

Final Official Statement Dated April 20, 2010

Refunding Issue: Book-Entry-Only

RATINGS: Standard & Poor's Corporation "AA-"

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



City of Meriden, Connecticut

\$38,490,000

General Obligation Refunding Bonds, Issue of 2010

Comprised of

\$11,790,000 General Obligation Refunding Bonds, Series A

And

\$26,700,000 General Obligation Refunding Bonds, Series B

Dated: Date of Delivery

**Due: Serially on August 1,
as detailed inside this front cover:**

The Series A Bonds and the Series B Bonds (the "Bonds") will bear interest payable August 1, 2010 and semiannually thereafter on February 1 and August 1 in each year until maturity. The Bonds are issuable only as fully registered bonds, without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. So long as Cede & Co. is the Bondowner, as nominee of DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. See "Book-Entry-Only System" herein.

The Bonds are subject to redemption prior to maturity as herein provided. (See "Redemption Provisions").

The Bonds will be general obligations of the City of Meriden, Connecticut (the "City") and the City will pledge its full faith and credit to pay the principal of and the interest on the Bonds when due. See "Security and Remedies" herein.

The Registrar, Transfer Agent, Paying Agent, Certifying Agent, and Escrow Agent will be U.S. Bank National Association, Goodwin Square, 225 Asylum Street, Hartford, Connecticut 06103.

PiperJaffray.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about May 4, 2010.

City of Meriden, Connecticut
\$38,490,000
General Obligation Refunding Bonds, Issue of 2010
Comprised of
\$11,790,000 General Obligation Refunding Bonds, Series A
And
\$26,700,000 General Obligation Refunding Bonds, Series B

\$11,790,000 SERIES A BONDS

Dated: Date of Delivery

***Due: Serially on August 1,
as detailed below:***

<i>Year</i>	<i>Principal</i>	<i>Coupon</i>	<i>Yield</i>	<i>CUSIP</i>	<i>Year</i>	<i>Principal</i>	<i>Coupon</i>	<i>Yield</i>	<i>CUSIP</i>
2010	\$ 105,000	3.000%	0.500%	589535J20	2017	\$ 705,000	4.000%	2.800%	589535J87
2012	2,010,000	4.000%	1.100%	589535J38	2018	355,000	4.000%	3.020%	589535J95
2013	1,785,000	4.000%	1.410%	589535J46	2019	355,000	4.000%	3.180%	589535K28
2014	1,800,000	5.000%	1.750%	589535J53	2020	355,000	4.000%	3.350%	589535K36
2015	1,805,000	4.000%	2.060%	589535J61	2021*	350,000	4.000%	3.550%	589535K44
2016	1,815,000	4.000%	2.480%	589535J79	2022*	350,000	4.000%	3.700%	589535K51

* Priced assuming redemption on August 1, 2020; however any such redemption is at the option of the City.

\$26,700,000 SERIES B BONDS

Dated: Date of Delivery

***Due: Serially on August 1,
as detailed below:***

<i>Year</i>	<i>Principal</i>	<i>Coupon</i>	<i>Yield</i>	<i>CUSIP</i>	<i>Year</i>	<i>Principal</i>	<i>Coupon</i>	<i>Yield</i>	<i>CUSIP</i>
2010	\$ 260,000	3.000%	0.500%	589535K69	2018	\$ 2,700,000	5.000%	3.020%	589535L50
2012	3,205,000	4.000%	1.100%	589535K77	2019	2,705,000	5.000%	3.180%	589535L68
2013	3,195,000	4.000%	1.410%	589535K85	2020	1,655,000	4.000%	3.350%	589535L76
2014	3,350,000	5.000%	1.750%	589535K93	2021*	1,650,000	5.000%	3.400%	589535L84
2015	1,000,000	5.000%	2.060%	589535L27	2022*	1,650,000	5.000%	3.460%	589535L92
2016	1,000,000	5.000%	2.480%	589535L35	2023*	1,650,000	5.000%	3.520%	589535M26
2017	2,680,000	5.000%	2.800%	589535L43					

* Priced assuming redemption on August 1, 2020; however any such redemption is at the option of the City.

No person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement or any supplement, which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the City since the date of this Official Statement.

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

Other than as to matters expressly set forth in Appendix B and in “Tax Matters” herein, Bond Counsel are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Table of Contents

	<u>Page</u>		<u>Page</u>
I. Bond Information.....	1	V. Financial Information.....	27
Introduction	1	Fiscal Year	27
Financial Advisor	1	Basis of Accounting and Accounting Policies	27
Description of the Bonds.....	1	Government Fund Types	27
Redemption Provisions	1	Budgetary Procedures	28
Authorization and Purpose.....	2	Annual Audit.....	28
Plan of Refunding	2	Pension Plans	28
Verification of Mathematical Computations	4	Other Post Employment Benefits	28
Sources and Uses of Bond Proceeds.....	4	Investment Policies and Procedures	28
Tax Matters	4	General Fund - Comparative Balance Sheet	
Original Issue Discount.....	5	Liabilities and Fund Balance	29
Original Issue Premium.....	5	General Fund Revenues and Expenditures.....	30
Book-Entry-Only Transfer System	5	Analysis of General Fund Equity	31
Security and Remedies	7	Intergovernmental Revenues as a Percentage of	
Qualification for Financial Institutions.....	7	General Fund Revenues	31
Availability of Continuing Information	7	Enterprise Funds Comparative Balance Sheet.....	32
Ratings.....	8	Water Fund Comparative Balance Sheet.....	33
Bond Insurance.....	8	Sewer Authority Comparative Balance Sheet	34
Underwriting	8	Golf Course Comparative Balance Sheet	34
II. The Issuer.....	9	Enterprise Funds Comparative Statement of	
Description of the Municipality	9	Revenues and Expenditures	36
Form of Government	9	Water Fund Comparative Statement of	
Principal City Officials	10	Revenues and Expenditures	36
Summary of Municipal Services.....	10	Sewer Authority Comparative Statement of	
Economic Development	12	Revenues and Expenditures	37
Commercial/Industrial Development	13	Golf Course Comparative Statement of	
Downtown Activity and Planned Redevelopment.....	14	Revenues and Expenditures	37
Retail/Hotel Development.....	15	VI. Debt Summary.....	38
Municipal and Public Facility Development	15	Principal Amount of Bonded Indebtedness.....	38
Residential Development	15	Short-Term Debt	39
Comprehensive Planning and Future Mixed Use Dev	16	Annual Bonded Debt Maturity Schedule.....	39
Community Development Program	16	Overlapping/Underlying Debt	39
Employee Relations and Collective Bargaining	17	Debt Statement.....	40
Municipal Employees	17	Current Debt Ratios	40
Employee Bargaining Organizations.....	17	Bond Authorization Procedure	41
Educational Services	18	Temporary Financing.....	41
School Facilities	18	Clean Water Fund	41
School Enrollment	18	Statement of Debt Limitation.....	42
III. Economic and Demographic Information	19	Debt Authorized but Unissued.....	43
Population and Density	19	Principal Amount of Outstanding Debt	43
Age Distribution of the Population.....	19	Ratios of Net Long-Term Debt to Valuation,	
Income Distribution	19	Population and Income	44
Income Levels	20	Ratio of Annual Debt Service to Total General Fund	
Educational Attainment.....	20	Expenditures and Other Financing Uses.....	44
Major Employers.....	20	Capital Improvement Program.....	45
Employment by Industry	21	School Projects.....	45
Employment Data.....	21	VII. Legal and Other Information	46
Age Distribution of Housing.....	22	Litigation.....	46
Housing Inventory.....	22	Transcript and Closing Documents	46
Owner -Occupied Housing Values	22	Concluding Statement.....	47
Building Permits.....	23	Appendix A - Excerpts from the City's 2009 Comprehensive	
Land Use Summary.....	23	Annual Financial Report	
IV. Tax Base Data	24	Appendix B - Forms of Legal Opinion of Bond Counsel	
Property Tax	24	Appendix C - Form of Continuing Disclosure Agreement	
Assessments	24		
Property Tax Collection Procedures.....	24		
Comparative Assessed Valuation.....	25		
Property Tax Levies and Collections.....	25		
Ten Largest Taxpayers	26		

I. Bond Information

Introduction

This Official Statement, including the cover page, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the City of Meriden, Connecticut (the "City"), in connection with the original issuance and sale of \$38,490,000 General Obligation Refunding Bonds, Issue of 2010 comprised of \$11,790,000 General Obligation Refunding Bonds, Series A (the "Series A Bonds") and \$26,700,000 General Obligation Refunding Bonds, Series B (the "Series B Bonds" and collectively with the Series A Bonds, the "Bonds") of the City.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. Any statement made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

U.S. Bank National Association, 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103 will act as Registrar, Transfer Agent, Paying Agent, Escrow Agent and Certifying Agent for the Bonds.

