

OFFICIAL STATEMENT DATED MAY 24, 2007

CITY OF STAMFORD, CONNECTICUT



**\$47,000,000 GENERAL OBLIGATION
BOND ANTICIPATION NOTES**

BOOK-ENTRY-ONLY

Dated: June 5, 2007

Due: June 4, 2008

The Notes will be general obligations of the City of Stamford, Connecticut (the "City") and will be payable, unless paid from other sources, from ad valorem taxes levied on all taxable property in the City without limitation as to rate or amount, except as to certain classified property. (See "Security & Remedies" herein.)

This Official Statement is in a form "deemed final" by the Issuer for the purpose of Securities and Exchange Commission Rule 15c2-12(b)(1).

The Notes are offered for delivery when, as and if issued, subject to the final approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Notes to The Depository Trust Company will be made on or about June 5, 2007 through the facilities of The Depository Trust Company, New York, New York.

Interest Rate: 4.50%
CUSIP: 8526317F1

\$5,000,000
Bear, Stearns & Co. Inc.
Yield: 3.50%

\$42,000,000
First Southwest Company
Yield: 3.62%

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

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Note Issue Summary

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

Issuer: City of Stamford, Connecticut (the “City”)

Issue: \$47,000,000 General Obligation Bond Anticipation Notes, book-entry-only

Financial Advisor: Webster Bank, National Association, Hartford, Connecticut

Date and Method of Sale: Electronic bids for the Notes will be received until 11:30 A.M. (E.D.T.) on Thursday, May 24, 2007, as described in the Notice of Sale. Electronic bids must be submitted via the Grant Street Group’s MuniAuction website (“MuniAuction”). Bidder access to the MuniAuction website is via the auction link at www.grantstreet.com.

Dated Date: June 5, 2007

Interest Due: At maturity – June 4, 2008

Principal Due: At maturity – June 4, 2008

Purpose: The Notes are being issued to finance various capital improvement projects undertaken by the City and authorized by bond resolutions adopted by the Board of Representatives and approved by the Mayor. See “Authorization and Purpose” herein.

Redemption: The Notes are not subject to redemption prior to maturity.

Security: The Notes will be general obligations of the City of Stamford, Connecticut, and the City will pledge its full faith and credit to pay the principal of and interest on the Notes when due.

Bank Qualification: The Notes 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 Notes.

Credit Rating: No application has been made for a rating on the Notes. The City’s most recent long-term ratings by Moody’s Investors Service and Standard and Poor’s were Aaa and AAA, respectively.

Tax Exemption: See “Tax Exemption” herein.

Continuing Disclosure: 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, notices of material events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the City in substantially the form attached as Appendix C to this Official Statement.

**Certifying Agent,
Registrar, Transfer
Agent and Paying
Agent:**

U.S. Bank National Association, 225 Asylum Street, Hartford, Connecticut 06103

Legal Opinion:

Robinson & Cole LLP will act as Bond Counsel.

**Delivery and
Payment:**

It is expected that delivery of the Notes in book-entry-only form will be made on or about June 5, 2007 in New York, New York against payment in Federal funds.

**Final Official
Statement:**

This Official Statement is in a form "deemed final" by the City for the purposes of SEC Rule 15c2-12(b)(1).

For additional copies of the Official Statement or requests for additional information, please contact:

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Introduction

The purpose of this Official Statement is to provide certain financial information and supplemental economic and demographic data relevant to the City of Stamford, Connecticut, in connection with the issuance and sale of \$47,000,000 General Obligation Bond Anticipation Notes (the "Notes") 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 Notes. This Official Statement does not constitute an offer to sell Notes in any jurisdiction to any person to whom it is unlawful to make such offer 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 these Notes 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 in this Official Statement has been prepared by the City's financial advisor, Webster Bank, National Association (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, Registrar, Transfer Agent, and Paying Agent for the Notes.

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 - "Financial Statements" 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.

SECTION I – SECURITIES OFFERED

Description of the Notes

The Notes are being offered for sale at public bidding. Reference is made to the Notice of Sale in Appendix D for the terms and conditions of the bidding.

The Notes will be dated June 5, 2007 and will be due and payable as to both principal and interest at maturity, June 4, 2008. The Notes are not subject to redemption prior to maturity and will bear interest calculated on the basis of a 30-day month and a 360-day year at the rate or rates per annum specified by the successful bidder, using the Net Interest Cost (“NIC”) method.

The Notes will be issued by means of a book-entry-only system and registered in the name of Cede & Co., as nominee for DTC. The Beneficial Owners of the Notes will not receive certificates representing their ownership interest in the Notes. Principal of and interest on the Notes will be payable by the City or its agent to DTC or its nominee as registered owner of the Notes. Ownership of the Notes may be in principal amounts of \$1,000 or integral multiples thereof. DTC will act as securities depository for the Notes. So long as Cede & Co. is the Bondowner, as nominee for DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Notes.

The Notes 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 Notes when due.

Authorization and Purpose

The Notes 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.

As of April 23, 2007, the City had \$260,335,329 of authorized but unissued debt. The authorized but unissued debt for various public improvements and various school projects is expected to be financed with \$205,153,907 of grants and other sources and \$55,181,422 of general obligation bonds.

Tax Exemption

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met at and subsequent to delivery of the Notes in order that interest on the Notes remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Notes to be included in gross income retroactive to the date of issuance of the Notes. The Tax Regulatory Agreement, which will be executed and delivered by the City concurrently with the Notes, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Notes 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 Notes shall be excluded from gross income for federal income tax purposes under the Code.

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

Ownership of the Notes may also result in certain collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits, taxpayers utilizing the earned income credit and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax

exempt obligation, such as the Notes. Prospective purchasers of the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of ownership and disposition of, or receipt of interest on, the Notes.

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

Security and Remedies

The Notes will be general obligations of the City of Stamford, Connecticut, and the City will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes 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 Notes 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 Notes.

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 Notes, 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 Notes would also be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied, as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

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

Qualification for Financial Institutions

The Notes 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 Notes.

Book-Entry-Only System

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

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 and www.dtc.org.

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC’s 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 Notes 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 Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the 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 nor its nominee, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the 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 Notes 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, Note certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. 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 Notes will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its Participants which are on file with the Securities and Exchange Commission.

SECTION II - THE ISSUER

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. 2006 saw significant new development activity in downtown Stamford and the South End. New projects that are under way include a new North American headquarters for the Royal Bank of Scotland, redesign and expansion of the Stamford Town Center Mall and a large land assemblage in the South End by a developer planning a significant mixed-use project including 4,000 housing units, 400,000 square feet of retail space, 250,000 square feet of office space and two hotels. Also planned 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. Four mixed-use developments have recently been approved in the Downtown: Trump Parc, Park Square West, Atlantic Centre and Tresser Square. These include over 1,700 housing units, a Ritz Carlton Hotel (198 rooms) and over 100,000 square feet for retail space. The City's East Side is also growing with four developments providing for 372 new living units. The City is currently working to identify sites for a high-speed ferry terminal using federal funds committed to that project in recent years.

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.

