>1</sup> .....	<u>11,414,206</u>	<u>5,385,316</u>	<u>6,768,698</u>	<u>8,557,310</u>	<u>8,184,752</u>
Total unreserved fund balance .....	11,414,206	8,189,628	8,189,115	9,701,917	8,184,752
Total fund balance .....	<u>15,506,610</u>	<u>18,982,097</u>	<u>19,244,906</u>	<u>21,541,690</u>	<u>17,259,934</u>
Total liabilities and fund balance ....	<u>\$57,277,693</u>	<u>\$61,347,922</u>	<u>\$59,878,876</u>	<u>\$62,720,171</u>	<u>\$48,549,379</u>
Operating revenues .....	\$442,328,318	\$408,263,643	\$389,612,700	\$367,435,215	\$361,647,956
Fund balance as percent of					
operating revenues .....	3.50%	4.65%	4.94%	5.86%	4.77%
Unreserved fund balance as					
percent of operating revenues <sup>1</sup> ...	2.58%	1.32%	2.10%	2.64%	2.26%

<sup>1</sup>City Charter provides that the current year surplus or deficit must be applied to or funded in subsequent operating budgets or transferred into the "Rainy Day" fund. The Mayor (subject to Board approval) may direct up to 75% of any budget surplus from the prior fiscal year to the "Rainy Day" fund. The fund is not to exceed 5% of general fund operations for the prior fiscal year, and may be used by board resolution to support expenditures in the following fiscal years.

## General Fund Revenues and Expenditures

The General Fund revenues, expenditures, and changes in fund balance for the fiscal years ended June 30, 2004 through 2008 have been derived from audited financial statements and are based on a GAAP basis of accounting. The adopted budget for 2008-09 is provided by the City and is 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.

	<b>Approved Budget 2008-09<sup>1</sup></b>	<b>2007-08<sup>2</sup></b>	<b>2006-07<sup>2</sup></b>	<b>2005-06<sup>2</sup></b>	<b>2004-05<sup>2</sup></b>	<b>2003-04<sup>2</sup></b>
<b>Revenues</b>						
General property taxes .....	\$382,576,464	\$360,287,944	\$342,983,578	\$326,984,784	\$316,502,650	\$312,461,970
Intergovernmental .....	17,986,970	38,740,568	35,462,340	38,510,261	28,609,083	27,509,205
Charges for services <sup>3</sup> .....	35,355,684	36,341,541	21,860,083	17,945,315	16,505,076	19,855,343
Interest and dividends .....	2,450,000	5,594,675	5,157,024	4,648,346	2,732,261	1,082,948
Other .....	<u>5,563,503</u>	<u>1,363,590</u>	<u>2,800,618</u>	<u>1,523,994</u>	<u>3,086,145</u>	<u>738,490</u>
Total revenues .....	443,932,621	442,328,318	408,263,643	389,612,700	367,435,215	361,647,956
<b>Expenditures</b>						
Government and community						
services .....	14,865,701	13,759,212	13,711,630	12,826,128	12,786,011	12,108,515
Administration .....	7,025,738	7,949,133	7,291,626	7,326,822	6,468,216	6,304,502
Legal affairs .....	4,704,286	6,987,466	4,069,511	3,874,702	3,392,294	4,511,351
Public health, safety & welfare ..	104,081,074	110,782,689	90,679,159	87,249,157	83,717,634	80,686,633
Operations .....	41,391,873	40,102,137	39,375,209	38,753,021	37,834,602	38,322,013
Board of Education <sup>4</sup> .....	225,656,676	221,558,188	216,863,390	207,702,919	189,674,272	178,171,950
Debt service <sup>5</sup> .....	-	-	-	-	-	-
Total expenditures.....	<u>397,725,348</u>	<u>401,138,825</u>	<u>371,990,525</u>	<u>357,732,749</u>	<u>333,873,029</u>	<u>320,104,964</u>
Excess of revenues over expenditures .....	46,207,273	41,189,493	36,273,118	31,879,951	33,562,186	41,542,992
<b>Other financing sources (uses)</b>						
Operating transfers in .....	-	2,531,303	3,129,801	3,051,980	2,587,666	745,658
Operating transfers out .....	<u>(46,207,273)</u>	<u>(40,379,763)</u>	<u>(39,665,728)</u>	<u>(37,228,715)</u>	<u>(31,868,096)</u>	<u>(32,266,952)</u>
Total other financing sources (uses) .....	(46,207,273)	(37,848,460)	(36,535,927)	(34,176,735)	(29,280,430)	(31,521,294)
<b>Special and extraordinary items</b>						
Smith House reclassification .....	-	(6,816,520)	-	-	-	-
State teachers' on-behalf payments .....	-	(70,000,000)	-	-	-	-
State teachers' on-behalf revenues .....	<u>-</u>	<u>70,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total extraordinary items .....	-	(6,816,520)	-	-	-	-
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures and other financing uses .....	-	(3,475,487)	(262,809)	(2,296,784)	4,281,756	10,021,698
Fund balance, July 1 .....		<u>18,982,097</u>	<u>19,244,906</u>	<u>21,541,690</u>	<u>17,259,934</u>	<u>7,238,236</u>
Fund balance, June 30 .....		\$15,506,610	\$18,982,097	\$19,244,906	\$21,541,690	\$17,259,934

<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> Beginning in fiscal year 2007-08, operations of Smith House have been accounted for in the General Fund.

<sup>4</sup> Beginning in fiscal year 2008-09, debt service for school projects will be reflected in Board of Education expenses.

<sup>5</sup> Debt service 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>
2008 .....	\$546,601,118	\$511,663,824	107%	\$(34,937,294)
2007 .....	535,601,000	484,354,000	111	(51,247,000)
2006 .....	507,918,000	463,312,000	110	(44,606,000)
2005 .....	491,929,000	438,830,000	112	(53,099,000)
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)

Based on the valuation completed by Buck Consultants.

**Self-Insurance Programs**

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 \$1,000,000 self-insured retention for general liability and auto liability claims, \$1,000,000 for public officials’ liability, \$100,000 for property losses (except those in flood plains which have a \$250,000 deductible) and \$1,500,000 for workers’ compensation claims. The City purchases commercial insurance for claims in excess of these retentions. All claim expenses and accruals, 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 \$250,000 per claim. Above this threshold, the City purchases commercial insurance. Costs associated with employee health insurance risks are reported in the City’s self insurance 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. Furthermore, the City has an Investment Policy adopted by the Board of Finance (revised September 2008). Accordingly, the City may invest and only invests in U.S. Treasury Bills, Federal Agency Securities, Federal Instrumentalities, Time Certificates of Deposits, Money Market Mutual Funds, Investment Pools, and the State Short-Term Investment Fund.

### **Other Post-Employment Benefits (“OPEB”)**

The City offers certain post-retirement medical and life insurance benefits to all retirees and their dependents on a partially contributory basis, as set forth in various collective bargaining agreements. Depending on the union contract, the benefits cover hospital care in full for a specified number of days (generally 120); surgical costs; certain major medical benefits; and small amounts of life insurance. In addition, the City pays a portion of the Medicare Part B premium for certain retirees. Beginning in 1994, some employees began retiring under the comprehensive indemnity plan. These employees pay a straight deductible and coinsurance of 20% of cost up to a maximum of \$1,500 for hospital care, surgical costs and certain major medical benefits. These employees also have small amounts of life insurance covered in full by their benefits. Benefits for all plans integrate with Medicare on a 100% coordination basis.

During fiscal 2009, the total amount that is anticipated to be paid for retiree medical claims and medical and life insurance premiums is approximately \$10,257,300 and covers approximately 1,200 individuals. The City has to date funded these costs on a pay-as-you-go basis.

The City’s initial Other Post-Employment Benefits Actuarial Valuation was completed as of July 1, 2006 and presented to the City on April 30, 2007. The City’s Board of Finance and Board of Representatives reviewed the report. The Board approved, by ordinance, the establishment of a trust to address Governmental Accounting Standards Board Statement No. 45, “Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions.” The trust was established and an Investment Advisor selected by the members of Board of the OPEB Trust as was a Custodian for the funds. Currently contracts with both are being drawn up and executed for the transfer and investment of funds.

Following establishment of the trust, the City, Board of Education and the Water Pollution Control Authority determined that the Annual Required Contribution (“ARC”) would be addressed through a five-year phase-in. Their respective contributions were included in the 2008–09 budget. The City also identified funds from the City’s undesignated fund balance to contribute to OPEB such that the total funds contributed toward the ARC now total \$746,096.

Based upon July 1, 2008 actuarial valuation, the amount of the ARC has increased substantially from the July 1, 2006 valuation. However, the Mayor has once again indicated his willingness to include in the 2009–10 budget a contribution totaling the amount due for the five-year phase-in of the ARC or 40% of the 30-year level percent amortization of the unfunded liability. The Mayor’s budget for fiscal 2009–10 includes an OPEB contribution totaling \$2,169,597 from the City, \$1,416,000 from the Board of Education and \$60,362 from the Water Pollution Control Authority – each 40% of the ARC.

It is the City’s intent prior to July 1, 2009 to place all of the funds used to pay for retiree health insurance into the trust and to pay for all retiree benefits from the trust. The current City administration has recommended that the remainder of the ARC should be phased-in over a period of five years. In the interim, the Board of Representatives of the City of Stamford is considering altering the ordinance to require future budgets to include full funding of the ARC.

## 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, except for filings for the fiscal years ended 2004, 2005 and 2006 for the City of Stamford, Connecticut Water Pollution Control System and Facility Revenue Bonds, 2003 Series A, dated October 1, 2003, and for the fiscal year ended June 30, 2006 for the City of Stamford, Connecticut Water Pollution Control System and Facility Revenue Bonds, 2006 Series, dated September 28, 2006, and to make a timely filing of material event notices with respect to such late filings. The failure to make such timely filings was promptly remedied upon discovery, and such information and material event notice were filed on May 31, 2007. The City has implemented procedures to ensure the timely filing of all future financial information.

### Legal Matters

Robinson & Cole LLP, Hartford, Connecticut is serving as bond counsel with respect to the authorization and issuance of the Bonds and will render its opinions with respect to the Bonds in substantially the forms attached to the Official Statement as Appendix B herein.

### 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. Receipts for the purchase price of the Bonds.

4. The approving opinions 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 April 8, 2009. 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 of 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 Ms. Sandra L. Dennies, 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/ Sandra L. Dennies  
Sandra L. Dennies  
*Director of Administration*

Dated as of April 16, 2009

## **Appendix A - Auditor's Section**

The following includes the audited financial statements of the City of Stamford, Connecticut for the fiscal year ended June 30, 2008. The supplemental data and management letter which were a part of that report have not been reproduced herein. A copy of the complete report is available upon request from Barry J. Bernabe, Vice President, Webster Bank, National Association, CityPlace II, 185 Asylum Street, Hartford, Connecticut 06103.

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# McGladrey & Pullen

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Finance  
City of Stamford, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stamford, Connecticut, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Stamford, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Stamford, Connecticut, as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 17 to the basic financial statements, the City adopted GASB Statement 49, as of July 1, 2007.

As described in Note 8 to the basic financial statements, the City adopted GASB Statement 45 as of July 1, 2007.

In accordance with "Government Auditing Standards," we have also issued our report dated December 1, 2008 on our consideration of the City of Stamford, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards," and should be considered in assessing the results of our audit.

The management discussion and analysis information on pages 3 through 17 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, budgetary detail, combining and individual nonmajor fund statements, capital asset schedules, other schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail, the combining and individual nonmajor fund statements, capital asset schedules and other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

*McGladrey & Pullen, LLP*

New Haven, Connecticut  
December 1, 2008

## **City of Stamford, Connecticut Management's Discussion and Analysis June 30, 2008**

Our discussion and analysis of the City of Stamford's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the letter of transmittal and the City's financial statements that follow this section.

### **Financial Highlights and Significant Events**

- ◆ The City's net assets increased as a result of this year's operations. On a government-wide basis including all governmental activities and business-type activities, but excluding component units, the assets of the City of Stamford exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$324.7 million. This represents an increase of 6.0% over last fiscal year's net assets of \$306.2 million, as restated (Note 17).
- ◆ The City of Stamford's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$78.8 million, an increase of \$44.2 million from the prior fiscal year. The change in fund balance is a product of the timing of resource flows into (from bond issuances) and out of the Capital Project Fund.
- ◆ At the end of the current fiscal year, the total fund balance for the General Fund alone was \$15.5 million. Of the total General Fund fund balance as of June 30, 2008, \$11.4 million represents unreserved General Fund fund balance (up from \$8.1 million as of June 30, 2007). Unreserved General Fund fund balance at year-end represents 2.6% of total General Fund expenditures of \$441.5 million (up 1.9% from the prior year).
- ◆ The Rainy Day Fund increased by \$846,425 this year and has a fund balance of \$4.6 million as of June 30, 2008. The Rainy Day Fund provides an additional reserve of 1% of General Fund expenditures. The Rainy Day Fund strengthens the City's financial flexibility by providing reserves outside of the General Fund.
- ◆ The City of Stamford's bonds and notes payable balances increased by \$55.9 million to \$501.1 million, or a 12.6% increase, during the current fiscal year. The City issued \$88 million in bonds (partially to refinance a \$47 million BAN from fiscal year 2007) which will mature incrementally over the next twenty years. In addition, the City executed a \$19.1 million swap refunding of bonds that generated a net present value savings of about 3.88% (or \$721,156) of refunded principal without extending the maturity of the debt.
- ◆ Since 2005, the General Fund has provided substantial support to the Smith House Nursing Facility Enterprise Fund due to reduced Medicare reimbursement rates for the facility. At the end of fiscal year 2007, the fund had negative net assets of \$6.2 million and the City had reserved a portion of its General Fund fund balance to cover it. Over the past few years, management appropriated funds from operating surpluses into the General Fund in order to eliminate this deficit. The City recognized that the activity was more accurately reported as a governmental activity because it was ultimately being supported with taxes and moved the operation to the General Fund. The transfer of the Smith House to the General Fund has been treated as a Special Item, and decreased the General Fund fund balance by \$6,816,520.

- ◆ The City recognized its OPEB (Other Post Employment Benefits) liability this year and set up a fund. The actuarial accrued liability as of July 1, 2006 is estimated to be \$201 million and the Annual Required Contribution (ARC) is \$16 million. However, the City decided to fund its OPEB obligations through a 30-year level percent funding arrangement which resulted in an ARC of \$13,243,000. The City appropriated \$650,000 to initiate deposits into the trust as a contribution beyond the amount already available to address current benefits.
- ◆ The City of Stamford's four pension funds had a decrease in net assets of \$56.7 million or 9.8%, however, they all remain more than 100% funded. This significant reduction is due to fluctuations in the current fair market value of investments as of June 30, 2008. The Pension Fund Boards and City are closely monitoring the funds to ensure their continuing stability.
- ◆ The City of Stamford created four new governmental funds this year – Old Town Hall Redevelopment Agency Fund (OTHR), Board of Education Energy Reserve, OPEB (Other Post Employment Benefits) and Mill River TIF. These additional funds were created to maintain control and accountability over resources that have been segregated for specific activities or objectives.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Stamford's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements. This report also contains supplementary information and a statistical section. The statistical section provides comparisons of selected information beginning with fiscal year 1999 and running through the current year.

### Government-Wide Financial Statements

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

The Statement of Net Assets reports what a government owns or controls (assets), what it owes (liabilities) and what is left over after assets have been used to satisfy liabilities (net assets). One of the most important questions asked about the City's finances is: "As a result of this year's activities, is the City better or worse than the previous year?" One can think of the City's net assets – the difference between assets and liabilities – as one way to measure the City's financial health or financial position. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the city is improving or deteriorating. However, other non-financial factors will need to be considered as well, including changes in the City's property tax base and the condition of the City's capital assets, to assess the overall health of the City of Stamford.

The Statement of Activities presents information showing how the government's net assets changed during the current fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in some future fiscal period. Uncollected taxes and earned but unused vacation leave are examples of these types of items.

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

- ◆ Governmental activities of the City of Stamford encompass most of the City's basic services and include education, governmental and community services, administration, public safety, health and welfare and public works. Property taxes, charges for services and intergovernmental grants finance the majority of these activities.
- ◆ Business-type activities of the City of Stamford include the Water Pollution Control Authority and the E.G. Brennan Golf Course. They are reported as business-type activities because the City charges a fee to customers to help cover all or most of the cost of operations. The Smith House Nursing Home was converted from a business-type activity to a governmental activity and is now reflected as a General Fund activity as of June 30, 2008.
- ◆ The City includes one separate legal entity in its report – the Urban Redevelopment Commission (URC). Although legally separate, the “component unit” is important because the City is financially accountable for it.
- ◆ The City includes two blended component units in its report – the Old Town Hall Redevelopment Agency and the Mill River TIF Fund. These component units provide services entirely or almost entirely to the City or otherwise exclusively or almost exclusively benefit the City, even though they do not provide services directly to it.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) can be found on pages 19-20 of this report.

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law, while others are established to help control and manage money for a particular purpose. The City of Stamford has three kinds of funds:

**Governmental Funds.** The majority of the City's basic services are reported in governmental funds. These reports focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can be readily converted to cash. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation following the fund financial statements.

