

FIFTEEN ROPE FERRY ROAD



WATERFORD, CT 06385-2886

BOARD OF FINANCE  
AGENDA

RECEIVED FOR RECORD  
WATERFORD, CT  
16 JUN - 1 PM 2:44  
TOWN CLERK  
*ITP [Signature]*

Waterford Town Hall Auditorium  
Regular Meeting

Wednesday, June 8, 2016  
7:00 pm

1. Establishment of a quorum and call to order
2. Public Comment
3. Approval and acceptance of minutes of:  
Regular Meeting on May 18, 2016 with correction to typographical error on page 3, Item 10 – correct Building Department Line Item from #10118-55060 to #10118-54060.
4. Review status of FY16 Approved Capital Projects per the Capital Project Review Policy
5. Discussion of recently completed budget process and recommendations for FY18 budget process and guidelines.
6. Consider and act upon a request from the Board of Selectmen on behalf of Wayne Fraser, Municipal Facility Maintenance Coordinator, for an appropriation in the amount of \$13,300 from Capital and Non-Recurring Designated Line Item #20501-57780 HVAC System Town Hall/YSB, based upon its consistency with the Capital Improvement Plan, and contingent upon approval of the Board of Selectmen at their June 7, 2016 meeting and forward to the Representative Town Meeting as required.
7. Old Business
  - a) Informational Presentation of the Municipal Complex Project  
\*05/31/16 Email from Neftali Soto: The Municipal Complex Building Committee is not yet ready to make a presentation to the Board of Finance. The plans are under revision by the consultants.
8. New Business
9. Liaison Reports

10. Correspondence
  - a) 05/19/16 Copy of Letter to Tax Collector – FY2017 Mill Rate
  - b) Copies of Amended & Adopted Board of Finance Policies (3)
  - c) 5/23/16 Accountant Report: Status of Contingency FY2016
  - d) 5/23/16 Accountant Report: Status of General Fund Unassigned Balance
  - e) 5/27/16 Emails from Director of Finance: Moody's Article on CT Municipalities, CT Downgrade Reports
  
11. Adjournment

  
Ronald Fedor   
Chairman

Board of Finance  
Regular Meeting Minutes

Wednesday, May 18, 2016  
Town Hall Auditorium

Present: Chairman Ronald Fedor, John W, Sheehan, Cheryl Larder, Norman Glidden,  
Anthony Jessuck Jr., Jim Reid, Elizabeth Sabilia

Elected: Daniel M. Steward, First Selectman

RTM: Thomas Dembek, Moderator

Staff: Maryanna Stevens, Director of Finance  
Gail Miller, Secretary  
Bruce Miller, Fire Services Director  
David Campo, Town Clerk  
Abby Piersall, Planning Director  
Alan Wilensky, Tax Collector  
Wayne Fraser, Municipal Facility Maintenance Coordinator

RECEIVED FOR RECORD  
TOWN CLERK  
16 MAY 19 AM 11:06  
TOWN CLERK

1. Establishment of a quorum and call to order  
A quorum was established and the Regular Meeting was called to order at 7:02 p.m.
2. Public Comment – None
3. Approval and acceptance of minutes of:  
Regular Meeting on April 13, 2016

**Motion** by Ms. Larder and **seconded** by Mr. Jessuck to approve the minutes as presented.

**Vote: Unanimous                      Motion passed.**

4. Consider and act upon a request from the Board of Selectmen on behalf of Bruce Miller, Fire Services Director, for an appropriation in the amount of \$7,000 from Capital and Non-Recurring Designated Line Item #20523-57760 Cohanzie Windows and Door Replacement, for replacement of an interior door and the addition of two card reader points to the existing access control throughout the Cohanzie Fire Station, based upon its consistency with the Capital Improvement Plan, and forward to the Representative Town Meeting as required.

**Motion** by Ms. Larder and **seconded** by Mr. Reid to approve the request as stated and forward to the RTM as required.

**Vote: 6 – 1 (No: Fedor)                      Motion Passed.**



8. Consider and act upon a request from the Board of Selectmen on behalf of Daniel M. Steward, **First Selectman**, to approve the following additional appropriation in FY16, contingent upon approval of the Board of Selectmen at their May 17, 2016 meeting:

To: Line Item # 10101-52030 Professional Fees \$22,000

Based on the approval of the Board of Selectmen, at their meeting held on Tuesday, May 17, 2016, **Motion** by Mr. Sheehan and **seconded** by Mr. Jessuck to approve the additional appropriation from 10121-59010 Contingency to 10101-52030 Professional Fees in the amount of \$22,000.

**Vote: Unanimous Motion Passed.**

9. Consider and act upon a request from the Board of Selectmen on behalf of David Campo, **Town Clerk**, to approve the following additional appropriation in FY16, contingent upon approval of the Board of Selectmen at their May 17, 2016 meeting:

To: Line Item # 10109-53280 Election Materials \$ 679

Based on the approval of the Board of Selectmen, at their meeting held on Tuesday, May 17, 2016, **Motion** by Mr. Jessuck and **seconded** by Mr. Sheehan to approve the additional appropriation from 10121-59010 Contingency to 10109-53280 Election Materials in the amount of \$679.

**Vote: Unanimous Motion Passed.**

10. Consider and act upon a request from the Board of Selectmen on behalf of Abby Piersall, Planning Director, to approve the following Out of Series Transfers from the **Building Maintenance** Budget to the Building Department and Planning & Zoning Budgets in FY16, contingent upon approval of the Board of Selectmen at their May 17, 2016 meeting:

From: Building Maintenance Line Item # 10111-52100 Electricity \$ 5,214

To: Building Department Line Item # 10118-55060 Office Equipment \$3,028  
Planning & Zoning Line Item #10110-54060 Office Equipment \$2,186

Based on the approval of the Board of Selectmen, at their meeting held on Tuesday, May 17, 2016, **Motion** by Mr. Sheehan and **seconded** by Ms. Larder to approve the Out of Series Transfer as stated.

**Vote: Unanimous Motion Passed.**



15. Old Business

a) Informational Presentation of the Municipal Complex Project

\*Based on a meeting of the Municipal Complex Building Committee, held on March 22, 2016, a presentation will not be ready until, at least, June 2016.

16. New Business - None

17. Liaison Reports

Ms. Larder reported on the following:

WUC: DPW has plans to reclaim/resurface Fog Plain Road, the Utility Commission plans to replace plastic water lines while the road is open for repair. WUC has funds available in 33196-55300 Water Main Extensions.

IT: Department Heads are currently reviewing the IT needs of their departments.

PRB: Reviewed 4 job descriptions brought forth by Senior Services, Recreation & Parks and Youth Services addressing the Contractor versus Employee issue. Ms. Larder was happy to report that progress is being made on this issue.

18. Correspondence

a) 04/12/16 Letter to the RTM from the Municipal Historian

b) Letters from Department Heads Re: FY16 Anticipated Budget Overages

c) 05/05/16 Letter from Alan Wilensky, Tax Collector Re: Tax Sale Procedure

d) 05/09/16 Periodic Financial Statements through 04/30/16 - Town Accountant

e) CCM Legislative Alert: \$60Million in Grants for Municipal Projects for FY16 at Risk (emailed to BOF Members on 04/26/16)

f) CCM Legislative Alert: State Budget Update (Steep Cuts in Municipal Aid) (emailed to BOF Members on 05/03/16)

g) CCM Adopted FY17 State Budget Impact on: Waterford (emailed to BOF members on 05/04/16)

h) Board of Education – Agenda for 04/28/16

i) Project Updates Report from Wayne Fraser

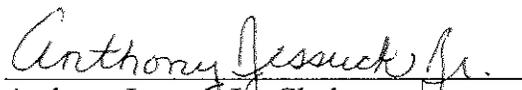
19. Adjournment

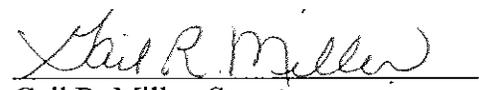
**Motion** by Mr. Sheehan and **seconded** by Mr. Reid to adjourn the Regular Meeting of the Board of Finance at 8:24 p.m.

**Vote: Unanimous**

**Motion passed.**

Respectfully submitted,

  
Anthony Jessuck Jr., Clerk

  
Gail R. Miller, Secretary

4.

**TOWN OF WATERFORD  
CAPITAL PROJECTS REVIEW - FY 2016  
SUMMARY**

DEPARTMENT	COMMITTED AMOUNTS	UNCOMMITTED AMOUNTS TO KEEP OPEN	TOTAL TO KEEP OPEN	AMOUNT RETURNED TO G/F BALANCE
<b>CURRENT YEAR CAPITAL APPROPRIATIONS:</b>				
BOARD OF SELECTMEN	\$0.00	\$55,000.00	\$55,000.00	\$0.00
INFORMATION TECHNOLOGY COMMITTEE	\$241,817.94	\$14,413.03	\$256,230.97	\$1,928.00
UTILITY COMMISSION	\$7,500.00	\$132,997.75	\$140,497.75	\$0.00
<b>TOTAL CURRENT YEAR CAPITAL &amp; BALANCE RETURNS</b>	<b>\$249,317.94</b>	<b>\$202,410.78</b>	<b>\$451,728.72</b>	<b>\$1,928.00</b>
<b>CAPITAL NON-RECURRING APPROPRIATED</b>				
ASSESSOR	\$0.00	\$71.21	\$71.21	\$0.00
BOARD OF SELECTMEN	\$0.00	\$11,467.21	\$11,467.21	\$0.00
EMERGENCY MANAGEMENT	\$239,854.40	\$0.00	\$239,854.40	\$300.00
INFORMATION TECHNOLOGY COMMITTEE	\$0.00	\$397,333.82	\$397,333.82	\$0.00
FIRE SERVICES	\$65,164.45	\$3,880.46	\$69,044.91	\$5.09
PLANNING	\$142,847.03	\$718,752.70	\$861,599.73	\$0.00
PUBLIC WORKS DEPARTMENT	\$268,178.78	\$581,082.05	\$849,260.83	\$569,445.46
RECREATION AND PARKS COMMISSION	\$12,000.00	\$16,813.00	\$28,813.00	\$0.00
UTILITY COMMISSION	\$690,736.65	\$86,499.46	\$777,236.11	\$0.00
<b>TOTAL CNR - APPROPRIATED</b>	<b>\$1,418,781.31</b>	<b>\$1,515,899.91</b>	<b>\$3,234,681.22</b>	<b>\$569,750.55</b>
<b>CAPITAL NON-RECURRING DESIGNATED:</b>				
ASSESSOR	\$332,000.00	\$332,000.00	\$0.00	
FINANCE	\$50,000.00	\$0.00	\$50,000.00	
FIRE SERVICES	\$230,950.00	\$229,000.00	\$1,950.00	
PLANNING	\$822,094.00	\$822,094.00	\$0.00	
PUBLIC WORKS DEPARTMENT	\$2,873,683.00	\$2,873,683.00	\$0.00	
RECREATION AND PARKS COMMISSION	\$253,687.00	\$253,687.00	\$0.00	
UTILITY COMMISSION	\$683,303.00	\$683,303.00	\$0.00	
FLOOD & EROSION BOARD	\$37,500.00	\$37,500.00	\$0.00	
<b>TOTAL DESIGNATED PROJECTS &amp; BALANCE RETURNS:</b>	<b>\$5,283,217.00</b>	<b>\$5,231,267.00</b>	<b>\$51,950.00</b>	

4.

**TOWN OF WATERFORD  
CAPITAL PROJECTS REVIEW - FY 2016  
ACTIVITY AS OF APRIL 30, 2016**

**CURRENT YEAR CAPITAL**

LINE ITEM	DESCRIPTION	YEAR	AMOUNT APPROPRIATED	EXPENDED	ENCUMBERED	AVAIL BALANCE	STATUS/DATE OF COMPLETION (ACTUAL/EST)	ESTIMATED PROJECT BALANCE/ (DEFICIT)	AMT TO RETURN TO FUND BALANCE	JUSTIFICATION TO KEEP OPEN
<b>BOARD OF SELECTMEN</b>										
30115-55790	ANIMAL CONTROL SHELTER A/E	FY15	55,000.00	0.00	0.00	55,000.00	UNKNOWN	0.00	0.00	FUNDING NEEDED FOR DESIGN WORK
<b>IT COMMITTEE</b>										
30714-55787	FLEET MANAGEMENT SOFTWARE	FY14	24,235.00	22,307.00	0.00	1,928.00	JANUARY 2015	0.00	1,928.00	PROJECT COMPLETE
30715-55791	WEBSITE UPGRADE	FY15	12,000.00	12,000.00	0.00	0.00	JUNE 2015	0.00	0.00	PROJECT COMPLETE
<b>FINANCE IT</b>										
30716-55793	FINANCE SOFTWARE	FY16	170,000.00	60,526.28	96,451.72	13,022.00	APRIL 2017	0.00	0.00	SEE MEMO
<b>POLICE IT</b>										
30716-55794	FIELD BASED REPORTING	FY16	80,000.00	6,434.00	73,566.00	0.00	LATE FALL	0.00	0.00	IN PROGRESS
30716-55795	INFORM CAD UPGRADE	FY16	145,151.00	71,959.75	71,800.22	1,391.03	LATE 2016/ EARLY 2017	0.00	0.00	IN PROGRESS
<b>TOTAL IT</b>			<b>431,386.00</b>	<b>173,227.03</b>	<b>241,817.94</b>	<b>16,341.03</b>		<b>0.00</b>	<b>1,928.00</b>	
<b>UTILITY COMMISSION</b>										
33195-55301	INDUSTRIAL DR & DAYTON PL WATER PS	FY14	12,000.00	1,491.73		10,508.27				
33196-55300	WATER MAIN EXT	FY96	222,000.00	117,010.52		104,989.48				
33197-55304	WATER DISTRIBUTION SYSTEM MODEL	FY97	104,409.47	79,409.47	7,500.00	17,500.00				
<b>TOTAL UTILITY</b>			<b>338,409.47</b>	<b>197,911.72</b>	<b>7,500.00</b>	<b>132,997.75</b>			<b>0.00</b>	
<b>TOTALS</b>			<b>824,795.47</b>	<b>371,138.75</b>	<b>249,317.94</b>	<b>204,338.78</b>		<b>0.00</b>	<b>1,928.00</b>	

TOWN OF WATERFORD  
CAPITAL PROJECTS REVIEW - FY 2016  
ACTIVITY AS OF APRIL 30, 2016

**CAPITAL NON-RECURRING - APPROPRIATED**

LINE ITEM	ACCOUNT DESCRIPTION	DATE OF APPROV	REVISED APPROV	AMOUNT EXPENDED	ENCUMBERED	AVAIL BALANCE	STATUS/DATE OF COMPLETION (ACTUAL/EST)	EST PROJECT BALANCE/(DEFICIT)	AMT TO RETURN TO FUND BALANCE	JUSTIFICATION TO KEEP OPEN
<b>ASSESSOR</b>										
20501-57639	REVALUATION	VARIOUS	729,000.00	728,928.79	0.00	71.21	ONGOING	0.00	0.00	ON-GOING FUNDING FOR STATE MANDATED REVALUATION
<b>BOARD OF SELECTMEN</b>										
20501-57409	61 & 73 MINER LANE	FEBRUARY 2008	921,916.33	918,916.33	0.00	3,000.00	UNKNOWN	UNKNOWN	UNKNOWN	HISTORIC BARN ON PROPERTY THAT MAY NEED REPAIRS
20501-57774	PURCHASE OF 299 GREAT NECK ROAD	OCTOBER 2014	200,000.00	191,532.79	0.00	8,467.21	SEE EMAIL FROM FIRST SELECTMAN			
<b>TOTAL - BOS</b>			<b>1,121,916.33</b>	<b>1,110,449.12</b>	<b>0.00</b>	<b>11,467.21</b>		<b>525,654.00</b>	<b>0.00</b>	
<b>EMERGENCY MANAGEMENT</b>										
20522-57407	800 MHZ TRUNKED RADIO SYSTEM	AUGUST 2007	6,487,857.00	6,487,857.00	0.00	0.00	COMPLETE DECEMBER 2015	0.00	0.00	
20522-57747	UPS SYSTEM FOR COMMUNICATIONS CENTER	JUNE 2014	16,000.00	16,000.00		0.00	COMPLETE DECEMBER 2015	0.00	0.00	
20522-57789	NEW RADIO CONSOLE @ WTFD EMERGENCY CENTER	MARCH 2015	710,440.00	470,285.60	239,854.40	300.00	COMPLETE MAY 2016	300.00	300.00	PROJECT WAS SUCCESSFULLY COMPLETED AND FINAL PAYMENT ISSUED IN MAY
<b>TOTAL EMERGENCY MGMT</b>			<b>7,214,297.00</b>	<b>6,974,142.60</b>	<b>239,854.40</b>	<b>300.00</b>		<b>300.00</b>	<b>300.00</b>	
<b>FINANCE</b>										
20507-57771	NEW TOWN-WIDE TELEPHONE SYSTEM	APRIL 2014	350,000.00	318,666.18		31,333.82	FALL 2016/ WINTER 2016	(12,700.00)	0.00	SEE MEMO
20507-57776	FIBER INSTALLATION	FEBRUARY 2016	366,000.00	0.00	0.00	366,000.00	FALL 2016	0.00	0.00	SEE MEMO
<b>TOTAL - FINANCE/IT</b>			<b>716,000.00</b>	<b>318,666.18</b>	<b>0.00</b>	<b>397,333.82</b>		<b>(12,700.00)</b>	<b>0.00</b>	
<b>FIRE</b>										
20523-57733	OSWEGATCHIE FIRE BUILDING IMPROVEMENTS	AUGUST 2013	20,000.00	17,500.00		2,500.00	UNKNOWN			SEE MEMO
20523-57748	EXTERIOR DOOR - JORDAN	APRIL 2015	35,500.00	0.00	34,408.14	1,091.86	SUMMER 2016	UNKNOWN	0.00	SEE MEMO
20523-57760	COHANZIE FIRE WINDOW & DOOR REPLACEMENT	APRIL 2015	18,000.00	0.00	17,711.40	288.60	SUMMER 2016	UNKNOWN	0.00	SEE MEMO
20523-57779	COHANZIE RESCUE TRUCK EQUIPMENT	APRIL 2015	13,050.00	0.00	13,044.91	5.09	JUNE 2016	5.09	5.09	
<b>TOTAL - FIRE</b>			<b>86,550.00</b>	<b>17,500.00</b>	<b>65,164.45</b>	<b>3,885.55</b>		<b>5.09</b>	<b>5.09</b>	