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

The City deems this Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

Financial Advisor

Phoenix Advisors, LLC, of Milford, Connecticut has served as financial advisor to the City with respect to the issuance of the Bonds (the "Financial Advisor"). The information in this Official Statement has been prepared by the City with the help of the Financial Advisor. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Description of the Bonds

The Bonds will be dated the date of delivery and will mature in the years and in such amounts and shall bear interest at such rate or rates as set forth on the inside cover of this Official Statement, payable on August 1, 2010 and semiannually thereafter on February 1 and August 1 in each year until maturity. Interest will be calculated on the basis of twelve thirty-day months and a 360-day year. Interest is payable to the registered owner as of the close of business on the fifteenth day of January and July in each year, or the preceding business day if such fifteenth day is not a business day, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, and the City shall agree.

Redemption Provisions

Bonds maturing on or before August 1, 2020 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2021 and thereafter are subject to redemption prior to maturity, at the election of the City, on or after August 1, 2020 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the respective prices (expressed as a percentage of the principal amount of Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<i>Period During Which Redeemed</i>	<i>Redemption Prices</i>
August 1, 2020 and thereafter	100%

Notice of redemption shall be given by the City or its agent by mailing a copy of the redemption notice by first-class mail at least thirty (30) days prior to the date fixed for redemption to the registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

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

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

The Certifying Agent, Paying Agent, Registrar, Transfer Agent and Escrow Agent will be U.S. Bank National Association, 225 Asylum Street, Hartford, Connecticut 06103. The legal opinion on the Bonds will be rendered by Robinson & Cole LLP in substantially the forms set forth in Appendix B to this Official Statement.

Authorization and Purpose

The Bonds are being issued pursuant to Section 7-370c of the General Statutes of the State of Connecticut, as amended, and a resolution adopted by the City Council on April 5, 2010, authorizing the issuance of refunding bonds in an amount not to exceed \$60,000,000. The Bonds are being issued to refund all or any portion of the aggregate principal amount outstanding of certain of the City's outstanding general obligation bonds. See "Plan of Refunding" herein.

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Plan of Refunding

The Bonds are being issued to refund at or prior to maturity all or any portion of the aggregate principal amount outstanding of certain of the City's outstanding general obligation bonds, as set forth below (the "Refunded Bonds"). The refunding is contingent upon the delivery of the Bonds.

	<i>Dated</i>	<i>Maturity</i>	<i>Interest</i>	<i>Par</i>	<i>Redemption</i>	<i>Redemption</i>
<i>Issue</i>	<i>Date</i>	<i>Date</i>	<i>Rate</i>	<i>Amount</i>	<i>Date</i>	<i>Price</i>
<u>Series A Bonds</u>						
2002	8/1/2002	8/1/2012	5.000%	\$ 2,570,000	8/1/2011	101.00%
		8/1/2013	3.800%	1,800,000	8/1/2011	101.00
		8/1/2014	3.875%	1,800,000	8/1/2011	101.00
		8/1/2015	4.000%	1,800,000	8/1/2011	101.00
		8/1/2016	4.125%	1,800,000	8/1/2011	101.00
		8/1/2017	4.250%	700,000	8/1/2011	101.00
		8/1/2018	4.300%	350,000	8/1/2011	101.00
		8/1/2019	4.375%	350,000	8/1/2011	101.00
		8/1/2020	4.500%	350,000	8/1/2011	101.00
		8/1/2021	4.500%	350,000	8/1/2011	101.00
		8/1/2022	4.500%	350,000	8/1/2011	101.00
				<u>350,000</u>		
		\$ 12,220,000				
<u>Series B Bonds</u>						
2004	8/1/2004	8/1/2011	3.750%	\$ 600,000	N/A	N/A
		8/1/2012	5.000%	3,425,000	8/1/2011	100.00%
		8/1/2013	4.000%	3,425,000	8/1/2011	100.00
		8/1/2014	4.000%	3,425,000	8/1/2011	100.00
		8/1/2015	4.000%	1,050,000	8/1/2011	100.00
		8/1/2016	4.000%	1,050,000	8/1/2011	100.00
		8/1/2017	4.125%	1,050,000	8/1/2011	100.00
		8/1/2018	4.200%	1,050,000	8/1/2011	100.00
		8/1/2019	4.250%	1,050,000	8/1/2011	100.00
				<u>1,050,000</u>		
		\$ 16,125,000				
2008	8/1/2008	8/1/2017	4.000%	\$ 1,655,000	8/1/2016	100.00%
		8/1/2018	4.125%	1,655,000	8/1/2016	100.00
		8/1/2019	5.000%	1,650,000	8/1/2016	100.00
		8/1/2020	5.000%	1,650,000	8/1/2016	100.00
		8/1/2021	5.000%	1,650,000	8/1/2016	100.00
		8/1/2022	5.000%	1,650,000	8/1/2016	100.00
		8/1/2023	5.000%	1,650,000	8/1/2016	100.00
				<u>1,650,000</u>		
		\$ 11,560,000				
Total				\$ 39,905,000		

Upon delivery of the Bonds, a portion of the Bond proceeds will be deposited in an irrevocable escrow fund (the "Escrow Deposit Fund") established with U.S. Bank National Association, as escrow agent (the "Escrow Agent") under an Escrow Agreement (the "Escrow Agreement") dated as of May 4, 2010 between the Escrow Agent and the City. The Escrow Agent will use such proceeds to purchase a portfolio of non-callable direct obligations of, or obligations guaranteed by the government of the United States of America, including, Federal National Mortgage Association ("FNMA") and Federal Home Loan Mortgage Corporation ("FHLMC") securities and any other securities permitted by Section 7-400 of the Connecticut General Statutes, all of which shall not be callable or prepayable at the option of the issuer thereof (the "Escrow Securities") and needed to pay the principal, interest payments, and redemption prices of the Refunded Bonds. All investment income on and the maturing principal of the Escrow Securities held in the Escrow Deposit Fund will be irrevocably deposited by the City for payment of the Refunded Bonds. The balance of the proceeds of the Bonds will be used to pay costs of issuance and Underwriter's discount.

Verification of Mathematical Computations

The accuracy of the mathematical computations regarding (i) the adequacy of maturing principal of and interest earned on the Escrow Securities deposited with the Escrow Agent to pay, when due, the principal of, accrued interest and redemption premium on the Refunded Bonds on the redemption dates and (ii) the yield on the Bonds and the Escrow Securities will be verified by AMTEC of West Hartford, Connecticut (the "Verification Agent"). Such verification of the accuracy of the mathematical computations will be based upon information and assumptions supplied to the Verification Agent by the Underwriter.

Sources and Uses of Bond Proceeds:

Sources:	<u>This Issue</u>
Par Amount of the Series A Bonds.....	\$11,790,000.00
Par Amount of the Series B Bonds.....	26,700,000.00
Net Original Issue Premium (Discount).....	4,099,449.00
Total Sources	\$42,589,449.00
Uses:	
Deposit to Escrow Deposit Fund	\$42,332,203.28
Costs of Issuance	80,000.00
Underwriter's Discount	173,205.00
Additional Proceeds	4,040.72
Total Uses	\$42,589,449.00

Tax Matters

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

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

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

In the opinion of Robinson & Cole LLP, Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and

estates required to pay the federal alternative minimum tax. The opinion of Bond Counsel is rendered as of its date and is based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to their attention, or to reflect any changes in law that may thereafter occur or become effective. Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding other State and local tax consequences of ownership and disposition of, and receipt of interest on, the Bonds.

Original Issue Discount

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

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

Original Issue Premium

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

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

Book-Entry-Only Transfer System

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges

between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Security and Remedies

The Bonds will be general obligations of the City of Meriden, Connecticut and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from general property tax revenues. The City has the power under Connecticut statutes to levy ad valorem taxes on all taxable property in the City without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the City may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

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

The City is subject to suit on its general obligation debt and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the City. Courts of competent jurisdiction also have the power in appropriate proceedings to order a payment of a judgment on such debt from funds lawfully available therefor or, in the absence thereof, to order the City to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the City and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such debt would also be subject to the applicable provisions of Federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the federal bankruptcy code, the City may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title II of the United States Code, or by state law or a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

Qualification for Financial Institutions

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

Availability of Continuing Information

The City of Meriden prepares, in accordance with State law, annual independent audited financial statements and files such annual report with the State Office of Policy and Management within six months of the end of its fiscal year.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data, timely notice of a failure by the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, and timely notice of the occurrence of certain material events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form attached

as Appendix C to this Official Statement. The Underwriter's obligation to purchase the Bonds shall be conditioned upon its receiving at or prior to the delivery of the Bonds an executed copy of the Continuing Disclosure Agreement.