The City of Stamford maintains 22 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the Capital Projects Fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation as Other Governmental Funds. Non-major governmental funds for the City of Stamford include the Community Development Program, Board of Education Food Service Program,

Town Aid Highway, Dog License, Drug Asset Forfeiture (State and federal), Police Extra Duty, Educational Grants, City Grants, School Building Use, Continuing Education, Marina, Tenement Housing Operating, Greater Stamford Transit District, Parking, Rainy Day, Board of Education Energy Reserve, OPEB, OTHRA, Transportation Capital, Capital Non-Recurring, Mill River TIF and the Debt Service Fund. Individual fund data for each of these non-major governmental funds is provided in the Combining Balance Sheets and in the Combining Statement of Revenues, Expenditures and Changes in Fund Balance.

The City of Stamford adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the authorized budget. The Statement of Revenues, Expenditures and Changes in Unreserved Fund Balance on a Budgetary Basis can be found on page 24.

The basic governmental fund financial statements (balance sheet and Statement of Revenues, Expenditures and Changes in Fund Balance) can be found on pages 21-22 of this report.

**Proprietary Funds.** The City of Stamford maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Stamford uses enterprise funds to account for its Water Pollution Control Authority and the E.G. Brennan Golf Course. Internal service funds are an accounting device used to accumulate and allocate certain costs internally among Stamford's various functions. The City of Stamford uses internal service funds to account for risk management costs and employee health benefits costs for City and Board of Education employees. Because the internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority which is considered to be a major fund of the City of Stamford. Separate information is also provided for the E.G. Brennan Golf Course, which is identified as a non-major fund of the City of Stamford. In addition, individual fund data for the internal service funds are provided in separate columns in the proprietary fund financial statements. The basic proprietary fund financial statements (Statement of Net Assets, Statement of Revenues, Expenses and Changes in Fund Balance, and Statement of Cash Flows) can be found on pages 25-27 of this report.

**Fiduciary Funds.** The City is the trustee, or fiduciary, for its employees' pension plans. Fiduciary funds are not reflected in the government-wide financial statement because the City cannot use these assets to finance its operations. For reporting purposes only, the over-funded portion of pension assets is reflected as a non-current asset in the government-wide financial statement. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Stamford has four pension trust funds (Police, Fire, Classified and Custodian), and two agency funds (Student Activity Fund and Scholarship Fund). The basic fiduciary fund financial statements can be found on pages 28 and 29 of this report.

## Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30–74 of this report.

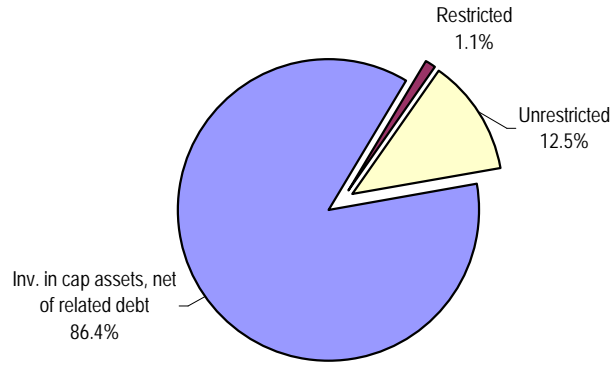
### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The City of Stamford governmental activities assets exceeded liabilities by \$264.9 million at June 30, 2008. This is an increase of \$6.4 million from the previous year.

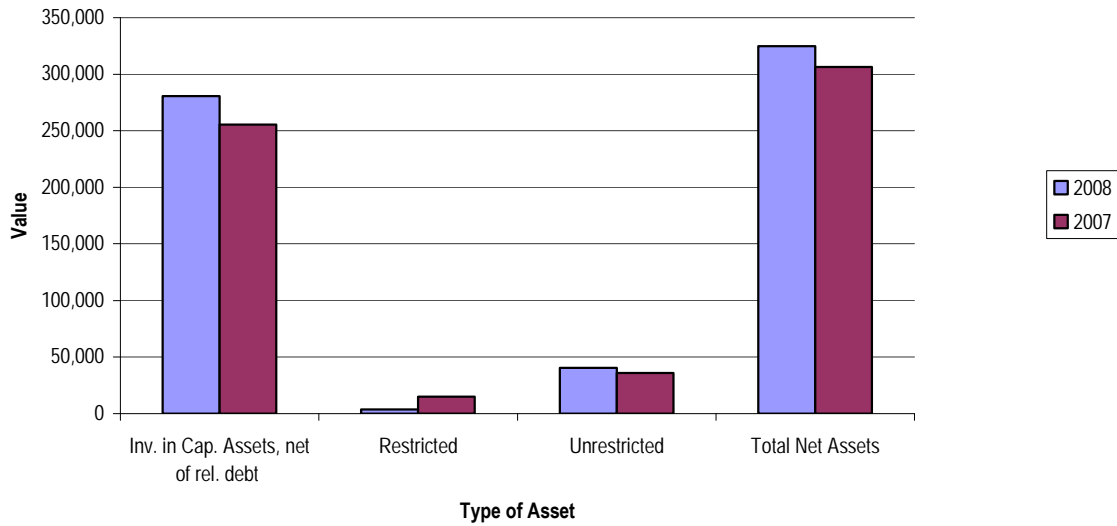
	<b>City of Stamford</b>				<b>Net Assets (\$000's)</b>			
	<b>June 30, 2008</b>				<b>June 30, 2007</b>			
	<b>Primary Government</b>			<b>Component</b>	<b>Primary Government</b>			<b>Component</b>
	Governmental	Business-		Urban	Governmental	Business-		Urban
Activities	Type	Total	Redevelopment	Activities	Type	Total	Redevelopment	
	Activities		Commission		Activities		Commission	
Current and other assets	\$ 179,126	\$ 7,763	\$ 186,889	\$ 5,832	\$ 177,553	\$ 10,770	\$ 188,323	\$ 6,111
Noncurrent	10,541	4,522	15,063	-	10,637	3,830	14,467	-
Capital assets	573,004	163,558	736,562	-	534,811	161,898	696,709	-
<b>Total assets</b>	<b>762,671</b>	<b>175,843</b>	<b>938,514</b>	<b>5,832</b>	<b>723,001</b>	<b>176,498</b>	<b>899,499</b>	<b>6,111</b>
Current liabilities	99,029	7,500	106,529	2,740	105,133	5,860	110,993	2,854
Long-term liabilities								
outstanding	398,791	108,502	507,293	-	359,456	122,842	482,298	-
<b>Total liabilities</b>	<b>497,820</b>	<b>116,002</b>	<b>613,822</b>	<b>2,740</b>	<b>464,589</b>	<b>128,702</b>	<b>593,291</b>	<b>2,854</b>
Net Assets:								
Inv. in cap assets, net of related debt	230,370	50,131	280,501	-	210,324	45,188	255,512	-
Restricted	-	3,672	3,672	-	-	14,959	14,959	-
Unrestricted	34,481	6,038	40,519	3,092	48,088	(12,351)	35,737	3,257
<b>Total Net Assets</b>	<b>\$ 264,851</b>	<b>\$ 59,841</b>	<b>\$ 324,692</b>	<b>\$ 3,092</b>	<b>\$ 258,412</b>	<b>\$ 47,796</b>	<b>\$ 306,208</b>	<b>\$ 3,257</b>

\* It should be noted that the beginning balances as of July 1, 2007 have been restated due to the implementation of GASB Statement No. 49 (Note 17).

**City of Stamford Total Net Assets - Primary Government**  
June 30, 2008



**City of Stamford Net Assets - Primary Government**  
2008 vs. 2007



Net Assets

On a government-wide basis, excluding component units, the assets of the City of Stamford exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$324.7 million. This is up from last fiscal year's net assets of \$306.2 million as restated (Note 17). Total net assets for governmental activities at fiscal year-end were \$264.9 million (up from \$258.4 million as restated (Note 17) in the previous year)

and total net assets for business-type activities were \$59.8 million due to the conversion of Smith House, which had a \$6.2 million deficit, to the General Fund (up from \$47.8 million).

**Unrestricted Net Assets.** Of the City's total net assets at June 30, 2008, \$40.5 million or 12.5% is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. This compares closely with last year's total unrestricted net assets of \$40.5 million or 13% unrestricted.

**Net Assets Invested in Capital Assets, Net of Related Debt.** By far the largest portion of the City of Stamford's net assets (86.7%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure), net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Stamford's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Restricted Net Assets.** Of the City's total net assets at June 30, 2008, \$3.7 million or 1.1% is restricted. All of the City's restricted net assets relate to amounts restricted for the WPCA debt service and construction accounts imposed by creditors.

One measure of liquidity is the current ratio (current assets ÷ current liabilities) and it helps us determine if, over the next year, the City of Stamford will have enough cash or readily liquidated assets on hand to finance the bills that come due. The City's current ratio is 1.81, meaning the City has current assets 1.81 times greater than its current liabilities. An even more conservative measure is the quick ratio whereby only the most liquid assets (cash and short term liquid investments) are compared with current liabilities. Under this ratio, the City has current assets 1.24 times greater than its current liabilities.

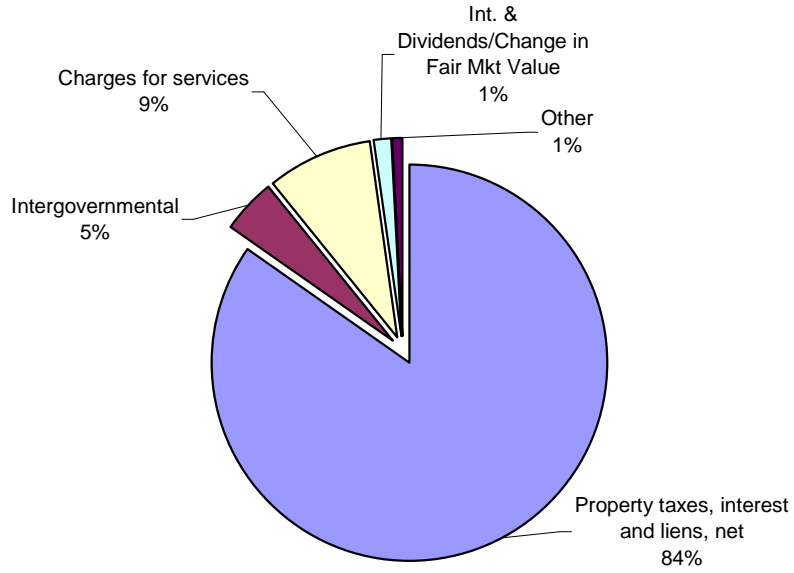
**City of Stamford, Connecticut**  
**Changes in Net Assets**

	2008				2007			
	Primary Government			Component Unit	Primary Government			Component Unit
	Business-		Total	Urban Redevelopment Commission	Business-		Total	Urban Redevelopment Commission
	Governmental Activities	Type Activities			Governmental Activities	Type Activities		
<b>Revenues:</b>								
Program Revenues:								
Charge for services	\$ 55,129	\$ 19,561	\$ 74,690	\$ -	\$ 41,291	\$ 29,118	\$ 70,409	\$ -
Operating grants and contributions	66,119	822	66,941	198	36,663	743	37,406	625
Capital grants and contributions	29,238	5,643	34,881	-	38,347	-	38,347	-
General Revenues:								
Property taxes	360,271	-	360,271	-	342,944	-	342,944	-
Grants not restricted to specific programs	9,866	-	9,866	-	10,371	-	10,371	-
Unrestricted investment earnings	5,595	787	6,382	63	6,048	810	6,858	-
Transfers Out			-	-	(2,114)	2,114	-	-
<b>Total revenue</b>	<b>526,218</b>	<b>26,813</b>	<b>553,031</b>	<b>261</b>	<b>473,550</b>	<b>32,785</b>	<b>506,335</b>	<b>625</b>
<b>Expenses:</b>								
Government and community services	21,820	-	21,820	-	16,090	-	16,090	-
Administration	17,142	-	17,142	-	12,807	-	12,807	-
Public safety	97,680	-	97,680	-	89,503	-	89,503	-
Health and welfare	26,471	-	26,471	-	12,954	14,183	27,137	-
Operations	67,987	20,966	88,953	-	60,753	19,518	80,271	-
Education	263,550	-	263,550	-	238,399	-	238,399	-
Interest on long-term debt	18,931	-	18,931	-	17,740	-	17,740	-
Other	-	-	-	426	-	-	-	539
<b>Total expenses</b>	<b>513,581</b>	<b>20,966</b>	<b>534,547</b>	<b>426</b>	<b>448,246</b>	<b>33,701</b>	<b>481,947</b>	<b>539</b>
**Special Item	(6,198)	6,198	-	-	-	-	-	-
<b>Change in Net Assets</b>	<b>6,439</b>	<b>12,045</b>	<b>18,484</b>	<b>(165)</b>	<b>25,304</b>	<b>(916)</b>	<b>24,388</b>	<b>86</b>
Net Assets, beginning, as restated	258,412	47,796	306,208	3,257	233,108 *	48,712 *	281,820	3,171
Net Assets, ending	\$ 264,851	\$ 59,841	\$ 324,692	\$ 3,092	\$ 258,412	\$ 47,796	\$ 306,208	\$ 3,257

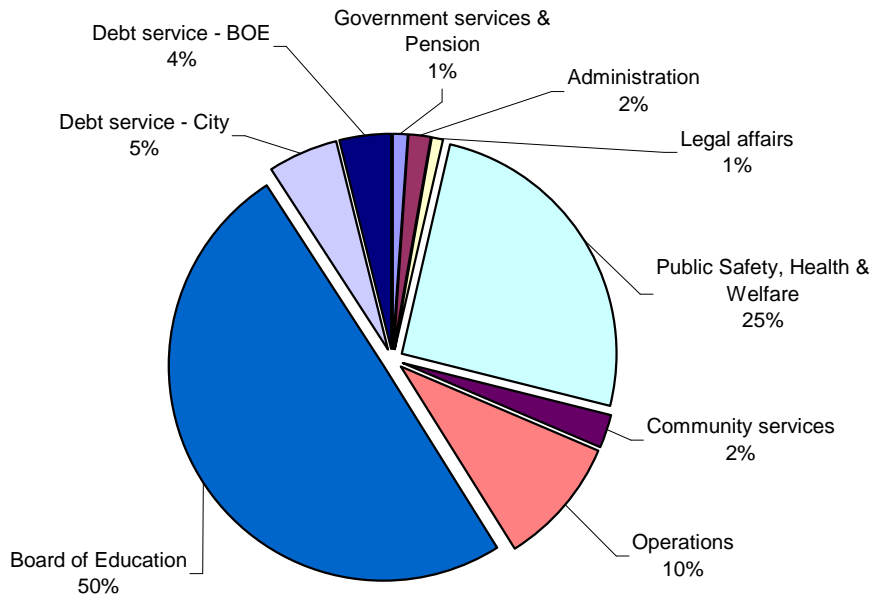
\* It should be noted that the beginning balances as of July 1, 2007 have been restated due to the implementation of GASB Statement No. 49 (see Note 17).

\*\* The Special Item represents the transfer of the Smith House from a business-type activity to a governmental activity.

**City of Stamford Revenues - Primary Government  
Budgetary Basis  
June 30, 2008**



**City of Stamford Expenses - Primary Government  
Budgetary Basis  
June 30, 2008**



## Changes in Net Assets

### Governmental Activities:

Governmental activities increased the City's net assets by \$6.4 million. More than 68.9% of the revenues were derived from property taxes followed by 20.2% for operating and capital grants and contributions, 9.7% for charges for services and about 1.2% of the City's revenue in this fiscal year was derived from investment earnings. The Smith House reclassification reduced net assets by \$6.2 million.

The major increases in revenues related to charges for services which increased during the year due to an increase in building permits and conveyance taxes. In addition, property taxes increased over the prior year due to an increased levy and phase-in of the revaluation. In addition, charges for services increased due to the transfer in of the Smith House from the business-type activities.

Expenses increased over the prior year due to an overall increase in City-wide wages due to union contracts and increased energy costs.

### Business-Type Activities:

Business-type activities increased the City's net assets by \$12.0 million during the year. The WPCA's assets increased by \$5.7 million due to a capital contribution from the City. E.G. Brennan's net assets increased by \$100,000. This Smith House reclassification increased business-type activities by \$6.2 million.

## **Financial Analysis of the Governmental Funds**

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

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

As of the end of the current fiscal year, the City of Stamford's governmental funds reported combined ending fund balances of \$78.8 million, an increase of \$44.2 million from last year. A portion of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for the following purposes: 1) \$4.1 million to liquidate contracts and purchase orders of prior fiscal periods and 2) \$451,490 designated for linkage ordinances. The remainder, \$74.3 million, is unreserved.

At the close of the year, the City of Stamford's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$78.8 million, an increase of \$44.3 million from the prior fiscal year. This increase is the result of current financial resource basis of accounting as it relates to the Capital Projects Fund and bond proceeds.

The General Fund is the chief operating fund of the City of Stamford. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$11.4 million while total fund balance was \$15.5 million.

As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 2.5% of total General Fund expenditures, as compared with 1.9% from the year before. Total fund balance represents 3.5% of total General Fund expenditures, down from 4.6% the year before.