TOWN OF WATERFORD  
CAPITAL PROJECTS REVIEW - FY 2016  
ACTIVITY AS OF APRIL 30, 2016

**CAPITAL NON-RECURRING - APPROPRIATED**

LINE ITEM	ACCOUNT DESCRIPTION	DATE OF APPROP	REVISED APPROP	AMOUNT EXPENDED	ENCUMBERED	AVAIL BALANCE	STATUS/DATE OF COMPLETION (ACTUAL/EST)	EST PROJECT BALANCE/ (DEFICIT)	AMT TO RETURN TO FUND BALANCE	JUSTIFICATION TO KEEP OPEN
<b>PLANNING</b>										
20501-57608	TOWN HALL/YSB WINDOWS	APRIL 2015	570,245.00	4,350.80	4,000.00	561,894.20	11/1/2016	260,000.00	0.00	SEE MEMO
20501-57609	TOWN HALL STRUCTURAL REPAIRS	APRIL 2015	93,226.00	4,225.40	0.00	89,000.60	11/1/2016	0.00	0.00	SEE MEMO
20501-57740	COHANZIE SCHOOL REMEDIATION & DEMO	APRIL 2013/JUNE 2014/	1,388,100.00	1,260,982.81	103,864.53	23,252.66	8/1/2016	2,827.00	0.00	SEE MEMO
20501-57773	TOWN HALL ENTRY IMPROVEMENTS	JUNE 2014/AUGUST 2014	150,806.55	135,380.31	9,500.00	5,926.24	9/1/2016	0.00	0.00	SEE MEMO
20519-57749	LEAD ABATEMENT/EXT. PAINTING/WINDOWS YSB	JUNE 2014/APRIL 2014	169,582.00	105,420.50	25,482.50	38,679.00	11/1/2016	0.00	0.00	SEE MEMO
<b>TOTALS - PLANNING</b>			<b>2,371,959.55</b>	<b>1,510,359.82</b>	<b>142,847.03</b>	<b>718,752.70</b>		<b>262,827.00</b>	<b>0.00</b>	
<b>PUBLIC WORKS</b>										
20530-57610	PW SALT SHED	JUNE 2015	299,700.00	288,686.75	0.00	11,013.25	COMPLETE	0.00	11,013.25	CLOSE
20530-57651	DOUGLAS LANE RECONSTRUCTION	AUGUST 2012/APRIL 2015	1,354,000.00	861,653.35	39,125.11	453,221.54	5/10/2016	0.00	453,221.54	SUBSTANTIALLY COMPLETE - HOLD ENCUMBRANCE OPEN FOR
20530-57695	MUNICIPAL COMPLEX RENOVATION	FEBRUARY 2015	125,868.00	39,128.27	41,871.73	44,868.00	ON GOING	0.00	0.00	REMAIN OPEN
20530-57696	MUNICIPAL COMPLEX CLEAN UP	APRIL 2009	284,690.19	271,711.14	0.00	12,979.05	ON GOING	0.00	0.00	REMAIN OPEN
20530-57743	JORDAN COVE ROAD BRIDGE REPLACEMENT	AUGUST 2012	246,700.00	128,313.06	118,386.94	0.00	ON GOING	0.00	0.00	REMAIN OPEN
20530-57745	ROAD RECLAMATION - DIMMOCK	AUGUST 2012	224,873.37	222,373.37	2,500.00	0.00	COMPLETE MAY 2016	0.00	0.00	HOLD OPEN - RETAINAGE
20530-57750	ROAD RECLAMATION - WILLETTS AVE	FEBRUARY 2014	424,375.51	424,375.51	0.00	0.00	COMPLETE	0.00	0.00	CLOSE
20530-57764	RECONSTRUCTION- LAMPHERE AND SHORE RDS	AUGUST 2014	224,624.00	224,624.00	0.00	0.00	COMPLETE	0.00	0.00	CLOSE
20530-57765	ROAD RECLAMATION & OVERLAY DAYTON &	AUGUST 2014	342,468.00	237,257.33		105,210.67	COMPLETE	0.00	105,210.67	CLOSE
20530-57784	ROPE FERRY RD PED	OCTOBER 2015	125,000.00		26,665.00	98,335.00	JUNE 2016	0.00	0.00	REMAIN OPEN
20530-57785	OIL MILL RD CULVERT	OCTOBER 2015	304,000.00	38,370.00	39,630.00	226,000.00	SPRING 2017	0.00	0.00	REMAIN OPEN
20530-57786	FOG PLAIN RD REHAB	OCTOBER 2015	198,900.00	0.00	0.00	198,900.00	ON GOING	0.00	0.00	REMAIN OPEN
<b>TOTAL - PUBLIC WORKS</b>			<b>4,155,199.07</b>	<b>2,736,492.78</b>	<b>268,178.78</b>	<b>1,150,527.51</b>		<b>0.00</b>	<b>569,445.46</b>	

TOWN OF WATERFORD  
CAPITAL PROJECTS REVIEW - FY 2016  
ACTIVITY AS OF APRIL 30, 2016

**CAPITAL NON-RECURRING - APPROPRIATED**

LINE ITEM	ACCOUNT DESCRIPTION	DATE OF APPROP	REVISED APPROP	AMOUNT EXPENDED	ENCUMBERED	AVAIL BALANCE	STATUS/DATE OF COMPLETION (ACTUAL/EST)	EST PROJECT BALANCE/ (DEFICIT)	AMT TO RETURN TO FUND BALANCE	JUSTIFICATION TO KEEP OPEN
<b>RECREATION AND PARKS</b>										
20516-57392	LEARY PARKING LOT	AUGUST 2005	78,000.00	73,000.00	0.00	5,000.00	FALL 2016	0.00	0.00	SEE MEMO
20537-57342	RESTROOM BLDG ADD WTFD BEACH	FY98&FY99	14,500.00	2,687.00	0.00	11,813.00	TBD	0.00	0.00	SEE MEMO
20537-57761	TOWN HALL & LEARY PARK BB COURT REPAIRS	DECEMBER 2014	12,000.00	0.00	12,000.00	0.00	MAY 2016	0.00	0.00	COMPLETE - FINAL PAYMENT MAY 29, 2016
20537-57762	WBP CAUSEWAY BRIDGE GEOTECHNICAL A&E	DECEMBER 2014	10,000.00	10,000.00		0.00	DECEMBER 2015	0.00	0.00	COMPLETE
20537-57763	CHILDREN'S PLAYGROUND PHASE III	DECEMBER 2014	11,000.00	11,000.00	0.00	0.00	JUNE 2015	0.00	0.00	COMPLETE - FINAL PAYMENT JUNE 2015
<b>TOTAL- REC AND PARKS</b>			<b>125,500.00</b>	<b>96,687.00</b>	<b>12,000.00</b>	<b>16,813.00</b>		<b>0.00</b>	<b>0.00</b>	
<b>UTILITY COMMISSION</b>										
20502-57606	HARRISON'S LANDING SEWER/RDS	AUG '09/APR '11/ JUNE '11/ FEB '12	2,404,195.87	2,312,470.72	83,218.35	8,506.80				
20531-55771	HARVEY AVENUE PUMP STATION REHAB	OCTOBER 2014	1,093,000.00	721,401.30	335,390.80	36,207.90				
20531-57722	I/I MITIGATION & CONTROL PHASE I	JUNE 2010	138,000.00	137,340.97		659.03				
20531-57758	BOLLES COURT SEWER PUMP STATION REHAB	DEC 2013/ OCTOBER 2014	571,200.00	570,792.00		408.00				
20531-57766	WASTEWATER SCADA SYSTEM	DECEMBER 2015	600,000.00	287,154.77	272,127.50	40,717.73				
<b>TOTAL - UTILITY COMMISSION</b>			<b>4,806,395.87</b>	<b>4,029,159.76</b>	<b>690,736.65</b>	<b>86,499.46</b>		<b>0.00</b>	<b>0.00</b>	
<b>TOTALS</b>			<b>21,326,817.82</b>	<b>17,522,386.05</b>	<b>1,418,781.31</b>	<b>2,385,650.46</b>		<b>776,086.09</b>	<b>569,750.55</b>	

**TOWN OF WATERFORD  
CAPITAL PROJECTS REVIEW - FY 2016  
ACTIVITY AS OF APRIL 30, 2016**

**CAPITAL NON-RECURRING - DESIGNATED**

LINE ITEM	ACCOUNT DESCRIPTION	AMOUNT DESIGNATED	EST. DATE OF APPROP	ESTIMATED PROJECT BALANCE/ (DEFICIT)	AMOUNT TO RETURN TO FUND BALANCE	JUSTIFICATION TO KEEP OPEN
<b>ASSESSOR</b>						
20501-57639	REVALUATION	332,000.00	FALL 2016	0.00	0.00	ON-GOING FUNDING FOR STATE MANDATED
<b>FINANCE</b>						
20507-57775	VIRTUAL SERVER REPLACEMENT	50,000.00	N/A	50,000.00	50,000.00	SEE MEMO
<b>FIRE SERVICES</b>						
20523-57751	ELECTRICAL UPGRADE-JORDAN	17,000.00	JUNE 6, 2016	0.00	0.00	SEE MEMO
20523-57753	BOILER REPLACEMENT-QUAKER HILL	5,000.00	JUNE 6, 2016	0.00	0.00	SEE MEMO
20523-57760	COHANZIE WINDOW/DOOR REPLACEMENT	7,000.00	JUNE 6, 2016	0.00	0.00	SEE MEMO
20523-57777	SCBA UPGRADE PROGRAM	150,000.00	JULY 2016	0.00	0.00	SEE MEMO
20523-57778	COHANZIE BUILDING RENOVATIONS	50,000.00	JUNE 6, 2016	0.00	0.00	SEE MEMO
20523-57779	COHANZIE RESCUE TRUCK EQUIP	1,950.00	COMPLETE	1,950.00	1,950.00	PROJECT COMPLETE
	<b>TOTALS</b>	<b>230,950.00</b>		<b>1,950.00</b>	<b>1,950.00</b>	
<b>PLANNING</b>						
20501-57780	HVAC SYSTEM TOWN HALL/YSB	710,444.00	06/30/17	0.00	0.00	SEE MEMO
20501-57787	NEVINS COTTAGE PAINTING - WINDOWS/DOORS	41,500.00	06/30/17	0.00	0.00	SEE MEMO
20501-57788	COMM CENTER HVAC CONTROL SEPARATION	59,650.00	11/01/16	0.00	0.00	SEE MEMO
20511-57767	NEVINS COTTAGE STRUCTURAL REPAIRS	10,500.00	12/01/16	0.00	0.00	SEE MEMO
	<b>TOTALS</b>	<b>822,094.00</b>		<b>0.00</b>	<b>0.00</b>	
<b>PUBLIC WORKS</b>						
20530-57695	MUNICIPAL COMPLEX RENOVATION	309,383.00		0.00	0.00	REMAIN OPEN
20530-57743	JORDAN COVE ROAD BRIDGE REPLACEMENT	2,564,300.00		0.00	0.00	REMAIN OPEN
	<b>TOTALS</b>	<b>2,873,683.00</b>		<b>0.00</b>	<b>0.00</b>	
<b>RECREATION &amp; PARKS</b>						
20537-57735	LEARY PARK ROAD /PARKING LOT	20,000.00	TBD	0.00	0.00	SEE MEMO
20537-57781	WATERFORD BEACH PAVILION RESTROOM	92,687.00	TBD	0.00	0.00	SEE MEMO
20537-57782	REPLACEMENT OF CAUSEWAY BATHROOM	126,300.00	TBD	0.00	0.00	SEE MEMO
20537-57783	ACCESSIBLE PATH & DRAINAGE CIVIC TRIANGLE	14,700.00	FALL 2016	0.00	0.00	SEE MEMO
	<b>TOTALS</b>	<b>253,687.00</b>		<b>0.00</b>	<b>0.00</b>	

**TOWN OF WATERFORD  
CAPITAL PROJECTS REVIEW - FY 2016  
ACTIVITY AS OF APRIL 30, 2016**

**CAPITAL NON-RECURRING - DESIGNATED**

LINE ITEM	ACCOUNT DESCRIPTION	AMOUNT DESIGNATED	EST. DATE OF APPROP	ESTIMATED PROJECT BALANCE/ (DEFICIT)	AMOUNT TO RETURN TO FUND BALANCE	JUSTIFICATION TO KEEP OPEN
<b>UTILITY COMMISSION</b>						
20531-57685	I/I MITIGATION & CONTROL	508,303.00				
20531-57711	WATER SYSTEM IMPROVEMENTS-PLEASURE	175,000.00				
	<b>TOTALS</b>	<b>683,303.00</b>		<b>0.00</b>	<b>0.00</b>	
<b>FLOOD &amp; EROSION CONTROL BOARD</b>						
20541-57328	ALEWIFE COVE DREDGING	37,500.00	FALL 2016/ SPRING 2017	0.00	0.00	SEE EMAIL
	<b>TOTALS</b>	<b>5,283,217.00</b>		<b>51,950.00</b>	<b>51,950.00</b>	

Gail Miller

Selectman

---

**From:** Maryanna Stevens  
**Sent:** Wednesday, June 01, 2016 9:32 AM  
**To:** Gail Miller  
**Subject:** FW: Capital Projects

---

**From:** Dan Steward  
**Sent:** Wednesday, June 01, 2016 9:25 AM  
**To:** Maryanna Stevens  
**Subject:** Capital Projects

Maryanna,  
Sorry for the delay on the response

Animal Control: This funding is needed for the actual design work for the shelter and should remain. We are still waiting on the State for their agreement to move forward.

61-73 Miner Lane: There is no requirement for this funding at this time. We do have an historic barn on the property that may need some repairs, but to date are unidentified.

299 Great Neck Road: This is the remainder of money to purchase Bingham Beach. The negotiations are still occurring with the State for reimbursement of some of the original money. I would ask to hold this for another year.

Please let me know if you need anything else.

Thanks, Dan

Assessor

Town of Waterford  
Office of the Assessor

To: Maryanna Stevens, Director of Finance  
Board of Finance, Town of Waterford

From: Michael Bekech, Assessor

Date: May 31, 2016

Subject: Capital Non-Recurring – Appropriated account 20501-57639

The Assessor has authority for the above noted line item for the purpose of Revaluation. This is an on-going account for which a request will be made to refund it for the 2017 Revaluation for the FYE 2017. The details of the account are as follows

Acct Number	20501-57639
Dates Appropriated	Various
Amount appropriated	\$729,000.00
Amount Expended	\$728,928.79
Encumbered	\$0.00
Available Balance	\$ 71.29
Estimated comp date	6/30/2018, for upcoming 10/1/2017 Revaluation
Amounted over for completed	\$71.29
Amount to be returned	\$0.00
Justification	On- going revaluation projects funding to be applied to 2017 Revaluation

Respectfully Submitted

*Michael A. Bekech*  
Michael A. Bekech  
Assessor

**Maryanna Stevens**

Assessor - 1

**From:** Maryanna Stevens  
**Sent:** Tuesday, May 31, 2016 11:25 AM  
**To:** Mike Bekech; Gail Miller  
**Cc:** Ginny Bielucki; Assessor  
**Subject:** RE: Capital Projects Review - Fiscal Year 2016

Hi Mike

The revaluation account is set up as an ongoing account to fund revaluation every 5 years. It does not list a specific year. It doesn't make sense to me to return \$71.39 when you're starting the next revaluation.

I think a brief explanation as to when you anticipate bidding the for the 2017 revaluation, an estimated start date and estimated cost would be more appropriate.

Thank you  
Maryanna

---

**From:** Mike Bekech  
**Sent:** Tuesday, May 31, 2016 11:13 AM  
**To:** Gail Miller  
**Cc:** Maryanna Stevens; Ginny Bielucki; Assessor  
**Subject:** RE: Capital Projects Review - Fiscal Year 2016

The Revaluation account (20501-57639) has \$71.39 left from the 2012 revaluation, that amount should be returned to fund balance

Mike Bekech

---

**From:** Gail Miller  
**Sent:** Tuesday, May 31, 2016 10:21 AM  
**To:** Bruce Miller; 'DavidWBenvenuti@gmail.com'; Abby Piersall; Dan Steward; Stephen Bellos; Mike Bekech  
**Cc:** Maryanna Stevens  
**Subject:** FW: Capital Projects Review - Fiscal Year 2016

Just a reminder the Capital Projects Review is due today. If you have not responded, please do so by the end of the day today. Please make sure you send it to Maryanna Stevens and copy Gail Miller.

Thank you,

*Gail R. Miller*  
*Finance Secretary*  
*Town of Waterford*  
*(860) 440-0562 Telephone*  
*(860) 440-0579 Fax*  
*email: [gmillers@waterfordct.org](mailto:gmillers@waterfordct.org)*

---

**From:** Maryanna Stevens  
**Sent:** Thursday, May 19, 2016 10:25 AM  
**To:** Brett Mahoney; Bruce Miller; 'Dave Benvenuti ([davidwbenvenuti@gmail.com](mailto:davidwbenvenuti@gmail.com))'; Kristin Zawacki; Abby Piersall; Dan Steward; Stephen Bellos; Mike Bekech; Brian Flaherty  
**Cc:** Gail Miller; Ginny Bielucki  
**Subject:** FW: Capital Projects Review - Fiscal Year 2016

Assessor - 2

Good morning,

Attached is a copy of the Board of Finance Capital Review Policy as amended at last night's meeting. Please review the policy and note the addition (2<sup>nd</sup> paragraph) for the next fiscal year. If a project is completed during the fiscal year; the department head will notify the Director of Finance and copy the Board of Finance; there is no need to wait for the BOF review.