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

Ratings

The Bonds have been rated "AA-" by Standard & Poor's Corporation ("S&P"). The City furnished to S&P certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of S&P and will be subject to revision or withdrawal, which could affect the market price of the Bonds. S&P should be contacted directly for its rating on the Bonds and the explanation of such rating.

The City expects to furnish to S&P information and materials that it may request. The City's Financial Advisor, Phoenix Advisors LLC, recommends that all bonded debt be submitted for a credit rating.

Bond Insurance

The City does not expect to purchase a credit facility for the Bonds.

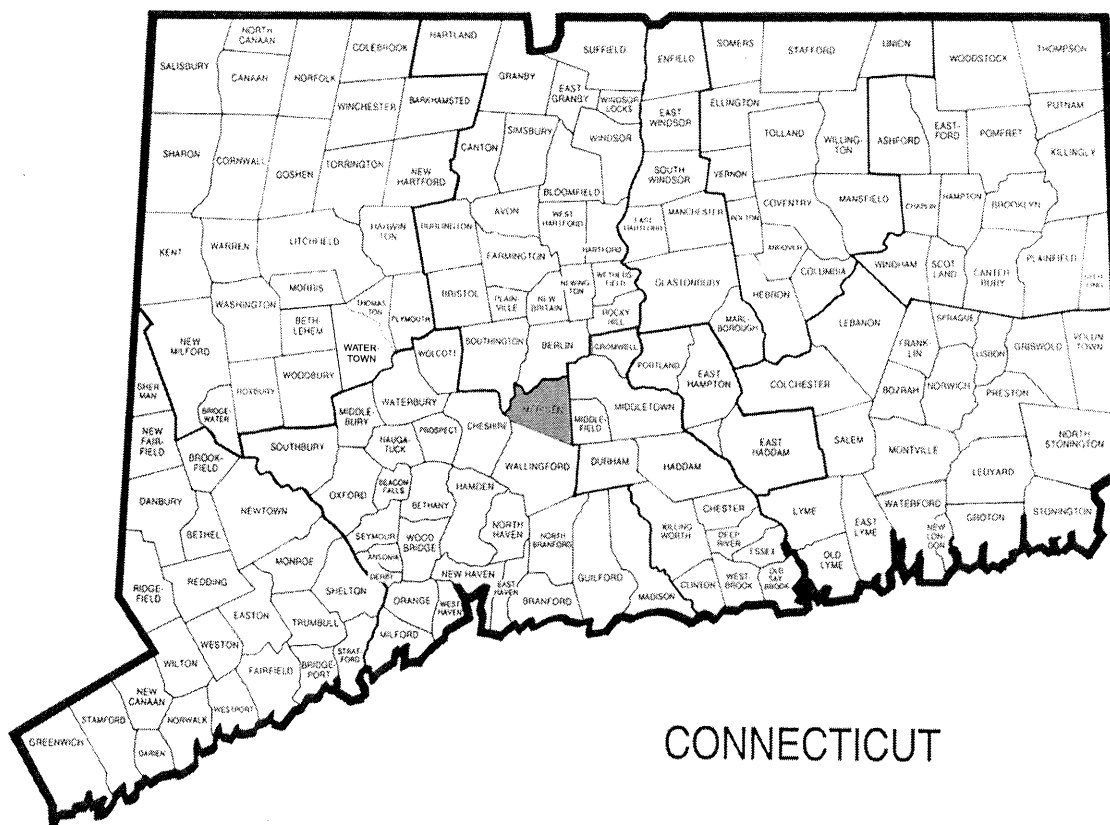
Underwriting

Subject to the terms and conditions of the Bond Purchase Agreement, the City has agreed to sell to Piper Jaffray & Co. (the "Underwriter"), and the Underwriter has agreed to purchase, the Series A Bonds from the City at the net aggregate purchase price of \$12,727,476.05, (consisting of the principal amount of \$11,790,000.00, plus original issue premium of \$990,531.05 and less Underwriter's discount of \$53,055.00) and to purchase the Series B Bonds from the City at the net aggregate purchase price of \$29,688,767.95, (consisting of the principal amount of \$26,700,000.00, plus original issue premium of \$3,108,917.95 and less Underwriter's discount of \$120,150.00). The Underwriter will be obligated to purchase all such Bonds, if any such Bonds are purchased. The Underwriter intends to offer the Bonds to the public initially at the offering prices or yields set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Bonds may be offered and sold to certain dealers (including unit investment trusts and other affiliated portfolios of certain underwriters and other dealers depositing the Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter has entered into an agreement (the "Distribution Agreement") with Advisors Asset Management, Inc. ("AAM") for the distribution of certain municipal securities offerings, including the Bonds, allocated to the Underwriter at the original offering prices. Under the Distribution Agreement, the Underwriter will share with AAM a portion of the fee or commission, exclusive of management fees, paid to the Underwriter.

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II. The Issuer



Description of the Municipality

Meriden was settled in 1661, incorporated as a town in 1806, and as a city in 1867. The Town and City were consolidated in 1922. The City, which covers an area of 24.0 square miles, had a population of 59,186 in 2008, an increase of 942 people since 2000. Meriden is located midway between the cities of Hartford and New Haven in New Haven County at the crossroads of Interstate 91, Interstate 691, State Route 15 (Wilbur Cross Parkway) and U.S. 5. Interstate 691 connects Interstates 91 and 84.

The City includes a unique mix of historic buildings and neighborhoods, affordable housing to working families, more affluent suburban style developments, modern business facilities, a major mall, the largest municipal park in Connecticut (Hubbard Park) and prominent natural scenic ridge-top areas. There is local transit service, Amtrak and interstate buses provide passenger transportation connecting the City to major metropolitan centers. Freight service is provided by Conrail and a number of trucking companies. The Meriden-Markham Municipal Airport provides both freight and limited passenger service.

Manufacturing firms produce a diversified product line which includes electronic components, biopharmaceuticals, printing presses, aircraft and spacecraft components, industrial filters and antipollution equipment, corrugated boxes, industrial equipment, lighting fixtures, metal alloys, auto parts, and video/data transmission equipment.

Form of Government

The City of Meriden has operated under a Council/Manager form of government since December 3, 1979.

The City Charter was adopted by the City Council on July 5, 1977 and approved at referendum on November 11, 1977. Under the Charter, the legislative branch consists of 12 elected members forming the City Council who have exclusive legislative and fiscal powers. The City Council may, by resolution, regulate the internal operation of boards, commissions and offices, which it fills by appointment. The City Council appoints the City Manager and the Mayor is popularly elected to office for a term of two years.

The City Manager is directly responsible to the City Council for the supervision and administration of all departments and offices of the City except those elected by the people or appointed by state or federal authority.

A Director of Finance is appointed by the City Manager, subject to the approval of the City Council and serves at the pleasure of the City Council. The Director of Finance is the fiscal officer of the City and is responsible for the operation and supervision of the Department of Finance.

Principal City Officials

<i>City Officials</i>	<i>Name</i>	<i>Manner of Selection/Term</i>	<i>Years of Service</i>	<i>Employed Last Five Years</i>
Mayor	Michael S. Rohde	Popularly elected	2	Director of Dev. - Ronald McDonald House
City Manager	Lawrence J. Kendzior	Appointed - indefinite	5	Corporation Counsel
Director of Finance/Treasurer ...	Michael Lupkas	Appointed - indefinite	1.5	Director of Finance Bridgeport, CT
Superintendent of Schools	Mary Cortright	Appointed - indefinite	6.5	School Principal

Michael S. Rohde, Mayor: Mr. Rohde was sworn in as Mayor on July 21, 2008 and re-elected in November 2009 for a two-year term. Mr. Rohde holds a Bachelor's Degree in Economics and Psychology from St. John Fisher College in Rochester, N.Y., and a Master's Degree in Human Services Administration from Antioch University in Keene, New Hampshire. Since 2003, Mr. Rohde worked for the Ronald McDonald House of Connecticut in New Haven as the Director of Development. Mr. Rohde was elected to the City Council in 1989 and has continued to serve on the Council ever since. During this time, he has taken on a variety of leadership roles, including Council Majority Whip and Majority Leader.