The City charter provides that the current year surplus or deficit must be applied to or funded in subsequent operating budgets or transferred into the Rainy Day Fund. The Mayor (subject to board approval) may direct up to 75% of any budget surplus from the prior fiscal year to the Rainy Day Fund. The fund is not to exceed 5% of General Fund operations for the prior fiscal year, and may be used by board resolution to support expenditures in the following fiscal years. During the year, \$846,425 was transferred from the FY 2006/2007 General Fund surplus to the Rainy Day Fund bringing the balance in the Rainy Day Fund up to \$4,622,581 as of June 30, 2008. Based on FY 2007/2008 General Fund expenditures, the Rainy Day Fund could not exceed \$20 million (based on 5% of General Fund expenditures).

The budgetary fund balance of the City of Stamford's General Fund increased by \$5.2 million during the current fiscal year. Key factors affecting the change in fund balance are as follows:

- ◆ Once again, we achieved very strong results in all areas of tax collections. Current levy collection rates (for all property types), was 98.3%, the seventh consecutive year that the collection rate exceeded 98%. The positive results were achieved by 1) a continued stable municipal tax base and 2) a continuation of policies and strategies employed in all area of delinquent collections. The personal property audit program generated an additional \$1,264,030 in revenue (a ratio of 9.4% revenue to audit cost) and overall total revenues exceeded budgeted revenues by \$12.3 million dollars.
- ◆ Overall departmental revenue (charges for services) in the General Fund exceeded budgeted amount by \$1.5 million due to conveyance taxes and building permit fees.

In the General Fund, on a budgetary basis, 49.8% of the City's expenditures relate to education, 25.3% relates to public safety, health and welfare, 9.6% relates to public works/operations, 5.3% to City debt service payments for long-term debt, 4.0% to Board of Education debt service payments for long-term debt and the remaining 6.0% relates to government services and pension, community services, administration, and other miscellaneous areas. Major expenditure factors include:

- ◆ Increases in employee wages, resulting from negotiated step and contractual general wage increases.
- ◆ The Board of Education under-spent their expenditure budget of \$96,147. Management is recommending that their surplus be designated for the Board of Education Energy Reserve Fund.

As of June 30, 2008, the Capital Projects Fund has a total fund balance of \$54.1 million, up from \$8.4 million in the prior year. This increase of fund balance is the result of current financial resource basis of accounting and a product of the timing of resource flows related to bond proceeds.

Other Governmental Funds had a total fund balance of \$9.2 million, up from \$7.2 million the prior year, an increase of 28.2%. The Other Governmental Funds having a significant increase to fund balance include the Parking Fund (\$387,000), Rainy Day Fund (\$846,000), Board of Education Energy Reserve (\$236,000), and Mill River TIF (\$588,000). The City's operating flexibility is enhanced by the maintenance of some of

these independent reserve funds that may be used to relieve the General Fund of some operational expenditures. More information on Other Governmental Funds can be found on pages 86-92.

**Proprietary Funds.** The City of Stamford's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net assets of the Water Pollution Control Authority were \$58.4 million, up from last year by \$5.7 million. Unrestricted net assets of the Water Pollution Control Authority were \$5.8 million, up from negative \$5.5 million in the previous year. The Water Pollution Control Authority recorded net operating income of \$511,000, with operating revenues of \$15.9 million.

The Smith House was reclassified to a governmental fund as of July 1, 2007.

### **General Fund Budgetary Highlights**

Please note that this is the first year in which the revenue contingency is included in the original and final revenue budgets to accurately reflect reserves identified to offset potential expenditures.

The difference between the original budget and the final amended expenditure budget was \$23.7 million. The major appropriations approved during the year were:

- ◆ \$2.2 million for Public Safety overtime
- ◆ \$14.4 million transfer of the Smith House Nursing Facility to the General Fund
- ◆ \$3.2 million Police contract settlement
- ◆ \$1 million for Debt Service Fund
- ◆ \$0.4 million for Property Revaluation

During the year, actual revenues on a budgetary basis were \$425.7 million, which exceeded budgetary estimates by \$5.2 million. Revenues significantly exceeded original estimates. The additional revenues are primarily due to conveyance tax, the result of the sale of a portfolio of office buildings and building permits fees.

Actual expenditures on a budgetary basis and other financing uses totaled \$418.7 million which was \$7 million under actual revenues on a budgetary basis. The budgetary fund balance as of June 30, 2008 is \$11.4 million. Of this amount, 1) \$716,970 is designated to support the FY 2008/2009 operating budget; 2) \$318,156 is designated for the appreciation in the fair value of investments and reflects management's policy of holding the underlying investments on a long-term basis; 3) \$100,000 is designated for the Rainy Day Fund; 4) \$96,000 for the Board of Education Energy Reserve Fund; 5) \$229,552 for OPEB funding; 6) \$2,700,000 for the Risk Management Fund; 7) \$1,336,778 for the Grand List 2006 Year Tax Appeals and 8) \$5,916,750 for the Grand List 2007 Year Tax Appeals. The remaining amount available to support future year appropriations is therefore \$0.

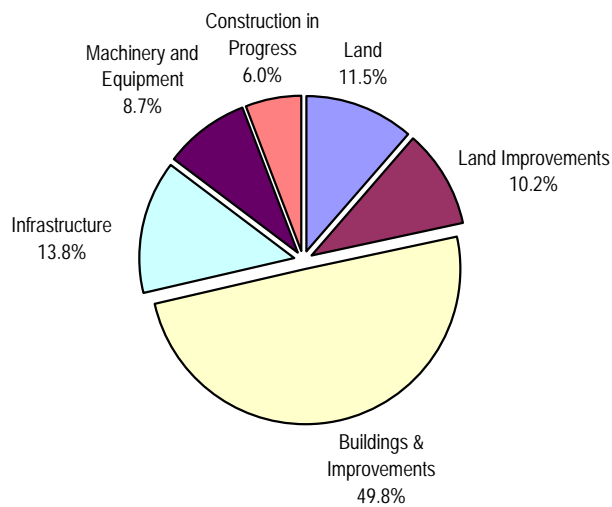
### **Capital Asset and Debt Administration**

**Capital Assets.** The City of Stamford's investment in capital assets for its governmental and business-type activities as of June 30, 2008, amounted to \$737 million (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment, park facilities, roads, sewers and bridges. The total increase in the City of Stamford's investment in capital assets for the current fiscal year was \$41 million or 5.9%.

**City of Stamford, Connecticut**  
**Capital Assets (net of depreciation)**  
**June 30, 2008**

	Primary Government			Component Unit
	Governmental Activities*	Proprietary Activities*	Total	Urban Redevelopment Commission
Land	\$ 81,415	\$ 3,449	\$ 84,864	\$ 4,476,000
Land Improvements	74,227	860	75,087	-
Buildings & Improvements	285,021	81,832	366,853	-
Infrastructure	58,428	43,494	101,922	-
Machinery and Equipment	30,707	33,189	63,896	-
Construction in Progress	43,206	734	43,940	-
<b>Total</b>	<b>\$ 573,004</b>	<b>\$ 163,558</b>	<b>\$ 736,562</b>	<b>\$ 4,476,000</b>

**City of Stamford Capital Assets - Primary Government**  
**June 30, 2008**



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

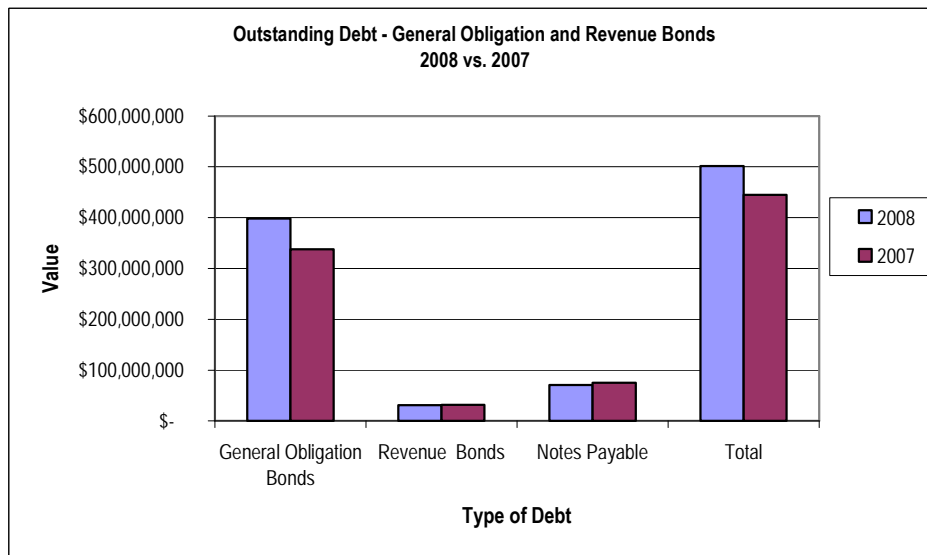
- ◆ Radio system upgrade \$6.5 million.
- ◆ Major school improvements and renovations including the Rippowam Middle School (\$6.2 million), Stamford High School (\$1.1 million), Westhill High School (\$3.6 million) and the new K-8 magnet school (\$11.1 million).
- ◆ Development costs for the Stamford Urban Transitway were \$7.1 million.

- ◆ Infrastructure improvements including roadways, bridges, and sanitary/sewer projects were over \$1.1 million.
- ◆ Improvements and renovations to the WPCA plant and equipment associated with the new sludge processing project were just over \$4.5 million.
- ◆ Public safety vehicle replacements cost \$3 million.

Additional information on capital assets can be found in Note 7 on pages 49–50 of this report.

**Long-Term Debt.** At the end of the fiscal year, the City of Stamford had total bonded debt outstanding of approximating \$430 million.

City of Stamford, Connecticut Outstanding Debt General Obligation and Revenue Bonds						
	June 30, 2008			June 30, 2007		
	Government Activities	Business-Type Activities	Total	Government Activities	Business-Type Activities	Total
General Obligation Bonds	\$ 383,247,984	\$ 15,374,712	\$ 398,622,696	\$ 318,309,463	\$ 19,677,537	\$ 337,987,000
Revenue Bonds	-	31,277,000	31,277,000	-	31,992,596	31,992,596
Notes Payable	3,386,103	67,775,446	71,161,549	3,936,474	71,171,847	75,108,321
Totals	\$ 386,634,087	\$ 114,427,158	\$ 501,061,245	\$ 322,245,937	\$ 122,841,980	\$ 445,087,917



The City of Stamford's total long-term debt increased by \$56.5 million during the 2007-2008 fiscal year.

The City of Stamford maintains an AAA rating from both Moody's Investors Service and Standard and Poor's.

The overall statutory debt limit for the City of Stamford is equal to seven times annual receipts from taxation or \$2,501,696,000. Current debt levels are well below the statutory debt limits.

Additional information on long-term debt can be found in Note 9 of this report.

### **Economic Factors and Subsequent Events**

Stamford's unemployment rate is 5.3%, compared with 6.4% for the State of Connecticut. The 2008 Median Household Income in the Stamford Metropolitan Area is \$117,800 while the 2008 Median Per Capita Income in Stamford is \$49,301.

Office vacancies are dropping and the value of commercial buildings is at historically high levels. The office space vacancy rate is 16% with Class A rents increasing to over \$41 per square foot on average. The Stamford industrial space vacancy rate is below 2%, or is essentially fully occupied.

### **Requests for Information**

The financial report is designed to provide a general overview of the City of Stamford's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Administration at 888 Washington Boulevard, Stamford, CT 06901.

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## **Basic Financial Statements**



CITY OF STAMFORD, CONNECTICUT

STATEMENT OF NET ASSETS

June 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total *	Urban Redevelopment Commission
<b>Assets</b>				
Cash and cash equivalents	\$ 109,310,648	\$ 4,024,720	\$ 113,335,368	\$ 1,245,934
Restricted cash and cash equivalents	-	3,672,144	3,672,144	-
Investments	21,370,819	-	21,370,819	-
Receivables (net of allowances for collection losses):				
Property taxes	17,204,750	-	17,204,750	-
Usage receivable	-	3,823,309	3,823,309	-
Accounts receivable	5,150,495	256,382	5,406,877	109,917
Federal and state governments	21,961,897	-	21,961,897	-
Other assets	113,223	-	113,223	-
Land held for resale	-	-	-	4,476,190
Internal balances	4,014,318	(4,014,318)	-	-
Capital assets, not being depreciated	125,388,362	4,183,249	129,571,611	-
Capital assets, being depreciated, net of depreciation	447,615,864	159,374,859	606,990,723	-
Long-term federal and state government receivable	6,594,878	-	6,594,878	-
Long-term special assessments receivable	-	4,522,912	4,522,912	-
Pension assets	3,946,000	-	3,946,000	-
<b>Total assets</b>	<b>762,671,254</b>	<b>175,843,257</b>	<b>938,514,511</b>	<b>5,832,041</b>
<b>Liabilities</b>				
Accounts payable	40,380,043	1,526,230	41,906,273	2,389,006
Accrued wages	1,644,165	-	1,644,165	-
Accrued interest payable	5,817,915	-	5,817,915	-
Retainage payable	1,994,712	-	1,994,712	-
Unearned revenues	14,758,913	48,664	14,807,577	351,546
Noncurrent liabilities:				
Due within one year	34,433,846	5,925,216	40,359,062	-
Due in more than one year	398,790,509	108,501,941	507,292,450	-
<b>Total liabilities</b>	<b>497,820,103</b>	<b>116,002,051</b>	<b>613,822,154</b>	<b>2,740,552</b>
<b>Net Assets</b>				
Investment in capital assets, net of related debt	230,370,107	50,130,908	280,501,015	-
Restricted for debt service and construction	-	3,672,144	3,672,144	-
Unrestricted	34,481,044	6,038,154	40,519,198	3,091,489
<b>Total net assets</b>	<b>\$ 264,851,151</b>	<b>\$ 59,841,206</b>	<b>\$ 324,692,357</b>	<b>\$ 3,091,489</b>

The notes to the financial statements are an integral part of this statement.

\* After internal receivables and payables have been eliminated.

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2008

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit Urban Redevelopment Commission
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
Governmental and community services	\$ (21,819,427)	\$ 23,461,657	\$ 3,450,764	\$ -	\$ 5,092,994	\$ -	\$ 5,092,994	\$ -
Administration	(17,141,806)	62,723	-	-	(17,079,083)	-	(17,079,083)	-
Public safety	(97,679,858)	380,009	1,826,564	-	(95,473,285)	-	(95,473,285)	-
Health and welfare	(26,471,023)	3,188,563	4,109,165	-	(19,173,295)	-	(19,173,295)	-
Operations	(67,987,346)	25,703,012	7,704,530	6,401,645	(28,178,159)	-	(28,178,159)	-
Education	(263,549,599)	2,333,326	49,027,636	22,836,853	(189,351,784)	-	(189,351,784)	-
Interest on long-term debt	(18,930,738)	-	-	-	(18,930,738)	-	(18,930,738)	-
<b>Total governmental activities</b>	<b>(513,579,797)</b>	<b>55,129,290</b>	<b>66,118,659</b>	<b>29,238,498</b>	<b>(363,093,350)</b>	<b>-</b>	<b>(363,093,350)</b>	<b>-</b>
Business-type activities:								
Water Pollution Control Authority	(19,885,903)	18,395,051	821,638	5,643,094	-	4,973,880	4,973,880	-
E.G. Brennan Golf Course	(1,080,338)	1,166,652	-	-	-	86,314	86,314	-
<b>Total business-type activities</b>	<b>(20,966,241)</b>	<b>19,561,703</b>	<b>821,638</b>	<b>5,643,094</b>	<b>-</b>	<b>5,060,194</b>	<b>5,060,194</b>	<b>-</b>
Total primary government	\$ (534,546,038)	\$ 74,690,993	\$ 66,940,297	\$ 34,881,592	(363,093,350)	5,060,194	(358,033,156)	-
<b>Component Unit:</b>								
Urban Redevelopment Commission	\$ (426,651)	\$ 198,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (228,417)
<b>Total component unit</b>	<b>\$ (426,651)</b>	<b>\$ 198,234</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(228,417)</b>
General revenues:								
Property taxes					360,270,594	-	360,270,594	-
Grants and contributions not restricted to specific programs					9,866,097	-	9,866,097	-
Unrestricted investment earnings					5,594,675	786,635	6,381,310	62,655
Total general revenues					375,731,366	786,635	376,518,001	62,655
Special and Extraordinary Items:								
Special Item - Smith Equity					(6,198,631)	6,198,631	-	-
Extraordinary Item - State teachers on-behalf payments (Note 16)					70,000,000	-	70,000,000	-
Extraordinary Item - State teachers on-behalf revenue (Note 16)					(70,000,000)	-	(70,000,000)	-
					(6,198,631)	6,198,631	-	-
Change in net assets					6,439,385	12,045,460	18,484,845	(165,762)
Net assets - beginning, as restated (Note 17)					258,411,766	47,795,746	306,207,512	3,257,251
Net assets - ending					\$ 264,851,151	\$ 59,841,206	\$ 324,692,357	\$ 3,091,489

The notes to the financial statements are an integral part of this statement

CITY OF STAMFORD, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2008

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 5,268,842	\$ 65,402,997	\$ 15,618,707	\$ 86,290,546
Investments	21,370,819	-	-	21,370,819
Receivables (net of allowances for collection losses):				
Property taxes	17,204,750	-	-	17,204,750
State and Federal governments	6,615,673	21,355,039	586,063	28,556,775
Accounts receivable	1,413,776	-	2,899,140	4,312,916
Other assets	90,786	-	22,437	113,223
Due from other funds	5,039,386	-	-	5,039,386
Due from component unit	273,661	-	-	273,661
<b>Total assets</b>	<b>\$ 57,277,693</b>	<b>\$ 86,758,036</b>	<b>\$ 19,126,347</b>	<b>\$ 163,162,076</b>
<b>Liabilities</b>				
Accounts payable	\$ 7,234,456	\$ 9,824,488	\$ 2,607,032	\$ 19,665,976
Accrued wages	1,620,171	23,994	-	1,644,165
Retainage payable	-	1,994,712	-	1,994,712
Due to other funds	-	-	1,025,068	1,025,068
Due to component unit	63,300	-	7,341	70,641
Unearned revenues	9,106,684	-	5,652,229	14,758,913
Deferred revenues	23,746,472	20,838,341	594,666	45,179,479
<b>Total liabilities</b>	<b>\$ 41,771,083</b>	<b>\$ 32,681,535</b>	<b>\$ 9,886,336</b>	<b>\$ 84,338,954</b>
<b>Fund balances</b>				
Reserved for:				
Encumbrances	4,092,404	-	10,548	4,102,952
Designated:				
Linkage	-	451,490	-	451,490
General fund (Note 3)	11,414,206	-	-	11,414,206
Unreserved, reported in:				
Special revenue funds	-	-	7,276,347	7,276,347
Debt service	-	-	910,673	910,673
Capital projects funds	-	53,625,011	1,042,443	54,667,454
<b>Total fund balances</b>	<b>\$ 15,506,610</b>	<b>\$ 54,076,501</b>	<b>\$ 9,240,011</b>	<b>\$ 78,823,122</b>
<b>Total liabilities and fund balances</b>	<b>\$ 57,277,693</b>	<b>\$ 86,758,036</b>	<b>\$ 19,126,347</b>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	573,004,226
Deferred revenue	45,179,479
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	2,940,594
Pension assets	3,946,000
Accrued interest payable	(5,817,915)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(433,224,355)

Net assets of governmental activities \$ 264,851,151

The notes to the financial statements are an integral part of this statement.