I've attached a summary of Current Year Capital, Capital Non-recurring appropriated and Capital Non-recurring designated. **The activity is as of April 30, 2016.** I've provided most of the information requested by the BOF in the attachments.

Please review your projects and provide a memo with the information highlighted on the spreadsheets as well as the Line Item # and Line Name **by May 31, 2016.**

Line Number  
Project Name  
Status/Date of Completion  
Estimated Project Balance/(Deficit)  
Amount to Return to Fund Balance  
**Justification to Keep Open**

Please let me know if I've incorrectly classified one of the projects under your department or any other information that does not appear correct.

For those of you new to this, please feel free to give me a call and I can review it with you.

Thank you  
Maryanna

Maryanna Stevens, CPA  
Director of Finance  
Town of Waterford  
15 Rope Ferry Road  
Waterford, CT 06385

(860) 444-5842 Phone  
(860) 440-0579 Fax

**CAPITAL PROJECTS REVIEW – 2016**

**FINANCE OFFICE/IT**

**CURRENT YEAR CAPITAL**

**30716-55793 – Finance Software**

The anticipated live date for MUNIS is April 1, 2017. On May 23, 2016, technicians from Tyler technologies successfully loaded the software. The accountant has been working on the chart of accounts and we will begin training sometime in August.

**CAPITAL NON-RECURRING - APPROPRIATED**

**20507-57771 – Town-wide Telephone system**

Leave open - will use funds to upgrade telephone system in the EOC which was not included as part of the original telephone project. Most recent quote is approximately \$44,000. Additional funds are necessary. I plan to make the request for additional funding in July to be forwarded to the RTM in August.

**20507-57776 Fiber Installation**

The project is anticipated to be completed in the Fall of 2016. A purchase order will be issued in June for the Fiber. A bid waiver for the equipment to “light” the fiber will be on the June agenda of the BOS. If approved a purchase order will be issued for the equipment. At this time, I do not anticipate a balance.

**CAPITAL NON-RECURRING - DESIGNATED**

**20507-57775 Virtual Server Replacement**

The funds are no longer necessary. Based on the recommendation of the IT Director, a new server would be needed for FY2017. The plan was to fund the server over a 2 year period. It was determined in the Fall of 2015 that a new server was needed. LoCIP funds were approved for the purchase of the server; therefore, the funds can be returned to Fund Balance.

Fire

**FIRE SERVICES**

May 31, 2016

Mr. Ronald Fedor, Chairman  
Board of Finance  
15 Rope Ferry Road  
Waterford, CT 06385

Dear Mr. Fedor:

The Fire Service currently has several projects that were referenced in the correspondence for the Capital Project Review Policy dated May 19, 2016.

**A. Capital and Non-Recurring Fund - Appropriated**

**20523-57733 Building Improvements - Oswegatchie \$20,000.00**  
The Oswegatchie Building Committee has been reconstituted and is in the process of determining the appropriate options to pursue funding. I would request that the remaining amount of \$2,500.00 remain available until this project has been fully completed.

**20523-57748 Exterior Door Replacement – Jordan \$35,500.00**  
This project is underway and completion is expected in the 4 to 6 week time frame. I would request that the remaining amount of \$1,091.86 remain available until this project has been fully completed.

**20523-57760 Window & Door Replacement – Cohanzie \$18,000.00**  
This project is underway and completion is expected in the 4 to 6 week time frame. I would request that the remaining amount of \$288.60 remain available until this project has been fully completed.

**20523-57779 Rescue Truck Equipment – Cohanzie \$13,050.00**  
The equipment has been ordered and we are awaiting delivery and training by the conclusion of the fiscal year. The remaining amount of \$5.09 can be returned to the unassigned fund balance.

**B. Capital and Non-Recurring Fund - Designated**

**20523-57751 Electrical Upgrade – Jordan \$17,000.00**  
Funding requests for this project is up for consideration on the June 6, 2016 RTM Agenda.

**20523-57753 Boiler Replacement – Quaker Hill \$5,000.00**  
Funding requests for this project is up for consideration on the June 6, 2016 RTM Agenda.

**20523-57760 Window & Door Replacement – Cohanzie \$7,000.00**  
Funding requests for this project is up for consideration on the June 6, 2016 RTM Agenda.

*Fire Services*  
*May 31, 2016*  
*Page 2*

**20523-57777 Self-Contained Breathing Apparatus \$150,000.00**  
This project was delayed until the FY2017 CIP funding was approved so the project could move forward. Funding requests for this project will be submitted within the July 2016 time frame.

**20523-57778 Building Renovations – Cohanzie \$50,000.00**  
Funding requests for this project is up for consideration on the June 6, 2016 RTM Agenda.

**20523-57779 Rescue Truck Equipment – Cohanzie \$1,950.00**  
The remaining amount of \$1,950.00 for this project can be returned to the unassigned fund balance.

If there are any questions, please feel free to contact me.

Sincerely,

Bruce A. Miller  
Director of Fire Services

Police IT

**Gail Miller**

---

**From:** Maryanna Stevens  
**Sent:** Tuesday, May 31, 2016 10:18 AM  
**To:** Gail Miller  
**Subject:** FW: CIP

---

**From:** Brett Mahoney  
**Sent:** Wednesday, May 25, 2016 1:34 PM  
**To:** Maryanna Stevens  
**Cc:** Fedor, Ronald; Glidden, Norman; Jessuck Jr., Anthony; Cheryl Larder; Reid, James; Sabilia, Elizabeth A.; Sheehan, John W.  
**Subject:** FW: CIP

Finance Director Stevens –

Inline are the police departments two open CIP projects, both of which are IT projects.

Line Number: 30716-55794  
Project Name: Field Based  
Status/Date of Completion: P.O. signed, build date is scheduled for late fall  
Estimated Project Bal/Deficit: Zero  
Amount to Return to Fund Bal: Zero  
Justification to Keep Open: This project is progressing as expected and will come to a completion by the end of this year or beginning of next.

Line Number: 30716-55795  
Project Name: Inform CAD Upgrade  
Status/Date of Completion: Servers are being built, training will take place late June/early July. Cut over is scheduled for July 27, 2016  
Estimated Project Bal/Deficit: Zero  
Amount to Return to Fund Bal: Zero  
Justification to Keep Open: This project is progressing as expected and will come to a completion by the end of this year or beginning of next.

If you have any questions please contact me.

Regards,



Chief Brett Mahoney  
Waterford Police Department  
860-442-9451 x 2301





DEPARTMENT OF PLANNING AND DEVELOPMENT

MEMORANDUM

TO: Maryanna Stevens, Director of Finance

FROM: Abby Y. Piersall, AICP, Planning Director

DATE: May 31, 2016

TITLE: 2016 Capital Projects Review: Planning

Capital Non-Recurring- Appropriated

Line	Project	Status/Date of Completion	Est. Project Balance	Amt. to Return to Fund Balance	Justification to Keep Open
20501-57608	Town Hall/YSB Windows	11/1/16	\$260,000	\$0	This project will begin in June of 2016 and will be completed by November 1, 2016. It is anticipated that approximately \$260,000 will be returned to the fund balance. The actual amount to return to the fund balance will be determined after the actual costs for window treatments are available.
20501-57609	Town Hall Structural Repairs	11/1/16	\$0.00	\$0	This project will begin in June of 2016 and will be completed by November 1, 2016.
20501-57740	Cohanzie School Remediation and Demo	8/1/16	\$2,827.00	\$0	Work on site has been completed. The town is waiting for the final report from Tighe and Bond (consultant). Remaining funds will be returned to the fund balance upon project completion.
20501-57773	Town Hall Entry Improvements	9/1/16	\$0	\$0	Remaining entryway improvements include replacing the exterior doors

					and fixing the overhang above the entryway. This work will be completed in the Summer of 2016.
20519-57749	Lead Abatement/Exterior Painting/Windows YSB.	11/1/16	\$0	\$0	Windows and abatement are nearing completion. Exterior painting will be completed during the summer/fall.

Note: Amounts to return to fund balance will be updated upon project completion.

**Capital Non-Recurring- Designated**

Line	Project	Status/Date of Completion	Est. Project Balance	Amt. to Return to Fund Balance	Justification to Keep Open
20501-57780	HVAC System Town Hall/YSB	6/30/17	\$0	\$0	The remaining funds for this project were designated as part of the FY17 budget. The project will be completed during FY17.
20501-57787	Nevins Cottage Painting-Windows and Doors	6/30/17	\$0	\$0	It is anticipated that the future of the Nevins Cottage will be determined during FY17. This line will enable the painting project to move forward once a final use for the building is determined.
20501-57788	Comm. Center HVAC Control Separation	11/1/16	\$0	\$0	This project will be completed in the fall of 2016.
20511-57767	Nevins Cottage Structural Repairs	12/1/16	\$0	\$0	This project is intended to secure and reinforce the structure to minimize ongoing deterioration. Measures will be taken to seal the building and support the structure in the summer/fall of 2016.

CC: Gail Miller, Finance Secretary

## Gail Miller

---

**From:** Abby Piersall  
**Sent:** Tuesday, May 31, 2016 3:41 PM  
**To:** Maryanna Stevens  
**Cc:** Gail Miller; Wayne Fraser  
**Subject:** RE: Capital Projects Review - Fiscal Year 2016  
**Attachments:** 2016 Capital Projects Review.docx

Hello,

Here is the Capital Projects Review. Please let me know if you have any questions. Most of our projects will be completed over the summer/fall and we will coordinate then to return unused funds and close out projects.

Thanks,

Abby Y. Piersall, AICP  
Planning Director  
Town of Waterford  
15 Rope Ferry Road  
Waterford, CT 06385  
(860) 444-5813

---

**From:** Gail Miller  
**Sent:** Tuesday, May 31, 2016 10:21 AM  
**To:** Bruce Miller; 'DavidWBenvenuti@gmail.com'; Abby Piersall; Dan Steward; Stephen Bellos; Mike Bekech  
**Cc:** Maryanna Stevens  
**Subject:** FW: Capital Projects Review - Fiscal Year 2016

Just a reminder the Capital Projects Review is due today. If you have not responded, please do so by the end of the day today. Please make sure you send it to Maryanna Stevens and copy Gail Miller.

Thank you,

*Gail R. Miller*  
*Finance Secretary*  
*Town of Waterford*  
*(860) 440-0562 Telephone*  
*(860) 440-0579 Fax*  
*email: [gmillen@waterfordct.org](mailto:gmillen@waterfordct.org)*

---

**From:** Maryanna Stevens  
**Sent:** Thursday, May 19, 2016 10:25 AM  
**To:** Brett Mahoney; Bruce Miller; 'Dave Benvenuti ([davidwbenvenuti@gmail.com](mailto:davidwbenvenuti@gmail.com))'; Kristin Zawacki; Abby Piersall; Dan Steward; Stephen Bellos; Mike Bekech; Brian Flaherty  
**Cc:** Gail Miller; Ginny Bielucki  
**Subject:** FW: Capital Projects Review - Fiscal Year 2016

Good morning,

Attached is a copy of the Board of Finance Capital Review Policy as amended at last night's meeting. Please review the policy and note the addition (2<sup>nd</sup> paragraph) for the next fiscal year. If a project is completed during the fiscal year; the

department head will notify the Director of Finance and copy the Board of Finance; there is no need to wait for the BOF review.

I've attached a summary of Current Year Capital, Capital Non-recurring appropriated and Capital Non-recurring designated. **The activity is as of April 30, 2016.** I've provided most of the information requested by the BOF in the attachments.

Please review your projects and provide a memo with the information highlighted on the spreadsheets as well as the Line Item # and Line Name **by May 31, 2016.**

Line Number  
Project Name  
Status/Date of Completion  
Estimated Project Balance/(Deficit)  
Amount to Return to Fund Balance  
**Justification to Keep Open**

Please let me know if I've incorrectly classified one of the projects under your department or any other information that does not appear correct.

For those of you new to this, please feel free to give me a call and I can review it with you.

Thank you  
Maryanna

Maryanna Stevens, CPA  
Director of Finance  
Town of Waterford  
15 Rope Ferry Road  
Waterford, CT 06385

(860) 444-5842 Phone  
(860) 440-0579 Fax

TOWN OF WATERFORD  
 CAPITAL NON-RECURRING - APPROPRIATED  
 CAPITAL PROJECTS REVIEW - FY2016  
 ACTIVITY AS OF APRIL 30, 2016  
 PUBLIC WORKS  
 CAPITAL NON-RECURRING - APPROPRIATED

LINE ITEM	ACCOUNT DESCRIPTION	DATE OF APPROP	AMOUNT REVISED APPROP	EXPENDED	ENCUMBERED	AVAIL BALANCE	STATUS/DATE OF COMPLETION (ACTUAL/EST)	EST PROJECT BALANCE / (DEFICIT)	AMT TO RETURN TO FUND BALANCE	JUSTIFICATION TO KEEP OPEN
20530-57610	PW SALT SHED	June-15	\$ 299,700.00	\$ 288,686.75	\$ -	\$ 11,013.25	COMPLETE	\$ 11,013.25	\$ 11,013.25	CLOSE
20530-57651	DOUGLAS LANE RECONSTRUCTION MUNICIPAL COMPLEX	AUGUST 2012/ APRIL 2015	\$ 1,354,000.00	\$ 861,653.35	\$ 39,125.11	\$ 453,221.54	COMPLETE 5/10/16	\$ 492,346.65	\$ 453,221.54	HOLD FOR RETAINAGE
20530-57695	RENOVATION MUNICIPAL COMPLEX	February-15	\$ 125,868.00	\$ 39,128.27	\$ 41,871.73	\$ 44,868.00	ON-GOING	\$ 86,739.73	\$ -	REMAIN OPEN
20530-57696	CLEAN UP JORDAN COVE ROAD	April-09	\$ 284,690.19	\$ 271,711.14	\$ -	\$ 12,979.05	ON-GOING	\$ 12,979.05	\$ -	REMAIN OPEN
20530-57743	BRIDGE REPLACEMENT ROAD RECLAMATION -	Aug-12	\$ 246,700.00	\$ 128,313.06	\$ 118,386.94	\$ -	ON-GOING	\$ 118,386.94	\$ -	DESIGN - REMAIN OPEN
20530-57745	DIMMOCK ROAD RECLAMATION -	Aug-12	\$ 224,873.37	\$ 222,373.37	\$ 2,500.00	\$ -	COMPLETE - MAY 2016	\$ 2,500.00	\$ -	HOLD FOR RETAINAGE
20530-57750	WILLETTS AVE RECONSTRUCTION LAMPHERE AND SHORE	Feb-14	\$ 424,375.51	\$ 424,375.51	\$ -	\$ -	COMPLETE	\$ -	\$ -	CLOSE
20530-57764	RDS ROAD RECLAMATION & OVERLAY DAYTON &	Aug-14	\$ 224,624.00	\$ 224,624.00	\$ -	\$ -	COMPLETE	\$ -	\$ -	CLOSE
20530-57765	FARGO ROPE FERRY RD	Aug-14	\$ 342,468.00	\$ 237,257.33	\$ -	\$ 105,210.67	COMPLETE	\$ 105,210.67	\$ 105,210.67	CLOSE
20530-57784	PEDESTRIAN BRIDGE	Oct-15	\$ 125,000.00	\$ -	\$ 26,665.00	\$ 98,335.00	Jun-16 DESIGN COMPLETE -	\$ 125,000.00	\$ -	REMAIN OPEN
20530-57785	OIL MILL RD CULVERT	Oct-15	\$ 304,000.00	\$ 38,370.00	\$ 39,630.00	\$ 226,000.00	SPRING 2017	\$ 304,000.00	\$ -	REMAIN OPEN
20530-57786	FOG PLAIN RD REHAB	Oct-15	\$ 198,900.00	\$ -	\$ -	\$ 198,900.00	ON-GOING	\$ 198,900.00	\$ -	REMAIN OPEN
TOTAL - PUBLIC WORKS			\$ 4,155,199.07	\$ 2,736,492.78	\$ 268,178.78	\$ 1,150,527.51		\$ 1,457,076.29	\$ 569,445.46	

TOWN OF WATERFORD  
 CAPITAL PROJECTS REVIEW - FY2016  
 ACTIVITY AS OF APRIL 30, 2016  
 PUBLIC WORKS  
 CAPITAL NON-RECURRING - DESIGNATED

LINE ITEM	ACCOUNT DESCRIPTION	AMOUNT DESIGNATED	EST DATE OF APPROPRIATION	EST PROJECT BALANCE / (DEFICIT)	AMT TO RETURN TO FUND BALANCE	JUSTIFICATION TO KEEP OPEN
20530-57695	RENOVATION JORDAN COVE ROAD	\$ 309,383.00		\$ 309,383.00	\$ -	REMAIN OPEN
20530-57743	BRIDGE REPLACEMENT	2,564,300.00		\$ -	\$ -	REMAIN OPEN
TOTALS		\$ 2,873,683.00				

Public Works

## Gail Miller

---

**From:** Kristin Zawacki  
**Sent:** Tuesday, May 24, 2016 3:41 PM  
**To:** Gail Miller  
**Cc:** Sandy Kenniston  
**Subject:** FW: Cap. Project Report  
**Attachments:** Capital Project Report to BOF FY16.xls

Sorry, Gail, Sandy reminded me to copy you. Sorry!

---

**From:** Kristin Zawacki  
**Sent:** Tuesday, May 24, 2016 3:38 PM  
**To:** Maryanna Stevens  
**Cc:** Sandy Kenniston  
**Subject:** Cap. Project Report

Please see attached- if you have any issues, please let us know!