Lawrence J. Kendzior, City Manager: Mr. Kendzior was appointed as City Manager in June 2005, after serving as Acting City Manager for five months. He also served as the Corporation Counsel since 1985 and as City Attorney since 1993. He graduated from New York University, cum laude, and was elected to Phi Beta Kappa. He received his Juris Doctorate (J.D.) from Boston University. Mr. Kendzior formerly was a partner in the law firm of Tonkonow and Kendzior in Meriden, Connecticut.

Michael Lupkas, Finance Director: Michael Lupkas, CPFO, has served for approximately one and one half years as Director of Finance in the City, after serving six years as Director of Finance and 13 years in other finance related positions with the City of Bridgeport. Mr. Lupkas received a bachelor's degree from the University of Connecticut. He is a member of the National Government Finance Officers Association ("GFOA") and the Connecticut chapter of the GFOA (GFOA-CT). He is also a member of the Association of Government Accountants. Mr. Lupkas received the designation of Certified Public Finance Official "CPFO" in June 2002.

Mary Cortright, Superintendent of Schools: Mary N. Cortright, Superintendent of Schools, graduated from the University of Connecticut with a Bachelor's of Art in English. She earned a Master of Science in Education and a Sixth Year Certificate in Administration and Supervision from Southern Connecticut State University. She is currently a doctoral candidate at the University of Connecticut. Mrs. Cortright has worked as a teacher nearly thirteen years, an Assistant Principal of a middle school for three years, and a Principal of an elementary school for eight years. She has been Superintendent of Schools for six years.

Summary of Municipal Services

Police: The Meriden Police Department provides full-time police services. The staff consists of 124 sworn personnel, two secretaries, four clerks, 35 school crossing guards, and two dog wardens. There are also seven Reserve Police Officers. The Meriden Police Department has also expanded the Community Police Division. The Department's major equipment includes cruisers, motorcycles, mobile command post, special service vehicles and equipment, and a complete radio communications center.

Fire Department: Fire and Emergency Services are provided by a career Fire Department and one volunteer Fire Department. The career department has 96 sworn fire personnel, two secretaries, and one mechanic. Operating out of six fire stations (including one volunteer station) and the Fire Marshals Office, the department provides fire

suppression, fire prevention, fire code enforcement, public fire education, technical rescue services, First responder, Emergency Medical Services including automated external defibrillators, and hazardous materials response.

Traffic: The City is protected by a completely independent fire alarm signal system, Gamewell Signal, maintained by the Traffic Division of the Department of Public Works. There are over 200 boxes including master boxes at various locations throughout the City.

This Division is responsible for the installation and maintenance of all traffic devices, including traffic signals, warning lights, three (3) closed loop traffic signal systems, and the Master Closed Loop Computer. This Division also installs and maintains all warning signs, regulatory signs, parking signs, schools crossing signs, and pavement markings. In addition, this Division maintains 200 ornamental fixtures and 5 control cabinets in downtown and 40 ornamental street lights and associated control cabinets in South Meriden.

Parks: The Meriden parks system is the largest municipal parks system in New England. It is comprised of 26 public parks and 17 playgrounds, covering a total area of over 3,120 acres. Recreational facilities include ten tennis courts, 41 ball fields, ten picnic grounds (two with fireplaces), one outdoor swimming pool, a bandshell, a skatepark and a waterpark. The City of Meriden also owns and operates a 6,604-yard, 18-hole, par-71 golf course with a full-service restaurant. The city parks provide a wealth of recreational opportunities including hiking, playgrounds, concert venues, and multi cultural festivals.

Airport: The airport is municipally-owned. Services are furnished by Meriden Aviation Services, Inc. as the fixed base operator. The fixed base operator provides a wide range of aviation services including furnishing aviation fuel, oil and lubricants, aircraft repairs and maintenance, flight training, aircraft rentals, air charter services and aircraft sales.

The Meriden-Markham Airport is a general aviation facility owned by the City of Meriden and supports both light commercial and general aviation markets. The 119 acre airport facility is located on the boundary line between the South Meriden section of the City and the Yalesville section of the neighboring Town of Wallingford. Physical features include a 3,100' x 75' paved and lighted runway and taxiway, four aircraft storage hangars, a maintenance service hangar, and operations building. Instrument approach procedures with runway visual aids provide all-weather operation capability and ASOS, automated surface weather observation/reporting service, are located on the airport. Approximately 76 aircraft are based at the airport in single, multi-engine airplane, and rotorcraft categories. The airport master plan, updated in June 2000, addresses the need for additional aircraft hangars, a new maintenance facility, new operations building, and additional improvements. Airport improvements continue to be implemented through grants from the Federal Aviation Administration and the State of Connecticut Department of Transportation combined with City of Meriden efforts.

Sewers: Meriden presently has a two-stage activated sludge wastewater treatment plant with ammonia removal and high rate digesters. There are 220 miles of sanitary sewers and three pumping stations in the collection and transportation system. Approximately 90% of the City's residents are served by this facility. There are 18 employees assigned to the Sewer Division. A complete \$39 million plant upgrade including denitrification started in January 2008. The average daily flow is 9.6 million gallons a day; wet weather peaks 30 million gallons a day.

Water: Water service is provided to 17,824 customers in the City of Meriden. Water service is metered throughout the City and furnishes approximately 5.78 million gallons a day. The water system is made up of four surface water treatment facilities, two major well complexes, two seasonal wells, eight pumping stations and 12.65 million gallons of storage. The system also consists of approximately 217 miles of water lines.

Municipal Solid Waste Services: The City has entered into the Municipal Solid Waste Delivery and Disposal Contract, as amended and restated (the "Service Contract") with the Connecticut Resources Recovery Authority (the "Authority") pursuant to which it participates, with four other central Connecticut municipalities, in the Wallingford Resource Recovery System (the "System"). The System consists of a mass burn solid waste, resource recovery steam and electric generation facility located in the Town of Wallingford (the "Facility") and various improvements and facilities related thereto, including landfills. The facility is complete and presently receiving waste from the Contracting Municipalities.

Under the Service Contract, the City is required to deliver or cause to be delivered to the System solid waste generated within its boundaries up to its minimum commitment of 39,500 tons per year and to pay a uniform per ton disposal service fee (the "Municipal Disposal Fee"). The aggregate minimum commitment of the five participating municipalities is 125,000 tons per year. The City's commitment to pay Municipal Disposal Fees is a "put/or/pay"

commitment, in that if the aggregate minimum commitment of the participating municipalities is not met in any year, the City must pay Municipal Disposal Fees for its full portion of the aggregate minimum commitment even if it did not deliver that full portion. Over this past year, the aggregate total delivered to the System by the five participating towns was in excess of 149,000 tons.

Pursuant to the amended and restated contract between the Authority and Wallingford Resource Associates, L.P. (the “Company”) the Facility is operated, managed and maintained by OPW Associates, Inc., a wholly owned subsidiary of Ogden Projects, Inc., and the general partner of the company.

The Municipal Disposal Fee applicable in any contract year is calculated by estimating and netting out the system cost and system revenue for such contract year, as such terms are defined in the Service Contract. System Cost includes debt service on the Authority’s revenue bonds issued to finance the system, costs of operation and administrative costs among other items. System revenue includes revenues from the sale of electricity and steam.

Municipal Disposal Fees shall be payable so long as the System is accepting solid waste delivered by or on behalf of the City, whether or not such solid waste is processed at the Facility. The City’s obligation to pay Municipal Disposal Fees, so long as the Authority is so accepting the City’s solid waste, is absolute and unconditional and shall not be subject to any set-off, counterclaim, recoupment, defense (other than payment itself) or other right which the City may have against the Authority or any other person for any reason whatsoever. The City has pledged its full faith and credit to the payment of Municipal Disposal Fees and has also agreed to enforce or levy and collect all taxes, cost sharing or other assessments or charges and take all such other action as may be necessary to provide for the payment of Municipal Disposal Fees.

Waste Collection: Waste collection, within the inner tax district has been contracted to a private hauler since July 1, 1994. Residents in the outer tax district and all commercial/industrial property owners are responsible for securing the services of a private hauler to dispose of their solid waste.

Recycling: The City has entered into an intra-community agreement with fifteen other Connecticut municipalities to establish the Tunxis Recycling Operating Committee (“TROC”) for the purposes of meeting the State’s recycling mandate. Under the agreement, the City is required to deliver or cause to be delivered to the regional recycling facility, all residential acceptable recyclable materials generated within its boundaries. The City is obligated to pay all tipping costs for the processing of acceptable recycling materials generated within its boundaries and delivered to the facility as well as its proportionate share of TROC’s costs on a monthly basis. The tipping fee applicable in any given contract year is calculated by estimating and netting out facility costs and 50% of facility revenue for such contract year. Facility costs include the cost of operation and management of the facility. The City has not pledged its full faith and credit to the payment of “tipping fees” or TROC costs.