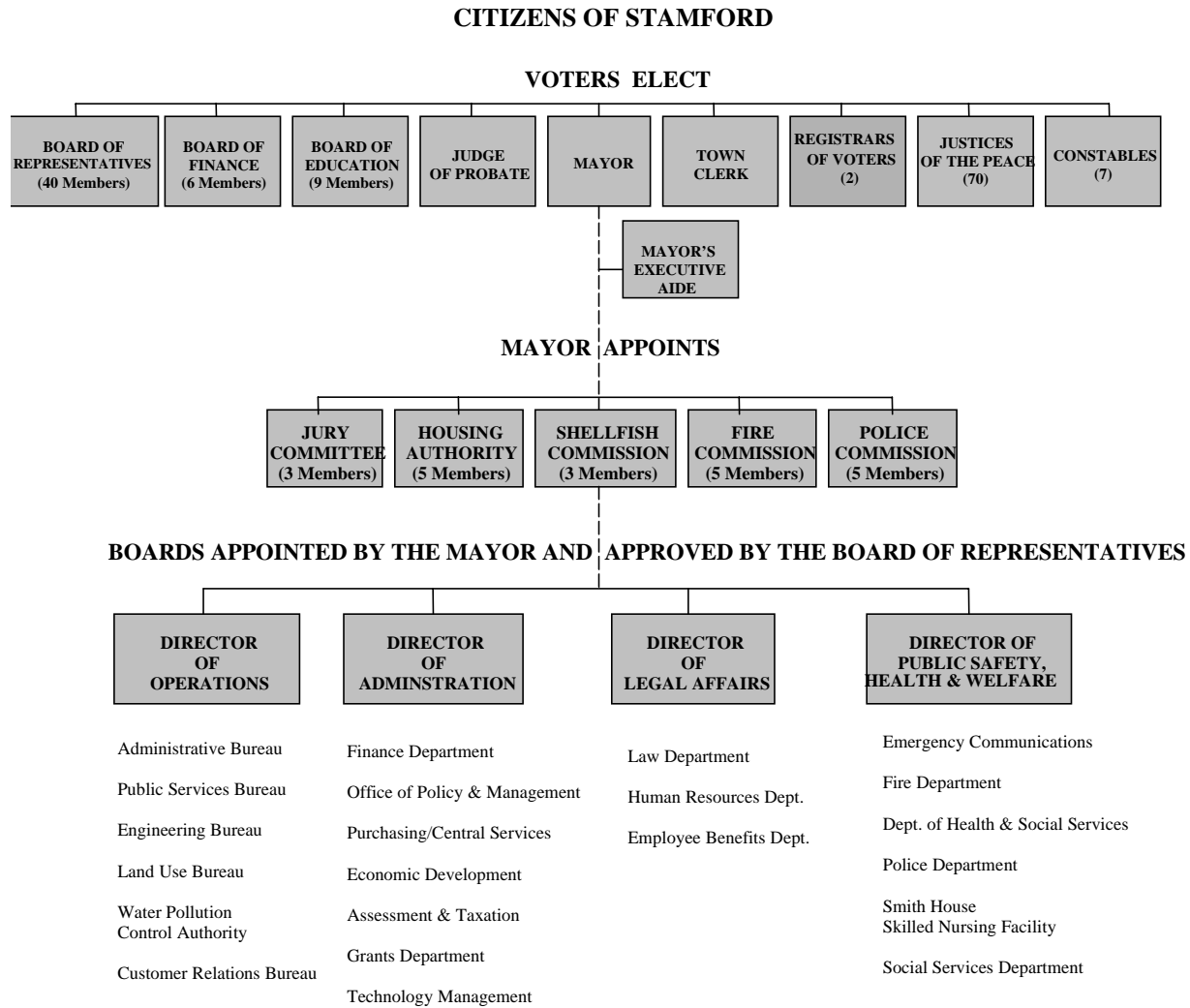
The chief executive officer of the City is the Mayor, elected for a four-year term of office. The legislative function is performed by a forty-member Board of Representatives whose members are elected, two from each of twenty districts, for four-year terms. The Board of Representatives adopts ordinances 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	11½ years
Director of Administration	Sandra Dennies	Appointed/3 years	25½ years ¹
Director of Operations	Benjamin Barnes	Appointed/4 years	6 years ²
Director of Legal Affairs	Thomas Cassone	Appointed/4 years	4 years
Director of Public Safety, Health and Welfare	William Callion	Appointed/4 years	3 years
Controller	Lisa M. Reynolds	Civil service/indefinite	7½ years
Director of Policy & Management	Peter Privitera	Civil service/indefinite	3½ years
Superintendent of Schools	Dr. Joshua Starr	Appointed/3-year contract	2 years

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- ¹ 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.
- ² 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 three 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 3,392 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 Employees¹

	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>	<u>2000-01</u>
General Government ²	1,264	1,260	1,268	1,245	1,243	1,241	1,342 ²
Board of Education	<u>2,128</u>	<u>1,890</u>	<u>2,050</u>	<u>2,027</u>	<u>2,139</u>	<u>2,141</u>	<u>2,143</u>
Total	3,392	3,150	3,318	3,272	3,382	3,382	3,485

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- ¹ As of July 1 each fiscal year.
- ² General Government includes employees assigned to the Smith House Nursing Home (108) the Water Pollution Control Authority (40); the E. Gaynor Brennan Golf Course (7); the Risk Management Fund (4); the Marina Fund (2) and the Parking Fund (18).

Municipal Employees Bargaining Organizations

<u>Organization</u>	<u>Number of Employees</u>	<u>Current Contract Expiration Date</u>
<i>General Government</i>		
Stamford Police Association	294	06/30/05 ¹
Local #786 of the International Association of Firefighters, AFL-CIO (downtown)	238	06/30/09
Local #786 of the International Association of Firefighters, AFL-CIO (volunteer companies)	35	06/30/05 ¹
Local #2657 of the AFSCME, Council #4, AFL-CIO (Supervisors)	115	06/30/09
Local #465 of the AFSCME, Council # 4, AFL-CIO (Registered Nurses)	42	06/30/09
Local #1303-273 of the AFSCME, Council #4, AFL-CIO (Hygienists)	5	06/30/09
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	06/30/09
Local #2377 of the International Union, United Automobile Workers, AFL-CIO	288	06/30/09
New England Health Care Employees Union, District 1199 (Smith House)	132	06/30/09
Local #222 of the United Electrical Radio & Machine Workers of America	89	06/30/09
Total Employees	1,264	
<i>Board of Education</i>		
Local #2657 of the AFSCME, Council #4, AFL-CIO (Supervisors)	4	06/30/09
Local #2377 of the International Union, United Automobile Workers, AFL-CIO	85	06/30/09
Stamford Board of Education Employee Association (Custodian & Maintenance)	155	06/30/09
Stamford Board of Education Employee Association (Security and Community Liaison Employees)	36	06/30/09
Stamford Education Association	1,450	06/30/10
Education Assistants of Stamford Association	325	06/30/07
School Administrators Association of Stamford	73	06/30/09
Total Employees	2,128	

¹ In negotiation.

General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. Effective October 1, 1997, for binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In the light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

Summary of Municipal Services

Fire Department: The Stamford Fire and Rescue Department is responsible for fire protection in Tax Districts A and B, covering the southern third of the City, including the central business district. The department has a total of 251 authorized personnel operating out of six fire stations. The northern two-thirds of the City is served by five volunteer fire companies operating out of seven fire stations complemented by a limited number of paid firefighters. In 1999, the City transitioned thirty-seven (37) paid firefighters assigned to the volunteer fire companies onto the City's payroll. This change resulted in improved fire protection in volunteer districts and reduced employee benefit costs for the paid personnel.

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

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

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

Police Department: The Stamford Police Department provides full-time police protection with an authorized strength of 307 officers. The Department consists of detective, youth, patrol and marine divisions. A computerized incident-tracking system maintains on-line information for all service calls handled by the department throughout the year. The Department's diligence joined with the Community Policing Initiative continues to fight crime with unprecedented success. For 2005, the FBI ranked Stamford tenth out of 252 cities with a population over 100,000. The City ranks 9th for the first half of 2006.

Smith House Health Care Center: The City operates a 128-bed skilled nursing facility, which includes medical and nursing care, meals, therapy, recreation activities and living accommodations that comply with state and federal requirements for such a facility. A new contract for management services was executed in 2005 with Premier Healthcare Resources. Smith House has lost money, and the Smith House Fund currently owes the City's General Fund \$5.5 million. Although the challenges facing the nursing home industry generally are significant, it is the City's hope that the contractor will be able to stabilize the finances of the facility and minimize the General Fund contribution required to operate it.