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2008

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 360,287,944	\$ -	\$ -	\$ 360,287,944
State and Federal governments	38,740,568	27,749,540	42,202,498	108,692,606
Charges for services	36,341,541	-	10,502,353	46,843,894
Investment income	5,594,675	-	-	5,594,675
Other	1,363,590	-	6,013,365	7,376,955
<b>Total revenues</b>	<b>442,328,318</b>	<b>27,749,540</b>	<b>58,718,216</b>	<b>528,796,074</b>
<b>EXPENDITURES</b>				
Current:				
Governmental services	3,436,655	-	2,858,982	6,295,637
Administration	7,949,133	-	-	7,949,133
Public safety	84,576,505	-	10,369,242	94,945,747
Health and welfare	26,206,184	-	5,306,045	31,512,229
Operations	40,102,137	8,364,558	4,101,809	52,568,504
Education	221,558,188	-	27,230,440	248,788,628
Legal affairs	6,987,466	-	-	6,987,466
Community services	10,322,557	-	-	10,322,557
Debt service:				
Principal retirements	-	-	27,849,302	27,849,302
Interest and other charges	-	-	17,553,117	17,553,117
Capital outlay	-	63,010,145	-	63,010,145
<b>Total expenditures</b>	<b>401,138,825</b>	<b>71,374,703</b>	<b>95,268,937</b>	<b>567,782,465</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,531,303	451,490	40,308,026	43,290,819
Transfers out	(40,379,763)	(379,753)	(2,531,303)	(43,290,819)
Bond proceeds	-	88,000,000	18,144,275	106,144,275
Capital lease proceeds	-	1,228,018	-	1,228,018
Payment to escrow	-	-	(17,333,033)	(17,333,033)
<b>Total other financing sources (uses)</b>	<b>(37,848,460)</b>	<b>89,299,755</b>	<b>38,587,965</b>	<b>90,039,260</b>
<b>Special and Extraordinary Items</b>				
Special Item-Smith House (Note 17)	(6,816,520)	-	-	(6,816,520)
State teachers on-behalf payments (Note 16)	(70,000,000)	-	-	(70,000,000)
State teachers on-behalf revenue (Note 16)	70,000,000	-	-	70,000,000
<b>Total extraordinary items</b>	<b>(6,816,520)</b>	<b>-</b>	<b>-</b>	<b>(6,816,520)</b>
<b>Change in fund balance</b>	<b>(3,475,487)</b>	<b>45,674,592</b>	<b>2,037,244</b>	<b>44,236,349</b>
<b>FUND BALANCES, beginning</b>	<b>18,982,097</b>	<b>8,401,909</b>	<b>7,202,767</b>	<b>34,586,773</b>
<b>FUND BALANCES, ending</b>	<b>\$ 15,506,610</b>	<b>\$ 54,076,501</b>	<b>\$ 9,240,011</b>	<b>\$ 78,823,122</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF STAMFORD, CONNECTICUT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE FINANCIAL STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2008**

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Net change in fund balances - total governmental funds (page 22)	\$ 44,236,349
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	35,689,271
The net effect of various sale transactions involving capital assets is to decrease net assets. In the Statement of Activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	(75,439)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,578,261)
Change in pension assets.	(97,000)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(63,569,866)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(5,584,260)
The net expense of certain activities of internal service funds is reported with governmental activities.	(2,199,298)
Special Item - Smith House	<u>617,889</u>
Change in net assets of governmental activities (page 20)	<u>\$ 6,439,385</u>

CITY OF STAMFORD, CONNECTICUT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN BUDGETARY  
FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes, interest, liens and contingency	\$ 356,080,878	\$ 356,080,878	\$ 360,287,944	\$ 4,207,066
Intergovernmental	19,837,080	19,837,080	19,609,758	(227,322)
Charges for services	21,795,311	34,861,485	36,341,541	1,480,056
Interest and dividends	5,125,000	5,125,000	5,276,519	151,519
Change in fair market value	-	-	318,156	318,156
Other	3,806,483	3,806,483	3,894,893	88,410
<b>Total revenues</b>	<b>406,644,752</b>	<b>419,710,926</b>	<b>425,728,811</b>	<b>6,017,885</b>
<b>EXPENDITURES</b>				
Current:				
Government services	3,215,395	3,475,141	3,330,608	144,533
Administration	7,654,393	8,125,641	7,970,182	155,459
Legal affairs	3,319,806	3,576,798	3,330,133	246,665
Public safety	80,945,723	85,008,237	84,711,373	296,864
Health and welfare	7,575,513	21,969,475	21,198,002	771,473
Community services	11,075,349	11,608,085	10,302,556	1,305,529
Operations	40,342,792	40,459,192	40,013,320	445,872
Board of Education	208,532,549	208,532,549	208,436,402	96,147
Pension	850,000	850,000	850,000	-
Contingency	6,300,202	724,834	-	724,834
<b>Total expenditures</b>	<b>369,811,722</b>	<b>384,329,952</b>	<b>380,142,576</b>	<b>4,187,376</b>
<b>Revenues over expenditures</b>	<b>36,833,030</b>	<b>35,380,974</b>	<b>45,586,235</b>	<b>10,205,261</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out- debt service	(37,550,000)	(38,637,101)	(38,587,101)	50,000
<b>Total other financing uses</b>	<b>(37,550,000)</b>	<b>(38,637,101)</b>	<b>(38,587,101)</b>	<b>50,000</b>
<b>Revenues over (under) expenditures, encumbrances and other financing uses</b>	<b>(716,970)</b>	<b>(3,256,127)</b>	<b>6,999,134</b>	<b>10,255,261</b>
Use of fund balance	716,970	716,970	-	(716,970)
Transfer out - prior year designations	-	(1,792,662)	(1,792,662)	-
<b>Change in fund balance</b>	<b>\$ -</b>	<b>\$ (4,331,819)</b>	<b>5,206,472</b>	<b>\$ 9,538,291</b>
Budgetary fund balance, beginning of year			5,385,316	
Return of prior year encumbrance			1,438,307	
Smith House transfer			(615,889)	
<b>Budgetary fund balance, end of year</b>			<b>\$ 11,414,206</b>	

The notes to the financial statements are an integral part of this statement.

## CITY OF STAMFORD, CONNECTICUT

## STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2008

	Business-Type Activities - Enterprise Funds				Governmental
	Major		Non-Major		Activities
	Water Pollution Control Authority	Smith House	E.G. Brennan Golf Course	Totals	Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 3,664,534	\$ -	\$ 360,186	\$ 4,024,720	\$ 23,020,102
Receivables (net of allowances for collection losses):					
Usage receivable	3,823,309	-	-	3,823,309	-
Accounts receivable and other	256,382	-	-	256,382	563,918
<b>Total current assets</b>	<b>7,744,225</b>	<b>-</b>	<b>360,186</b>	<b>8,104,411</b>	<b>23,584,020</b>
Noncurrent assets:					
Restricted assets-cash	3,672,144	-	-	3,672,144	-
Capital assets (net of accumulated depreciation)	161,964,361	-	1,593,747	163,558,108	-
Special assessments	4,522,912	-	-	4,522,912	-
<b>Total noncurrent assets</b>	<b>170,159,417</b>	<b>-</b>	<b>1,593,747</b>	<b>171,753,164</b>	<b>-</b>
<b>Total assets</b>	<b>177,903,642</b>	<b>-</b>	<b>1,953,933</b>	<b>179,857,575</b>	<b>23,584,020</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accrued liabilities/accounts payable	1,384,304	-	77,652	1,461,956	1,687,178
Due to other funds	4,014,318	-	-	4,014,318	-
Notes payable - current	3,518,750	-	-	3,518,750	-
Bonds payable - current	2,367,179	-	39,287	2,406,466	-
Accrued claims and judgements	64,274	-	-	64,274	2,813,438
Unearned revenue	48,664	-	-	48,664	-
<b>Total current liabilities</b>	<b>11,397,489</b>	<b>-</b>	<b>116,939</b>	<b>11,514,428</b>	<b>4,500,616</b>
Noncurrent liabilities:					
Notes payable	64,256,696	-	-	64,256,696	-
Bonds payable	43,829,361	-	415,884	44,245,245	-
Accrued claims	-	-	-	-	16,142,810
<b>Total noncurrent liabilities</b>	<b>108,086,057</b>	<b>-</b>	<b>415,884</b>	<b>108,501,941</b>	<b>16,142,810</b>
<b>Total liabilities</b>	<b>119,483,546</b>	<b>-</b>	<b>532,823</b>	<b>120,016,369</b>	<b>20,643,426</b>
<b>NET ASSETS</b>					
Invested in capital assets (net of related debt)	48,992,332	-	1,138,576	50,130,908	-
Restricted for debt service and construction	3,672,144	-	-	3,672,144	-
Unrestricted	5,755,620	-	282,534	6,038,154	2,940,594
<b>Total net assets</b>	<b>\$ 58,420,096</b>	<b>\$ -</b>	<b>\$ 1,421,110</b>	<b>\$ 59,841,206</b>	<b>\$ 2,940,594</b>

The notes to the financial statements are an integral part of this statement.

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS (DEFICIT) -  
 PROPRIETARY FUNDS

For the Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major		Non-Major		
	Water Pollution Control Authority	Smith House	E.G. Brennan Golf Course	Totals	
<b>OPERATING REVENUES</b>					Internal Service Funds
Charges for services	\$ 15,996,214	\$ -	\$ 1,166,652	\$ 17,162,866	\$ 76,196,319
<b>Total operating revenues</b>	<b>15,996,214</b>	<b>-</b>	<b>1,166,652</b>	<b>17,162,866</b>	<b>76,196,319</b>
<b>OPERATING EXPENSES</b>					
Salaries, benefits and claims	4,060,424	-	677,174	4,737,598	79,209,752
Depreciation and amortization	6,668,489	-	52,414	6,720,903	-
Operations and supplies	4,755,814	-	331,097	5,086,911	-
<b>Total operating expenses</b>	<b>15,484,727</b>	<b>-</b>	<b>1,060,685</b>	<b>16,545,412</b>	<b>79,209,752</b>
<b>Operating income (loss)</b>	<b>511,487</b>	<b>-</b>	<b>105,967</b>	<b>617,454</b>	<b>(3,013,433)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest income	772,533	-	14,102	786,635	814,135
Interest expense	(4,401,176)	-	(19,653)	(4,420,829)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(3,628,643)</b>	<b>-</b>	<b>(5,551)</b>	<b>(3,634,194)</b>	<b>814,135</b>
<b>Net income (loss) before contributions and transfers</b>	<b>(3,117,156)</b>	<b>-</b>	<b>100,416</b>	<b>(3,016,740)</b>	<b>(2,199,298)</b>
Capital Contributions and Transfers					
Contributed capital	5,643,094	-	-	5,643,094	-
Interlocal - Darien	821,638	-	-	821,638	-
Special assessments	2,398,837	-	-	2,398,837	-
<b>Total capital contributions and transfers</b>	<b>8,863,569</b>	<b>-</b>	<b>-</b>	<b>8,863,569</b>	<b>-</b>
Special Item (Note 16)	-	6,198,631	-	6,198,631	-
<b>Change in net assets</b>	<b>5,746,413</b>	<b>6,198,631</b>	<b>100,416</b>	<b>12,045,460</b>	<b>(2,199,298)</b>
<b>NET ASSETS, beginning</b>	<b>52,673,683</b>	<b>(6,198,631)</b>	<b>1,320,694</b>	<b>47,795,746</b>	<b>5,139,892</b>
<b>NET ASSETS, ending</b>	<b>\$ 58,420,096</b>	<b>\$ -</b>	<b>\$ 1,421,110</b>	<b>\$ 59,841,206</b>	<b>\$ 2,940,594</b>

The notes to the financial statements are an integral part of this statement.

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
For the Year Ended June 30, 2008

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Major		Non-Major		
	Water Pollution Control Authority	Smith House	E. G. Brennan Golf Course	Totals	
<b>Cash Flows From Operating Activities</b>					
Receipts from customers and users	\$ 15,421,776	\$ -	\$ 1,166,652	\$ 16,588,428	\$ 75,718,443
Payments to suppliers/claims paid	(6,808,018)	-	(302,023)	(7,110,041)	(75,499,950)
Payments to employees	(4,060,424)	-	(677,174)	(4,737,598)	-
Due to other funds	(2,570,537)	-	-	(2,570,537)	-
<b>Net cash provided by operating activities</b>	<b>1,982,797</b>	<b>-</b>	<b>187,455</b>	<b>2,170,252</b>	<b>218,493</b>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Principal payments on debt	(6,518,796)	-	(40,652)	(6,559,448)	-
Payments to escrow	(1,763,894)	-	-	(1,763,894)	-
Interest paid on debt	(4,401,176)	-	(19,653)	(4,420,829)	-
Proceeds from bonds	1,714,256	-	-	1,714,256	-
Purchase of property and equipment	(5,335,198)	-	-	(5,335,198)	-
Subsidy from State and Federal government	821,638	-	-	821,638	-
Special assessment proceeds	1,705,962	-	-	1,705,962	-
<b>Net cash (used in) capital and related financing activities</b>	<b>(13,777,208)</b>	<b>-</b>	<b>(60,305)</b>	<b>(13,837,513)</b>	<b>-</b>
<b>Cash Flows From Investing Activities</b>					
Interest received on investments	772,533	-	14,102	786,635	814,135
<b>Net cash provided by investing activities</b>	<b>772,533</b>	<b>-</b>	<b>14,102</b>	<b>786,635</b>	<b>814,135</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(11,021,878)</b>	<b>-</b>	<b>141,252</b>	<b>(10,880,626)</b>	<b>1,032,628</b>
<b>Cash and Cash Equivalents</b>					
Beginning	18,358,556	-	218,934	18,577,490	21,987,474
Ending	\$ 7,336,678	\$ -	\$ 360,186	\$ 7,696,864	\$ 23,020,102
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>					
Operating income (loss)	\$ 511,487	\$ -	\$ 105,967	\$ 617,454	\$ (3,013,433)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	6,668,489	-	52,414	6,720,903	-
Changes in assets and liabilities:					
Decrease (increase) in receivables	(623,102)	-	-	(623,102)	(477,876)
(Decrease) increase in accrued expenses accounts payable	(2,052,204)	-	29,074	(2,023,130)	3,709,802
Increase (decrease) in deferred revenues	48,664	-	-	48,664	-
Due to/from other funds	(2,570,537)	-	-	(2,570,537)	-
<b>Net cash provided by operating activities</b>	<b>\$ 1,982,797</b>	<b>\$ -</b>	<b>\$ 187,455</b>	<b>\$ 2,170,252</b>	<b>\$ 218,493</b>
<b>Schedule of Noncash Capital and Related Financing Activities</b>					
Capital contribution	\$ 5,643,094	\$ -	\$ -	\$ 5,643,094	\$ -
Special Item	\$ -	\$ 6,198,631	\$ -	\$ 6,198,631	\$ -

The notes to the financial statements are an integral part of this statement.