Economic Development

Meriden has an information technology zone tax incentive program offering real property tax assessment deferrals to property owners who improve their buildings to house IT companies. IT companies locating in the buildings also receive personal property tax abatements.

Meriden also has a state-designated Enterprise Zone, which provides significant tax incentives to manufacturers and warehousing and distribution companies locating into the zone. Fifty percent of these tax abatements are reimbursed by the State.

Meriden Manufacturing Assistance Program (MMAP). Meriden offers subordinate financing to manufacturers planning to expand their operations in the City or who wish to locate to Meriden. The loans are for real estate acquisition or improvements and are only offered in conjunction with private financing. Five manufacturers have taken advantage of this program to date. The program supports the expansion and retention of the City’s manufacturing base.

The City has a comprehensive program to remediate brownfield sites and return them to active reuse. Over the past 4 years, the U.S. Environmental Protection Agency has given the City a total of \$2.5 million to help redevelop Brownfield sites in Meriden. In 2004 the City received a \$200,000 assessment grant to test the abandoned Factory H site. In 2006 the City received a \$200,000 EPA grant to remediate the vacant HUB site downtown. In May of 2007, the City was awarded \$600,000 in EPA grants for environmental testing and for clean up of the abandoned Factory H site on Cooper and Butler Streets. In January of 2008, EPA’s Hazards Removal Division removed hazardous asbestos materials from the factory H site at a cost to them of \$1.5 million. In 2008 the City received another \$200,000

assessment grant. These grants and EPA monetary support the City in creation of more available land for commercial development.

Meriden is in its ninth year of a marketing campaign focusing on business retention and business development. This past year a budget funded trade show exhibiting marketing promotions, advertising, updates to MeridenBiz.com (the City's economic development web site), press releases/story writing for state-wide distribution, and emails highlighting local development to the commercial real estate community.

The City's Economic Development Office continues to contract with CoStar Inc. to provide real-time, on-line access to commercial property databases listing all commercial, industrial properties available for lease or sale in the Meriden/New Haven region. The database enables staff to provide real-time lease and "for sale" information to companies wishing to locate to or expand in the City. The database also provides real estate analysis (vacancy rates, lease histories and property trends/photos, and floor plans by building) for distribution to prospects, market research companies and site selection consultants.

The City's Comprehensive Economic Development Strategy Plan (CEDS) was approved by the US Economic Development Administration (EDA) in 2000. This Plan allows the City to apply for funding from EDA for economic development projects.

Commercial/Industrial Development

Composite Machining Experts expanded into Meriden. In operation since 2002, this engineering consulting firm specializes in supporting Numerical Control programming, tool design, and Coordinate Measuring Machine programming for the aircraft and composites industry. The company is a key supplier to GKN Aerospace another Connecticut firm. Composite Machining Experts has leased space for its manufacturing operations and plans to increase two employees to eleven within the next three years. Support from the Connecticut Small Business Development Center and the US Small Business Administration and a \$240,000 State loan assisted in the expansion decision.

Hugo Neu Corporation acquired electronics recycler *We Recycle*. This operation will continue to operate in Meriden following successful lease negotiations.

AGC Inc., an aerospace manufacturer, received a \$2.5 million Connecticut Development Authority loan for renovations, possible expansion, to acquire new machinery and equipment and to upgrade and expand its IT and IT security systems.

Mid-State Medical Center. A recent \$250,000 federal grant award will allow Mid-State Medical Center to acquire equipment for its \$45.5 million, 100,000 square foot expansion project to be completed in two phases. Included in phase one was the new emergency department, which was completed in March 2010. Phase two includes the renovation of the existing facility and is scheduled to be completed by September 2010. The project will more than double the hospital's existing emergency room capacity and streamline operations to enhance patient flow while allowing for more immediate specialized care in an emergency. It will add 53 treatment spaces and 14 surgical inpatient beds, including separate treatment sections for minor injuries and major emergency procedures.

In addition, Mid-State Medical Center, Meriden's full service hospital, relocated MediQuick, its urgent care center, to Pomeroy Avenue as part of the reuse of a former cinema into high-end medical space. Developer Casle Corporation of Avon completed the transformation of the 34,000 square foot cinema in June 2009. In addition, two, 21,000 square foot buildings will be built to house medical offices and a sleep study center.

Protein Sciences Corporation received a \$35 million commitment from the US Department of Health and Human Services to develop flu vaccine using its DNA technology. The funds support clinical trials necessary for FDA approval. If successful, funding can continue for five years. The company uses recombinant cell-based technology and has begun producing thousands of doses of an "H1N1" vaccine, "Pan Blok". The company has developed plans to expand manufacturing and has expanded office operations.

LaRosa Construction has added a new addition to their corporate headquarters.

Allegiance Capital Corporation, a middle-market, private investment banking firm headquartered in Dallas, announced the sale of **Connecticut Color, Inc.**, to Bradford Equities Management, LLC. Under the agreement, Bradford Equities Management acquires controlling interest in Connecticut Color, Inc. building upon their portfolio experience of working with commercial and specialty printers.

Downtown Activity and Planned Redevelopment

The 15-acre HUB site, centrally located in downtown Meriden, is the focus of a multi-million dollar redevelopment effort being led by the City. The City has secured over \$2.4 million in State and federal funds to clear the site to prepare the site for economic development opportunities and needed flood control infrastructure. The City used a State grant to finance the denitrification of a vacant and deteriorated building on the site. The development of an intermodal transportation center immediately adjacent to the HUB site is a key component of this redevelopment effort. It will allow for transit-oriented development opportunities on the HUB site and throughout the downtown area. The intermodal center will not only serve Meriden's existing Amtrak service and the proposed New Haven to Springfield commuter rail line but will also offer linkages to local bus, taxi and corporate van services. Downtown Meriden has been identified in the *New Haven-Hartford-Springfield Commuter Rail Implementation Study* completed by Wilbur Smith Associates in 2005 for the Connecticut Department of Transportation as a key station stop along the proposed New Haven to Springfield commuter rail line. The intermodal center will provide increased access into and out of the downtown while allowing the City to attract new businesses, commuters and residents to the City's center.

The City hired the engineering firm, Milone and MacBroom and environmental engineers, Metcalf & Eddy, to design the conversion of the HUB parcel into a downtown park. Harbor Brook, currently culverted under the site, will be day-lighted and commercial development pads are anticipated. A final conceptual plan has been completed which includes flood control infrastructure as well as pads for transit oriented development. The City has title to the site. Redevelopment of this site will have a strong positive impact on downtown revitalization efforts. Milone & MacBroom are currently completing final engineering design work for the HUB site and within the next 12 months will obtain all permits required to implement the plan.

Consultants, City officials and neighborhood representatives reviewed plans for mixed use redevelopment at the seven plus acre abandoned silver company site, Factory H, and an adjacent, vacant, office building. The plan offers townhouses on the brownfield and a mix of commercial and residential space at the vacant 116 Cook Ave. 116 Cook was acquired by the City in 2009. A small park to the east of the factory will serve as a flood control shelf. Harbor Brook flows between the factory and the proposed park. A fit with Meriden's transit oriented development plan for the greater downtown, this site is a short, ten minute walk to the City's planned New Haven to Springfield commuter rail stop. USEPA has provided \$2.5 million for testing, hazardous substances removal and clean up of the brownfield. The City is applying for funds from HUD's Section 108 Loan program which is secured by the future Community Development Block Grant entitlement grant. These funds will be used to demolish the structures.

The City provides a free wireless network for Internet access to downtown business owners, residents and visitors. Service, started in November 2005, begins at the corner of Colony and West Main streets and runs 1000 feet west down West Main Street and 1000 feet north down Colony Street. City officials believe that free wireless access will further stimulate business activity and reinvestment downtown.

Middlesex Community College renewed its lease in fiscal year 2010 at 55 West Main Street and has expanded. The college now has over 600 full time students per semester and offers more than 60 classes held in ten classrooms and two high-tech computer labs. Twenty-one percent of the total Middlesex Community College population attends the Meriden campus.

Luchs Consulting Engineers and DeCarlo & Dahl acquired and moved into the 16,315 square foot former post office on Colony Street. Renovation has been completed. The property is adjacent to the planned intermodal transportation center which will serve the State's New Haven to Springfield commuter rail service. The US Postal Service now operates out of a new facility on Center Street.

The partners of ***Outsource Solutions, LLC*** acquired the Dequaine Museums and Cultural Center, a museum that once housed the collection of international opera star Rosa Ponselle. The partners intend for it to remain an arts venue. ***Sandman Gallery & Frame Shoppe*** and ***Paul's Courtyard Café*** recently moved into the building.