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

In July 1998 the City 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 and Hollander Branch, the South End Branch and a bookmobile. Total annual circulation system-wide is 911,000 items, with approximately 95,500 registered borrowers. Attendance system-wide is more than 916,000. The Weed Memorial and Hollander Branch in

Springdale was renovated and re-opened to the public in 2006. All of the libraries are operated by the Ferguson Library, Inc., a 501 (c)(3) non-profit corporation.

Stamford Partnership: In 1979, the City established a non-profit partnership of business and governmental leaders so as to improve its economic and physical health. The Stamford Partnership is charged with the following: (1) to work with public officials on strategies related to community-wide issues; (2) to act as a catalyst for civic action; and (3) to serve as a conduit for the application of private sector resources for civic purposes. The Partnership's 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 enhances the quality of life in Stamford by providing diverse recreational programs and coordinating services with and to other leisure service providers. The City has over 650 acres of park land and recreational facilities, structures and buildings, including four beaches, four municipal marinas that can serve over 600 boats up to 28 feet in length, athletic fields, game courts and picnic areas, an indoor ice-skating rink, a theater program, as well as planting beds and roadside areas and cultural and historic resources such as Fort Stamford and the Cove Island Mansion.

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

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

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

The Solid Waste division operates a State-licensed solid waste transfer station six days a week, two shifts per day. In fiscal year 2005-06, 67,158 tons of municipal solid waste ("msw") and 6,672 tons of bulky waste were accepted, sorted, processed and reloaded for over-the-road hauling to disposal facilities. The msw is disposed of at the Bridgeport incinerator operated by the Connecticut Resources Recovery Authority under a three-year contract at \$78.43 per ton. The bulky waste is currently processed and disposed of in a landfill in Massachusetts at \$57.55 per ton.

The transfer station also operates a recycling drop-off center. In addition, the City provides for the once-a-week combined collection of co-mingled recyclables of glass, metal, plastic food and beverage containers, and monthly collection of newspapers, mixed paper and corrugated cardboard from approximately 40,000 residences in the City.

The transfer station operation also includes a scalehouse facility and processes approximately 49,000 separate transactions annually. The City charges \$82.00 per ton for commercially generated municipal solid waste and bulky waste.

Engineering Bureau: Over the next three years, the City is anticipating municipally bonded projects of approximately \$36 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 \$65 million in capital design and construction per year. The Bureau prepares most designs of public works projects "in house," with the majority of Board of Education designs prepared by outside architects and engineers.

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

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

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

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

Water Pollution Control Authority ("WPCA"): The mission of the WPCA is to protect the environment and public health of the City of Stamford. The WPCA operates and maintains the Water Pollution Control Facility, pumping stations and sanitary sewer systems. This includes applying "state-of-the-art" process control techniques to the operation of the treatment plant and good maintenance management for the plant, pumping stations and sanitary sewer systems. The City has just completed a \$100 million upgrade of the treatment plant. The upgrade is being financed primarily by grants and loans under the Clean Water Fund program of the State of Connecticut. See "DEBT SECTION - State of Connecticut Clean Water Fund" herein. A smaller portion of the project was financed by general obligation bonds of the City. The debt service associated with the Clean Water Fund loans is expected to be paid entirely from revenues of the sewerage system under the Indenture of Trust, dated as of December 21, 2001, by and among the City, the WPCA and 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.

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 therefor 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 \$1,200,000 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., \$74,250 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 \$630,000 annually) which 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 which 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 administers the following local funds that are available annually for affordable housing development. The Capital Budget funds for affordable housing are 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 zoning. The Community Development Office administers the distribution of these funds (\$1,500,000 annually) as loans to developers of affordable housing. Also in 2006, the City began dedicating a portion (approximately \$250,000 annually) of its building permit fees on commercial construction to an affordable housing fund. The Community Development Office administers the distribution of these funds to developers of affordable housing.

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

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

Central Business District: The Central Business District ("CBD") houses in excess of 6 million square feet of Class A office space with another 400,000 square feet in construction for the new North American Headquarters of the Royal Bank of Scotland, and another 325,000 square feet of Class A office is in review before the land use commissions. The CBD has enjoyed significant investor interest in the last year with historically high land values and commercial sales prices as well as several major condominium developments including Trump Parc (177 luxury units); Atlantic Center (289 units with a Ritz Carlton hotel); and Tresser Square (834 units with 110,000 square feet retail) all having cleared the City zoning process in the first quarter of 2007.

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 major redesign and expansion of the mall is under way bringing over 130,000 square feet of new retail and restaurants.

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

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

In 2004, the City issued \$15,190,000 General Obligation Bonds, Parking Garage Issue, to provide financing for the Block 9 Parking Garage (the "Garage") project. The Garage is a critical component of a substantial downtown redevelopment effort that is under way. The Garage contains 487 parking spaces, providing public parking for existing nearby restaurants, retail establishments, the Palace Theater and a multiplex cinema, as well as for a newly opened Target department store on an adjacent lot, a new Marriot Hotel across the street from the Garage, the Burlington Coat Factory across Broad Street, and approximately 410 units of housing and 30,000 square feet of retail space planned for the next several years within the same block (Park Service West). The URC developed the Garage, and the City currently owns and operates the Garage in conjunction with its other parking assets throughout the City.

New housing development is occurring along the edges of the CBD including nearly 400 units along the East Main Street and Broad Street corridors entering the downtown and over 4000 units planned to the south of the downtown Transportation Center.

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

In November 2003, the City of Stamford received \$4.7 million from the State of Connecticut to redevelop Southfield Village in Waterside. The \$4.7 million was critical because it fulfilled the local component for the 1997 Hope VI grant from the U.S. Department of Housing and Urban Development. The new facility, Southwood Square, 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 \$10 million from the Connecticut Department of 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 111 new affordable, home ownership, and market-rate units. Fairfield Court, like Southwood Square, is a mixed- income development which accommodates residents from a broad spectrum of economic opportunity. City, State and private funds 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 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 submissions, policies ensuring that funds for education as appropriated by the City are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation.

The City has two public high schools, 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 1,532 professional

(certified) personnel and 596 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 10/1/06</u>
Davenport Ridge	K-5	1972	Concrete	43	596
Murphy	K-5	1900 (2002)	Brick	36	492
Newfield	K-5	1954 (2002)	Brick	38	647
Northeast	K-5	2003	Brick/Stone	53	816
Rogers	Pre-K-5	1889 (1964)	Brick	41	592
Bank St. at Toquam	Pre-K-5	1967 (1991)	Brick	38	480
Roxbury	K-5	1955 (2002)	Brick	45	686
Springdale	K-5	1908 (2003)	Brick	37	568
Hart	Pre-K-4	1915 (1998)	Brick	43	491
Stark	K-5	1927 (1997)	Brick	37	608
Stillmeadow	K-5	2003	Block	40	606
Westover	K-5	1999	Brick	45	630
Cloonan	6-8	2002	Brick	58	616
Dolan	6-8	1949	Brick	35	642
Turn of River	6-8	1963	Block/Brick	58	692
Rippowam Middle	6-8	2003	Steel Frame	150	835
Magnet Middle	6-8	2001	Brick	36	578
AIT	9-12	1961 (2001)	Steel/Frame	n/a	355
Stamford High	9-12	1928 (2003)	Brick/Stone	170	1,900
Westhill High	9-12	2003	Steel Frame/Brick	140	2,209
Boyle Stadium	n/a	1937 (1997)	Stone	n/a	n/a
Special Enrollments ...	n/a	n/a	n/a	n/a	n/a
Out-of-District	n/a	n/a	n/a	n/a	90
Home Instruction	n/a	n/a	n/a	n/a	98
Pre-K Spec Ed./Speech	n/a	n/a	n/a	n/a	77