Rec / Park

RECEIVED  
MAY 31 2016  
FINANCE DEPARTMENT

FIFTEEN ROPE FERRY ROAD



WATERFORD, CT 06385-2886

**WATERFORD RECREATION AND PARKS COMMISSION**

TO: Maryanna Stevens, Finance Director  
FROM: Brian W. Flaherty, Director of Recreation and Parks **BWF**  
DATE: May 27, 2016  
RE: BOF/Capital Project Review Policy

Maryanna:

The following information is to be submitted for the Capital Project Review Policy in regards to the capital and non-recurring projects under the control of the Recreation and Parks Commission. Please contact me with any questions or for further information:

**#20516-57392 Leary Park Road/Parking Lot**

Amount Appropriated: \$78,000                      Amount Expended: \$73,000  
Date Appropriated: 8/2005                              Amount to return: \$0  
Amount Outstanding: \$5,000  
Anticipated Completion Date: Fall 2016 (Site Plan)

Justification: Line item 20537-57735 Leary Park Road/ Parking Lot has been designated for this project. The first phase will consist of hiring an engineer to develop a site plan which will then give us an estimate of cost. We would like to use these funds for the site plan. The project goal is to improve the condition of the unimproved road that begins at the bathroom building, establish handicap parking near the lower picnic area just below the tennis courts and adjacent to the softball field. It would also provide improved access for emergency vehicles. This road is the sole access road and requires re-grading to direct water runoff to existing catch basins. It is also important to consider due to providing an accessible route as we've interpreted from the Americans with Disabilities Act, Title II. Progress to date has been meeting with various contractors to establish a baseline for funding. We've also consulted with an engineer concerning a site plan. It has been determined that various options exist, and the total project cost will not be achieved with \$25,000. Cost savings may be achieved by

**#20537-57735 Leary Park Road/Parking Lot**

Amount Designated: \$20,000                      Amount Expended: \$0  
Amount to return: \$0  
Anticipated Completion Date: TBD

Justification: Please see 20516-57392 Leary Park Road/Parking Lot for explanation.

**#20537-57781 Waterford Beach Pavilion Restroom**

Amount Designated: \$92,687                      Amount Expended: \$0  
Amount to return: \$0  
Anticipated Completion Date: TBD

Justification: Please see 20537-57342 Restroom Building addition for explanation. These funds will be utilized for a stand-alone restroom facility which will be handicap accessible.

**#20537-57782 Replacement of Causeway Bathroom**

Amount Designated: \$126,300                      Amount Expended: \$0  
Amount to return: \$0  
Anticipated Completion Date: TBD

Justification: These funds will be utilized for a stand-alone restroom facility which will be handicap accessible.

The existing tank and leach fields reliability are functioning properly at this time. A certified inspector has been hired to provide and analysis of the tank and leaching field. This inspection began in the spring of 2016. A Ledge Light Health District Sanitarian is also involved and will need to approve the continued use of this septic system with the new restroom after the inspection is completed. If the tank and leaching field do not pass inspection, we will need to evaluate repair costs or consider the installation of grinder pumps to connect to the sewage system at the Eugene O'Neill Theater.

Each year the park welcomes over 32,000 visitors with approximately \$90,000 generated in revenue from parking and picnic fees. This park is considered one of the more, if not the most, popular parks in Town and the bathroom facilities deserve some attention for the amount of utilization.

FIFTEEN ROPE FERRY ROAD



WATERFORD, CT 06385-2886

**WATERFORD RECREATION AND PARKS COMMISSION**

TO: Maryanna Stevens, Finance Director  
FROM: Brian W. Flaherty, Director (BWF)  
DATE: 5/27/16  
RE: Completed CNR Projects  
Cc: Ron Fedor, Chairman, Board of Finance

Maryanna:

Please note that the following CNR projects have been completed: Contact me with any questions:

20537-57761: \$12,000 Town Hall & Leary Park Basketball Court Repairs  
20537-57762: \$10,000 WBP Causeway Bridge & Geotechnical A & E  
20537-57763: \$11,000 Children's Playground Phase III



TOWN OF WATERFORD  
CAPITAL PROJECTS REVIEW - FY2016  
ACTIVITY AS OF APRIL 30, 2016

**CAPITAL NON-RECURRING - APPROPRIATED**

LINE ITEM	ACCOUNT DESCRIPTION	DATE OF APPROP	REVISED APPROP	AMOUNT EXPENDED	ENCUMBERED	AVAIL BALANCE	STATUS/DATE OF COMPLETION (ACTUAL/EST)	EST PROJECT BALANCE/ (DEFICIT)	AMT TO RETURN TO FUND BALANCE	JUSTIFICATION TO KEEP OPEN
<b>BOARD OF SELECTMEN</b>										
20501-57409	61 & 73 MINER LANE	FEBRUARY 2008	921,916.33	918,916.33	0.00	3,000.00				
20501-57774	PURCHASE OF 299 GREAT NECK ROAD	OCTOBER 2014	200,000.00	191,532.79	0.00	8,467.21				
	<b>TOTAL - BOS</b>		<b>1,121,916.33</b>	<b>1,110,449.12</b>	<b>0.00</b>	<b>11,467.21</b>		<b>0.00</b>	<b>0.00</b>	
<b>PUBLIC WORKS</b>										
20530-57610	PW SALT SHED	JUNE 2015	299,700.00	288,686.75	0.00	11,013.25				
20530-57651	DOUGLAS LANE RECONSTRUCTION	AUGUST 2012/ APRIL 2015	1,354,000.00	861,653.35	39,125.11	453,221.54				
20530-57695	MUNICIPAL COMPLEX RENOVATION	FEBRUARY 2015	125,868.00	39,128.27	41,871.73	44,868.00				
20530-57696	MUNICIPAL COMPLEX CLEAN UP	APRIL 2009	284,690.19	271,711.14	0.00	12,979.05				
20530-57743	JORDAN COVE ROAD BRIDGE REPLACEMENT	AUGUST 2012	246,700.00	128,313.06	118,386.94	0.00				
20530-57745	ROAD RECLAMATION - DIMMOCK	AUGUST 2012	224,873.37	222,373.37	2,500.00	0.00				
20530-57750	ROAD RECLAMATION - WILLETTS AVE	FEBRUARY 2014	424,375.51	424,375.51	0.00	0.00				
20530-57764	RECONSTRUCTION- LAMPHERE AND SHORE RDS	AUGUST 2014	224,624.00	224,624.00	0.00	0.00				
20530-57765	ROAD RECLAMATION & OVERLAY DAYTON &	AUGUST 2014	342,468.00	237,257.33		105,210.67				
20530-57784	ROPE FERRY RD PED	OCTOBER 2015	125,000.00		26,665.00	98,335.00				
20530-57785	OIL MILL RD CULVERT	OCTOBER 2015	304,000.00	38,370.00	39,630.00	226,000.00				
20530-57786	FOG PLAIN RD REHAB	OCTOBER 2015	198,900.00	0.00	0.00	198,900.00				
	<b>TOTAL - PUBLIC WORKS</b>		<b>4,155,199.07</b>	<b>2,736,492.78</b>	<b>268,178.78</b>	<b>1,150,527.51</b>		<b>0.00</b>	<b>0.00</b>	
<b>RECREATION AND PARKS</b>										
20516-57392	LEARY PARKING LOT	AUGUST 2005	78,000.00	73,000.00	0.00	5,000.00				
20537-57342	RESTROOM BLDG ADD WTFD BEACH	FY98&FY99	14,500.00	2,687.00		11,813.00				
20537-57761	TOWN HALL & LEARY PARK BB COURT REPAIRS	DECEMBER 2014	12,000.00	0.00	12,000.00	0.00				
20537-57762	WBP CAUSEWAY BRIDGE GEOTECHNICAL A&E	DECEMBER 2014	10,000.00	10,000.00		0.00				
20537-57763	CHILDREN'S PLAYGROUND PHASE III	DECEMBER 2014	11,000.00	11,000.00	0.00	0.00				
	<b>TOTAL- RECREATION AND PARKS</b>		<b>125,500.00</b>	<b>96,687.00</b>	<b>12,000.00</b>	<b>16,813.00</b>		<b>0.00</b>	<b>0.00</b>	

TOWN OF WATERFORD  
CAPITAL PROJECTS REVIEW - FY2016  
ACTIVITY AS OF APRIL 30, 2016

**CAPITAL NON-RECURRING - DESIGNATED**

LINE ITEM	ACCOUNT DESCRIPTION	AMOUNT DESIGNATED	EST. DATE OF APPROP	ESTIMATED PROJECT BALANCE/ (DEFICIT)	AMOUNT TO RETURN TO FUND BALANCE	JUSTIFICATION TO KEEP OPEN
<b>ASSESSOR</b>						
20501-57639	REVALUATION	332,000.00				
<b>BOARD OF SELECTMAN</b>						
20501-57780	HVAC SYSTEM TOWN HALL/YSB	710,444.00				
<b>FINANCE</b>						
20507-57775	VIRTUAL SERVER REPLACEMENT	50,000.00				
<b>PLANNING</b>						
20501-57787	NEVINS COTTAGE PAINTING - WINDOWS/DOORS	41,500.00				
20501-57788	COMM CENTER HVAC CONTROL SEPARATION	59,650.00				
20511-57767	NEVINS COTTAGE STRUCTURAL REPAIRS	10,500.00				
	<b>TOTALS</b>	<b>111,650.00</b>		<b>0.00</b>	<b>0.00</b>	
<b>FIRE SERVICES</b>						
20523-57751	ELECTRICAL UPGRADE-JORDAN	17,000.00				
20523-57753	BOILER REPLACEMENT-QUAKER HILL	5,000.00				
20523-57760	COHANZIE WINDOW/DOOR REPLACEMENT	7,000.00				
20523-57777	SCBA UPGRADE PROGRAM	150,000.00				
20523-57778	COHANZIE BUILDING RENOVATIONS	50,000.00				
20523-57779	COHANZIE RESCUE TRUCK EQUIP	1,950.00				
	<b>TOTALS</b>	<b>230,950.00</b>		<b>0.00</b>	<b>0.00</b>	
<b>PUBLIC WORKS</b>						
20530-57695	MUNICIPAL COMPLEX RENOVATION	309,383.00				
20530-57743	JORDAN COVE ROAD BRIDGE REPLACEMENT	2,564,300.00		0.00	0.00	
	<b>TOTALS</b>	<b>2,873,683.00</b>		<b>0.00</b>	<b>0.00</b>	
<b>UTILITY COMMISSION</b>						
20531-57685	LI MITIGATION & CONTROL	508,303.00				
20531-57711	WATER SYSTEM IMPROVEMENTS-PLEASURE	175,000.00				
	<b>TOTALS</b>	<b>683,303.00</b>		<b>0.00</b>	<b>0.00</b>	
<b>RECREATION &amp; PARKS</b>						
20537-57735	LEARY PARK ROAD /PARKING LOT	20,000.00				
20537-57781	WATERFORD BEACH PAVILION RESTROOM	92,687.00				
20537-57782	REPLACEMENT OF CAUSEWAY BATHROOM	126,300.00				
20537-57783	ACCESSIBLE PATH & DRAINAGE CIVIC TRIANGLE	14,700.00				
	<b>TOTALS</b>	<b>253,687.00</b>		<b>0.00</b>	<b>0.00</b>	
<b>FLOOD &amp; EROSION CONTROL BOARD</b>						
20541-57328	ALEWIFE COVE DREDGING	37,500.00				
	<b>TOTALS</b>	<b>37,500.00</b>		<b>0.00</b>	<b>0.00</b>	
	<b>TOTALS</b>	<b>5,283,217.00</b>		<b>0.00</b>	<b>0.00</b>	

Gail Miller

Flood & Erosion

**From:** David Benvenuti [davidwbenvenuti@gmail.com]  
**Sent:** Tuesday, May 31, 2016 1:10 PM  
**To:** Maryanna Stevens  
**Cc:** Gail Miller  
**Subject:** Re: Capital Projects Review - Fiscal Year 2016

The Waterford Flood and Erosion Control Board requests the sum of \$37,500 be retained in the Alewife Cove capital non recurring-designated account. The money will be used to finance half of the engineering phase of the maintenance/improvement Cove project. Hopefully this phase can be completed in about 1 year-late spring 2017. The other half of this phase will have to be financed by The City of New London.

On Thu, May 19, 2016 at 10:40 AM, Maryanna Stevens <mstevens@waterfordct.org> wrote:

Please copy Gail Miller if you send me the information via email

Thank you

---

**From:** Maryanna Stevens  
**Sent:** Thursday, May 19, 2016 10:25 AM  
**To:** Brett Mahoney; Bruce Miller; 'Dave Benvenuti (davidwbenvenuti@gmail.com)'; Kristin Zawacki; Abby Piersall; Dan Steward; Stephen Bellos; Mike Bekech; Brian Flaherty  
**Cc:** Gail Miller; Ginny Bielucki  
**Subject:** FW: Capital Projects Review - Fiscal Year 2016

Good morning,

Attached is a copy of the Board of Finance Capital Review Policy as amended at last night's meeting. Please review the policy and note the addition (2<sup>nd</sup> paragraph) for the next fiscal year. If a project is completed during the fiscal year; the department head will notify the Director of Finance and copy the Board of Finance; there is no need to wait for the BOF review.

I've attached a summary of Current Year Capital, Capital Non-recurring appropriated and Capital Non-recurring designated. **The activity is as of April 30, 2016.** I've provided most of the information requested by the BOF in the attachments.

Please review your projects and provide a memo with the information highlighted on the spreadsheets as well as the Line Item # and Line Name **by May 31, 2016.**

Line Number

Project Name

Status/Date of Completion

Estimated Project Balance/(Deficit)

Amount to Return to Fund Balance

**Justification to Keep Open**

Please let me know if I've incorrectly classified one of the projects under your department or any other information that does not appear correct.

For those of you new to this, please feel free to give me a call and I can review it with you.

Thank you

Maryanna

Maryanna Stevens, CPA

Director of Finance

Town of Waterford

15 Rope Ferry Road

Waterford, CT 06385

(860) 444-5842 Phone

FIFTEEN ROPE FERRY ROAD



WATERFORD, CT 06385-2886

6/1/2016

Town of Waterford  
First Selectman, Dan Steward  
Board of Finance Chairman Ronald Fedor,  
RTM Chairman, Tom Dembek  
15 Rope Ferry Road  
Waterford, CT 06385

RE: Approval of funds from Capital Non-Recurring- Designated Line Item 20501-57780

Dear First Selectman Steward, Chairman Fedor and Chairman Dembek:

I am requesting \$13,300 be appropriated from HVAC System Town Hall/YSB Line item 20501-57780 Capital Non-Recurring-Designated to 20501-57780 Capital Non-Recurring-Appropriated. The attached information and cover letter describes the request and the first funding of the capital project to design and replace the HVAC systems in the Town Hall and Youth Services Buildings.

Silver/Petrucelli Associates \$10,800 System Study Bid  
Mystic Air Quality \$2,500 for sampling if required

Total Approval Requested: \$13,300

Please do not hesitate to contact me if additional information is needed.

Sincerely,

Wayne Fraser  
Municipal Facility Maintenance Coordinator

Cc: Maryanna Stevens, Finance Director  
Abby Piersall, Planning Director

FIFTEEN ROPE FERRY ROAD



WATERFORD, CT 06385-2886

6/1/2016

Town of Waterford  
First Selectman, Dan Steward  
15 Rope Ferry Road  
Waterford, CT 06385

RE: Town Hall, YSB HVAC System Study Bid Award

Dear First Selectman Steward:

I am requesting the Board of Selectman approve the recommended and low bidder award for the Town Hall and Youth Services Buildings HVAC Systems Study and Conceptual Design. My recommendation is based on the low bidder that was the most qualified after review of the bid documents, references, project understanding. The firm of Silver/Petrucci Associates are recommended at \$10,800 from the list of seven proposal received. I have attached information describing the proposal background.

I have also included a \$2,500 proposal from Mystic Air Quality Consultants to cover possible investigation of material discovered during the study. This will help us prepare for the final HVAC proposal to identify if any material that may need special treatment. At this time I do not feel we have a problem but the buildings are old and I would prefer to be prepared.

Total Approval requested:  
Silver/Petrucci Associates \$10,800  
Mystic Air Quality; \$ 2,500

The funding source is line item 20501-57780, \$710,444, Capital Non-Recurring- Designated

  
Sincerely,

Wayne Fraser  
Municipal Facility Maintenance Coordinator

Cc: Maryanna Stevens, Finance Director  
Abby Piersall, Planning Director  
Kate Rotella, Purchasing Agent

**Bid Tabulation**  
**Mechanical Design firm for HVAC Project**  
**Bid Opening: May 23, 2016 @ 11:00 am**

Vendor	Town Hall	Youth Services	Total Bid	Notes
Silver Petrucci Associates	\$6,000.00	\$4,800.00	\$10,800.00	
Martinez Couch Associates	\$8,700.00	\$2,200.00	\$10,900.00	
ICDS LLC	\$8,820.00	\$4,060.00	\$12,880.00	
JP Engineering	\$9,200.00	\$4,400.00	\$13,600.00	
Salamone and Associates	\$11,600.00	\$4,200.00	\$15,800.00	
BL Companies	\$11,200.00	\$5,600.00	\$16,800.00	
Loureiro Engineering Associates	\$14,500.00	\$4,100.00	\$18,600.00	

## Scope of Work

The Town of Waterford is seeking Mechanical Design Engineering Services proposals from qualified firms to provide heating, ventilation, air condition (HVAC) system reviews, evaluations and recommended system improvements to the HVAC systems operating the two (2) Town buildings listed below.

Services expected to be required, but not limited to, include pre-project planning, estimating and design. After the initial Phase I is completed additional services may be required for additional Phases. The Town may also request services for additional Town buildings as needed.

Respondents shall submit detailed resumes and qualifications of their firm along with a list of references describing similar HVAC work performed. Proposals will include a statement of understanding describing the work outlined in this RFP and a description of how the submitting firm will accomplish the tasks.

### Information on the Town of Waterford Buildings:

The Town Hall was constructed in 1911 and served as the former Jordan School. An addition was added to the original structure in 1955. It was converted to administrative offices for the Town and Board of Education in 1984. It is a three-story, 24,000 square foot building located at 15 Rope Ferry Rd at the corner of Rope Ferry and Boston Post Rd.