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2008

	Pension Trust Funds	Agency Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,159,125	\$ 747,011
Investments, at fair value		
U.S. government obligations	23,682,004	-
Corporate bonds	20,950,175	-
Corporate stocks	166,147,432	-
Mutual funds	229,014,602	-
Alternative investments/Hedge funds	22,297,489	-
Fixed income funds	52,100,523	-
<b>Total investments</b>	<b>514,192,225</b>	<b>-</b>
Accrued interest and dividends	850,493	-
<b>Total assets</b>	<b>521,201,843</b>	<b>747,011</b>
<b>LIABILITIES</b>		
Due to student groups	-	747,011
Other liabilities	501,453	-
	<b>501,453</b>	<b>747,011</b>
<b>Net Assets Held in Trust for Pension Benefits</b>	<b>\$ 520,700,390</b>	<b>\$ -</b>

The notes to the financial statements are an integral part of this statement.

CITY OF STAMFORD, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS  
For the Year Ended June 30, 2008

	<u>Pension Trust Funds</u>
<b>Additions</b>	
Contributions	
Employer	\$ 3,740,000
Plan members	<u>4,895,456</u>
<b>Total contributions</b>	<u>8,635,456</u>
Investment Income	
Net depreciation in fair value of investments	(48,090,258)
Interest and dividends	15,786,750
Other income	<u>(134,693)</u>
	(32,438,201)
Less investment expenses:	
Investment management fees	<u>2,541,962</u>
<b>Net investment income (loss)</b>	<u>(34,980,163)</u>
<b>Total decrease in additions</b>	(26,344,707)
<b>Deductions</b>	
Benefits	<u>30,358,318</u>
<b>Total deductions</b>	<u>30,358,318</u>
<b>Change in net assets</b>	(56,703,025)
<b>Net Assets</b>	
Beginning of year	<u>577,403,415</u>
End of year	<u>\$ 520,700,390</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2008**

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**Note 1. Summary of Significant Accounting Policies**

**Reporting entity**

The City of Stamford, Connecticut (the "City") operates under a charter adopted in 1949 that is revised on an ongoing basis. The Chief Executive Officer is the Mayor. The legislative function is performed by an elected forty-member Board of Representatives. The Mayor, a six-member elected Board of Finance and the Board of Representatives must approve all appropriations (except that the Mayor does not approve Board of Education appropriations). The City's major operations include Education, Public Safety, Public Works, Parks and Recreation, Health and Welfare, Community Services and General Administration. The accompanying basic financial statements conform to accounting principles generally accepted in the United States of America. The following is a summary of the more significant accounting policies used by the City.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by the Codification, Section 2100 has been considered and as a result, the component unit discussed below is included in the City's reporting entity because of its operational significance and financial relationship with the City.

**Discretely presented component unit**

The component unit column in the government-wide financial statements includes financial data of the City's component unit. This unit is reported in a separate column to emphasize that it is legally separate from the City.

**The Urban Redevelopment Commission**

The City appoints a voting majority to, and exerts significant control over, the Urban Redevelopment Commission ("URC") which thereby qualifies as a component unit that is a legally separate entity for which the primary government is financially responsible. The URC is reported as a discretely presented component unit in a separate column in the government-wide financial statements. URC does not issue standalone financial statements.

**Blended Component Unit Disclosure**

The component unit provides services entirely or almost entirely to the City or otherwise exclusively or almost exclusively benefit the City, even though they do not provide services directly to it. The component unit has been reported as if it was part of the primary government through a method of inclusion known as blending. A description of the component unit criteria for inclusion and its relationship with the City is as follows:

## CITY OF STAMFORD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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#### Old Town Hall Redevelopment Agency

The *Old Town Hall Redevelopment Agency* ("OTHRA") was created to facilitate the historic rehabilitation of the Old Town Hall.

#### Mill River

The *Mill River TIF* was created to be a financing mechanism whereby a portion of property taxes in the Mill River Corridor tax increment district are set aside to fund improvements in the district.

### **Government-wide and Fund Financial Statements**

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments and pollution remediation costs, are recorded only when payment is due (matured).

Property taxes, when levied for, intergovernmental revenues, when eligibility requirements are met, parking fines, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. Available has been defined as received within 60 days. All others, primarily licenses, fees and permits, are measurable and available only when cash is received.

The City reports the following major governmental funds:

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

The *Capital Projects Fund* accounts for financial resources to be used for capital expenditures or for the acquisition or construction of capital facilities, improvements and/or equipment. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants, current tax revenues and low-interest state loans.

The City reports the following major proprietary funds:

The *Water Pollution Control Authority* accounts for the operations of the City's wastewater treatment plant. It is independent in terms of its relationship to other City functions. Its operations are financed from direct charges to the users of the service, and its capital program is financed by the issuance of revenue bonds.

Additionally, the City reports the following fund types:

The *Internal Service Fund* accounts for risk management and health insurance costs provided to departments of the City and the Board of Education.

The *Pension Trust Funds*, fiduciary funds, account for the activities of the City's four defined benefit pension plans, which accumulate resources for pension benefit payments to qualified employees upon retirement.

The *Agency Funds*, fiduciary funds, account for monies held as a custodian for outside student groups.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type

## CITY OF STAMFORD, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

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

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

#### Accounting estimates

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

#### Property taxes

Property taxes are assessed as of October 1, levied on the following July 1, and billed and due in two installments, July 1 and January 1. Taxes less than \$100 are due in full on July 1. Motor vehicle taxes are due in one installment on July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Liens are filed by the last day of the fiscal year.

#### Cash equivalents

The City classifies money market funds, State of Connecticut Short-Term Investment Funds, Tax Exempt Proceed Funds, treasury bills and certificates of deposit having original maturities of three months or less as cash equivalents.

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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Investments

Investments and pooled fixed income investments are stated at fair value using quoted market prices. The pension funds allow for investments in certain alternative investments which are based on the most recent estimated value reported by fund managers. All such assets are carried at fair value; losses are incurred only up to the assets invested.

The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The balance of the pooled fixed income investments were invested in a pool similar to a 2a-7 and are recorded at amortized cost.

Capital Assets

Capital assets, which include land, buildings, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and enterprise fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased and constructed assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, net of interest earned on specific project related debt, during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40-50
Land improvements	20-40
Distribution and collection systems	50-100
Public domain infrastructure	50
System infrastructure	30
Machinery and equipment	5-20

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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Capital assets are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

Compensated absences

City employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only for amounts that have become due. The general fund is typically used to liquidate the liability. In addition, certain vacation and sick leave expenses will be paid out of the pension funds upon retirement.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Risks and uncertainties

The City invests in various securities, including commercial paper, government-sponsored enterprises, and alternative investments. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Subsequent to year-end, the credit and liquidity crisis in the United States and throughout the global financial systems has resulted in substantial volatility in financial markets and the banking system. This and other economic events have had a significant adverse impact on investment portfolios. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position and activities.

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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Pension accounting

Pension Trust Funds:

Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental Funds:

The net pension obligation (asset), the cumulative difference between annual pension cost and the City's contributions to the plans since 1986, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 27. Expenditures are recognized when they are paid or are expected to be paid with current available resources. The net pension asset is recorded as a non-current asset in the government-wide financial statements.

Funding Policy:

The City makes annual contributions based upon the City Charter and union contracts.

Net other post-employment benefit obligations

In fiscal year 2008, the City implemented GASB Statement No. 45, *"Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions."* This pronouncement required the City to calculate and record a net other post-employment benefit obligation (NOPEBO) at June 30, 2008. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since July 1, 2007. The City makes annual contributions based upon committee decisions.

Encumbrances

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

Inventory

Inventory is stated at the lower of cost or market, determined on a first-in, first-out basis. Governmental fund type inventory consists of expendable supplies and is recorded as an expenditure when consumed.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

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Land held for resale

The Urban Redevelopment Commission (URC) was created to promote development within certain geographic areas of the City. To further its objectives, URC purchases and holds land for resale. As such, this land is presented as an asset of the component unit at the lower of cost or net realizable value.

Fund equity and net assets

In the government-wide and proprietary fund financial statements, net assets are classified in the following categories:

***Invested in Capital Assets, Net of Related Debt*** – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

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

***Unrestricted Net Assets*** – This category represents the net assets of the City, which are not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, fund balances of governmental funds are classified in two separate categories. The two categories, and their general meanings, are as follows:

***Reserved fund balance*** - indicates that portion of fund equity which has been legally segregated for specific purposes or is not available for appropriation.

***Unreserved designated fund balance*** – indicates that portion of fund equity for which the City has made tentative plans.

***Unreserved undesignated fund balance or deficits*** - indicates that portion of fund equity which is available for appropriation and expenditure in future periods. A deficit will require future funding.

**Note 2. Reconciliation of Government-Wide and Fund Financial Statements**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds, and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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not due and payable in the current period and therefore are not reported in the funds." The details of this \$433,224,355 difference are as follows:

Bonds payable	\$ 383,247,984
Notes payable	3,386,103
Less: Deferred charge on refunding (to be amortized as interest expense)	(1,448,923)
Bond premiums	4,650,335
Heart and hypertension claims	9,789,283
Compensated absences	16,795,862
Early retirement	3,172,899
Capital leases	1,114,812
Disputed assessments	1,300,000
Pollution remediation obligation	4,410,000
OPEB obligation	<u>6,806,000</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 433,224,355</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds, and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$35,689,271 difference are as follows:

Capital outlay	\$ 56,489,690
Depreciation expense	<u>(20,800,419)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 35,689,271</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums,

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$63,569,866 difference are as follows:

Long-term liabilities issued or incurred:	
Issuance of general obligation bonds and notes payable	\$ 105,240,250
Deferred items	(206,663)
Issuance of capital lease	1,228,018
Principal repayments:	
General obligaton debt	(25,401,852)
Payment of note payable	(550,371)
Payment of escrow agent for refunding	(16,626,310)
Payment of capital lease	<u>(113,206)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 63,569,866</u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$(5,584,260) difference are as follows:

Accrued interest on bonds payable	\$ (151,113)
Net change in other expenditures - other liabilities	<u>(5,433,147)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (5,584,260)</u>

**Note 3. Budgets and Budgetary Accounting**

General Fund

The City's general budget policies are as follows:

An annual budget is legally adopted for the General Fund. Budgetary control within the General Fund is exercised at the operating department level. Consistent with State statutes, the Board of Education is budgeted as a single operating department. Unless encumbered, General Fund appropriations lapse at fiscal year-end.

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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The City's Charter establishes the following process for adopting the annual General Fund budget:

- (i) By March 8, the Board of Education's and the Mayor's operating budgets are submitted to the Boards of Finance and Representatives.
- (ii) By April 8, joint public hearings on the budgets are held before the Boards of Finance and Representatives.
- (iii) By April 20, the budgets are approved by the Board of Finance and are submitted to the Board of Representatives. The Board of Finance may not increase amounts requested by the Mayor and the Board of Education.
- (iv) By May 15, the Board of Representatives adopts the final budgets and files a report with the Town Clerk. The Board may not increase amounts approved by the Board of Finance.
- (v) By May 25, the Board of Finance sets the tax rate, which rate also allows for anticipated supplemental General Fund appropriations. During the year ended June 30, 2008, there were approximately \$21,906,000 in additional appropriations.
- (vi) Additional appropriations during the fiscal year require approval of the Mayor, and the Boards of Finance and Representatives.
- (vii) Transfers may be made in proper cases from one line item to another, with the approval of the Director of Administration and the Board of Finance. A transfer or transfers between non-salary line item accounts within a department may not exceed, in the case of any single transfer, the greater of \$50,000 or 5% of the budget of said department and, in the case of all such transfers during any fiscal year, the greater of \$100,000 or 10% of the budget of said department. Transfers may be up to 10% of the annual appropriation from salary accounts to overtime accounts and/or from overtime accounts to salary accounts.
- (viii) Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.
- (ix) Classifications of certain revenues and expenditures under accounting principles generally accepted in the United States of America ("GAAP") differ from classifications utilized for budgetary purposes.

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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A reconciliation of revenues and other financing sources of the General Fund, as presented in accordance with GAAP, and revenues, presented on the budgetary basis is as follows:

Revenues and other financing sources, budgetary basis	\$425,728,811
On-behalf payments, paid directly by the State of Connecticut Teachers' Retirement System, not recognized for budgetary purposes.	14,000,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	<u>5,130,810</u>
Revenues and other financing sources, GAAP basis	<u><u>\$444,859,621</u></u>

A reconciliation of expenditures and other financing uses of the General Fund presented in accordance with GAAP and expenditures, encumbrances and transfers out presented on the budgetary basis is as follows:

Expenditures, encumbrances and transfers, budgetary basis	\$420,522,339
Encumbrances and continued appropriations:	
June 30, 2008	(4,092,404)
June 30, 2007	3,154,162
On-behalf payments, paid directly by the State of Connecticut Teachers' Retirement System not recognized for budgetary purposes	14,000,000
On-behalf payments, paid directly by the Department of Public Health to WIC recipients, not recognized for budgetary purposes	5,130,810
Recognition of unsettled contract accruals for GAAP basis, not recognized for budgetary basis	<u>2,803,681</u>
Expenditures and other financing uses, GAAP basis	<u><u>\$441,518,588</u></u>

Special revenue funds

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

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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Capital projects funds

Legal authorization for expenditures of the capital projects funds is provided by the related bond ordinances and/or intergovernmental grant agreements or Connecticut General Statutes. Capital appropriations do not lapse until completion of the applicable projects, except as otherwise provided by the City Charter.

Charter provision – Designated General Fund Fund Balance

The City Charter provides that a current year surplus or deficit must be applied to or funded in subsequent operating budgets or an operating reserve fund (rainy day fund). In FY 2007/2008, revenues and transfers exceeded expenditures by \$6,990,000, which was offset by transfers out of \$1,793,000, resulting in a positive change to fund balance of \$5,206,000, which created an unreserved, undesignated fund balance on the budgetary basis of accounting of \$11,414,206. The anticipated use is as follows:

**Designated General Fund Fund Balance**

Fiscal Year 2008/2009 General Fund	\$ 716,970
Change in Fair Market Value of Investments	318,156
Designation for the Rainy Day Fund	100,000
Designated for the BOE Energy Reserve	96,000
Designated for the OPEB Trust Fund	229,552
Designated for Risk Management	2,700,000
Designated for Grand List 2006 Year Tax Appeals	1,336,778
Designated for Grand List 2007 Year Tax Appeals	5,916,750
Fiscal Year 2007/2008 - General Fund Surplus	-
	<u>\$ 11,414,206</u>

**Note 4. Cash and Investments**

Deposits: The City has a policy that deposits can include demand and savings accounts and certificates of deposits. The City's custodial credit risk policy is to only allow the City to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The investment policies of the City conform to the policies as set forth by the State of Connecticut. The City does not have a custodial credit risk policy. The City's policy is to only allow prequalified financial institution broker/dealers and advisors. The City policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund.

Other provisions of the Statutes cover specific municipal pension funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. Their approved policies target an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk. The set asset allocation parameters are as follows:

Large Cap Equities	30.0% - 50.0%
Small Cap Equities	7.5% - 15.0%
Fixed Income	35.0% - 45.0%
International Equities	5.0% - 17.5%

*Interest Rate Risk:* The City's and the pension fund's policy is to limit its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

*Concentrations:* The City's and the pension fund's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity.

The following represents the investments in each respective Plan that represents more than 5% of the respective Plan's net assets as of June 30, 2008:

<b>Custodian &amp; Mechanics' Retirement Fund</b>	
Aggregate Bond Fund FB	\$ 6,960,266
Metro West T/R RD CL I	\$ 4,940,824
<b>Classified Employees' Retirement Fund</b>	
Metropolitan West Total Return	\$ 19,546,810
<b>Police Pension Trust Fund</b>	
UBS Trumbull Property Fund	\$ 11,178,477
<b>Firefighters' Pension Trust Fund</b>	
Mariner Access Ltd.	\$ 11,102,003

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2008 \$108,186,000 of the entity's bank balance of \$123,487,000 was uninsured and uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Cash and investments of the City consist of the following at June 30, 2008:

<b>Cash and Cash Equivalents</b>	
Deposits with financial institutions	\$ 108,951,056
State of Connecticut Short-Term Investment fund	6,749,912
Tax Exempt Proceeds Fund	8,848,390
Municipal Backed Investment Fund	<u>610,224</u>
<b>Total cash and cash equivalents</b>	<b><u>125,159,582</u></b>
<b>Investments</b>	
General Fund	
U.S. Government Securities	2,759,756 *
U.S. Government Agency Securities	<u>18,611,063 *</u>
<b>Total General Fund investments</b>	<b><u>21,370,819</u></b>
<b>Pension Trust Funds:</b>	
U.S. Government securities	23,682,004 *
Corporate Debt securities	20,950,175 *
Alternative investments/Hedge funds	22,297,489
Common and Preferred Stocks	166,147,432 *
Mutual Funds	229,014,602
Fixed Income funds	<u>52,100,523</u>
<b>Total pension investments</b>	<b><u>514,192,225</u></b>
<b>Total investments</b>	<b><u>535,563,044</u></b>
<b>Total cash and investments</b>	<b><u>\$ 660,722,626</u></b>

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

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

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

<b>Statement of Net Assets</b>	
Cash and cash equivalents	\$ 114,581,302
Restricted cash	3,672,144
Investments	<u>21,370,819</u>
	<u>139,624,265</u>
<b>Fiduciary Funds</b>	
Cash and cash equivalents	6,906,136
Investments	<u>514,192,225</u>
<b>Total pension investments</b>	<u>521,098,361</u>
<b>Total cash and investments</b>	<u>\$ 660,722,626</u>

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the City's debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Pooled Fixed Income	16,208,526	\$ 16,208,526	\$ -	\$ -	\$ -
U.S. Government Agencies	18,611,063	18,611,062	-	-	-
U.S. Government Securities	26,441,760	3,087,880	3,170,033	1,383,221	18,800,626
Fixed Income Funds	52,100,523	31,438,476	311,841	158,020	22,318,118
Corporate Bonds	20,950,175	110,065	9,677,889	5,577,158	5,585,062
<b>TOTAL</b>	<u>\$ 134,312,047</u>	<u>\$ 69,456,009</u>	<u>\$ 13,159,763</u>	<u>\$ 7,118,399</u>	<u>\$ 46,703,806</u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

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Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the minimum rating as required for each debt type investment.