School Enrollments

<u>As of October 1</u>	<u>Elementary Headstart/K-5</u>	<u>Middle School 6-8</u>	<u>High School 9-12</u>	<u>Bilingual/Pre-K/ Special Education</u>	<u>Total Enrollment</u>
<i>Historical</i>					
1996	6,735	2,789	3,343	1,463	14,330
1997	6,743	2,901	3,364	1,393	14,401
1998	7,359	3,012	3,295	842	14,508
1999	6,973	2,793	3,410	1,508	14,684
2000	6,908	2,999	3,651	1,361	14,919
2001	6,936	3,248	3,769	1,256	15,209
2002	6,930	3,351	3,937	1,152	15,370
2003	7,003	3,354	4,139	1,070	15,566
2004	6,854	3,278	4,190	946	15,268
2005	6,891	3,280	4,465	668	15,304
2006	6,663	3,178	4,414	851	15,106
<i>Projected</i>					
2007	6,566	3,067	4,440	882	14,955
2008	6,540	3,050	4,300	793	14,683
2009	6,490	3,025	4,250	815	14,580
2010	6,420	2,980	4,245	803	14,448

SECTION III - DEMOGRAPHIC AND ECONOMIC DATA

Population Trends and Densities

<u>Year</u>	<u>Population</u> ¹	<u>Percent Change</u>	<u>Density</u> ²
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
2005	120,045	2.5	3,009

Sources: ¹U.S. Department of Commerce, Bureau of Census, Census of Population 1960-2000; State of Connecticut Department of Public Health estimate July 1, 2005.

²Population per square mile: 39.9 square miles.

Age Distribution of the Population

<u>Age</u> ¹	<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) ¹	36.4	-	37.4	-
1990 median age (years) ²	34.9	-	34.4	-

Sources: ¹U.S. Department of Commerce, Bureau of Census, 2000 Census.

²U.S. Department of Commerce, Bureau of Census, 1990 Census.

Income Distribution

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

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

Comparative Income Measures

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

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

Educational Attainment

Years of School Completed - Age 25 and Over

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

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

Labor Force Data

<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>
April 2007	66,649	64,542	2,107	3.2	3.6	4.1
2006	66,428	64,094	2,334	3.5	3.9	4.3
2005	65,491	62,714	2,777	4.2	4.6	4.9
2004	65,097	62,409	2,688	4.1	4.6	4.9
2003	6,559	62,567	2,992	4.6	5.1	5.5
2002	64,976	62,390	2,586	4.0	4.3	4.4
<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>
2001	67,402	65,565	1,837	2.7	2.4	4.7
2000	68,912	67,730	1,182	1.7	1.4	4.0
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
Clairol, Inc.	Cosmetics (HQ and Mfg.)
General Cologne Re Corporation	Insurance (HQ)
U.S. Postal Service	Local and Regional Mail Service
Purdue Pharma	Pharmaceuticals (HQ)
Xerox Corporation	Office Equipment
Hyperion Solutions	Computer Software
Moore Corporation	Printed Forms
Macy's	Retailing
Omega Engineering	Temperature Control Devices (HQ and Mfg.)
Price WaterhouseCoopers	Public Accounting/Consulting
Thomson Corporation	Publishing
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

Major Employers (continued)

<u>Name</u>	<u>Nature of Business</u>
Citizen Utilities	Utility
CYTEC	Chemicals (Research Laboratories)
Circom/ACMI	Medical Instruments (HQ and Mfg.)
Legg Mason	Finance
Graph Network	Cable Television
General Signal	Transportation
META Group	Consumer Services
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
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
Time Warner Cable	Communications/Programming
Jeffries & Co.	Investment Advisors
Fuji Photo Film	Manufacturing
Synapse	Marketing
Versus	Communications/Programming

HQ — Headquarters/Offices

Mfg — Manufacturing Facilities

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

Office Vacancy Rates

<u>Calendar Year</u>	<u>Stamford Central Business District</u>		<u>Stamford Non-Central Business District</u>		<u>Fairfield County</u>	
	<u>Square Feet Existing</u>	<u>Vacancy Percent</u>	<u>Square Feet Existing</u>	<u>Vacancy Percent</u>	<u>Square Feet Existing</u>	<u>Vacancy Percent</u>
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	37,306,798	15.1
1995	5,827,091	15.6	8,654,636	15.8	37,626,408	15.4
1994	5,810,706	17.4	8,871,806	19.7	37,710,476	17.7

Source: Cushman & Wakefield.

Value of Building Permits

<u>Fiscal Year Ended 6/30</u>	<u>Residential</u>	<u>Commercial/ Industrial</u>	<u>Apartments/ Condominiums</u>	<u>Total</u>
2007 ¹	\$ 82,519,514	\$303,140,738	N/A ²	\$385,660,252
2006	129,419,254	260,684,635	N/A ²	390,103,889
2005	131,175,576	110,859,988	\$15,113,989	257,149,553
2004	138,432,128	196,867,884	4,311,000	339,611,012
2003	76,738,245	117,209,684	4,487,000	198,434,929
2002	66,706,336	195,330,791	16,057,715	278,094,842
2001	45,405,860	156,978,838	45,614,700	247,996,398
2000	45,087,299	171,945,326	69,203,887	286,236,512
1999	41,062,696	115,280,275	42,893,700	199,236,671
1998	51,375,256	92,721,886	5,708,361	149,805,503

¹ Values are from July 2006 through April 2007.

² 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	<u>2,500</u>	<u>5.3</u>	<u>63,021</u>	<u>4.6</u>
Total	47,317	100.0%	1,385,975	100.0%

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

Housing Units by Type of Structure

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

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

Housing Unit Vacancy Rates

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

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

Owner-Occupied Housing Units

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

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

Number and Size of Households

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

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

Land Use Summary

<u>Land Use Category</u>	<u>Acres</u>	<u>Percent</u>
Zoned for single family	20,127	81.9%
Zoned for multi-family	1,540	6.3
Zoned for mixed use	86	0.3
Zoned for business	942	3.8
Zoned for industry	1,030	4.2
Zoned for open space	<u>863</u>	<u>3.5</u>
Total	24,588	100.0%

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

SECTION IV - DEBT SECTION

Legal Requirements for Approval of Borrowing

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

Debt Authorization

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

Safe Debt Limit

The City of Stamford is also guided by a safe debt limit that is set each year by the Board of Finance. Section 8-20-3 of the Charter of the City of Stamford requires the preparation of an annual report analyzing the amount and nature of expenditures that the City may incur safely for capital projects during each of the next six succeeding years, and the effect of those expenditures on the current budgets for each of those years. The report prepared for Fiscal Year 2007-08 recommended a safe debt limit of \$44 million, followed by \$44 million for the next five years for a total of approximately \$264 million. Of this total, it was recommended that \$6 million each year (\$36 million over six years) be financed over seven years or less in order to meet capital equipment needs while minimizing long-term interest costs. The Board of Finance and the Board of Representatives have revised that recommendation, allowing for \$37 million in bond funded projects for 2007-08.

School Projects

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

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

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

Sewer Projects

The Stamford Water Pollution Control Authority (the "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.

Interest Rate Exchange Agreement

The City entered into a forward interest rate swap agreement in the notional amount of \$18,665,000 with UBS AG on April 12, 2007 with respect to general obligation refunding bonds to be issued in April 2008. Pursuant

to the agreement, the City will make payments to the swap provider at a fixed rate of interest of 3.4074% and the swap provider will make payments to the City at a variable rate of interest equal to 67% of LIBOR BBA until the termination date of the agreement, which is July 15, 2014, unless terminated earlier.