The Youth Services Building is an approximately 6,000 SF structure comprised of the former Hall of Records, constructed in 1936 with an addition built in 1956, referred to as the East Wing. In 1984 the building became home to the Youth Services Bureau. The building is a two story structure with a third story unfinished attic space. Waterford's Youth Services Bureau resides on the first floor and The Red Cross is on the second floor.

1. Waterford Town Hall, 3 floors, 24,000 sq. ft.
2. Waterford Youth Services Building (YSB) 2 floors, 6,000 sq. ft.

The hours of operation of the buildings being reviewed are Monday thru Friday 7am to 5pm.

The Town Hall also has meetings in the evening hours in the auditorium with a weekly schedule posted.

The Waterford Youth Service building has evening appointments until 8:00 pm.

The Town will provide access to the buildings and all existing HVAC systems

Building Plans are included in this package and can be picked up in full size at the planning office.

## LIST OF EQUIPMENT

### TOWN HALL

The structure did not include HVAC systems when originally constructed. The current HVAC equipment consists of the following systems:

QTY	SYSTEM COMPONENT(S)	MFR	MODEL #	SERIAL #	LOCATION
2	Boiler	WEIL McLAIN	NA	NA	BASEMENT
2	Pumps	TACO	NA	NA	BASEMENT
2	Boiler	CARLIN	702CRD	NA	BASEMENT
26	HP	NA	NA	NA	VARIOUS
1	Hot Water Heater	NA	NA	NA	BASEMENT
1	Tower	EVAPCO	LS29C2	835098	GROUND
1	Condensing Unit	MITSUBISHI	PUYA30NHA3	NA	GROUND
1	Condensing Unit	FUJITSU	A0U30	T000533	GROUND

### YOUTH SERVICES

The structure did not include HVAC systems when originally constructed. The current HVAC equipment consists of the following systems:

QTY	SYSTEM COMPONENT(S)	MFR	MODEL #	SERIAL #	LOCATION
1	Condensing Unit	CARRIER	38YCC060320	1005E02241	ROOF
1	Air Handling Unit	CARRIER	FB4ANF060	0696A12199	ATTIC
1	Condensing Unit	CARRIER	38AQS008 501	1396G00215	ROOF
1	Air Handling Unit	CARRIER	40RMQ008B600GC	1396F98050	ATTIC
1	Condensing Unit	BMI	T2HA8800D10	108B469806	ROOF
1	Package Unit	CARRIER	50HS030311	1196G10147	ROOF
1	Condensing Unit	CARRIER	38BK024300	3590X00350	ROOF
5	Unit Heaters	NA	NA	NA	VARIOUS

## **Project Scope - Phase I**

All proposals shall include the cost to complete the following

- Conduct an evaluation of the existing systems, with a recommended replacement plan and budget estimates for selected equipment and systems.
- Design an HVAC systems that will meet the needs of each building taking into account energy efficiency
- Identify any associated grants or rebate programs that may be available to the Town
- Identify HVAC equipment performing correctly and not in need of replacement.
- Provide a comparison of system options and cost comparisons available to the Town that helps reduce maintenance, installation and energy costs.
- Provide recommended Energy Management Systems (EMS) control options that would enhance the operations and energy consumption of replacement HVAC systems.
- Meet with the occupants/employees working in the identified buildings to understand the nature of their work, required use of the facility including hours of operation and occupants complaints.

## **Submission Requirements**

Interested firms should submit

1. Letter of Introduction, including the firm's qualifications and understanding of the project.
2. Resumes of personnel who will work on the project.
3. An outline of the firm's approach to meet the requirements in the project scope, including a proposed schedule.
4. Cost Proposal of the phase I services as outlined in the project scope.
5. References for projects current or completed in the public or private sectors of similar scope.

## **Selection Criteria**

1. Overall qualifications and experience of the firm and key personnel assigned to the project.
2. Cost Proposal.

A Selection Committee consisting of Town staff will evaluate qualifications. The firm(s) selected will be chosen based on qualifications and cost proposal

After selection of the firm(s), the Consultant shall enter into a Master Service Agreement with the Town. The Town will then negotiate a fee for each additional task that may be assigned.

FIFTEEN ROPE FERRY ROAD



WATERFORD, CT 06385-2886

**Mechanical Design Firm  
Proposal #16-119**

Silver, Petrucelli & Associates, 3190 Whitney Avenue, Hamden, CT 06518

VENDOR NAME AND ADDRESS

William R. Silver, President

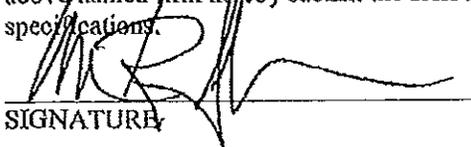
PRINTED NAME AND TITLE OF VENDOR'S AGENT

P - 203-230-9007; F- 203-230-8247; bsilver@silverpetrucelli.com

PHONE AND FACSIMILE NUMBERS, E-MAIL ADDRESS

I William Silver, President of the  
Name Position

above named firm hereby submit the following bid in accordance with Town of Waterford specifications.

 5/20/16  
SIGNATURE DATE

Engineering Services HVAC System Evaluations Town Hall: \$ 6,000.

Engineering Services HVAC System Evaluations Youth Services: \$ 4,800.

Total Cost Proposal: \$ 10,800.

Additional information shall be submitted with this form

## **FEE QUALIFICATIONS**

Our fee on the preceding page includes all mechanical, electrical, and plumbing engineering and any architectural services required to complete the study.

Expenses included in our fees include mileage, postage and CAD services.

As we believe that the Town should not pay for services unless they are actually required, we have listed below the optional services that are not customarily required by studies such as yours. We can submit proposals for many of these services, some of which we can complete with in-house forces per the Standard Hourly Rates attached.

We are capable of providing a wide range of additional services should you require the assistance, or should the project scope be revised. These services include:

1. Design, Construction Document, Bid or Construction Administration Phase services
2. Field measuring or creating CAD base plans (using existing data files from the Town should be sufficient)
3. Structural engineering services
4. Hazardous material testing, design or construction administration services
5. Soil science field surveys, mapping, wetland mitigation designs.
6. Energy modeling and Commissioning Services.
7. Three-dimensional models, perspective renderings, brochure development/graphics
8. FF+E reviews or evaluations
9. Civil or Geotechnical engineering or soil boring services

SILVER/PETRUCELLI+ASSOCIATES

*Architects / Engineers / Interior Designers*

3190 Whitney Avenue, Hamden, CT 06518-2340

Tel: 203 230 9007 x200 Fax: 203 230 8247

*silverpetrucelli.com*



**STANDARD HOURLY RATES**

2016

<u>Personnel</u>	<u>Hourly Rate</u>
Principal/Project Manager	\$186
Principal/Project Architect	\$173
Principal Civil Engineer	\$191
Principal M/E Engineer	\$186
Principal Structural Engineer	\$160
Sr. Structural Project Engineer	\$133
Sr. Project Engineer/Manager	\$163
Civil Engineer	\$133
Interior Designer	\$107
Landscape Architect	\$174
Construction Administrator/Building Official/Fire Marshal	\$121
Architectural Designer/Job Captain /Specification Writer	\$116
Project Engineer	\$107
Civil CADD Operator	\$96
Engineering Designer	\$100
Architectural Draftsperson	\$94
Clerical/Word Processing	\$80

FIFTEEN ROPE FERRY ROAD

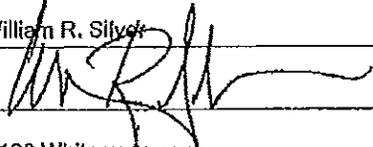


WATERFORD, CT 06385-2856

**TOWN OF WATERFORD  
NON-COLLUSION STATEMENT**

"The undersigned affirms that they are duly authorized to execute this contract, that this company, corporation, firm, partnership or individual has not prepared this bid in collusion with any other bidder, and that the contents of this bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this bid."

We understand that this proposal must be signed by an authorized agent of our company to constitute a valid proposal.

Date:	<u>5/20/16</u>
Name of Company:	<u>Silver, Petrucelli &amp; Associates</u>
Name and Title of Agent:	<u>William R. Silver</u>
By (SIGNATURE):	<u></u>
Address:	<u>3190 Whitney Avenue</u>
	<u>Hamden, CT 06518</u>
Telephone Number:	<u>203-230-9007 x 206</u>



**Request for Proposals - ADDENDUM #1  
Mechanical Design Firm for HVAC Project  
Proposal #16-119  
May 10, 2016**

The purpose of this addendum is to clarify information from the pre-bid meeting on May 9, 2016.

1. The scope of the project includes *conceptual* design to assist the Town in developing parameters for a future design-build project. This project will result in sufficient detail to evaluate existing HVAC systems and provide recommendations to the Town concerning current and future HVAC system needs, energy management and opportunities for increased efficiency. The Town will use the results of the report and cost estimates generated through this project to develop project specifications for the design-build project.
2. The firm that is awarded this project will not be eligible to bid on the design-build project.
3. At the end of this project, the Town may choose to engage the selected firm to provide services including the development of bid documents and project specifications, evaluation of bids and construction management.
4. Information regarding asbestos is attached.

**Bidders shall acknowledge this addendum by submission of this signed form. Please submit *one original and one copy* with your bid. Bids that do not include this signed addendum will be considered non-responsive.**

William R. Silver, President  
 \_\_\_\_\_  
 Printed Name and Title of Vendor's Agent

*[Handwritten Signature]* \_\_\_\_\_  
 Signature Date

5/20/16

Kate Rotella  
Purchasing Agent  
May 10, 2016

**Gail Miller**

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**From:** Neftali Soto  
**Sent:** Tuesday, May 31, 2016 12:41 PM  
**To:** Gail Miller  
**Cc:** 'Bruce K'; Sandy Kenniston; Kristin Zawacki  
**Subject:** RE: Municipal Complex Presentation - Board of Finance

The Municipal Complex Building Committee is not ready to make a presentation to the BOF, yet. Plans are under revision by consultants.  
Tali

---

**From:** Gail Miller  
**Sent:** Tuesday, May 31, 2016 12:09 PM  
**To:** Neftali Soto  
**Subject:** FW: Municipal Complex Presentation - Board of Finance

Hi Tali,

It's time for me to check in with you again. I will be preparing my June agenda tomorrow (06/01/16) for the meeting to be held on June 8, 2016.

Should I reserve space on the agenda for a presentation on the Municipal Complex Project?

Please let me know.

Thank you,

*Gail R. Miller  
Finance Secretary  
Town of Waterford  
(860) 440-0562 Telephone  
(860) 440-0579 Fax  
email: [gmillerr@waterfordct.org](mailto:gmillerr@waterfordct.org)*

---

**From:** Neftali Soto  
**Sent:** Tuesday, March 22, 2016 8:03 PM  
**To:** Gail Miller  
**Subject:** RE: Municipal Complex Presentation - April Board of Finance

Hi, Gail.  
Based on tonight's meeting there will not be a presentation to the BOF until [at the least] June.  
Tali

---

**From:** Gail Miller  
**Sent:** Tuesday, March 22, 2016 4:16 PM  
**To:** Neftali Soto  
**Subject:** RE: Municipal Complex Presentation - April Board of Finance

Thanks Tali.

*Gail R. Miller*  
*Finance Secretary*  
*Town of Waterford*  
*(860) 440-0562 Telephone*  
*(860) 440-0579 Fax*  
*email: [gmilller@waterfordct.org](mailto:gmilller@waterfordct.org)*

---

**From:** Neftali Soto  
**Sent:** Tuesday, March 22, 2016 4:13 PM  
**To:** Gail Miller  
**Subject:** RE: Municipal Complex Presentation - April Board of Finance

Hi, Gail.

I don't believe the building committee will be ready for the BOF on April. We are having a meeting tonight. I will let you know for sure after the meeting.

Tali

---

**From:** Gail Miller  
**Sent:** Tuesday, March 22, 2016 4:06 PM  
**To:** Neftali Soto  
**Subject:** Municipal Complex Presentation - April Board of Finance

Hi Tali,

Will you be ready with a presentation on the Municipal Complex Building for the April meeting of the Board of Finance?

The meeting is scheduled for April 13, 2016 so I will need the information by Wednesday, April 6, 2016.

Thank you,

*Gail R. Miller*  
*Finance Secretary*  
*Town of Waterford*  
*(860) 440-0562 Telephone*  
*(860) 440-0579 Fax*  
*email: [gmilller@waterfordct.org](mailto:gmilller@waterfordct.org)*

10a

FIFTEEN ROPE FERRY ROAD



WATERFORD, CT 06385-2886

BOARD OF FINANCE

May 19, 2016

Mr. Alan Wilensky  
Tax Collector  
Town of Waterford  
15 Rope Ferry Road  
Waterford, CT 06385

Dear Mr. Wilensky:

At the May 18, 2016 meeting of the Board of Finance, the Board approved a mill rate of 26.78 mills for FY 2017 based upon the budget approved by the RTM at its Annual Budget Meeting convened May 2, 2016 and adjourned May 5, 2016.

This mill rate was set based upon an anticipated collection rate of 99.1%.

Sincerely,

Ronald Fedor *RF*  
Chairman

RF/grm

- C: Daniel M. Steward, First Selectman
- Thomas Dembek, RTM Moderator
- Maryanna Stevens, Director of Finance
- Michael Bekech, Assessor
- Members of the Board of Finance

BOARD OF FINANCE  
CAPITAL PROJECT REVIEW POLICY

During the month of June, the Board of Finance shall conduct a review of the status of outstanding approved capital projects to include date appropriated, amount appropriated, amount expended, expected completion date and current project fund balances. The review will occur at either the regular or a special meeting of the Board of Finance.

If a project is completed prior to the June BOF review, the department head will notify the Director of Finance and copy the Board of Finance and any remaining funds will be returned to the appropriate unassigned fund balance.

To support the review above, all department heads, boards, agencies and commissions shall provide to the Board of Finance the following information:

1. Status of capital projects either currently outstanding or completed in the previous calendar year.  
Data to include:
  - a. Amount(s) designated,
  - b. date(s) appropriated,
  - c. amount appropriated,
  - d. amount expended,
  - e. amount outstanding,
  - f. estimated or actual completion date
  - g. amount over/under appropriation for completed projects
  - h. amount to be returned to unassigned fund balance for completed projects
  
2. Justification for keeping a project open.

The Board of Finance shall approve keeping any project open or direct its closure with monies remaining returned to the appropriate (General (Current Year Capital) or Capital Non-Recurring) Unassigned Fund balance.

Adopted by BOF - 05/ 10/ 06 Amended 10/ 11/ 06  
Amended 8/ 08/ 07  
Amended: May 18, 2016

**POLICY REGARDING EXPENDITURE OF FUNDS FOR SERVICES OR ITEMS NOT  
DISCLOSED IN ANNUAL BUDGETS**

All expenditures of funds for services or items must be in conformance with budget justification disclosure or properly approved labor contracts. Exceptions: Expenditures for services or items not disclosed in the budget and which (1) are not emergencies (2) are in excess of \$1,000 **but less than \$10,000**, and (3) will not require an additional appropriation, shall not be made until the following procedure has been completed.

It is the responsibility of the requesting agency to set a meeting with the Director of Finance, First Selectman, and a member of the Board of Finance (preferably the liaison). The requesting agency will give justification for such expenditure at that meeting. Upon majority approval of the Board of Finance representative, the First Selectman and the Director of Finance, the expenditure shall be made. Without such approval, the expenditure cannot be made unless approved by the Board of Finance. **Note; No non-budgeted expenditure exceeding \$10,000 shall be made without Finance Board approval.**

Approved 12/12/2007  
Amended: May 18, 2016

**BOARD OF FINANCE  
POLICY REGARDING SUBMISSION OF AGENDA ITEMS**

The Board of Finance agenda is typically issued one (1) week before the meeting. Agenda items and supporting documentation should be sent to the Board of Finance Secretary by noon one week prior to the meeting date.

On the rare occasion that a late agenda submission is unavoidable, the Board of Finance may vote to add the item to the regular meeting agenda or defer the item to the next scheduled meeting. The request to add the item to the agenda must be accompanied by an explanation as to why the submission was late. Please note that State Statute Section 1-225 (c) requires an affirmative vote of 2/3 of the Board members present.

If there is a need to provide additional information to the Board after the agenda has been sent, please send or give it to the Board of Finance Secretary. Do not distribute the information to the members prior to the start of the meeting as this does not allow for review of the information.

If you are requested to provide additional information by the Board, please send that information to the Board of Finance secretary who will distribute the information to the members. Do not send the information directly to the Board of Finance members.

Adopted: May 18, 2016

10c

FIFTEEN ROPE FERRY ROAD



WATERFORD, CT 06385-2886

Date: May 23, 2016  
 To: Members of the Board of Finance  
 From: The Town Accountant  
 Subject: Status of Contingency Fiscal Year 2016

Contingency Fund, Line item 10121-59010:

07/01/15 Appropriation	245,000
Transferred through 05/18/16	<u>(92,541)</u>
Balance	<u><u>152,459</u></u>

  
 \_\_\_\_\_  
 Virginia Bielucki

FISCAL YEAR 2015-2016  
CONTINGENCY TRANSFERS & BALANCE

ORG	OBJECT	DESCRIPTION	BOARD OF FINANCE	RTM	TRANSFER AMOUNT	BALANCE
		BALANCE 07/01/15				\$245,000.00
10638	55795	XFER OUT TO CIF (30716-55795)-INFORMED CAD UPGRADE	8/12/2015	N/A	\$45,951.00	\$199,049.00
10107	54130	COMPUTER SUPPORT SYSTEM	8/12/2015	N/A	\$14,035.00	\$185,014.00
10107	54130	COMPUTER SUPPORT SYSTEM	11/18/2015	N/A	\$5,400.00	\$179,614.00
10102	52050	DUES, CONFERENCES & EDUCATION-REGISTRAR	12/9/2015	N/A	\$1,890.00	\$177,724.00
10102	52070	REIMBURSABLE EXPENSES-REGISTRAR	12/9/2015	N/A	\$134.00	\$177,590.00
10102	53020	OTHER SUPPLIES REGISTRAR	12/9/2015	N/A	\$2,452.00	\$175,138.00
10101	52030	PROFESSIONAL FEES-1ST SELECTMEN	5/18/2016	N/A	\$22,000.00	\$153,138.00
10109	53280	ELECTION MATERIALS-TOWN CLERK	5/18/2016	N/A	\$679.00	\$152,459.00
					(\$92,541.00)	\$152,459.00

10d.