The City has received a grant of \$490,000 for planning and design work as well as some of the needed construction to improve West Main Street from the Federal Department of Transportation.

Retail/Hotel Development

The following represent highlights to the City's recent retail development:

- ***Holiday Inn Express*** opened on the Berlin Turnpike.
- ***Silver City Sports Bar***, opened at the ***Sheraton Four Points*** hotel.
- Plans have been approved for a new ***Burger King*** on West Main Street.
- A ***McDonald's*** has been completed on South Broad Street, across from the new ***Silver Commons Plaza*** which includes a new ***Pizza Hut*** restaurant.
- ***Sundad Plaza*** a 12,000-square foot plaza, located on East Main Street now includes ***Seasons Federal Credit Union***, ***Grand Slam Sports*** and a small restaurant.
- ***Caroline's Meat Market & Seafood*** also opened on East Main Street.
- ***Dunkin Donuts*** is under construction on East Main Street.
- ***Meriden Supermarket*** was opened by a New Jersey- based food operator at the site of the former Towne & Country Market.

Municipal and Public Facility Development

The following represent highlights to the City's recent municipal and public facility development:

In November 2007, the City opened a nature walk/bike recreation trail along the Quinnipiac River, the first phase of a City linear trail. It is heavily utilized, and popularly recognized as one of the best such trails in the state. The City is proceeding with plans for a connecting Phase II of the trail. The Linear trail will traverse from South Meriden toward the Central Business District.

In the Fall of 2008, the City opened Falcon Field, a new state of the art municipal football and soccer field facility on the eastern side of the City. The facility includes locker and concession buildings, and a press box. It has already hosted numerous events including night-time state playoff games utilizing lighting. The surface is no maintenance artificial field turf. The facility was mostly funded by a state grant.

A new backup power generator, funded by a State of Connecticut Department of Public Utility Control grant, was added to City Hall in 2009. New high efficiency boilers were installed at City Hall in 2009. Preliminary estimates indicate that the boilers have reduced energy costs by approximately \$4,500 per month, as well as contributing to a cleaner environment.

The City is currently completing an approximately \$45 million comprehensive upgrade to its municipal sewer treatment facility on Evansville Avenue. The facility has expanded its capacity, improved water pollution results and will reduce nitrogen levels. Project funding is partially grant funded and low interest loans repaid through user fees. For more information, refer to the section entitled "Clean Water Fund Program" herein.

Residential Development

During the last two year period, residential development activity has continued despite the overall national downturn in new housing starts. Some of the major residential developments include:

Newly Completed:

- | | |
|----------------------------|--------------------------------------|
| - Sperry Lane Subdivision: | 13 single-family homes; |
| - Hollowbrook: | 9 multi-family units; |
| - Bridgefield Commons: | 25 single-family Active Adult homes. |

Under Construction:

- | | |
|----------------------------|--------------------------------------|
| - Prospect Avenue: | 13 single-family homes; |
| - Cobblestone Subdivision: | 39 single-family homes; |
| - Leonard Street: | 38 multi-family units; |
| - Preston Woods: | 11 single-family Active Adult homes. |

Comprehensive Planning and Future Mixed Use Developments

The City recently completed the preparation of a Plan of Conservation & Development (a.k.a. “Master Plan” or “Plan of Development”). In March 2009, the Planning Commission approved the Master Plan which was also endorsed by the City Council.

The Master Plan includes specific actions to promote its objectives, including targeted investments, regulatory changes and economic development. Immediately upon adoption of the Master Plan, the City’s comprehensive planning implementation efforts continue to be concentrated in the areas of Land Use, Neighborhood Planning, targeted Open Space, and Economic Development.

Beyond the downtown area, the Master Plan identified four large undeveloped/underdeveloped sites for mid to long term economic development. Efforts to promote development include working with property owners, rezoning (proposed in March, 2010), identification of specific development areas, and exploring development concepts. Flexible and mixed use developments proposals are anticipated.

Community Development Program

The City of Meriden, as an entitlement community under the Housing and Community Development Act of 1974, as amended in 1977 and 1982, has received approximately \$31,834,755 in federal funds under the Community Development Block Grant for fiscal years 1976 through 2009.

Under the Community Development Program, the City has made a major commitment to preserving and rehabilitating Meriden’s inner-city neighborhoods. To date, some \$17.8 million of Community Development funds has been coupled with \$1.6 million of City bond funds to implement the rehabilitation and maintenance of inner-city housing.

Other Community Development projects have included both a wide range of physical development activities such as a new Senior Citizens Center, a West Side Firehouse, a St. Vincent DePaul Homeless Shelter, the American Silver Museum, the demolition of hazardous structures, and a variety of service delivery programs for the elderly, low and moderate income persons and infrastructure improvements in inner-city neighborhoods.

Additionally, economic development and planning activities in the area of Central Business District Revitalization have been funded. The City has developed a plan for a special targeted neighborhood improvement program within the inner city. In 2009, the City utilized Neighborhood Stabilization Program (NSP) funds to purchase and rehab foreclosed properties in the targeted neighborhoods. Rehabilitated homes will be resold to low and moderate income homebuyers.

The City has focused its efforts to clean up its neighborhoods and to encourage reinvestment in their “inner core” areas. This focus is achieved through Neighborhood Preservation Program (NPP) loan tools which encourage owner/occupant investment. Also, the City is actively working with the private sector to augment the public loans with their private funding. Another part of this focus is through a more intense code enforcement effort. Such an effort includes the assignment of housing inspectors to work with community police officers throughout the “inner-core”. Consortiums of social service agencies have developed to address youth problems. The City has assisted the organization of at least 12 inner-city neighborhood associations.

The Meriden Housing Authority has begun the total reconstruction of the 124-unit Chamberlain Heights housing development. The cost of the project is estimated to be \$13 million.

Employee Relations and Collective Bargaining

Municipal Employees ¹

Fiscal Year Ended June 30	2009	2008	2007	2006	2005
General Government (full-time).....	509	514	532	549	603
Board of Education and State Projects..... ²	959	1,040	1,042	1,130	1,083
Grant / Other Funded (Incl. Cafeteria)..... ²	190	152	152	99	129
Total.....	1,658	1,706	1,726	1,778	1,815

¹ Includes management and other non-union employees

² Changes for 2009 are due to American Recovery & Reinvestment Act funding.

Employee Bargaining Organizations

Employees	Organization	Number of Employees	Current Contract Expiration Date
<i>General Government</i>			
Nurses (Public Health).....	AFSC, Unit 8, Connecticut Health Care Assoc. District 119, AFL-CIO	22	06/30/2010
Public Works.....	Local 740, AFL-CIO	88	06/30/2011
Fire Department.....	IAFF, Local 1148, AFL-CIO	97	06/30/2011
Municipal Employees.....	Meriden Municipal Employees Local 595 AFSCME, AFL-CIO	117	06/30/2010
Police Department.....	AFSCME, Local 1016, Council 15, AFL-CIO	116	06/30/2011
Middle Management.....	AFSCME Supervisors, Local 3430	138	06/30/2009 ¹
Crossing Guards.....	AFSCME Local 3886	32	06/30/2011
Public Safety Dispatch.....	AFSCME Dispatchers Local, #1303-405	14	06/30/2010
Total.....		624	
<i>Board of Education</i>			
Paraprofessionals.....	Meriden Association Paraprofessionals	170	08/31/2010
School Teachers.....	Meriden Federation of Teachers	668	08/31/2012
Clerical (Education).....	Meriden Federation of Educational Secretaries	83	06/30/2010
Custodian (Education).....	Meriden Federation of Municipal Employees	82	06/30/2010
Cafeteria (Education).....	Hotel and Restaurant Employees and Bartenders Union Local 217, AFL-CIO	59	06/30/2010
Education Administrators.....	Meriden Federation of School Administrators	32	06/30/2010
Education Administrators.....	Meriden Federation of Non-Certified Supervisors	3	06/30/2010
Community Educators/ Attendance Counselors.....	Meriden Federation of Community Educators and Attendance Counselors	3	08/31/2010
Total.....		1,100	

¹ Scheduled for arbitration though the timing is yet to be determined.