The agreement exposes the City to certain market and operational risks. The City may terminate the agreement at any time at market value or upon the occurrence of certain events.

The City is in the process of finalizing an Interest Rate Risk Management Policy. The policy describes the purpose of interest rate exchange contracts, permitted instruments, risk evaluation, and reporting and disclosure requirements.

**Current Debt Statement
Pro Forma
As of June 5, 2007**

Bonded debt ¹ :		
General purpose		\$ 169,684,257
Schools		<u>149,558,292</u>
Total bonded debt		319,242,549
Short-term debt (this issue)		<u>47,000,000</u>
Total overall debt		366,242,549
Less school construction grants receivable (principal only)		<u>12,667,268</u>
Total overall net debt		\$353,575,281

¹Excludes \$17,407,451 of general obligation bonds and three Clean Water Fund project loan obligations outstanding in the amount of \$3,914,651 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
Pro Forma
As of June 5, 2007**

Population, 2005	120,045	
Per capita income, 1999	\$34,987	
Net taxable grand list, 10/1/06	\$20,998,344,089	
Estimated full value @ 70%	\$29,997,634,413	
Equalized net grand list (2004)	\$32,333,100,324	
	Overall Debt	Overall Net Debt
	<u>\$366,242,549</u>	<u>\$353,575,281</u>
Per capita	\$3,050.88	\$2,945.36
To net taxable grand list	1.74%	1.68%
To estimated full value	1.22%	1.18%
To net equalized grand list	1.13%	1.09%
Ratio of debt per capita to per capita income	8.72%	8.42%

Bonded Debt Maturity Schedule¹
Pro Forma
As of June 5, 2007

Fiscal Year Ending	Principal Payments	Interest Payments	Total Payments	Cumulative Principal Retired (%)
2008	\$ 25,895,538	\$ 14,137,634	\$ 40,033,172	8.11
2009	25,897,470	12,917,977	38,815,447	16.22
2010	25,979,292	11,682,582	37,661,874	24.36
2011	25,545,920	10,428,432	35,974,352	32.36
2012	23,694,792	9,325,345	33,020,137	39.79
2013	22,959,993	8,238,864	31,198,857	46.98
2014	21,939,868	7,141,231	29,081,099	53.85
2015	21,676,921	6,105,501	27,782,422	60.64
2016	17,649,410	5,209,397	22,858,807	66.17
2017	17,819,339	4,422,018	22,241,357	71.75
2018	17,851,137	3,613,839	21,464,976	77.34
2019	15,036,773	2,874,938	17,911,711	82.05
2020	12,681,448	2,265,566	14,947,014	86.02
2021	12,711,448	1,712,840	14,424,288	90.01
2022	9,495,800	1,237,705	10,733,505	92.98
2023	7,435,800	880,679	8,316,479	95.31
2024	7,485,800	556,657	8,042,457	97.66
2025	4,485,800	295,573	4,781,373	99.06
2026	<u>3,000,000</u>	<u>132,000</u>	<u>3,132,000</u>	100.00
Total	<u>\$319,242,549</u>	<u>\$103,178,778</u>	<u>\$422,421,327</u>	

¹Excludes \$17,407,451 of general obligation bonds and three Clean Water Fund project loan obligations outstanding in the amount of \$3,914,651 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.)

Overlapping/Underlying Debt

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

Authorized but Unissued Debt

As of April 23, 2007, the City had \$260,335,329 of authorized but unissued debt. The authorized but unissued debt is for various public improvement and school projects and is expected to be financed with \$205,153,907 of grants and other sources and the \$55,181,422 of general obligation bonds, as shown in the following table:

	Authorized But Unissued	Less Grant Funding	Net Authorized But Unissued
Schools:			
General Fund	\$137,283,827	\$131,678,144	\$ 5,605,683
Public Improvements:			
General Fund	<u>123,051,502</u>	<u>73,475,763</u>	<u>49,575,739</u>
Total	\$260,335,329	\$205,153,907	\$55,181,422

**Statement of Statutory Debt Limitation
Pro Forma
As of June 5, 2007**

Debt Limitation Base

Total tax collections, including interest and lien fees, for the fiscal year ended June 30, 2006	\$323,778,348
Reimbursement for revenue loss on Elderly Tax Relief	<u>37,232</u>
Debt limitation base	\$323,815,580

Debt Margin

<u>Debt Limitation by Purpose</u>	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers¹</u>	<u>Urban Renewal</u>	<u>Pension Deficit Funding</u>
2.25 x base	\$ 728,585,055				
4.50 x base	-	\$1,457,170,110			
3.75 x base	-	-	\$1,214,308,425		
3.25 x base	-	-	-	\$1,052,400,635	
3.00 x base	-	-	-	-	\$971,446,740
Total debt limitation	<u>728,585,055</u>	<u>1,457,170,110</u>	<u>1,214,308,425</u>	<u>1,052,400,635</u>	<u>971,446,740</u>
Less indebtedness ^{1,2}					
Notes of this issue	23,500,000	23,500,000	-	-	-
Bonds payable	<u>169,684,257</u>	<u>149,558,292</u>	-	-	-
Total indebtedness	193,184,257	173,058,292	-	-	-
Less school construction grants receivable	-	<u>12,667,268</u>	-	-	-
Net total indebtedness	193,184,257	160,391,024	-	-	-
Debt limitation in excess of outstanding and authorized debt	\$535,400,798	\$1,296,779,086	\$1,214,308,425	\$1,052,400,635	\$971,446,740

¹ Excludes \$17,407,451 of general obligation bonds and three Clean Water Fund project loan obligations outstanding in the amount of \$3,914,651 which are secured by the full faith and credit of the City, but which are expected to be repaid entirely from revenues of the sewerage system.

² As of April 23, 2007 the City had \$260,335,329 of authorized but unissued debt of which approximately \$205,153,907 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 \$2.2 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>
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
2003	28,291,396	329,662,916	8.58
2002	25,967,475	293,289,116	7.87
2001	27,666,822	275,950,894	8.84

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 \$3,914,651 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 for the issuance of revenue bonds, and that such amounts will accordingly be excluded from the Safe Debt Limit which is set each year for internal purposes by the Board of Finance. See "Safe Debt Limit" herein.

General Obligation Bonds

The City, prior to the establishment of the revenue bond program for sewerage system improvements, issued general obligation debt for purposes of sewerage system improvements. As of June 15, 2007 the City has \$17,407,451 of general obligation bonds outstanding and three Clean Water Fund project loan obligations outstanding in the amount of \$3,914,651 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 June 5, 2007