FIFTEEN ROPE FERRY ROAD



WATERFORD, CT 06385-2886

To: Board of Finance Members

From: Town Accountant *GAJ*

Date: May 23, 2016

Subject: Status of General Fund Unassigned Balance

**Unassigned Fund Balance:**

Unassigned balance 06/30/15	10,138,379
Revenues in excess of (less than) anticipated through 04/30/16	<u>84,902</u>
Estimated Ending Unassigned Balance	<u><u>10,223,281</u></u>

10e

**Gail Miller**

---

**From:** Maryanna Stevens  
**Sent:** Friday, May 27, 2016 1:34 PM  
**To:** anthony.jessuckjr@wellsfargoadvisors.com; Cheryl Larder (clarder@geraghtybonnano.com); Elizabeth Sabilia (beth@sabilialaw.com); James Reid (jreid43@att.net); John W. Sheehan (sheehanjw@sbcglobal.net); Norman Glidden (mnglidden@yahoo.com); Ron Fedor (ronald\_r\_fedor@sbcglobal.net)  
**Cc:** Dan Steward; Ginny Bielucki; Gail Miller  
**Subject:** FW: Moody's Article on CT Municipalities / CT Downgrade Reports #2  
**Attachments:** Fitch Rating Report State of CT May 2016.pdf

One more article

---

**From:** Matthew Spoerndle [mailto:mspoerndle@muniadvisors.com]  
**Sent:** Friday, May 27, 2016 10:12 AM  
**Cc:** Barry Bernabe; Riley Green  
**Subject:** RE: Moody's Article on CT Municipalities / CT Downgrade Reports #2

All, attached is the Fitch report. It didn't make its way over on the first email!

Have a great Memorial Day weekend everyone!

Matthew A. Spoerndle  
Senior Managing Director  
Phoenix Advisors, LLC  
53 River Street  
Milford, CT 06460  
Tel: 203.878.4945  
Fax: 609.291.9940

[www.muniadvisors.com](http://www.muniadvisors.com)

**From:** Matthew Spoerndle  
**Sent:** Friday, May 27, 2016 9:44 AM  
**Cc:** Barry Bernabe <bbernabe@muniadvisors.com>; Riley Green (rgreen@muniadvisors.com) <rgreen@muniadvisors.com>  
**Subject:** Moody's Article on CT Municipalities / CT Downgrade Reports

All,  
Attached is a recent article from Moody's discussing the potential impact of the State's fiscal issues on the credit of local governments. I thought you all might be interested.

Also, as you all likely heard, the State of Connecticut was just downgraded by S&P and Fitch to "AA-" (so they are getting very close to the single A rating...). I've also attached the S&P and Fitch reports for your reference.

Thankfully most of you are in much better position!

Let me know if you have any questions.

Thanks.  
-Matt

## Gail Miller

---

**From:** Maryanna Stevens  
**Sent:** Friday, May 27, 2016 9:57 AM  
**To:** anthony.jessuckjr@wellsfargoadvisors.com; Cheryl Larder (clarder@geraghtybonnano.com); Elizabeth Sabilia (beth@sabilialaw.com); James Reid (jreid43@att.net); John W. Sheehan (sheehanjw@sbcglobal.net); Norman Glidden (mnglidden@yahoo.com); Ron Fedor (ronald\_r\_fedor@sbcglobal.net)  
**Cc:** Dan Steward; Gail Miller; Ginny Bielucki  
**Subject:** FW: Moody's Article on CT Municipalities / CT Downgrade Reports  
**Attachments:** Sector In-Depth - Property Taxes Insulate Most Connecticut Municipalitie.....pdf; RatingsDirect\_Analysis\_1639345\_May-25-2016\_14\_26.pdf

Good Morning

For any of you interested, attached are two articles on the State's credit issues. If anyone would like paper copies please let me know.

Have a nice weekend

Maryanna

---

**From:** Matthew Spoerndle [<mailto:mspoerndle@muniadvisors.com>]  
**Sent:** Friday, May 27, 2016 9:45 AM  
**Cc:** Barry Bernabe; Riley Green  
**Subject:** Moody's Article on CT Municipalities / CT Downgrade Reports

All,  
Attached is a recent article from Moody's discussing the potential impact of the State's fiscal issues on the credit of local governments. I thought you all might be interested.

Also, as you all likely heard, the State of Connecticut was just downgraded by S&P and Fitch to "AA-" (so they are getting very close to the single A rating...). I've also attached the S&P and Fitch reports for your reference.

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Let me know if you have any questions.

Thanks.  
-Matt

Matthew A. Spoerndle  
*Senior Managing Director*  
Phoenix Advisors, LLC  
53 River Street, Suite 1  
Milford, CT 06460  
Tel: 203.878.4945  
Fax: 609.291.9940

[www.muniadvisors.com](http://www.muniadvisors.com)

## SECTOR IN-DEPTH

19 May 2016

Rate this Research &gt;&gt;

## Contacts

Robert Azrin 212-553-7436  
 VP-Senior Analyst  
 robert.azrin@moodys.com

Anne Cosgrove 212-553-3248  
 VP-Senior Analyst  
 anne.cosgrove@moodys.com

Emily Raimes 212-553-7203  
 VP-Sr Credit Officer  
 emily.raimes@moodys.com

Nicholas Samuels 212-553-7121  
 VP-Sr Credit Officer  
 nicholas.samuels@moodys.com

Geordie Thompson 212-553-0321  
 VP-Sr Credit Officer  
 geordie.thompson@moodys.com

Timothy Blake 212-553-4524  
 MD-Public Finance  
 timothy.blake@moodys.com

Leonard Jones 212-553-3806  
 MD-Public Finance  
 leonard.jones@moodys.com

## State and Local Government - US

## Property Taxes Insulate Most Connecticut Municipalities From State Fiscal Issues

Connecticut (Aa3 negative) is the wealthiest state in the nation, but is facing financial challenges as its lagging economy turns toward lower-wage sectors. The majority of local governments will weather state budgetary challenges because of stable property tax revenue and low reliance on state aid. However, three large struggling cities (Bridgeport, A2 negative; Hartford, Baa1 negative; and New Haven, A3 stable) derive nearly half of their revenue from state aid, meaning they are susceptible to continued deterioration in state finances.

- » **Most local governments will be minimally impacted by the state's fiscal challenges.** Cities and towns are largely insulated from the state's persistent budget gaps given the majority of their revenues (71% average) are derived from property taxes, while state aid accounts for a far lesser 22% average. Cities also have flexibility to raise property tax rates without legal constraint to adjust to declines in state aid, though Connecticut's taxes are already among the highest in the country.
- » **Bridgeport, Hartford and New Haven are exposed to the state's fiscal stress because of their heavy reliance on state aid.** State aid accounts for an average 47% of revenues for the three cities. Although the amended fiscal 2017 budget is favorable to these cities, a future decline in state aid would be particularly troublesome given their sluggish tax base growth, lagging economies, low-income levels and challenges to property tax increases.
- » **Connecticut's economic recovery lags the nation, leading to muted state income tax revenue.** The state has failed to fully recover job losses during the recession, while the percentage of low-wage jobs has increased. And income taxes, the largest portion of state revenue, have grown at a much slower rate than before the recession. The state is also one of only 15 states to experience two years of consecutive population losses since 2013.
- » **The state's fixed costs relative to the budget are among the highest in the nation and continue to rise.** Debt, pensions and retiree health care obligations limit budget flexibility and make it more likely the state will need to cut aid to cities. Offsetting factors include Connecticut's large and diverse economy, strong management, and very high per-capita income, which indicate the state has tools and resources to draw upon to deal with its financial challenges.

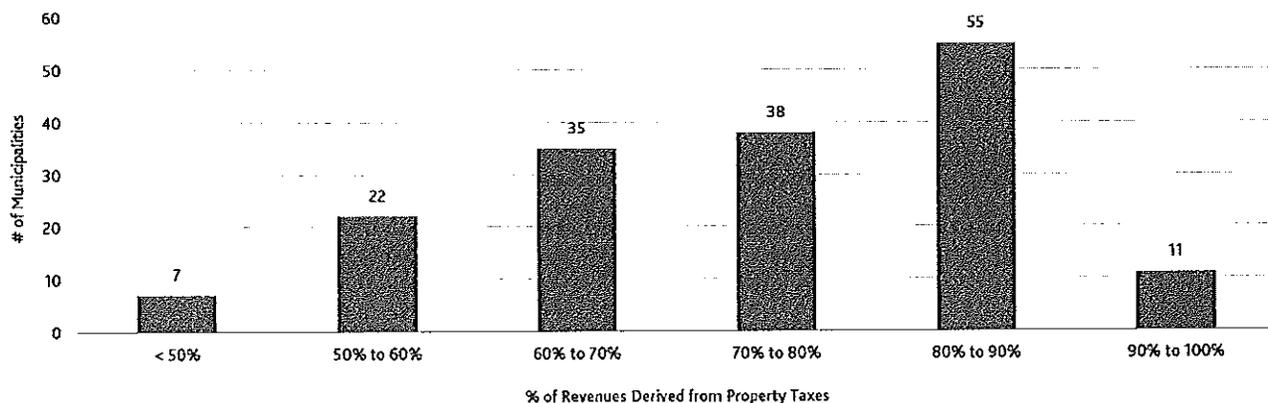
## Most local governments will be minimally impacted by the state's fiscal challenges

Most municipalities in Connecticut will not be materially impacted by the state's financial and economic challenges, at least over the next 12 to 24 months. Any future multi-year erosion in state aid, however, would pressure Connecticut cities and towns.

The majority of cities and towns derive over 70% of their revenues from property taxes (see Exhibit 1), which have proven to be a stable and generally predictable revenue source. Most municipalities rely far less (average 22%) on government aid, which comes mostly from the state. This largely insulates them from declines in the state's primary revenue sources, income and sales taxes, which are heavily exposed to an economic downturn.

Exhibit 1

### Most Connecticut Municipalities Are Highly Reliant on Property Taxes



Source: State of Connecticut, *Municipal Fiscal Indicators*, January 2016

While wage growth has slowed in Connecticut, the median family income (MFI) remains very high at 130.5% of the US median. The state's high-income and wealth levels afford communities some flexibility in raising property tax rates (mill rates) to adjust for any declines in state aid, especially given that there is no legal cap on property taxes as there are in other states. However, Connecticut taxes are already very high, which may be an impediment to tax revenue growth.

The state is facing negative demographic and economic trends that, if sustained, are likely to eventually filter down to the local level and adversely impact economic development, property values, and ultimately property tax revenues. Unlike income and sales tax revenue, where the state feels the impact of a decline nearly immediately, property tax revenues have generally been buoyant and take longer to decline.

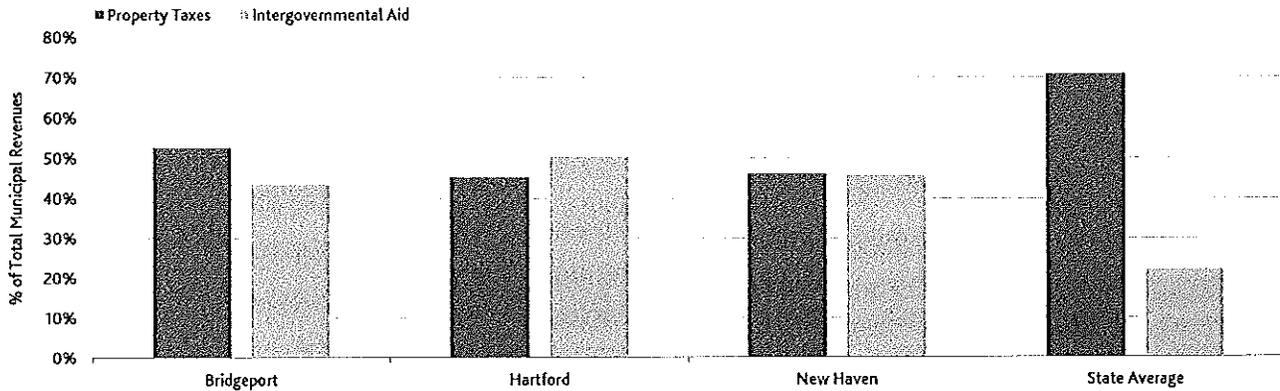
Overall state aid to municipalities has generally been stable or increased over the last few fiscal years. Notably, despite the state's current fiscal challenges, total state aid in the recently adopted amended fiscal 2017 budget has increased 4.6% over fiscal 2016 levels. The overall impact of the budget will vary from municipality to municipality as certain categories of funding, including education, were decreased. However, funding for the Municipal Revenue Sharing Account, a form of state aid funded by a portion of the state sales tax, increased over estimated fiscal 2016 levels.

### Bridgeport, Hartford and New Haven are exposed to the state's fiscal stress because of their heavy reliance on state aid

Three of the state's four largest cities, Bridgeport, New Haven and Hartford, are heavily exposed to the state's economic and fiscal challenges, in both the medium and long term. The cities rely on state aid for a large percentage of their revenues (see Exhibit 2) and property taxes make up a relatively small portion compared to most Connecticut municipalities.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moodys.com](http://www.moodys.com) for the most updated credit rating action information and rating history.

Exhibit 2  
**Large Connecticut Cities Are Heavily Reliant on State Aid**



Intergovernmental aid is primarily from the state.  
 Sources: State of Connecticut, Municipal Fiscal Indicators, January 2016; CAFRs

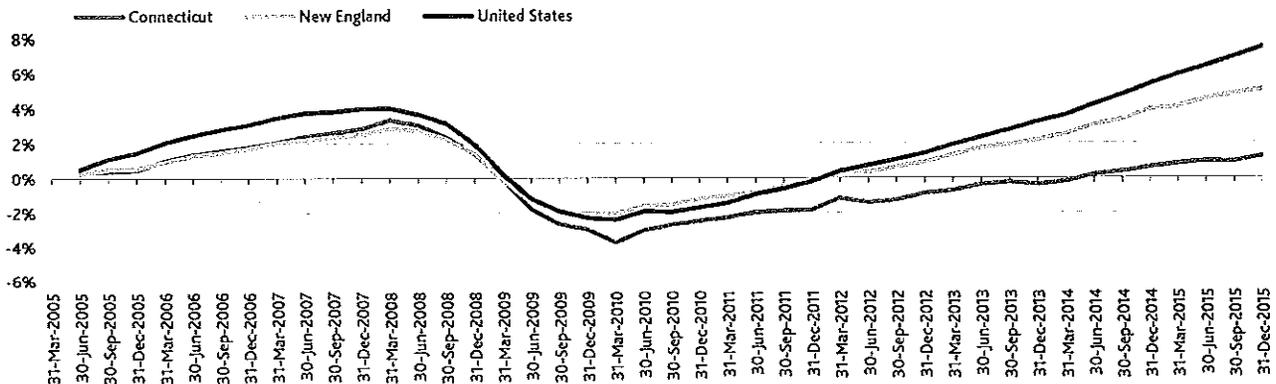
While each of these cities received increases in total state aid in the recently amended fiscal 2017 budget relative to fiscal 2016, continuing state financial challenges leave them exposed to weaker funding levels. The three cities' weak financial positions offer little buffer against future state aid cuts. For example, fiscal 2015 general fund reserves as a percentage of revenues were 2.5%, 3.7% and 0.3% for Bridgeport, Hartford and New Haven, respectively. Tax base growth will likely continue to be sluggish. With relatively low income levels and elevated poverty and unemployment rates, implementation of consistent property tax rate increases is unlikely. All three cities are also highly leveraged with debt per capita in excess of \$4,000; well above the state average of \$2,324.

**Connecticut's economic recovery lags the nation, leading to muted state income tax revenue**

Connecticut's economic recovery continues to sputter. Cumulative job growth since March 2010 is 5.6% for Connecticut, compared to 10.1% for the nation (see Exhibit 3). The state has not regained the total jobs lost in the recession; as of December 2015, the state had regained only about 90% of non-farm private sector jobs.

The sectors in Connecticut with positive growth since the March 2008 peak are relatively lower wage industries, including leisure and hospitality, education and health services, transportation and utilities. The financial services sector, on the other hand, has been on a downward trend since 2008. From March 2008 to December 2015, Connecticut's financial services sector employment shrank 9.4%, or 13,600 jobs. Financial services made up 15.2% of Connecticut's gross state product (GSP) in 2005, and declined to 13.5% of GSP in 2014.

Exhibit 3  
**Connecticut's Cumulative Employment Growth Has Lagged the Nation and New England**



Source: Moody's DataBuffet

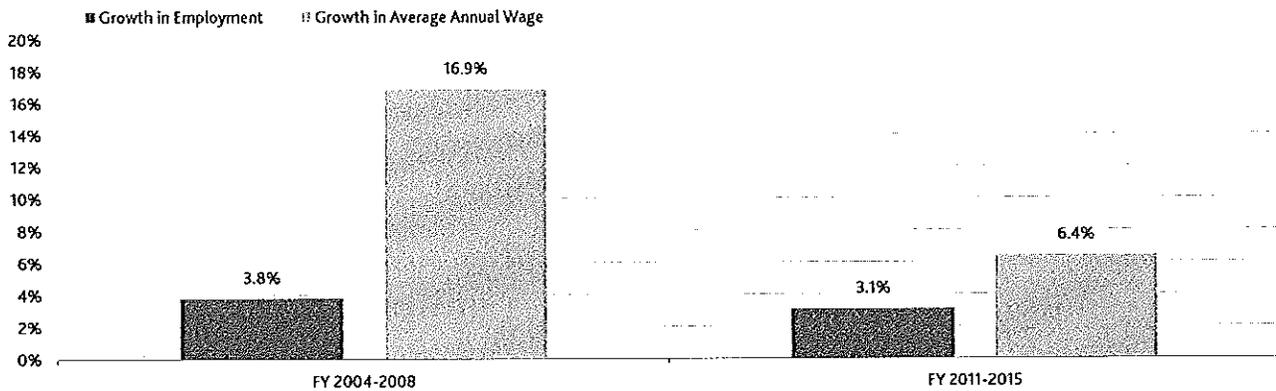
Connecticut's recovery has been mostly in lower-wage industries, which has translated into lower personal income tax revenues. From fiscal 2004-08, employment grew 3.8% and average wages grew 16.9% (see Exhibit 4). In comparison, jobs grew at about the same rate from 2011-15, but wages only grew 6.4%.