Average Rating	Corporate Debt	U.S. Government Agency	Pooled Income Fund	Fixed Income Fund
AAA	\$ 835,683	\$ 18,611,063	\$ 16,208,526	\$ -
AA1	498,161	-	-	-
AA+	169,901	-	-	-
AA-	199,457	-	-	-
AA	421,499	-	-	-
AA2	1,530,351	-	-	-
AA3	2,581,778	-	-	-
A1	1,450,514	-	-	-
A2	2,366,464	-	-	-
A3	2,404,222	-	-	-
A	74,698	-	-	-
A-	84,723	-	-	-
A+	105,753	-	-	-
BAA1	2,745,002	-	-	-
BBA2	3,650,290	-	-	-
BBA3	592,729	-	-	-
BBB+	803,582	-	-	-
BBB+	341,594	-	-	-
BBB-	93,774	-	-	-
Unrated	-	-	-	52,100,523
	<u>\$ 20,950,175</u>	<u>\$ 18,611,063</u>	<u>\$ 16,208,526</u>	<u>\$ 52,100,523</u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

**Note 5. Unearned Revenue/Deferred Revenue**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds report unearned revenue recognized in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue and deferred revenue were as follows:

	Unearned Revenues	Deferred Revenue
<b>General Fund:</b>		
Taxes and accrued interest on delinquent property taxes	\$ 9,106,684	\$ 15,666,718
School construction receivable	-	6,594,878
Miscellaneous	-	1,484,876
<b>Capital Project Fund:</b>		
Grants	-	20,838,341
<b>Nonmajor Funds:</b>		
Grants	5,652,229	-
Parking tickets	-	594,666
<b>Total</b>	<u>\$ 14,758,913</u>	<u>\$ 45,179,479</u>

**Note 6. Interfund Receivables, Payables and Transfers**

As of June 30, 2008, interfund receivables and payables that resulted from regularly recurring operational transfers:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 5,039,386	\$ -
Non-Major Funds	-	1,025,068
Water Pollution Control Authority	-	4,014,318
<b>Totals</b>	<u>\$ 5,039,386</u>	<u>\$ 5,039,386</u>

Amounts due to the General Fund from the Water Pollution Control Authority and the Nonmajor and Other Funds is a result of short-term advances.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

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Interfund transfers during the year ended June 30, 2008 were as follows:

	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	\$ 2,531,303	\$ 40,379,763
Capital Projects	451,490	379,753
Non-Major Funds	40,308,026	2,531,303
<b>Total</b>	<u>\$ 43,290,819</u>	<u>\$ 43,290,819</u>

Transfers are used to account for unrestricted revenues collected mainly in the General Fund to finance various programs accounted for in other funds in accordance with budget authorizations.

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

**Note 7. Capital Assets**

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Smith House Transfer	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 76,807,610	\$ 5,429,145	\$ (1,006,346)	\$ 184,550	\$ 81,414,959
Construction in progress	89,491,698	33,666,348	(79,967,852)	16,209	43,206,403
Works of art	767,000	-	-	-	767,000
Total capital assets, not being depreciated	<u>167,066,308</u>	<u>39,095,493</u>	<u>(80,974,198)</u>	<u>200,759</u>	<u>125,388,362</u>
Capital assets, being depreciated:					
Land improvements	69,612,239	14,095,900	-	896,290	84,604,429
Buildings and improvements	411,798,093	66,763,318	-	7,710,703	486,272,114
Machinery and equipment	58,292,169	16,254,007	(2,761,624)	552,307	72,336,859
Infrastructure	179,642,078	1,255,170	-	118,690	181,015,938
Total capital assets being depreciated	<u>719,344,579</u>	<u>98,368,395</u>	<u>(2,761,624)</u>	<u>9,277,990</u>	<u>824,229,340</u>
Less accumulated depreciation for:					
Land improvements	7,061,912	3,232,450	-	82,965	10,377,327
Buildings and improvements	185,860,570	8,965,800	-	6,424,723	201,251,093
Machinery and equipment	39,874,941	4,817,216	(2,686,185)	390,740	42,396,712
Infrastructure	118,801,517	3,784,953	-	1,874	122,588,344
Total accumulated depreciation	<u>351,598,940</u>	<u>20,800,419</u>	<u>(2,686,185)</u>	<u>6,900,302</u>	<u>376,613,476</u>
Total capital assets, being depreciated, net	<u>367,745,639</u>	<u>77,567,976</u>	<u>(75,439)</u>	<u>2,377,688</u>	<u>447,615,864</u>
Governmental activities capital assets, net	<u>\$ 534,811,947</u>	<u>\$ 116,663,469</u>	<u>\$ (81,049,637)</u>	<u>\$ 2,578,447</u>	<u>\$573,004,226</u>

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

	Balance	Increases/ Transfers	Decreases/ Transfers Out	Smith House	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 3,633,688	\$ -	\$ -	\$ (184,550)	\$ 3,449,138
Construction in progress	13,733,322	4,518,442	(17,501,443)	(16,210)	734,111
Total capital assets, not being depreciated	<u>17,367,010</u>	<u>4,518,442</u>	<u>(17,501,443)</u>	<u>(200,760)</u>	<u>4,183,249</u>
Capital assets, being depreciated:					
Buildings and improvements	72,010,209	16,929,117	-	(896,290)	88,043,036
Machinery and equipment	70,012,594	78,089	15,765	(7,710,703)	62,395,745
Land improvements	1,770,005	81,688	-	(789,687)	1,062,006
Infrastructure	55,767,792	7,090,141	-	(118,690)	62,739,243
Total capital assets, being depreciated	<u>199,560,600</u>	<u>24,179,035</u>	<u>15,765</u>	<u>(9,515,370)</u>	<u>214,240,030</u>
Less accumulated depreciation for:					
Buildings and improvements	11,582,870	1,053,232	-	(6,424,723)	6,211,379
Machinery and equipment	24,673,076	4,908,162	15,765	(390,740)	29,206,263
Land improvements	253,808	31,356	-	(82,965)	202,199
Infrastructure	18,519,051	728,153	-	(1,874)	19,245,330
Total accumulated depreciation	<u>55,028,805</u>	<u>6,720,903</u>	<u>15,765</u>	<u>(6,900,302)</u>	<u>54,865,171</u>
Total capital assets, being depreciated, net	<u>144,531,795</u>	<u>17,458,132</u>	<u>-</u>	<u>(2,615,068)</u>	<u>159,374,859</u>
Business-type activities capital assets, net	<u>\$161,898,805</u>	<u>\$ 21,976,574</u>	<u>\$ (17,501,443)</u>	<u>\$ (2,815,828)</u>	<u>\$163,558,108</u>

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

<b>Governmental Activities:</b>	
Administration	\$ 209,075
Public safety, health and welfare	2,124,562
Operations	9,447,192
Education	<u>9,019,590</u>
Total depreciation expense - governmental activities	<u>\$ 20,800,419</u>
<b>Business-type activities:</b>	
Water Pollution Control Authority	\$ 6,668,489
E.G. Brennan Golf Course	<u>52,414</u>
Total depreciation expense - business-type activities	<u>\$ 6,720,903</u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

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**Note 8. Employee Retirement Plans**

Nearly all full time City employees (including Board of Education) are covered by a pension plan. Teachers participate in a State sponsored multiple employer plan. The other employees participate in one of four single employer plans operated by the City.

**Single Employer Plans (the "City's Plans")**

Description of Plans

As required by collective bargaining agreements with the City's labor unions, the City has established four separate, contributory, defined benefit pension plans. Substantially all full-time City employees (except teachers and administrators who are covered by the Teachers' Retirement System) are covered by one of these plans. City and employee contributions are made pursuant to City Charter and union contracts. Each of the four defined benefit pension plans submit standalone financial reports which can be obtained from the City's Controller's Office.

Firefighters' Pension Trust Fund and Police Pension Trust Fund

Eligibility begins at date of hire and vesting in the City's contributions occurs in full after completing 15 years of service in the case of the firefighters' plan and 10 years for the police plan. Benefits are payable to employees with 20 years of service and for firefighters hired in 1981 or later, after attainment of age 48. Upon retirement, firefighters' annual benefits are paid equal to 50% of final salary plus 2% for each year of service over 20 years, up to a maximum pension of 74% of final salary. For police, upon retirement, annual benefits are paid equal to 50% of final salary plus 3% for each year of service between 20 and 25 years and an additional 2.33% per year of service, up to a maximum of 76.65% of final salary at 30 years. Police contribute 7% and firefighters contribute 6.25% of their annual salary. Individuals employed 32 years or more in the fire and 30 years or more in the police departments are not required to contribute to the plan. The Plan allows employees to exchange sick and vacation leave for up to 7.5% additional pension credit (1.5% per 20 days). Interest is not credited to the employees' contribution for either of these pension plans.

Classified Employees' Retirement Fund

Eligibility begins at date of hire and vesting occurs in full after 5 years of service. Benefits are payable to an employee who retires at age 60 with a minimum of 10 years of service or an employee who has reached age 58 with at least 15 years of service. Certain contracts allow employees with 25 years of service to retire. Annual benefits equal 2% per year of service with maximums up to 70% of final salary for each year of credited service. Employees contribute 3% of their annual salary until they have reached 33 years of credited service. Some union contracts allow employees to exchange sick or vacation leave for up to 4% additional pension credit (1% per 25 days). Interest of 5% is credited to the employees' contribution.

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

Custodians' and Mechanics' Retirement Fund ("Custodians")

Eligibility begins at date of hire. Benefits are payable to an employee who retires upon completion of 25 years of service regardless of age. An employee becomes vested in the plan after ten years of service. Annual benefits equal 2.25% of final salary for each year of service, up to a maximum pension of 74.25% of final salary. The employees contribute 7% of their salary until they have reached 33 years of credited service. The Plan allows employees to exchange sick and vacation leave for up to 7.5% additional pension credit (1.5% per 25 days). Interest of 4% a year is credited to the employees' contribution. The education assistants, security workers and school liaisons are included in the pension plan. They receive eligibility and vesting from their date of hire.

Annual Pension Cost and Net Pension (Asset)

	Classified Employees' Retirement Fund	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Custodians' Retirement Fund
Annual required contribution	\$ 1,031,000	\$ 1,617,000	\$ 409,000	\$ 646,000
Interest on net pension obligation	(123,000)	(152,000)	(8,000)	(40,000)
Adjustment of prior year estimated contributions to actual	174,000	215,000	11,000	57,000
Annual pension cost	1,082,000	1,680,000	412,000	663,000
Contributions made	(850,000)	(1,700,000)	(630,000)	(560,000)
(Increase) decrease in net pension asset	232,000	(20,000)	(218,000)	103,000
Net pension obligation (asset), beginning of year	(1,543,000)	(1,903,000)	(94,000)	(503,000)
Net pension obligation (asset), end of year	\$ (1,311,000)	\$ (1,923,000)	\$ (312,000)	\$ (400,000)

The annual required contribution for the current year was determined as part of the July 1, 2007 actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 8.0% investment rate of return, (b) projected salary increases of 4.5% per year, and (c) 1983 group annuity mortality tables. The actuarial value of assets was determined using a smoothing method.

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

Membership in the Plans consisted of the following at July 1, 2007, the date of the last actuarial valuation (for this particular data):

	Classified Employees	Police	Firefighters'	Custodians'
Retirees and beneficiaries receiving benefits	694	271	210	144
Terminated plan members entitled to, but not yet receiving benefits	79	-	-	-
Active plan members:				
Vested	612	179	113	335
Non-vested	188	109	152	131
Total	<u>1,573</u>	<u>559</u>	<u>475</u>	<u>610</u>

	Trend Information		
	Annual Pension Cost (APC) (\$000)	Percentage of APC Contributed	Net Pension Obligation (Asset) (\$000)
Classified Employees'			
2008	\$ 1,082	78.6%	\$ (1,311)
2007	742	81.3%	(1,543)
2006	293	111.6%	(1,682)
Police			
2008	1,680	101.1%	(1,923)
2007	1,644	104.6%	(1,903)
2006	1,510	97.0%	(1,828)
Firefighters'			
2008	412	152.9%	(312)
2007	733	146.4%	(94)
2006	784	67.6%	246
Custodians'			
2008	663	84.4%	(400)
2007	544	86.0%	(503)
2006	385	81.0%	(579)

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**(Amounts stated in thousands)**

Year Ended June 30,	Classified Employees'		Police Pension	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2008	\$ 1,031	82.4%	\$ 1,617	105.1%
2007	687	87.8%	1,584	108.5%
2006	239	136.8%	1,449	101.1%

Year Ended June 30,	Firefighters' Pension		Custodians' and Mechanics' Pension	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2008	\$ 409	154.0%	\$ 646	86.7%
2007	741	144.8%	525	89.1%
2006	784	67.6%	363	86.0%

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

SCHEDULE OF FUNDING PROGRESS (000's)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Underfunded) Overfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<b>Classified Employees'</b>						
July 1, 2007	\$ 188,461	\$ 166,084	\$ 22,377	113.5%	\$ 43,959	(50.9)%
July 1, 2006	182,537	159,821	22,716	114.2%	41,420	(54.8)%
July 1, 2005	179,188	150,897	28,291	118.7%	39,627	(71.4)%
July 1, 2004	176,081	145,610	30,471	120.9%	37,064	(82.0)%
July 1, 2003	174,622	121,900	52,722	143.3%	37,841	(139.3)%
July 1, 2002	176,574	121,186	55,388	145.7%	36,132	(153.3)%
<b>Police Pension</b>						
July 1, 2007	\$ 171,826	\$ 160,970	\$ 10,856	106.7%	\$ 18,682	(58.1)%
July 1, 2006	162,374	153,436	8,938	105.8%	18,064	(49.5)%
July 1, 2005	156,275	146,015	10,260	107.0%	17,996	(57.0)%
July 1, 2004	149,936	138,234	11,702	108.5%	18,016	(65.0)%
July 1, 2003	144,432	131,686	12,746	109.7%	17,496	(72.9)%
July 1, 2002	141,769	124,301	17,468	114.1%	17,054	(102.4)%
<b>Firefighters' Pension</b>						
July 1, 2007	\$ 134,356	\$ 119,150	\$ 15,206	112.8%	\$ 18,835	(80.7)%
July 1, 2006	124,131	113,830	10,301	109.0%	16,864	(61.1)%
July 1, 2005	118,681	109,365	9,316	108.5%	17,503	(53.2)%
July 1, 2004	115,211	103,782	11,429	111.0%	16,986	(67.3)%
July 1, 2003	112,669	97,597	15,072	115.4%	17,035	(88.5)%
July 1, 2002	111,643	92,542	19,101	120.6%	14,930	(127.9)%
<b>Custodians' and Mechanics'</b>						
July 1, 2007	\$ 40,959	\$ 38,151	\$ 2,808	107.4%	\$ 16,261	(17.3)%
July 1, 2006	38,877	36,225	2,652	107.3%	13,915	(19.1)%
July 1, 2005	37,785	32,553	5,232	116.1%	13,477	(38.8)%
July 1, 2004	37,071	31,203	5,868	118.8%	12,433	(47.2)%
July 1, 2003	36,131	29,188	6,943	123.8%	11,963	(58.0)%
July 1, 2002	35,810	27,803	8,007	128.8%	11,702	(68.4)%

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

**ACTUARIAL ASSUMPTIONS**

	Classified Employees'	Police	Firefighters'	Custodians' and Mechanics'
Valuation Date	7/1/07	7/1/07	7/1/07	7/1/07
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Dollar Amount Open	Level Dollar Amount Open	Level Dollar Amount Open	Level Dollar Amount Open
Remaining amortization period	15 years	15 years	15 years	15 years
Asset valuation method	Actuarial Value	Actuarial Value	Actuarial Value	Actuarial Value
Actuarial assumptions				
Investment rate of return	8.0%	8.0%	8.0%	8.0%
Projected salary increase	4.5%	4.5%	4.5%	4.5%
Inflation rate	None	None	None	None

***Connecticut State Teachers' Retirement System***

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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

The State of Connecticut contributes based on actuarially determined amounts. The funding level is determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual city/town basis.