Fiscal Year Ending June 30	<u>Subordinated Debt</u>		<u>Senior Lien Debt (Parity Indebtedness)</u>				Cumulative Percent Retired
	General Obligation Sewer Bonds		2003 Series A & 2006 Series Sewer Revenue Bonds		Existing Clean Water Fund Debt ¹		
	Principal	Interest	Principal	Interest	Principal	Interest	
2007 ²	\$ -	\$ -	\$ -	\$ -	\$ 284,783	\$ 119,188	0.24
2008	1,874,462	786,247	600,000	1,392,163	3,452,689	1,393,024	5.16
2009	1,872,530	695,796	620,000	1,371,775	3,518,750	1,323,367	10.15
2010	1,805,708	606,450	645,000	1,349,900	3,586,146	1,252,376	15.16
2011	1,519,080	518,478	665,000	1,325,575	3,654,901	1,180,025	20.01
2012	1,390,208	454,142	690,000	1,300,056	3,725,044	1,106,287	24.83
2013	1,405,007	388,604	715,000	1,273,825	3,796,603	1,031,132	29.75
2014	1,435,132	317,799	745,000	1,246,175	3,869,607	954,533	34.77
2015	1,373,079	247,468	775,000	1,217,181	3,864,423	876,859	39.76
2016	915,590	192,396	805,000	1,186,625	3,883,503	799,731	44.42
2017	775,661	153,382	840,000	1,152,331	3,943,011	721,412	49.03
2018	778,863	117,105	875,000	1,116,718	3,996,881	642,166	53.72
2019	628,227	84,836	910,000	1,079,991	4,077,555	561,492	58.39
2020	388,552	62,021	950,000	1,039,508	4,159,858	479,189	62.95
2021	388,552	44,735	995,000	996,730	4,026,883	397,206	67.45
2022	214,200	31,702	1,040,000	950,936	4,108,163	315,926	71.90
2023	214,200	22,759	1,090,000	903,653	4,191,084	233,005	76.46
2024	214,200	13,655	1,135,000	855,406	4,275,678	148,411	81.13
2025	214,200	4,552	1,190,000	803,456	4,361,980	62,109	85.92
2026	-	-	1,245,000	747,756	735,509	1,839	87.57
2027	-	-	1,305,000	689,406	-	-	88.65
2028	-	-	1,365,000	626,369	-	-	89.78
2029	-	-	1,435,000	558,331	-	-	90.97
2030	-	-	1,505,000	486,894	-	-	92.22
2031	-	-	1,580,000	411,931	-	-	93.54
2032	-	-	1,655,000	333,319	-	-	94.91
2033	-	-	1,745,000	250,694	-	-	96.36
2034	-	-	1,020,000	184,062	-	-	97.21
2035	-	-	1,070,000	134,425	-	-	98.09
2036	-	-	1,120,000	82,413	-	-	99.02
2037	-	-	1,175,000	27,906	-	-	100.00
Total	\$17,407,451	\$4,742,127	\$31,505,000	\$25,095,510	\$71,513,051	\$13,599,277	

¹ Principal and interest payments reflect existing project loan obligations ("PLOs") between the City and the State of Connecticut, as follows: PLO 177-C (original amount of loan \$2,731,211 and current principal amount outstanding \$1,024,204); PLO 375-C (original amount of loan \$852,229 and current principal amount outstanding \$417,736); PLO 414-D (original amount of loan \$3,574,208 and current principal amount outstanding \$2,472,711), and PLO 414-D (original amount of loan \$73,561,481 and current principal amount outstanding \$67,598,400). Each PLO bears interest at the rate of 2% per annum, with payments of principal and interest made on a monthly basis.

² Excludes total principal payments of \$8,462,813 and total interest payments of \$3,659,218 made from July 1, 2006 through June 5, 2007.

SECTION V - FINANCIAL SECTION

Financial Results for Fiscal Year 2005-06 and Projections for 2006-07

During fiscal year 2005-06 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 \$285.8 million. Net assets of business-type activities increased by \$86,000 or 0.1%, while net assets of governmental activities increased by \$47.7 million or 25.2%. The overall increase in governmental activities relates to an increase in capital grants from the State for school construction.

At the end of the current fiscal year, the total fund balance for the General Fund alone was \$19.2 million, a decrease of \$2.3 million from the prior fiscal year. The reduction in General Fund fund balance is the product of the transfer of fund balances into the newly created Rainy Day Fund. Of the total General Fund fund balance as of June 30, 2006, \$8.2 million represents unreserved General Fund fund balance. Unreserved General Fund fund balance at year-end represents 2.1% of total General Fund expenditures of \$394.9 million (down from 2.6% from the previous year).

The budgetary fund balance as of June 30, 2006 was \$6.7 million. Of this amount, \$2.4 million is designated for the medical reserve fund and \$2.5 million is designated for the fiscal year 2006-07 operating budget. \$1 million is designated for the Rainy Day Fund, leaving \$700,000 to support future year appropriations.

The City of Stamford's bonds and note payable balances increased by \$39.4 million to \$414.5 million or a 10.5% increase during the current fiscal year. During the year, the City conducted a bond refinancing and issued \$54.3 million in general obligation bonds and \$9.9 million in Clean Water Fund loans. The bond proceeds were invested in capital assets including the purchase of land (\$28 million), building and system improvements (\$20 million) and infrastructure improvements (\$20 million).

For fiscal year 2006-07, government-wide, the City's projected General Fund operating expenses are \$392.6 million, a 5% increase from the prior year, while projected revenues collected are \$392.8 million, a 4% increase from the prior year. Of the projected revenues, more than 87% are derived from property taxes, followed by 5% for operating and capital grants and contributions, 6% for charges for services, 1% from unrestricted grants and about 1% of investment earnings.

Accounting Policies

The City's accounting policies are summarized in Appendix A - "Auditor's Section, Notes to Financial Statements, Note 1" herein.

Basis of Accounting

See Appendix A - "Auditor's Section, Notes to Financial Statements, Note 1" herein.

Audit

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

Budgetary Procedures

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

Department estimates due for six-year capital program	December 10
Report of the Director of Administration to Board of Finance recommending the amount and nature of capital expenditures for the ensuing year	December 15
Certificate of Board of Finance to Planning Board of amount and nature of capital Expenditures for subsequent year	January 15
Public hearing by Planning Board	February 10
Capital Budget from Planning Board to Mayor	March 1
Board of Education submits its budget to the Board of Finance	March 8
Mayor's Operating and Capital Budget to Board of Finance	March 8
Joint Public Hearing before Board of Finance and Board of Representatives	April 8
Budget to Board of Representatives from Board of Finance	April 20
Budget adopted by Board of Representatives	May 15
Board of Finance establishes the mill rate	May 25

Taxable Grand List (\$ in thousands)

Grand List <u>10/1</u>	Residential Real Property <u>Percent</u>	Commercial and Industrial Real Property <u>Percent</u>	Other <u>Percent</u>	Personal Property <u>Percent</u>	Motor Vehicle <u>Percent</u>	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	Percent Change
2006 ¹	65.47%	26.44%	0.49%	3.82%	3.78%	\$21,140,978	\$142,634	\$20,998,344	87.5%
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 ¹	56.08	30.69	0.50	6.30	6.43	10,809,830	147,114	10,662,716	21.1
1998	55.67	26.84	0.51	10.11	6.87	8,920,335	116,738	8,803,597	-

¹ Revaluation.

Tax Collections

<u>Fiscal Year Ended 6/30</u>	<u>Net Taxable Grand List (000s)</u>	<u>Adjusted Annual Levy</u>	<u>Percent of Annual Levy Collected at End of Fiscal Year</u>	<u>Percent of Annual Levy Uncollected at End of Fiscal Year</u>	<u>Percent of Annual Levy Uncollected as of 4/30/07</u>
2007	\$11,197,766	\$338,372,416	In collection		2.4
2006	11,036,517	323,570,472	98.5	1.5	0.1
2005	10,892,248	313,394,228	98.6	1.4	0.1
2004	10,906,185	311,521,759	98.5	1.5	-
2003	10,831,038	282,412,137	98.5	1.5	-
2002	10,797,834	262,957,476	98.3	1.7	-
2001	10,662,716	255,724,838	97.8	2.2	-
2000	8,804,639	246,349,872	97.4	2.6	-

Property Taxes Receivable

<u>Fiscal Year Ended June 30</u>	<u>Current Year (000s)</u>	<u>Total (000s)</u>
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
2000	4,827	15,952