General Statutes sections 7-473c, 7-474 and 10-153d provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certificated teachers and certain other employees. The legislative body of an affected municipality may reject the arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State will then appoint a new panel of three arbitrators to review the decisions on each of the rejected issues. The panel may accept the last best offer of either party. In reaching its determination, the arbitration panel shall give priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. In the light of the employer's financial capability, the panel shall consider prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

Educational Services

School Facilities ^{1, 3}

School	Grades	Date Occupied	Dates of Additions/ Renovations	Number of Classrooms	Enrollment 10/1/09 ¹	Rated Capacity
John Barry.....	K-5	1929	1953 ² , 1965, 1996	26	522	620
Benjamin Franklin	K-5	1951	1965 ²	26	458	620
Nathan Hale.....	K-5	1956	1965 ² , 1990	31	610	670
Hanover.....	K-5	1934	1954 ² , 1965, 1994	31	553	585
Thomas Hooker.....	K-5	1963	2005 (roof)	21	511	500
Casimir Pulaski.....	K-5	1972	2005 (roof)	31	680	646
Israel Putnam.....	Pre K-5	1951	1955 ² , 1990	27	544	620
Roger Sherman.....	Pre K-5	1929	1949, 1990	27	526	620
Lincoln.....	6-8	2005	--	43	742	600
Washington.....	6-8	1984	2007 (roof)	46	873	1,020
Maloney.....	9-12	1959	1969 ²	47	1,228	1,400
Platt.....	9-12	1958	1969 ²	48	1,114	1,270
Totals				404	8,361	9,171

¹ There are also 4 parochial schools located in the City with an enrollment of approximately 562 Meriden students.

² Original building renovated at the time additions were constructed.

³ The City owns the Thomas Edison Middle School, a state-of-the-art magnet school focusing on science and technology. Students from the City account for 583 students whose tuition of \$7,587 is paid to ACES ("Area Cooperative Education Service"). The Magnet School also includes students from the following towns: Madison, Middletown, Regional School District Number 13 (Durham-Middlefield), Wallingford, Waterbury, Cromwell and Berlin. In addition, the Meriden Public Schools sent 53 students to the Wintergreen Magnet School in Hamden. This school is run by ACES. There was no tuition cost for this year.

Source: Superintendent of Schools, City of Meriden.

School Enrollment

As of 10/01	Grades Pre K - 5	Grades 6 - 8	Grades 9-12	Total
<u>Historical</u>				
2001	4,735	1,645	2,317	8,697
2002	4,805	1,644	2,331	8,780
2003	4,807	1,698	2,392	8,897
2004	4,778	1,670	2,498	8,946
2005	4,686	1,608	2,589	8,883
2006	4,645	1,644	2,576	8,865
2007	4,634	1,645	2,538	8,817
2008	4,370	2,223	2,399	8,992
2009	4,300	2,189	2,261	8,750
<u>Projected</u>				
2010	4,308	2,168	2,287	8,763
2011	4,364	2,080	2,364	8,808
2012	4,426	2,055	2,355	8,836
2013	4,547	2,024	2,328	8,899
2014	4,637	1,976	2,306	8,919
2015	4,727	1,948	2,229	8,904

Source: Superintendent's Office

III. Economic and Demographic Information

Population and Density

Year	City of Meriden			New Haven County		State of Connecticut	
	Actual Population ¹	% Increase/ (Decrease)	Density ²	Population	% Increase/ (Decrease)	Population	% Increase/ (Decrease)
1960	51,850	17.6%	2,160	660,315	21.0%	2,535,234	26.3%
1970	55,959	7.9	2,332	744,948	12.8	3,032,217	19.6
1980	57,118	2.1	2,380	761,337	2.2	3,107,576	2.5
1990	59,479	4.1	2,478	804,219	5.6	3,287,116	5.8
2000	58,244	(2.1)	2,427	824,008	2.5	3,405,565	3.6
2008 ³	59,186	1.6	2,466	846,101	2.7	3,518,288	3.3

¹ 1960 - 2000, U.S. Department of Commerce, Bureau of Census.

² Per square mile: 24 square miles.

³ State of Connecticut, Department of Public Health July 1, 2008.

Age Distribution of the Population

	City of Meriden		New Haven County		State of Connecticut	
	2000	Percent	2000	Percent	2000	Percent
Under 5.....	4,143	7.1%	53,094	6.4%	223,344	6.6%
5 – 9.....	4,338	7.5	57,953	7.0	244,144	7.2
10 – 14.....	4,182	7.2	58,270	7.1	241,587	7.1
15 – 19.....	3,572	6.1	54,284	6.6	216,627	6.4
20 – 24.....	3,470	6.0	49,587	6.0	187,571	5.5
25 – 34.....	8,236	14.1	112,312	13.6	451,640	13.3
35 – 44.....	9,355	16.1	134,536	16.3	581,049	17.1
45 – 54.....	7,880	13.5	112,863	13.7	480,807	14.1
55 – 59.....	2,796	4.8	41,113	5.0	176,961	5.2
60 – 64.....	2,061	3.5	30,704	3.7	131,652	3.9
65 – 74.....	3,867	6.6	56,315	6.8	231,565	6.8
75 – 84.....	3,229	5.6	46,049	5.6	174,345	5.1
85 years and over.....	1,115	1.9	16,928	2.1	64,273	1.9
Total.....	58,244	100%	824,008	100%	3,405,565	100%
Median Age (years).....		36.2		37.0		37.4

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

Income Distribution

	City of Meriden		New Haven County		State of Connecticut	
	Households	Percent	Households	Percent	Households	Percent
Less than \$10,000.....	863	5.7%	9,787	4.6%	33,423	3.8%
\$10,000 to 14,999.....	525	3.5	6,664	3.1	23,593	2.7
\$15,000 to 24,999.....	1,638	10.9	17,654	8.3	63,262	7.1
\$25,000 to 34,999.....	1,613	10.7	19,593	9.2	75,413	8.5
\$35,000 to 49,999.....	2,344	15.5	30,257	14.3	120,134	13.6
\$50,000 to 74,999.....	3,725	24.7	49,165	23.2	198,924	22.5
\$75,000 to 99,999.....	2,390	15.8	34,593	16.3	141,981	16.0
\$100,000 to 149,999.....	1,558	10.3	29,013	13.7	132,177	14.9
\$150,000 to 199,999.....	239	1.6	7,902	3.7	42,472	4.8
\$200,000 or more.....	192	1.3	7,250	3.4	54,368	6.1
Total.....	15,087	100%	211,878	100%	885,747	100%

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

Income Levels

	<u>City of Meriden</u>	<u>State of Connecticut</u>
Per Capita Income, 1999.....	\$20,597	\$28,766
Per Capita Income, 1989.....	15,618	20,189
Per Capita Income, 1979.....	7,496	8,598
Median Family Income, 1999.....	\$52,788	\$65,521
Median Family Income, 1989.....	41,910	49,199
Median Family Income, 1979.....	21,087	23,151
Percent Below Poverty Level 1999.....	11.0%	7.9%

Source: U.S. Department of Commerce, Bureau of the Census, 1980, 1990, 2000

Educational Attainment Population 25 years and over

	<u>City of Meriden</u>		<u>New Haven County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade.....	2,820	7.3%	33,326	6.0%	132,917	5.8%
9th to 12th grade, no diploma	5,796	15.1	60,411	11.0	234,739	10.2
High school graduate.....	13,467	35.0	169,936	30.7	653,300	28.5
Some college, no degree.....	7,472	19.4	100,410	18.2	402,741	17.5
Associate's degree.....	2,640	6.9	35,126	6.4	150,926	6.6
Bachelor's degree.....	4,127	10.7	84,217	15.3	416,751	18.2
Graduate or professional degree.....	2,182	5.7	68,216	12.4	304,243	13.2
Total.....	38,504	100%	551,642	100%	2,295,617	100%
Percent high school graduate or higher		77.60%		83.00%		84.00%
Percent bachelor's degree or higher		16.40%		27.70%		31.40%

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

Major Employers As of February, 2010

<u>Name</u>	<u>Business</u>	<u>Approximate Number of Employees</u>
MidState Medical Center	Hospital	1,203
AT&T Corp.....	Telephone Company	890
Hunter's Ambulance and Transportation...	Ambulance/Limousine Services	450
CUNO, Inc.	Pumping Equipment and Industrial Filters	350
Canberra Industries, Inc.....	Radiation Detection	350
RFS Cable.....	Cable Manufacturer	300
Macy's Stores.....	Retail Sales	160
Target Corporation.....	Retail Sales	140
Sears, Roebuck and Co.....	Retail Sales	125
BL Company.....	Engineering Firm	111
Total.....		4,079