In addition, the City has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$84,000,000 for the year ended June 30, 2008 (see Note 16 for further disclosure).

Pension trust funds

The Town maintains various pension trust funds to account for its fiduciary responsibility. The following schedules present the net assets held in trust for pension benefits at June 30, 2008 and the changes in net assets for the year then ended.

	Pension Trust Funds				
	Classified Employees' Retirement Fund	Firefighters' Pension Trust Fund	Police Pension Trust Fund	Custodians' Retirement Fund	Total Pension Trust Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 28,888	\$ 6,130,237	\$ -	\$ -	\$ 6,159,125
Investments, at fair value					
U.S. government obligations	-	17,983,784	5,698,220	-	23,682,004
Corporate bonds	-	8,647,079	12,303,096	-	20,950,175
Common and preferred equities	31,579,648	75,207,767	59,360,017	-	166,147,432
Mutual funds	128,731,170	11,521,789	61,303,559	27,458,084	229,014,602
Alternative investments/Hedge funds	-	16,885,329	5,412,160	-	22,297,489
Fixed income funds	19,546,810	-	20,662,047	11,891,666	52,100,523
<b>Total investments</b>	<b>179,857,628</b>	<b>130,245,748</b>	<b>164,739,099</b>	<b>39,349,750</b>	<b>514,192,225</b>
Accrued interest and dividends	319,816	249,780	280,897	-	850,493
<b>Total assets</b>	<b>180,206,332</b>	<b>136,625,765</b>	<b>165,019,996</b>	<b>39,349,750</b>	<b>521,201,843</b>
<b>LIABILITIES</b>					
Other liabilities	500,902	-	-	551	501,453
	500,902	-	-	551	501,453
<b>Net Assets Held in Trust for Pension Benefits</b>	<b>\$ 179,705,430</b>	<b>\$ 136,625,765</b>	<b>\$ 165,019,996</b>	<b>\$ 39,349,199</b>	<b>\$ 520,700,390</b>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

CITY OF STAMFORD, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN PENSION TRUST FUNDS  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2008

	Pension Trust Funds				
	Classified Employees' Retirement Plan	Firefighters' Pension Trust Fund	Police Pension Trust Fund	Custodians' Retirement Fund	Total Pension Trust Funds
<b>Additions</b>					
Contributions:					
Employer contributions	\$ 850,000	\$ 630,000	\$ 1,700,000	\$ 560,000	\$ 3,740,000
Employee contributions	1,312,047	1,151,013	1,416,635	1,015,761	4,895,456
<b>Total contributions</b>	<b>2,162,047</b>	<b>1,781,013</b>	<b>3,116,635</b>	<b>1,575,761</b>	<b>8,635,456</b>
Investment Income					
Net appreciation in fair value of investments	(16,458,739)	(13,828,691)	(14,031,934)	(3,770,894)	(48,090,258)
Interest and dividends	6,894,385	3,044,389	5,201,496	646,480	15,786,750
Other income	16,760	(722,841)	(83,947)	655,335	(134,693)
	(9,547,594)	(11,507,143)	(8,914,385)	(2,469,079)	(32,438,201)
Less investment expenses:					
Investment management fees	447,245	1,225,265	842,322	27,130	2,541,962
<b>Net investment income (loss)</b>	<b>(9,994,839)</b>	<b>(12,732,408)</b>	<b>(9,756,707)</b>	<b>(2,496,209)</b>	<b>(34,980,163)</b>
<b>Total decrease in additions</b>	<b>(7,832,792)</b>	<b>(10,951,395)</b>	<b>(6,640,072)</b>	<b>(920,448)</b>	<b>(26,344,707)</b>
<b>Deductions</b>					
Benefits	12,264,699	6,593,341	8,863,873	2,636,405	30,358,318
	12,264,699	6,593,341	8,863,873	2,636,405	30,358,318
<b>Net change in net assets</b>	<b>(20,097,491)</b>	<b>(17,544,736)</b>	<b>(15,503,945)</b>	<b>(3,556,853)</b>	<b>(56,703,025)</b>
<b>Net Assets Held in Trust For Pension Benefits</b>					
Beginning of year	199,802,921	154,170,501	180,523,941	42,906,052	577,403,415
End of year	<u>\$ 179,705,430</u>	<u>\$ 136,625,765</u>	<u>\$ 165,019,996</u>	<u>\$ 39,349,199</u>	<u>\$ 520,700,390</u>

Post retirement benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2008, the City recognizes the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2008 liability.

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

Plan description

The City provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2006. The post-retirement plan does not issue stand-alone financial reports.

The contribution requirements of plan members and the City are established and may be amended by the City. The City determines the required contribution using the Projected Unit Credit Method.

Membership in the plan consisted of the following at July 1, 2006, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	\$ 1,759
Active plan members	3,201
<b>Total</b>	<u>\$ 4,960</u>

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The actuarial accrued liability as of July 1, 2006 is estimated to be \$200,894,000. The City's contributions represent payments made for premiums for insured individuals.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll (Total)	UAAL as a Percentage of Payroll
7/2/06	\$ -	\$ 200,894	\$ 200,894	0.0%	\$ 188,244	106.7%

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/08	\$ 16,006,000	\$ 9,200,000	57.5%	\$ 6,806,000

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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OPEB Obligation

Schedule of Funding Progress 000's						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll (Total)	UAAL as a Percentage of Payroll
7/2/06	\$ -	\$ 200,894	\$ 200,894	0.0%	\$ 188,244	106.7%

A broad based representative committee was formed to review the options available to the City of Stamford with regard to its OPEB Liabilities. The Committee recommended that the City fund its OPEB obligations through a 30 year level percent funding arrangement. That arrangement indicated an annual required contribution of \$13,243,000. It requested that the City hire a trust attorney to create a trust document. The Post Employment Benefits Trust was approved by Ordinance No. 1080 Supplemental of the Board of Representatives and an RFP for an Investment Consultant was distributed. The City appropriated \$50,000 to initiate deposits into the trust as a contribution beyond the amount already available to address current benefits.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation Date:	July 1, 2006
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent of Pay
Remaining Amortization Period	30 Years
Actuarial Assumptions:	
Investment rate of return	6.00%
Inflation rate	None
Health cost trend rates	Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:

<u>Year After Valuation Date</u>	<u>Increase</u>
1	10%
2	9%
3	8%
4	7%
5	6%
6	5%
7 or more	5%

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

**Note 9. Long-Term Obligations**

Long-term liability activity for the year ended June 30, 2008 was as follows:

	Balance, as Restated*	Increases	Decreases	Smith House Transfers	Ending Balance	Due Within One Year
<b>Governmental activities:</b>						
Bonds payable:						
General obligation bonds	\$ 318,309,463	\$ 105,240,250	\$ 42,107,466	\$ 1,805,737	\$ 383,247,984	\$ 29,127,268
Notes payable	3,936,474	-	550,371	-	3,386,103	572,334
Deferred issue costs and deferred loss on refundings	(1,655,586)	-	206,663	-	(1,862,249)	-
<b>Total bonds and notes payable</b>	<b>320,590,351</b>	<b>105,240,250</b>	<b>42,864,500</b>	<b>1,805,737</b>	<b>384,771,838</b>	<b>29,699,602</b>
<b>Other long-term liabilities:</b>						
Early retirement-teachers	2,861,911	1,227,063	916,075	-	3,172,899	1,200,000
Compensated absences	15,756,297	-	162,763	1,202,328	16,795,862	2,519,000
Heart and hypertension claims	10,799,706	-	1,010,423	-	9,789,283	1,468,000
Capital Leases	-	1,228,018	113,206	-	1,114,812	232,544
Disputed assessments	-	1,300,000	-	-	1,300,000	200,000
Pollution remediation obligation	4,000,000	410,000	-	-	4,410,000	662,000
OPEB obligations	-	6,806,000	-	-	6,806,000	-
ISF risk financing	15,051,877	79,404,321	75,499,950	-	18,956,248	4,000,000
<b>Total other long-term liabilities</b>	<b>48,469,791</b>	<b>90,375,402</b>	<b>77,702,417</b>	<b>1,202,328</b>	<b>62,345,104</b>	<b>10,281,544</b>
<b>Governmental activity long-term liabilities</b>	<b>\$ 369,060,142</b>	<b>\$ 195,615,652</b>	<b>\$ 120,566,917</b>	<b>\$ 3,008,065</b>	<b>\$ 447,116,942</b>	<b>\$ 39,981,146</b>
<b>Business-type activities:</b>						
Bonds payable:						
General obligation bonds	\$ 19,677,537	\$ 1,714,256	\$ 4,211,345	\$ (1,805,737)	\$ 15,374,711	\$ 1,786,466
Revenue bonds, including unamortized original issue premium	31,992,596	-	715,596	-	31,277,000	620,000
Notes payable	71,171,847	-	3,396,401	-	67,775,446	3,518,750
<b>Total bonds and notes payable</b>	<b>122,841,980</b>	<b>1,714,256</b>	<b>8,323,342</b>	<b>(1,805,737)</b>	<b>114,427,157</b>	<b>5,925,216</b>
<b>Other long-term liabilities:</b>						
Compensated absences	1,481,153	18,736	-	(1,202,328)	297,561	44,600
<b>Total other long-term liabilities</b>	<b>1,481,153</b>	<b>18,736</b>	<b>-</b>	<b>(1,202,328)</b>	<b>297,561</b>	<b>44,600</b>
<b>Business-type activity long-term liabilities</b>	<b>\$ 124,323,133</b>	<b>\$ 1,732,992</b>	<b>\$ 8,323,342</b>	<b>\$ (3,008,065)</b>	<b>\$ 114,724,718</b>	<b>\$ 5,969,816</b>

*Beginning balance was restated due to the adoption of GASB Statement 49, "Accounting and Financial Reporting for Pollution Remediation Obligations."*

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

General obligation bonds

General obligation bonds are direct obligations of the City for which full faith and credit are pledged and are payable from taxes levied on all taxable property located within the City. The City has not pledged any assets as collateral for general obligation bonds.

General obligation bonds outstanding as of June 30, 2008 consisted of the following:

<u>Date of Issue</u>	<u>Interest Rate(s)(%)</u>	<u>Original Amounts</u>	<u>Maturity Dates</u>	<u>Annual Payment</u>	<u>Balance June 30, 2008</u>
January 1990	6.00 - 7.75	\$55,000,000	2001 - 2010	\$ 2,750,000	\$ 5,500,000
February 1998	4.10 - 5.25	113,495,000	2001 - 2018	3,000,000 - 8,885,000	8,705,000
May 1999	3.50 - 5.00	50,000,000	2001 - 2018	2,630,000 - 2,635,000	2,630,000
April 2001	4.00 - 5.00	65,000,000	2002 - 2020	3,420,000 - 3,425,000	6,100,000
April 2002	4.00 - 5.25	43,485,000	2002 - 2014	270,000 - 4,905,000	23,865,000
April 2002	4.00 - 5.25	40,000,000	2002 - 2021	2,105,000 - 2,110,000	10,305,000
April 2003	2.00 - 5.20	51,485,000	2003 - 2015	90,000 - 11,735,000	43,150,000
November 2003	2.00 - 2.50	35,000,000	2004 - 2018	1,750,000	28,000,000
November 2003	2.00 - 5.25	25,345,000	2004 - 2018	60,000 - 6,400,000	25,015,000
September 2004	2.50 - 4.25	39,200,000	2004 - 2024	1,700,000 - 2,445,000	31,880,000
October 2004	3.00 - 5.25	15,190,000	2004 - 2024	605,000 - 1,215,000	4,155,000
March 2005	3.00 - 5.00	28,095,000	2005 - 2020	225,000 - 6,050,000	27,800,000
August 2005	3.00 - 5.00	17,530,000	2005 - 2023	70,000 - 3,260,000	17,460,000
February 2006	3.50 - 5.00	59,000,000	2006 - 2026	3,000,000 - 3,250,000	55,750,000
July 2006	2.00	1,337,000	2006 - 2021	103,888	1,257,695
June 2008	3.125 - 5.00	88,000,000	2008 - 2028	4,400,000- 4,600,000	88,000,000
June 2008	3.00 - 5.00	19,050,000	2009 - 2014	2,735,000-4,110,000	19,050,000
					<u>398,622,695</u>
				Less amount representing business-type activities	<u>15,374,711</u>
					<u><u>\$ 383,247,984</u></u>

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

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Bonds payable

WPCA revenue bonds outstanding as of June 30, 2008 consisted of the following:

Stamford Water Pollution Control System and Facility Revenue Bonds - Series 2003. Issued in the aggregate amount of \$12,480,000 revenue bonds in October 2003 at interest rates ranging from 2.0% to 5.00%, due annually, on November 1. Interest is payable monthly, with principal maturity paid from July 2002 through July 2032. The aggregate net amount includes an unamortized premium of \$237,000 at June 30, 2008.

\$ 11,712,000

Stamford Water Pollution Control System and Facility Revenue Bonds - Series 2006. Issued in the aggregate amount of \$19,765,000 revenue bonds in September 2006 at interest rates ranging from 3.4% to 4.75%, due annually, on March 15 and September 15. Interest is payable monthly, with principal maturity paid from September 2007 through September 2036. The aggregate net amount includes an unamortized premium of \$135,000 at June 30, 2008.

19,565,000

Total revenue bonds payable 31,277,000

Less: current portion 620,000

Total revenue bonds payable - non-current \$ 30,657,000

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

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Debt service requirements - revenue bonds

Aggregate debt service requirements subsequent to June 30, 2008 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 620,000	\$ 1,371,775	\$ 1,991,775
2010	645,000	1,349,900	1,994,900
2011	665,000	1,325,575	1,990,575
2012	690,000	1,300,056	1,990,056
2013	715,000	1,273,825	1,988,825
2014-2018	4,040,000	5,919,030	9,959,030
2019-2023	4,985,000	4,970,818	9,955,818
2024-2028	6,240,000	3,722,394	9,962,394
2029-2033	7,920,000	2,041,169	9,961,169
2034-2058	4,385,000	428,806	4,813,806
Debt Service requirement	<u>30,905,000</u>	<u>23,703,348</u>	<u>54,608,348</u>
Plus bond premium	372,000	-	372,000
Net Debt Service requirement	<u>\$31,277,000</u>	<u>\$23,703,348</u>	<u>\$ 54,980,348</u>

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

The following is a summary as of June 30, 2008, of the future principal and interest requirements for the City's general obligation bonds:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 29,127,268	\$ 15,707,412	\$ 44,834,680	\$ 1,786,466	\$ 651,130	\$ 2,437,596
2010	30,922,744	14,654,784	45,577,528	1,752,565	593,340	2,345,905
2011	30,412,128	13,305,628	43,717,756	1,489,787	511,699	2,001,486
2012	28,553,659	12,095,288	40,648,947	1,324,895	452,696	1,777,591
2013	27,760,235	10,891,432	38,651,667	1,369,989	391,512	1,761,501
2014	26,711,674	9,671,502	36,383,176	1,395,255	324,775	1,720,030
2015	26,351,910	8,508,270	34,860,180	1,406,755	256,595	1,663,350
2016	22,114,708	7,483,330	29,598,038	940,733	202,311	1,143,044
2017	22,286,730	6,559,267	28,845,997	800,516	161,771	962,287
2018	22,220,821	5,533,628	27,754,449	903,274	121,109	1,024,383
2019	19,412,670	4,645,615	24,058,285	748,307	82,071	830,378
2020	17,139,518	3,879,478	21,018,996	428,378	54,601	482,979
2021	17,172,387	3,151,402	20,323,789	427,467	34,707	462,174
2022	14,060,040	2,498,194	16,558,234	151,811	21,749	173,560
2023	11,900,441	1,960,291	13,860,732	149,559	15,647	165,206
2024	11,953,557	1,457,359	13,410,916	146,443	9,454	155,897
2025	8,955,049	1,017,309	9,972,358	144,951	3,316	148,267
2026	7,392,445	676,302	8,068,747	7,560	198	7,758
2027	4,400,000	363,000	4,763,000	-	-	-
2028	4,400,000	181,500	4,581,500	-	-	-
Total	\$ 383,247,984	\$ 124,240,991	\$ 507,488,975	\$ 15,374,711	\$ 3,888,681	\$ 19,263,392

Upon completion or cancellation of a bonded capital project, any unexpended funds will be used for any other authorized capital project after approval by the City's Boards of Finance and Representatives.

2008 General Obligation Bond – In-substance Defeasance

On June 9, 2008, the City issued \$19,050,000 of general obligation bonds with interest rates ranging from 2.0% to 5.0% of which was used to advance refund portions of the outstanding principal amounts of the general obligation bond of the City dated February 15, 1998 (the Refunding Bonds). Of the net proceeds of \$19,671,000 (after payment of \$172,000 in underwriters fees and other costs), and the \$448,000 of Hedge Unwind, \$19,047,000 was placed in an irrevocable trust fund under an Escrow Agreement dated June, 2008 between the City and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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The City advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and net debt) of \$828,000.