Major Taxpayers

<u>Name</u>	<u>Business</u>	<u>Taxable Valuation As of 10/1/06</u>	<u>Percent of Net Taxable Grand List</u>
Avalon Bay Communities	Office equipment	\$ 157,989,370	1.43
EOP-Stamford Atlantic Forum, LLC	Office buildings	153,459,340	1.39
Swiss Bank Corp./UBS AG Stamford	Banking/finance	111,830,810	1.01
HPHV Dirext LLC	Office buildings/retail	109,745,700	0.99
Rich-Taubman Associates	Office buildings/retail	106,496,990	0.96
Reckson Operating Partnership/Reckson Associates	Office buildings	94,848,800	0.86
First Stamford Place Company	Office building	94,355,270	0.86
Stamford Associates	Office buildings	86,989,020	0.79
General Electric Capital Corporation	Consumer finance	76,679,310	0.69
Town Grove LLC	Beauty products	76,280,040	0.69
Four Hundred Atlantic Title, LLC	Office building	70,984,650	0.64
UB Stamford LP	Office/retail	69,708,020	0.63
Soundview Farms LLC	Office building	66,434,950	0.60
AG-GCS HIGH RIDGE LLC	Office buildings	64,210,570	0.58
Pitney Bowes	Office buildings	62,776,930	0.57
Harbor Park Associates	Office buildings	55,890,890	0.51
Reckson/Stamford Towers, LLC	Office buildings	53,101,100	0.48
One Station Place LTD Partnership	Office buildings	38,841,150	0.35
Procter & Gamble Hair Care, LLC	Office building	36,257,370	0.33
Connecticut Light & Power	Utility	<u>22,615,230</u>	<u>0.21</u>
Total		<u>\$1,609,495,510</u>	<u>14.57</u>

Net Taxable Grand List for 10/1/06: \$20,998,344,089.

Property Tax

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

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the building inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of revaluation (Grand List of 1999). The property depreciation and obsolescence factors are also considered when arriving at an equitable value. The City last completed a revaluation on the October 1, 1999 grand list. The revaluation which had been mandated under State law for October 1, 2003 was postponed until October 1, 2006 in accordance with legislation passed during the 2004 session of the Connecticut General Assembly.

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

All personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually with manufacturers and businesses completing and returning to the Assessor's Office standard worksheets for computing value. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at 70 percent of present market value.

The City projects to derive 87.17% of its annual revenues for fiscal year 2006-07 through property taxes. For fiscal year 2005-06 the City collected 83.93% of its annual revenues from property taxes, and expects that a similar proportion of its total revenue will be generated from property taxes in the future.

Tax Districts

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

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

District B: Basic services plus paid fire protection.

District C: Basic services plus volunteer fire protection.

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

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

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

In September 1999 the City of Stamford, pursuant to State law and local ordinance, adopted a uniform, State-recommended depreciation schedule for business and personal property. As a result of this new depreciation schedule, which allows businesses to depreciate electronic data processing equipment much faster than had been previously permitted, Stamford businesses enjoyed a reduction in their assessments and corresponding taxes for electronic personal property, most notably computer equipment. In order to partially mitigate the

impact of this reduction in personal property taxes, the City established a Personal Property Tax District. For fiscal year 2006–07 the Personal Property Tax District mill rate was 30.68 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, 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	-
October 1, 1996	1997–98	28.10	27.30	25.60	26.40	30.30	-
October 1, 1995 ¹	1996–97	29.10	27.70	25.80	27.30	31.20	-

¹The final year of a three-year phase-in of revaluation.

Revenues

The City derives its revenues from a direct tax levy on property, State and federal aid, various fees and charges, and certain miscellaneous sources. City revenues are summarized for fiscal years ended 2002–06 in “General Fund Revenue and Expenditures” herein. The prior year’s appropriated surplus is also available to support current operating expenditures.

Intergovernmental Revenues as a Percent of General Fund Revenues

<u>Fiscal Year Ended June 30</u>	<u>Intergovernmental Revenues</u>	<u>General Fund Revenues</u>	<u>Aid as a Percentage of General Fund Revenues</u>
2007 (unaudited)	\$22,735,655	\$401,661,521	5.66%
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
1997	21,406,212	298,760,652	7.17

Real Property Tax Collection Procedure

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

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

Public Act No. 82-141, effective July 1, 1982, changed the interest rate to 1.5% per month for all delinquent property taxes.

Real Property Tax Levies

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

Capital Improvement Plan

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
<i>Proposed Expenditures</i>						
Office of the Mayor	\$ 900,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Office of Administration	50,000	-	-	-	-	-
Office of Operations	28,210,422	29,714,336	36,778,000	29,474,500	12,923,000	11,889,000
Water Pollution Control						
Authority	4,200,000	3,460,000	800,000	800,000	800,000	800,000
Office of Public Safety,						
Health & Welfare	13,070,000	3,090,902	1,325,000	3,175,000	3,645,000	310,000
Scofield Manor	50,000	50,000	60,000	-	-	-
Ferguson Library/Stamford						
Museum/Historical						
Society	2,175,000	1,994,800	1,568,000	325,000	1,260,000	3,110,000
Board of Education	40,230,000	15,534,000	11,950,000	11,000,000	22,400,000	17,450,000
Parking Fund	500,000	550,000	630,000	420,000	675,000	475,000
Smith House Fund	253,000	250,000	-	-	100,000	-
Marina Fund	<u>2,200,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total Expenditures	\$91,838,422	\$55,694,038	\$54,161,000	\$46,244,500	\$42,853,000	\$35,084,000
<i>Funding Sources</i>						
General Obligation Bonds						
and Notes.....	\$62,525,317	\$48,213,038	\$49,531,800	\$43,244,500	\$39,133,000	\$31,776,000
Grants	38,944,105	8,905,000	3,149,200	1,730,000	2,095,000	1,983,000
Out-Year Borrowing ¹	(16,784,000)	(5,734,000)	-	-	-	-
WPCA Revenue Bonds	4,200,000	3,460,000	800,000	800,000	800,000	800,000
Charges and assessments	<u>2,953,000</u>	<u>850,000</u>	<u>680,000</u>	<u>470,000</u>	<u>825,000</u>	<u>525,000</u>
Total Funding Sources.....	\$91,838,422	\$55,694,038	\$54,161,000	\$46,244,500	\$42,853,000	\$35,084,000

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

Comparative Balance Sheets – General Fund

	Projected 6/30/07	Audited 6/30/06	Audited 6/30/05	Audited 6/30/04	Audited 6/30/03
Assets					
Cash and cash equivalents	\$ 2,200,000	\$ 1,412,028	\$18,509,223	\$10,104,719	\$16,055,638
Property taxes and sewer assessments	15,710,000	16,996,106	11,342,632	10,914,891	9,537,944
Intergovernmental	7,600,000	8,946,041	755,087	-	-
Other receivables	1,000,000	1,010,848	101,035	955,482	2,806,422
Due from other funds	5,200,000	4,415,552	13,387,371	6,496,288	2,781,910
Advances to other funds	7,000,000	5,500,000	-	-	-
Investments	20,030,000	19,019,245	17,911,899	20,077,999	14,160,661
Other assets	<u>273,661</u>	<u>273,661</u>	<u>12,924</u>	<u>-</u>	<u>88,145</u>
Total assets	\$59,013,661	\$59,878,876	\$62,720,171	\$48,549,379	\$45,430,720
Liabilities and fund balance					
Liabilities					
Accounts payable	\$ 9,400,000	\$ 9,171,634	\$ 9,451,098	\$11,888,598	\$12,595,215
Accrued wages	1,200,000	1,237,167	1,624,399	2,079,499	884,384
Deferred revenues	30,000,000	30,161,869	30,039,684	17,321,348	24,712,885
Due to other funds	<u>63,300</u>	<u>63,300</u>	<u>63,300</u>	<u>-</u>	<u>-</u>
Total liabilities	40,663,300	40,633,970	41,178,481	31,289,445	38,192,484
Fund balance					
Reserved:					
For encumbrances	5,500,000	5,555,791	6,839,773	5,702,645	3,304,375
For inventory	-	-	-	-	-
For debt service	-	-	-	531,032	239,509
For long-term advances	<u>7,000,000</u>	<u>5,500,000</u>	<u>5,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>
Total reserved fund balance	12,500,000	11,055,791	11,839,773	5,434,977	4,543,884
Unreserved:					
Designated for future contracts ..	1,750,000	1,420,417	1,144,607	841,505	-
Undesignated ¹	<u>4,100,361</u>	<u>6,768,698</u>	<u>8,557,310</u>	<u>8,184,752</u>	<u>2,694,352</u>
Total unreserved fund balance	5,850,361	8,189,115	9,701,917	8,184,752	2,694,352
Total fund balance	<u>18,350,361</u>	<u>19,244,906</u>	<u>21,541,690</u>	<u>17,259,934</u>	<u>7,238,236</u>
Total liabilities and fund balance	\$59,013,661	\$59,878,876	\$62,720,171	\$48,549,379	\$45,430,720
Operating revenues	\$390,273,459	\$389,612,700	\$367,435,215	\$361,647,956	\$330,045,168
Fund balance as percent of operating revenues	4.70%	4.94%	5.86%	4.77%	2.19%
Unreserved fund balance as percent of operating revenues ¹ ...	1.50%	2.10%	2.64%	2.26%	0.82%