Personal income taxes comprised 53% of the state's general fund revenues in fiscal 2015, and within that, 60% to 70% come from withholding taxes. As shown in Exhibit 5, annual growth in the withholding portion of personal income taxes has been in the 3%-4% range since 2012, versus annual growth mostly in the 6%-7% just prior to the recession.

Moreover, final income tax payments, which are more volatile and highly dependent on capital gains and bonus payments, were down 2.7% year-over-year for the 10 months ended April 2016. The decline served as a major driver of the state Office of Policy and Management recently revising the projected general fund deficit downward to \$259.1 million for fiscal 2016. The fiscal 2017 amended budget was passed and closed a projected \$960 million gap with significant expenditure cuts.

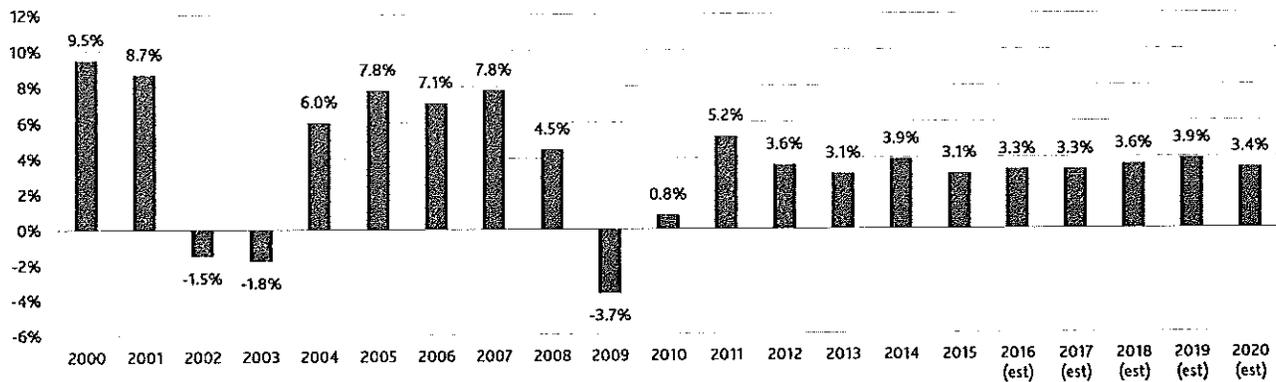
The job and income tax slowdowns come as Connecticut is also enduring population loss, with declines since 2013. The state is one of only 15 states with a decline over that period. The economic, financial and demographic factors indicate the state is entering a new economic reality.

Exhibit 4  
**Connecticut's Employment and Wage Trends Indicate a Higher Proportion of Lower Wage Jobs Post-Recession**



Source: Moody's Data Buffet, State of Connecticut

Exhibit 5  
**Connecticut's Income Tax Growth Rates Slow Post-Recession**  
 Withholding portion of personal income



Source: State of Connecticut

## Connecticut's fixed costs relative to the budget are among the highest in the nation and continue to rise

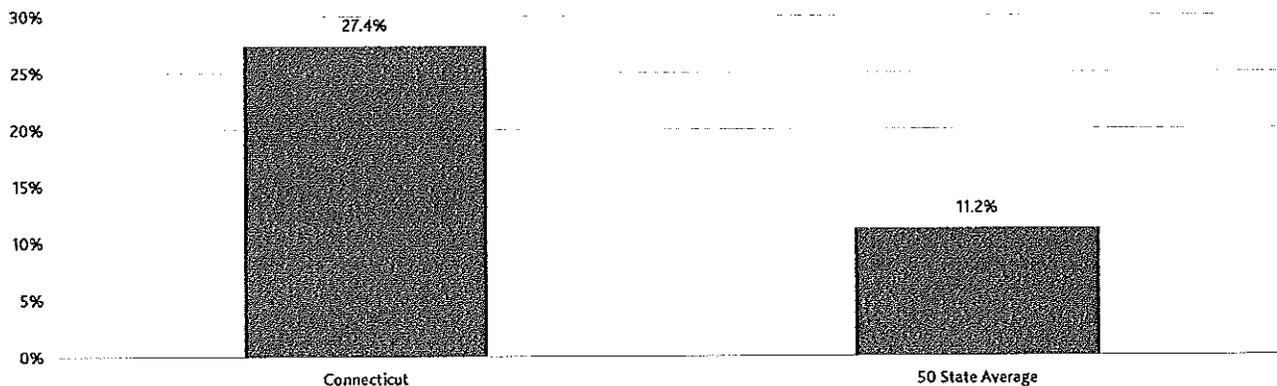
Connecticut's fixed costs, which include debt, pensions and retiree health care, were more than double the 50-state average in fiscal 2014 (see Exhibit 6). Connecticut's debt includes financing for certain municipal projects (mostly schools) that are funded at the local level in most states. As a result, the state is highly leveraged relative to other states, which results in a heavy debt service burden, even though Connecticut's combined debt loads (state plus local obligations) are more moderate relative to its significant taxable base.

However, the high fixed costs against the backdrop of muted revenue growth limits financial flexibility and could increase the likelihood of a future reduction in local aid. The state's budgetary pressure is evident in the numerous rounds of mid-year budget cuts in fiscal years 2015 and 2016. Further, although Connecticut's projected general fund deficit of \$259.1 million is small at only 1.4% of the budget, it comes with only two months left in the fiscal year, making it difficult to find solutions to achieve structural balance. It is likely that the state will draw on its budget stabilization fund to close the gap, but Connecticut's reserves are below average and its GAAP-basis fund balance is already negative. We believe that most of the state's solutions to a shortfall this late in the year will compound the GAAP-negative position of the state and increase challenges in fiscal 2017.

Offsetting factors include Connecticut's large and diverse economy, strong management, and very high wealth levels, which indicate that there are tools and resources to draw upon to deal with these challenges.

Exhibit 6

### Connecticut's Fixed Costs Relative to Budget Are Very High Compared to the 50-State Average Includes debt service, pension and retiree health care costs, fiscal 2014



Source: Moody's Investors Service

## Moody's Related Research

### Outlooks:

[US States: 2016 Outlook – Moderate Revenue Growth Supports Fiscal Stability for Most States, December 2015](#)

[US Local Governments: 2016 Outlook – Growing Property Tax Revenue and Improving Fund Balances Underpin Stable Outlook, December 2015](#)

### Sector In-Depth:

[State Government: Medians - Total Debt Remains Static in 2016, May 2016](#)

[Local Government: Medians – Growing Tax Bases and Stable Fund Balances Support Sector's Stability, March 2016](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

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REPORT NUMBER 1022955

# RatingsDirect®

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**Summary:**

**Connecticut; Appropriations; General  
Obligation; General Obligation  
Equivalent Security; Moral Obligation**

**Primary Credit Analyst:**

David G Hitchcock, New York (1) 212-438-2022; david.hitchcock@spglobal.com

**Secondary Contact:**

Eden P Perry, New York (1) 212-438-0613; eden.perry@spglobal.com

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## Summary:

# Connecticut; Appropriations; General Obligation; General Obligation Equivalent Security; Moral Obligation

### Credit Profile

US\$510.82 mil go rfdg bnds ser 2016B due 05/15/2027

<i>Long Term Rating</i>	AA-/Stable	New
Connecticut GO		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
Connecticut GO		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
Connecticut GO bnds ser 2012 B dtd 04/26/2012 due 04/15/2021-2032		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
Connecticut GO		
<i>Long Term Rating</i>	AA-/Stable	Downgraded

## Rationale

S&P Global Ratings has lowered its ratings on the State of Connecticut's general obligation (GO) debt outstanding to 'AA-' from 'AA', appropriation-secured debt to 'A+' from 'AA-', and Connecticut's moral obligation debt to 'A-' from 'A'. The outlook on all debt is stable.

At the same time S&P Global Ratings has assigned its 'AA-' rating and stable outlook to Connecticut's \$510 million GO refunding bonds.

The downgrade reflects our view of reduced state budgetary flexibility. Substantial revenue shortfalls over the past year have left Connecticut with what we believe are low reserves and an increasing share of the budget devoted to fixed costs. In our opinion, Connecticut has less flexibility to meet unanticipated revenue shortfalls, such as those that occurred in fiscal 2016, and may be poorly positioned should there be a national economic downturn in the next several years. The state is not budgeting to restore reserves in fiscal 2017, and projected out-year budget gaps in 2018 and beyond could prove troublesome in view of Connecticut's historically cyclical finances. Our stable outlook reflects that recent budget adjustments have been largely of an ongoing structural nature. However, rising debt service, pension, and other postemployment benefit (OPEB) costs have pushed fixed costs to what we see as a significant portion of the overall budget and could potentially hamper the state's ability to make further budget cuts should new revenue shortfalls develop. At the same time, tax increases enacted in the last two bienniums have constrained revenue-raising ability, in our view.

Despite multiple midbiennium budget adjustments, state budget reserves have been falling since fiscal 2014.

Connecticut's April revised consensus revenue forecast projects a fiscal 2016 general fund operating deficit of \$259.1 million, which we calculate will draw down reserves to \$149.9 million, or only 0.8% of 2016 net general fund appropriations. The legislature recently passed fiscal 2017 budget cuts of \$824.7 million, and additional revenue measures of \$136.3 million, which are projected to produce just a \$200,000 general fund operating surplus in fiscal 2017. At the same time, the state legislative Office of Fiscal Analysis (OFA) projects a \$1.3 billion out-year fiscal 2018 budget gap (6.6% of projected 2018 appropriations) based on maintenance of current service levels, a gap which will need to be addressed in next year's biennium budget. As a result, we expect state reserves will remain low for the foreseeable future.

Budget cuts have had the unintended impact of raising the proportion of the budget composed of fixed costs and constraining future budget-cutting flexibility. The state estimates that if Gov. Malloy signs the legislature's recently passed fiscal 2017 budget revisions, combined debt service, pension, and OPEB costs will comprise 28% of fiscal 2017 general fund appropriations, up from a previously estimated 26% in 2016. Connecticut has recently reduced net bond authorizations by \$642 million, a process required by law when debt reaches 90% of the state's statutory debt limit, which could help stabilize future debt service costs.

Based on current state budget projections, we calculate fiscal 2016 general fund revenues have fallen 3.6% below the original budget estimates, and fiscal 2017 revenues will fall 5.1% below, not including enacted revenue enhancement measures. The state attributes much of the revenue shortfall against budget to volatile capital gains taxes, based on a recent study of the 50 largest state taxpayers.

At the same time, we believe Connecticut retains a number of credit strengths that support our 'AA-' rating, which include what we consider:

- High wealth and income levels;
- A diverse economic base, which has experienced cyclical performance over time;
- Ongoing revenue and expenditures that remain near structural alignment, assuming the governor signs the legislature's recent fiscal 2017 budget revisions;
- Active monitoring of revenues and expenditures to identify and correct midfiscal year budget gaps, as exemplified by midyear budget adjustments made for fiscal years 2015, 2016, and 2017; and
- Adequate operating liquidity, which has improved following the state's move to budgeting based on generally accepted accounting principles (GAAP), and issuance of GAAP conversion bonds in 2014 to provide liquidity to assist in the transition.

Offsetting factors, in our opinion, include a history of cyclical state budget performance and currently weak revenue trends. We expect revenue growth to remain slow for the next several years, the result of economic weakness in Connecticut's high-paying financial sector. The state also has what we consider above-average debt levels, high unfunded pension liabilities, and large unfunded OPEB liabilities. These represent a significant fixed-cost pressure, which we expect to remain high for the foreseeable future.

S&P Global Ratings understands that the series 2016B bonds will be used to refund certain debt outstanding.

We believe Connecticut has taken timely midyear corrective action following successive downward revisions in projected fiscal years 2016 and 2017 state income tax. However, because the recent April downward revision in

forecast revenue does not allow enough time to make significant adjustments before the June 30 year-end of fiscal 2016, the state will dip into its budget stabilization fund (BSF) for the new \$259.1 million estimated 2016 operating deficit. Recent 2017 budget revisions passed by the legislature, but not yet signed by the governor, consist largely of ongoing structural measures, in our opinion. The state estimates only about 2% of 2017 budget items are of a one-time nature, including a \$50 million deferral of municipal revenue sharing that we believe could be continued into following years, if necessary.

However, we also believe that the \$961 million of midbiennium budget adjustments made for fiscal 2017 leave Connecticut with constrained flexibility to solve future revenue shortfalls, particularly as we believe pension and OPEB costs are likely to grow faster than revenues. Last year, the governor briefly proposed funding less than the actuarial annual required contribution (ARC) for legacy pension plans due to potentially rising pension costs, and we feel the state's large pension liability and potentially weak current investment returns could boost ARC payments. At the same time, an increased matching contribution for annual employee OPEB costs is scheduled to go into effect in fiscal 2018.

Underlying recent revenue shortfalls is continued weakness in income tax, underpinned by the lack of a bounceback in high wage jobs since the last recession. After two rounds of well-publicized tax rate increases in recent bienniums, and the high profile move of General Electric's headquarters to Boston, we believe raising taxes further at this point would be politically difficult.

We view the state's high income level as a key credit strength, with per capita income at 141% of the nation in 2014. However, Connecticut has been slow in regaining its highest paying jobs, which we believe has been pressuring state revenues. The state estimates that it has only recovered 8,200 of the 54,100 jobs lost during the financial crisis that paid wages of more than \$80,000, while adding 61,500 jobs paying wages under \$50,000, compared with 39,900 jobs lost in that category during the recession. Connecticut has one of the highest concentrations of financial services employment in the country, at 8% of total jobs as of 2014, according to IHS Global Insight Inc., which reports this sector has had consecutive years of job losses since 2008, and forecasts average Connecticut financial sector job losses of 1.2% per year through 2020. Nevertheless, IHS Global Insight estimates that Connecticut experienced slow 0.7% total employment growth in calendar 2015, compared with 2.0% for the nation. IHS Global Insight projects 1.1% state employment growth in 2016, and 0.8% in 2017, led by the services industries, although it projects continued slower state employment growth than that of the nation. Connecticut's unemployment rate remains slightly elevated compared with that of the U.S., but has improved since the recession, dropping to 5.6% in 2015 (compared with 5.3% for the nation) from 9.3% in 2010, according to the federal Bureau of Labor Statistics.

We consider Connecticut's level of approximately \$22 billion in tax-backed GO and transportation debt, after an expected sale of \$300 million of new money series 2016C bonds in a few weeks, to be high and rising slowly. At fiscal year-end 2015, we calculate the state had \$5,716 of tax-backed debt per capita. Combined GO, capital lease, and transportation special tax bonds outstanding have risen by about \$1.4 billion since fiscal year-end 2014. We estimate tax-backed debt per capita at about \$6,023 after the expected series 2016C sale. Fiscal year-end 2015 tax-backed debt to income was 8.5%. Our calculation of tax-backed debt service as a percent of total governmental fund expenditures, less federal revenues and restricted grant funds during fiscal 2015, is what we view as high at 12.3%. The governor has proposed a substantial increase in annual transportation capital spending to make up for perceived past underfunding

of transportation infrastructure, with up to \$6.6 billion of state bonding over five years, consisting mostly of transportation fund secured bonds. The potential exists for substantially more bonding after the initial five-year period under the contemplated program--the governor has proposed up to \$100 billion of transportation-related bonds over 30 years. However, we expect additional transportation-related bonds to be contingent on additional transportation-related tax revenue being made available, and the state senate has passed cancellation of \$642 million of net bond authorizations as the state approaches 90% of its statutory debt cap. The state house is expected to pass the bill in the coming days.

We consider combined unfunded pension liabilities as high, at \$26.6 billion at fiscal year-end 2015. Since fiscal 2012, Connecticut has been fully funding its retirement system ARC, a bond covenant requirement of its previous pension bonds issuance, which helps ameliorate what we view as currently low retirement systems' funded levels. The state funds the ARC using the credit actuarial cost methodology, which differs from the entry age normal actuarial methodology used in GAAP-based audits, but which we believe will eventually lead to a fully funded system if continued. We view the fiscal 2015 pension funds' combined funded ratio as a relatively low 50% on a combined actuarial basis. The state employees' retirement fund (SERF) alone has a funded ratio using the Governmental Accounting Standards Board (GASB) 67 GAAP basis methodology of what we regard as a low 39.54% (compared with 43.3% using state actuarial assumptions), while the teacher retirement funded ratio on a GASB basis was 61.51%.

In addition, we consider OPEB high at \$22 billion, including both the SERF's and the state teachers' retirement system. Connecticut law considers state employee OPEB a contractual right of current workers, and state payment of teachers' OPEB a state statutory obligation. Connecticut recently implemented a state employee contribution of 3% of salary toward OPEB, over and above current health costs, which it will match at the 3% rate beginning in fiscal 2018. Combined with small state OPEB trust fund contributions in 2008 and 2011, this will help ameliorate this still-sizeable unfunded liability.

Based on the analytic factors we evaluate for states, on a scale of '1.0' (strongest) to '4.0' (weakest), we have assigned a composite score of '2.0' to Connecticut. A score of '2.0' is indicative of a 'AA' rating. However, we have reduced our rating one notch, as permitted under our state rating criteria, to reflect what we believe will be continuing minimal reserve levels and high fixed costs.