The balance in the escrow was approximately \$19,000,000 at June 30, 2008. The balance of the defeased bonds was approximately \$19 million at June 30, 2008. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

In-Substance Defeasance - Prior Years

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of June 30, 2008, the amount of defeased outstanding, but removed from the City's government-wide financial statements, amounted to the following:

1990 Issuance	\$ 8,250,000
1998 Issuance	8,705,000
1999 Issuance	5,260,000
2001 Issuance	6,100,000
2002 Issuance	10,305,000
2004 Issuance	4,155,000
	<u>\$ 42,775,000</u>

Revenue bonds payable

The City issues bonds pursuant to a 2001 and 2006 indenture of trust by and among the City, the Stamford Water Pollution Control Authority (SWPCA) and the Bank (the "Indenture"), supplemented through 2006. This Indenture requires the SWPCA to establish and maintain restricted accounts, and follow certain procedures for bond issuance and payments. The SWPCA deposits all revenues into a "revenue fund," which is used first to pay operating expenses and then to fund the restricted bond accounts.

After each fiscal year, the SWPCA is required to review its fees to ensure anticipated revenues are sufficient to meet the above requirements. If this review discloses any risk of future noncompliance, the SWPCA must engage an independent industry specialist to undertake a study of its fee schedules. Within 90 days after the beginning of the fiscal year, the specialist's recommended fees, at a level adequate to meet the above requirements, must be implemented.

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

Notes payable

The City has loans from the State of Connecticut for various sewer projects. The loans bear interest at 2%. The loans are payable in monthly installments ranging from \$3,601 to \$368,000 through August 2025, plus accrued interest. As of June 30, 2008, the combined loan balance is \$67,776,000.

The City has a note payable for various energy equipment. The note bears interest at 4.35% and is payable through monthly installments beginning December 2003, ranging from approximately \$40,000 to \$62,000, through November 2013, plus accrued interest.

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
Fiscal year ending June 30:				
2009	\$ 572,334	\$ 122,524	\$ 3,518,750	\$ 1,323,367
2010	595,177	99,682	3,586,146	1,252,376
2011	618,931	75,926	3,654,901	1,180,025
2012	643,634	51,224	3,725,044	1,106,287
2013	669,324	25,536	3,796,603	1,031,132
2014-2018	266,703	2,816	19,557,424	3,994,701
2019-2023	-	-	20,563,544	1,986,817
2024-2028	-	-	9,373,034	212,360
Total	<u>\$ 3,366,103</u>	<u>\$ 377,708</u>	<u>\$ 67,775,446</u>	<u>\$ 12,087,065</u>

Capital lease

Recycling trucks carried at approximately \$1,228,000 in the governmental activities acquired under capital lease arrangements.

The City is obligated under a capital lease to make the following aggregate annual lease payments:

2009	\$ 270,498
2010	270,498
2011	270,498
2012	270,498
2013	135,249
Total minimum lease payments	<u>1,217,241</u>
Less interest	<u>102,429</u>
Present value of minimum payments	<u>\$ 1,114,812</u>

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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Early retirement

Under the teacher contract agreement between the Stamford Board of Education (BOE) and the Stamford Education Association (SEA), early retirement was offered to members of SEA whose age and years of teaching total at least 70 and who have been employed by the BOE for at least 15 years. Those who are eligible and elect early retirement shall receive \$16,550 over the maximum of three consecutive years. During the fiscal year ended June 30, 2008, the City paid approximately \$916,000 in early retirement benefits out of the general fund operating budget. At June 30, 2008, approximately \$3,173,000 is accrued in the governmental activities.

Authorized but unissued bonds

The City has authorized but unissued bonds relating to capital projects at June 30, 2008 as follows:

General purpose	\$ 159,689,532
Schools	198,653,739
Sewer	<u>31,706,148</u>
<b>Total</b>	<b><u>\$ 390,049,419</u></b>

School bond reimbursements

The State of Connecticut reimburses the City for eligible school bond principal and interest costs. The amount of reimbursement for the year ended June 30, 2008 was approximately \$1,308,000. Additional reimbursements of principal and interest aggregating approximately \$7,888,000 are expected to be received through the bonds' maturity dates.

Legal debt limit

The City's indebtedness (including authorized but not unissued bonds), net of principal reimbursements expected from the state, does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 804,116,588	\$ 397,986,915	\$ 406,129,673
Schools	1,608,233,175	347,445,890	1,260,787,285
Sewers	1,340,194,313	145,306,453	1,194,887,860
Urban renewal	1,161,501,738	-	1,161,501,738
Unfunded pension benefit obligation	1,072,155,450	-	1,072,155,450

The total overall statutory debt limit for the City is equal to seven times annual receipts from taxation, or \$2,501,696,000.

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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**Note 10. Bond Anticipation Notes**

In June 2007, the City issued \$47,000,000 in bond anticipation notes which matured in June 2008.

Bond anticipation note transactions for the year ended June 30, 2008 were as follows:

	<u>BANS</u>
Outstanding, June 30, 2007	\$ 47,000,000
Repayments	<u>(47,000,000)</u>
Outstanding, June 30, 2008	<u>\$ -</u>

**Note 11. Risk Management and Health Insurance**

The City is exposed to various risks of loss related to torts, theft or impairment to assets, errors and omissions, injury to employees, and natural disasters.

The City is self-insured per claim for up to \$1,000,000 for general and auto liability, \$1,500,000 for workers' compensation, \$1,000,000 for public officials' liability and \$100,000 for most property losses. The City purchases commercial insurance for claims in excess of these retentions. Costs associated with these risks are reported in the Internal Service Fund.

It is also the City's policy to self-insure for employee health insurance programs up to \$250,000 for individual claim thresholds. Heart and hypertension claims for police and firefighters are covered, as required by State Statute. Costs associated with these risks are reported in the general fund. The BOE changed during the year, and is currently self-insured for health insurance, dental and prescriptions amounts, recorded in the Internal Service Fund.

Liabilities for unpaid claims are based on recommendations by third-party administrators. There have been no significant reductions in insurance coverage from coverage in prior years. The amount of settlements have not exceeded insurance coverage in any of the past three fiscal years.

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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A reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year is as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30,
2007	\$ 11,603,579	\$ 67,516,452	\$ 64,068,154	\$ 15,051,877
2008	15,051,877	79,404,321	75,499,950	18,956,248

**Note 12. Contingencies**

The City is a defendant in various lawsuits including personal injury, property damage, civil rights violations and other miscellaneous claims. For certain of these cases, where it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated, a loss contingency has been accrued for in the Internal Service Fund of approximately \$4,260,000. For certain other cases, where there is a reasonable possibility that a loss has been incurred, the City estimates its possible exposure could be up to \$1.5 million. Based upon the advice of the City Corporation Counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the financial statements of the City.

**Note 13. Subsequent Events**

On July 25, 2008, the City issued Qualified Zone Academy Bonds in the amount of \$3,750,000 due through July 2022.

Subsequent to year-end, the credit and liquidity crisis in the United States and throughout the global financial system has resulted in substantial volatility in financial markets and the banking system. These and other economic events have had a significant adverse impact on investment portfolios. As a result, the City's pension plan investments have likely incurred a significant decline in fair value since June 30, 2008.

CITY OF STAMFORD, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

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**Note 14. Urban Redevelopment Commission**

The City has one discretely presented component unit. Fund information for the year ended June 30, 2008 is as follows:

**STATEMENT OF NET ASSETS**

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	Urban Redevelopment Commission
<b>Assets</b>	
Cash and cash equivalents	\$ 1,245,934
Accounts receivable	109,917
Land held for resale	4,476,190
<b>Total assets</b>	<u>5,832,041</u>
<b>Liabilities</b>	
Accounts payable	2,389,006
Unearned revenues	351,546
<b>Total liabilities</b>	<u>2,740,552</u>
<b>Net Assets</b>	
Unrestricted	3,091,489
<b>Total net assets</b>	<u>\$ 3,091,489</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - COMPONENT UNIT**

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	Urban Redevelopment Commission
<b>REVENUES</b>	
Revenues	\$ 198,234
Investment income	62,655
<b>Total revenues</b>	<u>260,889</u>
<b>EXPENDITURES</b>	
Redevelopment expenditures	426,651
<b>Change in fund balance</b>	(165,762)
<b>FUND BALANCES, beginning</b>	<u>3,257,251</u>
<b>FUND BALANCES, ending</b>	<u>\$ 3,091,489</u>

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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**Note 15. Fund Deficits**

The following funds had equity deficits as of June 30, 2008:

Fund	Deficit	Plan for Elimination of Deficit
Risk Management	\$ 2,716,830	Designation of General Fund Surplus

**Note 16. Extraordinary Item**

The State of Connecticut issued approximately \$2.3 billion in taxable general obligation bonds to be used for deposit into the State of Connecticut Teachers' Retirement Fund. As contributions to the fund represent on-behalf payment to the City, an amount of \$70,000,000 has been recorded an extraordinary item in the City's financial statements.

**Note 17. Special Item and Restatement**

Entity-wide financial statements

The City has adopted GASB No. 49, "Accounting for Financial Reporting for Pollution Remediation Obligations." The City has restated for the pollution accrual beginning July 1, 2007.

	Governmental Activities
	<hr/>
Beginning Net Assets (Deficits)	\$ 262,411,766
Deduct: Accrual for GASB 49 for pollution remediation	<u>(4,000,000)</u>
Beginning Net Assets/Fund Balance, as restated	<u><u>\$ 258,411,766</u></u>

The Smith House was reclassified as a governmental fund from an enterprise fund as of July 1, 2007 which resulted in a Special Item in the General Fund of approximately \$6.2 million.

**Note 18. Pronouncements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates in the future that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the City:

- ♦ GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets," issued June, 2007. Governments possess many different types of assets that may be considered intangible

**CITY OF STAMFORD, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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assets, including easements, water rights, timber rights, patents, trademarks, and computer software. Intangible assets, and more specifically easements, are referred to in the description of capital assets in Statement No. 34, "Basic Financial Statements - and Management's Discussion and analysis - for State and Local Governments." This reference has created questions as to whether and when intangible assets should be considered capital assets for financial reporting purposes. An absence of sufficiently specific authoritative guidance that addresses these questions has resulted in inconsistencies in the accounting and financial reporting of intangible assets among state and local governments, particularly in the areas of recognition, initial measurement, and amortization. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

- ◆ GASB Statement No. 52, "Land and Other Real Estate Held as Investment by Endowments". This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2008.
- ◆ GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

**Appendix B - Forms of Legal Opinion of Bond Counsel**

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April 2, 2009

City of Stamford  
 Stamford,  
 Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of Stamford, Connecticut (the "City"), a Tax Regulatory Agreement of the City dated April 30, 2009 (the "Tax Regulatory Agreement") and other proofs submitted to us relative to the issuance and sale of \$10,480,000 City of Stamford Connecticut General Obligation Refunding Bonds, Issue of 2009, Series A, (the "Bonds"), dated as of the date of delivery to the underwriter thereof, maturing on July 1 in each of the years in the principal amounts and bearing interest payable on July 1, 2009 and semiannually thereafter on January 1 and July 1 in each year until maturity, at the rates per annum as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
2014	\$1,750,000	4.00%
2015	925,000	5.00
2015	825,000	2.50
2016	1,370,000	4.00
2016	375,000	2.75
2017	1,495,000	5.00
2017	250,000	3.00
2018	800,000	5.00
2018	950,000	3.25
2019	1,740,000	3.25

with principal payable at the principal office of U.S. Bank National Association, and with interest payable to the registered owner as of the close of business on the fifteenth day of December and June in each year, or the preceding business day if such fifteenth day is not a business day, by check mailed to such registered owner at his address as shown on the registration books of the City kept for such purpose. The Bonds are not subject to redemption prior to their maturity as therein provided.

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

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

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and statutes of the State of Connecticut and that

the Bonds are valid general obligations of the City the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the City.

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

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

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

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

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

Respectfully yours,

April   , 2009

City of Stamford  
 Stamford,  
 Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of Stamford, Connecticut (the "City"), a Tax Regulatory Agreement of the City dated April 30, 2009 (the "Tax Regulatory Agreement") and other proofs submitted to us relative to the issuance and sale of \$43,925,000 City of Stamford Connecticut General Obligation Refunding Bonds, Issue of 2009, Series B, (the "Bonds"), dated as of the date of delivery to the underwriter thereof, maturing on July 1 in each of the years in the principal amounts and bearing interest payable on July 1, 2009 and semiannually thereafter on January 1 and July 1 in each year until maturity, at the rates per annum as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
2013	\$ 4,565,000	5.00%
2014	4,620,000	5.00
2015	5,915,000	5.00
2016	4,505,000	4.00
2017	4,520,000	5.00
2018	10,590,000	5.00
2019	9,210,000	4.00

with principal payable at the principal office of U.S. Bank National Association, and with interest payable to the registered owner as of the close of business on the fifteenth day of December and June in each year, or the preceding business day if such fifteenth day is not a business day, by check mailed to such registered owner at his address as shown on the registration books of the City kept for such purpose. The Bonds are not subject to redemption prior to their maturity as therein provided.

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

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

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and statutes of the State of Connecticut and that the Bonds are valid general obligations of the City the principal of and interest on which is payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the City without limitation as to rate or amount except as to classified property, such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled

persons taxable at limited amounts. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the City.

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

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

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

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

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

Respectfully yours,

**Appendix C - Form of Continuing Disclosure Agreement**

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**CONTINUING DISCLOSURE AGREEMENT**

**By The CITY OF STAMFORD, CONNECTICUT**

**Dated As Of April 30, 2009**

**In Connection With The Issuance And Sale Of**

**\$54,405,000 City Of Stamford, Connecticut**

**General Obligation Refunding Bonds, Issue of 2009, Dated April 30, 2009**

WHEREAS, the City of Stamford, Connecticut (the "Issuer") has heretofore authorized the issuance of \$54,405,000 in aggregate principal amount of its General Obligation Refunding Bonds, Issue of 2009, (the "Bonds") to be dated April 30, 2009 and to mature in the principal amounts and on the dates set forth in the Issuer's Official Statement dated April 16, 2009 describing the Bonds (the "Official Statement"); and

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

WHEREAS, the Issuer is authorized pursuant to § 3-20(e) of the Connecticut General Statutes, as amended, to make representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

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

NOW, THEREFORE, THE ISSUER HEREBY REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:

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

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 2 and 3 of this Continuing Disclosure Agreement.

"Fiscal Year End" shall mean the last day of the Issuer's fiscal year, currently June 30.

"Listed Events" shall mean any of the events listed in Section 4 of this Continuing Disclosure Agreement.

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

"NRMSIR" shall mean any nationally recognized municipal securities information repository for purposes of the Rule.

“SID” shall mean any state information depository established or designated by the State of Connecticut for the purposes of the Rule. As of the date of this Agreement no SID has been so established or designated by the State of Connecticut.

Section 2. Annual Reports.

(a) The Issuer shall provide or cause to be provided to each NRMSIR and to the SID the following annual financial information and operating data regarding the Issuer:

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

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

(A) the amounts of the gross and net taxable grand list;

(B) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;

(C) the percentage and amount of the annual property tax levy collected and uncollected;

(D) a schedule of the annual debt service on outstanding long-term bonded indebtedness;

(E) a calculation of the net direct debt, total direct debt, and total overall net debt (reflecting overlapping and underlying debt);

(F) the total direct debt, total net direct debt and total overall net debt of the Issuer per capita;

(G) the ratios of total direct debt and total overall net debt of the Issuer to the Issuer's net taxable grand list;

(H) a statement of statutory debt limitations and debt margins; and

(I) the funding status of the Issuer's pension benefit obligations.

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

(c) Subject to the requirements of Section 8 hereof, the Issuer reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate;

provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. The Issuer also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

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

Section 4. Event Notices. The Issuer agrees to provide or cause to be provided in a timely manner, to (i) each NRMSIR or to the MSRB, and (ii) the SID, notice of the occurrence of any of the following events, if material:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax-exempt status of the security;
- (vii) modifications to rights of security holders;
- (viii) bond calls;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the securities; and
- (xi) rating changes.

Section 5. Notice of Failure. The Issuer agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or to the MSRB, and (ii) the SID, notice of any failure by the Issuer to provide the annual financial information described in Section 2(a) of this Continuing Disclosure Agreement on or before the date set forth in Section 3 hereof.

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

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

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Issuer may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with (i) each NRMSIR or the MSRB, and (ii) the SID. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the Issuer shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Indemnification. The Issuer agrees, to the extent allowed by applicable law, to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of any claim, demand, suit or judgment by reason of alleged negligence on the part of such official, officer or employee while acting in the discharge of their duties pursuant to this Continuing Disclosure Agreement. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

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

Section 12. Miscellaneous. Any filing under this Agreement may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at <http://www.disclosureusa.org> unless the SEC has withdrawn the interpretation advise in its letter to the MAC dated September 7, 2004.

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

CITY OF STAMFORD, CONNECTICUT

By \_\_\_\_\_

Dannel P. Malloy  
Mayor

By \_\_\_\_\_

Sandra L. Dennies  
Director of Administration

**CITY OF STAMFORD, CONNECTICUT**  
**\$54,405,000**  
**GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2009**  
**Comprising**  
**\$10,480,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES A**  
**and**  
**\$43,925,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES B**  
**BOOK-ENTRY ONLY**