¹City 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, 2003 through 2006 have been derived from audited financial statements and are based on a GAAP basis of accounting. The adopted budget for 2007-08 and projected results of operations for 2006-07 are provided by the City and are based on the budgetary basis of accounting. The City's independent accountants have not examined, reviewed or compiled any of the estimates presented below or expressed any conclusion or provided any other form of assurance with respect to such estimates, and accordingly, assume no responsibility for them. The financial information presented herein is the responsibility of the City of Stamford's management.

	<u>Budget</u> <u>2007-08¹</u>	<u>Projected</u> <u>2006-07¹</u>	<u>2005-06²</u>	<u>2004-05²</u>	<u>2003-04²</u>	<u>2002-03²</u>
Revenues						
General property taxes	\$350,117,761	\$340,194,815	\$326,984,784	\$316,502,650	\$312,461,970	\$284,240,611
Intergovernmental	22,735,655	18,574,154	38,510,261	28,609,083	27,509,205	19,926,170
Charges for services	19,835,364	21,560,513	17,945,315	16,505,076	19,855,343	16,983,903
Interest and dividends	5,000,000	5,099,029	4,648,346	2,732,261	1,082,948	1,899,235
Other	<u>3,972,741</u>	<u>4,844,948</u>	<u>1,523,994</u>	<u>3,086,145</u>	<u>738,490</u>	<u>6,995,249</u>
Total revenues	401,661,521	390,273,459	389,612,700	367,435,215	361,647,956	330,045,168
Expenditures						
Government and community services	14,731,201	14,977,019	12,826,128	12,786,011	12,108,515	12,153,098
Administration.....	7,258,275	9,445,857	7,326,822	6,468,216	6,304,502	6,171,420
Legal affairs	4,180,156	4,061,795	3,874,702	3,392,294	4,511,351	3,424,589
Public health, safety & welfare ..	88,399,479	87,305,163	87,249,157	83,717,634	80,686,633	71,986,812
Operations	40,709,861	39,776,350	38,753,021	37,834,602	38,322,013	37,097,967
Board of Education	208,832,549	203,056,768	207,702,919	189,674,272	178,171,950	170,537,634
Debt service ³	-	-	-	-	-	-
Total expenditures.....	<u>364,111,521</u>	<u>358,622,952</u>	<u>357,732,749</u>	<u>333,873,029</u>	<u>320,104,964</u>	<u>301,371,520</u>
Excess of revenues over expenditures.....	37,550,000	31,650,507	31,879,951	33,562,186	41,542,992	28,673,648
Other financing sources (uses):						
Operating transfers in	-	-	3,051,980	2,587,666	745,658	1,653,684
Operating transfers out	(37,550,000)	(34,000,000)	(37,228,715)	(31,868,096)	(32,266,952)	(28,291,396)
Applied surplus	<u>-</u>	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	(37,550,000)	(31,500,000)	(34,176,735)	(29,280,430)	(31,521,294)	(26,637,712)
Excess (deficiency) of revenues and other financing sources (uses)over (under) expenditures and other financing uses	-	150,507	(2,296,784)	4,281,756	10,021,698	2,035,936
Fund balance, July 1		<u>19,244,906</u>	<u>21,541,690</u>	<u>17,259,934</u>	<u>7,238,236</u>	<u>5,202,300</u>
Fund balance, June 30		\$19,395,413	\$19,244,906	\$21,541,690	\$17,259,934	\$ 7,238,236

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

² GAAP basis of accounting.

³ 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>
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)
1998	361,008,000	316,065,000	114	(44,943,000)
1997	323,970,000	294,815,000	110	(29,155,000)

Based on the valuation completed by Buck Consultants.

Self-Insurance Program

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

In response to changing market conditions, the City periodically evaluates its risk management program, including its self-insured retention levels. Currently, the City carries a \$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, and \$1,000,000 for workers' compensation claims. The City purchases commercial insurance for claims in excess of these retentions. All claim expenses, insurance premiums, and administrative expenses for risk management are reported in a separate Risk Management Internal Service fund.

It is also the City's policy to self-insure its employee health insurance programs with an individual stop loss currently set at \$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 general fund.

Investment Policies and Practices

The City Charter and Connecticut General Statutes Sections 7-400, as amended by Public Act 94-190, 7-401 and 7-402 govern the investments the City is permitted to acquire. Generally, the City may invest in certificates of deposit, repurchase agreements, municipal bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, The Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, certain mutual funds and money market mutual funds.

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

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

Other Post-Employment Benefits

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 2006, the total amount paid by the City for retiree medical claims and medical and life insurance premiums was approximately \$3,691,000 and covered approximately 1,200 individuals. The City funds these costs on a pay-as-you-go basis.

The City's initial actuarial valuation was completed as of July 1, 2006 and presented to the City on April 30, 2007. The City's Board of Finance is expected to review the report and begin developing a long-term plan to address Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions," which establishes new accounting and reporting practices.

The valuation was prepared based on actuarial assumptions that reflect the City's best estimate of future program experience including an 8.0% discount rate if the plan is funded, and a 6.0% discount rate if the plan is not funded.

Based upon the valuation by the actuary, assuming pre-funding, the City's accrued liability is \$127,057,000. Assuming no pre-funding the accrued liability would total \$164,042,000. This liability information excludes the Board of Education employees, which based on preliminary data indicate an additional liability of approximately \$34 to \$40 million. The valuation determined that for the fiscal year ending June 30, 2007 the actuarial required contribution would be \$12,734,484, assuming a 30-year amortization of the unfunded liability. The City has not yet committed to a specific contribution amount for fiscal year 2007-08.

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 Notes 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 notices of material events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed in substantially the form attached as Appendix C to this Official Statement.

The City has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). To date the City has not failed to meet any of its undertakings under such agreements.

Documents to Be Furnished at Closing

Upon delivery of the Notes, the original purchasers 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 Notes 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 bids were accepted on the Notes, the descriptions and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Notes.
4. The approving opinion of Robinson & Cole LLP, Bond Counsel.
5. An executed Continuing Disclosure Agreement substantially in the form attached hereto as Appendix C.
6. No later than seven business days after the bid opening, the City will furnish the winning bidder(s) of the Notes 15 copies of the final Official Statement as prepared by the City. Additional copies may be obtained by the winning bidder(s) at their own expense by arrangement with the printer. The copies of the final Official Statement will be made available to the winning bidder(s) at the office of the City's financial advisor and will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name(s) of the winning bidder(s), and the name of the insurer, if any, of the Notes.

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 May 24, 2007