## Outlook

Our stable outlook assumes state budget-cutting and revenue-raising flexibility will remain constrained by low fund balances and high fixed costs, but that Connecticut can achieve near structural budget balance during periods of economic expansion. The current rating level contemplates that the state could fall out of structural budget alignment during economic downturns, and will likely maintain what we would characterize as low reserve levels over our two-year outlook horizon, despite national economic growth. Connecticut previously issued debt to cover operating deficits during recessions, some of which remains outstanding from the last economic downturn.

Should Connecticut restore material budgetary flexibility either through the build-up of material ongoing reserve levels, or if fixed costs fall as a percent of budget, we could potentially raise our rating on the state. However, should

unfunded pension or OPEB liabilities rise significantly, or large revenue shortfalls reoccur without additional offsetting budget adjustments, we could lower our rating.

## Related Criteria And Research

### Related Criteria

- USPF Criteria: Assigning Issue Credit Ratings Of Operating Entities, May 20, 2015
- Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009
- USPF Criteria: Debt Statement Analysis, Aug. 22, 2006
- USPF Criteria: Financial Management Assessment, June 27, 2006
- USPF Criteria: State Ratings Methodology, Jan. 3, 2011
- USPF Criteria: Appropriation-Backed Obligations, June 13, 2007
- General Criteria: The Interaction Of Bond Insurance And Credit Ratings, Aug. 24, 2009
- USPF Criteria: Moral Obligation Bonds, June 27, 2006
- General Criteria: Methodology: Not-For-Profit Public And Private Colleges And Universities, Jan. 6, 2016
- USPF Criteria: Bank Liquidity Facilities, June 22, 2007
- USPF Criteria: Standby Bond Purchase Agreement Automatic Termination Events, April 11, 2008
- USPF Criteria: Methodology: Rating Approach To Obligations With Multiple Revenue Streams, Nov. 29, 2011

### Ratings Detail (As Of May 19, 2016)

Connecticut GO		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
Connecticut Hlth & Ed Fac Auth		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
Connecticut		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
Connecticut approp		
<i>Long Term Rating</i>	A+/Stable	Downgraded
Connecticut GO		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
Connecticut GO (AGM) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
Connecticut GO (AGM) (SEC MKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
Connecticut GO (BAM) (SECMKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
Connecticut GO (BAM) (SEC MKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
Connecticut GO (BAM) (SEC MKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
Connecticut GO (FGIC)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded

**Ratings Detail (As Of May 19, 2016) (cont.)**

Connecticut GO		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
Connecticut GO		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
Connecticut GO		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
Connecticut GO		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
<b>Connecticut GO</b>		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
<b>Capital City Economic Dev Auth, Connecticut</b>		
Connecticut		
Capital City Economic Dev Auth (Connecticut) GOEQUIV		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
Capital City Economic Dev Auth (Connecticut) GOEQUIV		
<i>Long Term Rating</i>	AA-/A-1/Stable	Downgraded
<b>Capital City Economic Dev Auth (Connecticut) pkg &amp; energy fee rev</b>		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
<b>Connecticut Hlth &amp; Educl Facs Auth, Connecticut</b>		
Connecticut		
Connecticut Hlth & Educl Facs Auth (Connecticut) rev bnds (Child Care Facs Prog) (ASSURED GTY)		
<i>Unenhanced Rating</i>	A-(SPUR)/Stable	Downgraded
Connecticut Hlth & Educl Facs Auth (Connecticut) state supported rev bnds		
<i>Long Term Rating</i>	A+/Stable	Downgraded
Connecticut Hlth & Educl Facs Auth (Connecticut) APPROP		
<i>Long Term Rating</i>	A+/Stable	Downgraded
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
Connecticut Hlth & Ed Fac Auth nsg home prog		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
Connecticut Hlth & Ed Fac Auth (Connecticut) nsg home prog taxable		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
Connecticut Hlth & Ed Fac Auth (Connecticut) st univ sys issue		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
<b>Connecticut Hlth &amp; Educl Facs Auth (Connecticut) ser G&amp;H</b>		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
<b>Connecticut Hlth &amp; Ed Fac Auth rev bnds (Connecticut State Univ Sys Issue) ser D-2 dtd 03/15/2002 due 11/01/2020-2022</b>		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
<b>Connecticut Hlth &amp; Ed Fac Auth (Connecticut) univ issue</b>		

**Ratings Detail (As Of May 19, 2016) (cont.)**

<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
<b>Connecticut Hsg Fin Auth, Connecticut</b>		
Connecticut		
Connecticut Hsg Fin Auth (Connecticut) state supported spl oblig bnds		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
<b>Connecticut Hsg Fin Auth spl needs hsg mtg fin prog</b>		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
<b>Connecticut Innovations Incorporated, Connecticut</b>		
Connecticut		
Connecticut Innovations Incorporated (Connecticut) gen fd oblig bnds		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
<b>Connecticut Dev Auth (Connecticut) GO</b>		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
<b>University of Connecticut, Connecticut</b>		
Connecticut		
University of Connecticut (Connecticut)		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
University of Connecticut (Connecticut) GO		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
University of Connecticut (Connecticut) GO		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
University of Connecticut (Connecticut) GOEQUIV		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
University of Connecticut (Connecticut) GOEQUIV		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
University of Connecticut (Connecticut) GO rfdg bnds (Connecticut)		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
University of Connecticut (Connecticut) GO rfdg bnds		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
University of Connecticut (Connecticut) GO (AGM) (SEC MKT)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
Univ of Connecticut		
<i>Long Term Rating</i>	AA-/Stable	Downgraded
<b>University of Connecticut GO</b>		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
<b>Univ of Connecticut GO</b>		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded
<b>Univ of Connecticut (Connecticut) GO</b>		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Downgraded

**Ratings Detail (As Of May 19, 2016) (cont.)**

**Waterbury, Connecticut**

Connecticut

**Waterbury (Connecticut) GO spl cap reserve fd**

*Unenhanced Rating*

AA-(SPUR)/Stable

Downgraded

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.globalcreditportal.com](http://www.globalcreditportal.com). All ratings affected by this rating action can be found on the S&P Global Ratings public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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# Fitch Ratings

## Fitch Downgrades Connecticut's GO Bonds to 'AA-'; Outlook Stable

Fitch Ratings-New York-19 May 2016: Fitch Ratings has assigned an 'AA-' rating to the following State of Connecticut general obligation (GO) bonds:

--\$510,820,000 GO refunding bonds (2016 series B).

The bonds are being offered via negotiated sale on or about May 24, 2016. The par amount is subject to change pending final sale.

In addition, Fitch has downgraded the state's Issuer Default Rating (IDR) and the rating on the state's GO bonds to 'AA-' from 'AA'. The ratings on debt linked to the state's IDR also have been downgraded, as detailed at the end of this release.

The Rating Outlook is Stable.

### SECURITY

The bonds are general obligations to which the full faith and credit of the state will be pledged for payment of principal and interest.

### KEY RATING DRIVERS

The downgrade reflects both negative underlying credit trends and the application of Fitch's revised U.S. Tax-Supported Rating Criteria, released April 18, 2016. The state has experienced chronic economic and fiscal challenges during the current expansion and consequently its scope of flexibility to address future cyclicality, in Fitch's view, has been reduced. Despite repeated, and generally structural, responses to bring the current biennial budget into balance, it remains unclear whether the state has succeeded in fully aligning its budget to potential future economic and revenue performance. The Stable Outlook at the 'AA-' rating level reflects Fitch's view that, despite its high fixed cost burden and ongoing economic uncertainty, recent state corrective actions have primarily been structural in nature, and state managers continue to pursue fiscal management changes to improve the state's longer term prospects.

### Economic Resource Base:

Connecticut has a mature and diverse economy anchored by a large finance sector and important manufacturing and education and health sectors. The last downturn in the state was severe, and the recovery has been very slow compared to previous economic cycles. Over the 2012 - 2015 period, employment in the state rose at roughly half of the pace enjoyed by the nation, and current employment remains below the pre-recession peak. The state is the wealthiest in the U.S. as measured by per capita personal income, although aggregate personal income gains have trailed the nation's and key finance and manufacturing sectors are experiencing only modest growth after the retrenchment of recent years.

### Revenue Framework: 'aa' factor assessment

Tax revenues are diverse, with the largest tax source, personal income tax (PIT), subject to considerable cyclicality, particularly the component derived from capital gains. Sales, corporate income, transportation and gaming taxes serve to further diversify the tax base. Baseline growth prospects for taxes are limited given the state's mature, slowly growing economy. The state has unlimited legal ability to levy taxes.

### Expenditure Framework: 'aa' factor assessment

As with most states, Connecticut's pace of spending growth is expected to be higher than that of revenues in the absence of policy action given the prominence of Medicaid; other social services, education, municipal aid, debt service and pension contributions add further to spending pressure. The state has consistently demonstrated the ability to manage its high fixed cost burden, including making full actuarial contributions.

#### Long-Term Liability Burden: 'a' factor assessment

The burden of debt and unfunded pension liabilities in relation to resources is elevated and among the highest for a U.S. state. Net tax-supported debt consists primarily of GO and transportation borrowings, with much of GO borrowing undertaken on behalf of local schools. Unfunded pensions, including for local teachers, are more significant, with high discount rates suggesting that future funded ratio erosion and higher contribution needs are a risk, despite an otherwise very conservative amortization policy.

#### Operating Performance: 'aa' factor assessment

Frequent revenue reforecasting allows the state to identify revenue underperformance and quickly implement corrective actions. Gap-closing capacity remains strong but is less robust than during past expansions given that the state has been unable to quickly rebuild reserve balances and it already has implemented tax increases and spending cuts in the course of the current expansion. Further expenditure adjustments remain a source of additional flexibility, although high fixed costs limit the state's scope of action.

#### RATING SENSITIVITIES

**MAINTAINING FISCAL RESILIENCE:** The rating is sensitive to the state's continued ability to manage comparatively weak economic recovery conditions and future economic and revenue downturns while maintaining an operating profile consistent with the current rating level. This is particularly important given that reserve balances are likely to remain low relative to history and potential budgetary needs. Evidence that through-the-cycle fiscal flexibility has deteriorated further could lead to a downgrade.

#### CREDIT PROFILE

Connecticut has a diverse, mature and wealthy economic base, with a slowly growing population and an aging demographic profile. In contrast to past economic recoveries, growth in the current expansion has been unusually slow and uncertain. Employment gains have been well below national averages and slower than past recoveries. The finance sector, with important banking and investment activity in Fairfield County and insurance activity in Hartford, saw sizable employment losses through the recession and well into the recovery. The state's large and sophisticated manufacturing sector has seen relatively flat employment since steep recessionary losses ended, although important defense-related manufacturing helps to anchor the sector. Tourism has grown in importance, but prospects for the state's gaming resorts are more uncertain amid rising competitive pressures. The state's unemployment rate has historically run below the nation's, but this trend has reversed in more recent years. Personal income per capita ranks highest among the states, at 141% of the national level, and aggregate personal income growth continues, albeit below national rates of growth.

#### Revenue Framework

Tax revenues for general fund needs are diverse, with PIT, corporate income and sales taxes serving as the primary tax sources. PIT receipts, particularly those derived from non-withholding, are particularly important but subject to volatility. The separate transportation fund receives a range of transportation-related receipts as well as resources from the general fund.

A mature economy and an older, more slowly-growing demographic profile result in a revenue profile that Fitch believes is likely to grow more slowly than national GDP over time.

The state has unlimited legal ability to raise tax revenues. Tax rate competitiveness is more of a factor in

Connecticut than in some other states due to its relatively small size for a state and its proximity to neighboring states' urban employment centers. Transportation revenues, while dedicated for transportation needs, are statutorily, although not constitutionally restricted to transportation and have been subject in the past to frequent diversion for general needs.

#### Expenditure Framework

As with many smaller states by land area, Connecticut's scope of spending is very broad, with the state responsible for delivering or funding numerous services routinely funded at the local level in other states. Formula funding for local schools and subsidies for higher education highlight the state's sizable role in education, which also extends to funding teacher pension contributions and school capital. Municipal aid is also significant, although a recent sales tax-funded expansion included in the adopted fiscal 2015 budget was partly reversed given subsequent budgetary weakness. Common to states, Medicaid and other social services are the largest spending commitment, with rising needs pressuring total spending.

As with most states, spending is expected to be in line with to marginally above expected revenue growth without ongoing state action to control costs. This is largely driven by social service demands.

The state retains solid ability to cut spending despite several rounds of budgetary adjustment during the current and last biennia. Statute requires swift response in the event of forecast underperformance, either through rescissions, allotment cuts, or with legislative concurrence, depending on the size of the projected deficit.

Fitch views Connecticut's fixed costs as being relatively high, well above the U.S. state median, driven by an above average burden of debt and unfunded pensions. Debt service includes support for GO bonds issued for school construction, as well as past deficit borrowing and conversion to GAAP budgeting. The state consistently makes full actuarial contributions toward paying down its unfunded pensions.

#### Long-Term Liability Burden

Connecticut's long-term liability burden for debt and pensions is elevated and amongst the highest for a U.S. state, although it remains a moderate burden on resources and the state continues to contribute full actuarial contributions to its pensions.

Net tax-supported debt totaled \$21.8 billion as of February 2016, or 9.1% of 2015 personal income. Three-quarters of net tax-supported debt is GO, a large share of which has been issued for local school capital needs. GO borrowing includes \$2.3 billion in pension bonds issued to improve the funded ratio of the teachers retirement fund (TRF).

Both of the state's two major pension systems, covering state employees and teachers, have relatively low funded ratios driven by weak contribution practices in the past; both plans have now received full annual actuarial contributions for years, the TRF under a covenant linked to GO pension bonds. Connecticut has pursued reforms for both plans, and both maintain conservative closed amortization schedules. The state is considering additional reforms to lower the burden of pensions over time.

#### Operating Performance

Fitch views Connecticut as having strong gap-closing capacity, although somewhat diminished given its economic and revenue performance in recent biennia. Expenditure and revenue actions, particularly expenditure cuts, remain the state's primary sources of financial resilience given the relatively low balance of the budget reserve fund (BRF) and tax rate increases adopted in recent biennial budgets that make further increases more challenging. A partial draw on the BRF to close a fiscal 2015 ending deficit left its balance at \$406 million, or 2.2% of fiscal 2015 net revenues, well below the nearly \$1.4 billion peak in fiscal 2009. The BRF level is likely to be tapped again to close a remaining forecast \$259 million gap in fiscal 2016, even after the extensive administrative and legislative actions already taken in the course of this fiscal year. Financial resilience is further supported by multiple revenue monitoring

mechanisms, including consensus forecasting, and disciplined mechanisms to respond to identified budgetary weakness.

Along with relatively high fixed costs, the state continues to carry the burden of deficit notes issued during the last downturn, in contrast to past recoveries when surging tax receipts allowed past deficit notes to be repaid early and the BRF balance to be rebuilt. Despite this limitation and the challenges posed by its current slow recovery, the state's fiscal management has generally improved in recent biennia, with a greater reliance on structural solutions, continued full actuarial pension contributions and actions taken to correct a longstanding GAAP deficit.

#### Current Developments

The state is currently in the middle of its fiscal 2016-2017 biennium. Although the adopted biennial budget was structurally balanced and the revenue forecast appeared reasonable, fiscal 2016 quickly underperformed, resulting in several rounds of lower consensus revenue forecasts and administrative and legislative actions to close gaps. Gap-closing actions have themselves been mostly structural, including layoffs. The April 29 consensus forecast, the final update for fiscal 2016, lowered revenues further given disappointing PIT collections, primarily in capital gains related revenues. With only a short remaining timeframe before the fiscal year-end, the newly re-emerging gap for fiscal 2016, estimated at \$259 million, is likely to be closed by a draw from the BRF.

Forecast fiscal 2017 revenues were lowered with each successive consensus update during fiscal 2016. The state legislature reached agreement last week on a \$961 million package of budgetary adjustments to close the fiscal 2017 gap. Actions include additional layoffs, as well as trimming budgeted transfers of sales taxes for municipalities and transportation funding that had been included in the adopted budget. Consistent with fiscal 2016 actions, the fiscal 2017 legislative package emphasizes recurring actions, which is likely to make the size of fiscal 2018-2019 forecast gaps more manageable.

The state has implemented some administrative changes to budgeting supported by the governor, including changing the calculation of future expenditures, and is reviewing other fiscal changes, including additional pension reforms.

#### Related Ratings

In conjunction with the downgrade of the state's IDR, Fitch has downgraded by one notch the rating on the following bonds, whose ratings are linked to the state's rating. The Rating Outlook on all of the bonds is Stable.

- University of Connecticut state debt service commitment bonds to 'A+' from 'AA-';
- Connecticut Higher Education Supplemental Loan Authority state supported revenue bonds payable from special capital reserve funds to 'A+' from 'AA-';
- Capital City Economic Development Authority parking and energy fee revenue bonds, series 2004A, 2004B, and 2008D to 'A+' from 'AA-';
- Connecticut Development Authority and Connecticut Innovations general fund obligation bonds, series 2004A, 2004B, 2004C, 2006A and 2014A to 'A+' from 'AA-';
- Connecticut Health and Educational Facilities Authority (CHEFA) revenue bonds (child care facilities program) series G to 'A' from 'A+'.

#### Contact:

Primary Analyst  
Douglas Offerman  
Senior Director  
+1-212-908-0889

Fitch Ratings, Inc.  
33 Whitehall Street  
New York, NY 10004

Secondary Analyst  
Marcy Block  
Senior Director  
+1-212-908-0239

Committee Chairperson  
Laura Porter  
Managing Director  
+1-212-908-0575

Media Relations: Elizabeth Fogerty, New York, Tel: +1 (212) 908 0526, Email:  
elizabeth.fogerty@fitchratings.com.

Additional information is available at 'www.fitchratings.com'.

In addition to the sources of information identified in Fitch's applicable criteria specified below, this action was informed by information from Lumesis and InvestorTools.

#### **Applicable Criteria**

U.S. Tax-Supported Rating Criteria (pub. 18 Apr 2016)

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#### **Additional Disclosures**

Dodd-Frank Rating Information Disclosure Form

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