Source: Finance Department, City of Meriden

Employment by Industry

Sector	City of Meriden		New Haven County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	45	0.2%	1,101	0.3%	7,445	0.4%
Construction.....	1,619	5.8	21,826	5.5	99,913	6.0
Manufacturing.....	5,487	19.5	63,053	15.9	246,607	14.8
Wholesale Trade.....	1,173	4.2	13,552	3.4	53,231	3.2
Retail Trade.....	3,251	11.6	44,983	11.3	185,633	11.2
Transportation and warehousing, and utilities.....	1,186	4.2	16,707	4.2	64,662	3.9
Information.....	1,142	4.1	14,357	3.6	55,202	3.3
Finance, insurance, real estate, and rental and leasing.....	2,005	7.1	26,787	6.8	163,568	9.8
Professional, scientific, management, administrative, and waste management services.....	2,034	7.2	34,946	8.8	168,334	10.1
Educational, health and social services.....	5,910	21.0	101,733	25.7	366,568	22.0
Arts, entertainment, recreation, accommodation and food services.....	1,750	6.2	23,247	5.9	111,424	6.7
Other services (except public administration).....	1,236	4.4	17,887	4.5	74,499	4.5
Public Administration.....	1,265	4.5	16,147	4.1	67,354	4.0
Total Labor Force, Employed.....	28,103	100.0%	396,326	100.0%	1,664,440	100.0%

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

Employment Data By Place of Residence ¹

Period	City of Meriden		Percentage Unemployed		
	Employed	Unemployed	City of Meriden	New Haven Labor Market	State of Connecticut
February 2010....	29,053	3,992	12.1	9.7	9.8
Annual Average					
2009.....	29,053	3,477	10.7	8.3	8.5
2008.....	29,719	2,243	7.0	5.9	5.7
2007.....	29,987	1,757	5.5	4.8	4.6
2006.....	29,827	1,706	5.4	4.5	4.3
2005.....	29,295	1,832	5.9	5.0	4.9
2004.....	29,186	1,812	5.8	4.7	4.7
2003.....	29,237	2,208	7.0	5.4	5.5
2002.....	29,503	1,616	5.2	4.1	4.3
2001.....	28,818	1,245	4.1	3.2	3.3
2000.....	29,664	950	3.1	2.3	2.3

¹ Not seasonally adjusted.

Source: Department of Labor, State of Connecticut

Age Distribution of Housing

Year Built	City of Meriden		New Haven County		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1999 to March 2000.....	212	0.9%	3,466	1.0%	15,993	1.2%
1995 to 1998.....	281	1.1	10,518	3.1	47,028	3.4
1990 to 1994.....	692	2.8	13,813	4.1	56,058	4.0
1980 to 1989.....	3,103	12.6	44,080	12.9	183,405	13.2
1970 to 1979.....	3,744	15.2	50,100	14.7	203,377	14.7
1960 to 1969.....	3,607	14.6	49,468	14.5	212,176	15.3
1940 to 1959.....	6,659	27.0	88,388	25.9	359,042	25.9
1939 or earlier.....	6,333	25.7	80,899	23.7	308,896	22.3
Total housing units, 2000.....	24,631	100.0%	340,732	100.0%	1,385,975	100.0%
Percent Owner Occupied, 2000.....		59.9%		63.1%		66.8%

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

Housing Inventory

Type	City of Meriden		New Haven County		State of Connecticut	
	Units	Percent	Units	Percent	Units	Percent
1 unit detached.....	11,914	48.4%	182,141	53.5%	816,706	58.9%
1-unit attached.....	1,361	5.5	17,763	5.2	71,185	5.1
2 units.....	3,467	14.1	33,390	9.8	119,585	8.6
3 or 4 units.....	2,962	12.0	39,746	11.7	127,032	9.2
5 to 9 units.....	1,346	5.5	19,162	5.6	76,836	5.5
10 to 19 units.....	834	3.4	14,293	4.2	52,697	3.8
20 or more units.....	2,605	10.6	32,220	9.5	109,740	7.9
Mobile home.....	142	0.6	1,956	0.6	11,580	0.8
Boat, RV, van, etc.....	--	--	61	--	614	0.0
Total Inventory.....	24,631	100.0%	340,732	100.0%	1,385,975	100.0%

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

Owner-Occupied Housing Values

Specified Owner-Occupied Units	City of Meriden		New Haven County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	128	1.1%	1,737	1.0%	5,996	0.8%
\$ 50,000 to \$ 99,999.....	3,069	27.4	24,648	14.7	85,221	11.7
\$100,000 to \$149,999.....	5,790	51.7	55,592	33.2	212,010	29.1
\$150,000 to \$199,999.....	1,665	14.9	40,122	23.9	156,397	21.5
\$200,000 to \$299,999.....	457	4.1	30,230	18.0	137,499	18.9
\$300,000 to \$499,000.....	54	0.5	12,121	7.2	79,047	10.9
\$500,000 to \$999,999.....	33	0.3	2,634	1.6	38,168	5.2
\$1,000,000 or more.....	8	0.1	456	0.3	13,906	1.9
Totals	11,204	100.0%	167,540	100.0%	728,244	100.0%
Median Sales Price.....	\$119,000		\$151,900		\$166,900	

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

Building Permits

	2008-09 Value	2007-08 Value	2006-07 Value	2005-06 Value	2004-05 Value
Single.....	\$ 1,327,570	\$ 4,022,559	\$ 3,281,268	\$ 6,573,455	\$ 9,935,081
Apartment.....	-	82,670	207,345	281,800	10,816,000
Commercial/Industrial.....	10,735,838	11,956,444	12,572,827	9,577,277	5,732,098
Municipal.....	100,993	2,150,783	4,077,000	524,000	4,954,057
Other.....	19,707,655	7,977,737	10,520,029	13,255,427	14,192,985
All Categories (including above).....	\$54,207,798	\$36,195,339	\$39,829,402	\$36,211,586	\$63,103,430

Source: Building Department, City of Meriden

Land Use Summary

Land Use/Category/Zoning	Total Area		Developed		Undeveloped	
	Acres	Percent	Acres	Percent	Acres	Percent
Residential.....	6,995	45.6%	6,180	40.2%	815	5.3%
Commercial/Industrial.....	4,457	29.0%	3,142	20.5%	1,315	8.6%
Streets and Utilities.....	2,104	13.7%	2,104	13.7%	0	0.0%
Open Space.....	1,800	11.7%	-	0.0%	1,800	11.7%
Totals.....	15,356	100.0%	11,426	74.4%	3,930	25.6%

Source: GIS System, City of Meriden.

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IV. Tax Base Data

Property Tax

Assessments

The City of Meriden had a general property revaluation effective October 1, 2006. Under Section 12-62 of the Connecticut General Statutes, the City of Meriden must next revalue all real estate in 2011 and every fifth year thereafter. The next revaluation by physical inspection must be made no later than ten years from the preceding physical inspection. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the City for inclusion onto the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total of assessed values for all taxable real and personal property located within the City on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list of assessments are warranted. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last general revaluation.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last general revaluation. The property depreciation and obsolescence factors are also considered when arriving at an equitable value.

All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An Assessor's check and audit is completed periodically.

Motor vehicle lists are furnished to the City by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule recommended by the Secretary of the Office of Policy and Management. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October first assessment date but before the next July first are subject to a pro rated property tax, which is a supplement to the preceding Grand List. The tax is not due until January first, a year and three months after the grand list date.

Property Tax Collection Procedure

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real Estate taxes are payable in four quarterly installments (July 1, October 1, January 1 and April 1). Personal property taxes are payable semi-annually (July 1 and January 1) and motor vehicle taxes are due in one single payment on July 1. A modest estimate for outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are lienied each year prior to June 30. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years at which time they cease to be carried as receivables. All taxes are transferred to suspense 15 years after the due date in accordance with State statutes.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as deferred revenue.

Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes which are deemed to be uncollectible.

Comparative Assessed Valuation

Grand List as of 10/1	Residential Real Property (%)	Commercial/Industrial Real Property (%)	All Land (%)	Personal Property (%)	Motor Vehicle (%)	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	Percent Growth
2009	62.2	21.8	0.4	8.6	7.0	\$ 3,865,978	\$ 236,110	\$ 3,629,868	-0.1%
2008	62.2	21.8	0.4	8.6	7.0	3,864,377	230,017	3,634,360	-0.7%
2007	61.8	21.9	0.4	8.7	7.2	3,879,478	220,274	3,659,204	1.4%
2006 ¹	62.2	22.2	0.3	8.1	7.2	3,830,329	221,915	3,608,414	49.1%
2005	54.5	23.2	0.4	11.5	10.4	2,561,231	140,582	2,420,649	2.0%
2004	54.7	23.4	0.4	11.6	9.9	2,521,867	148,428	2,373,439	1.5%
2003	53.9	23.6	0.4	12.9	9.2	2,531,816	193,055	2,338,821	0.3%
2002	53.2	24.0	0.4	12.8	9.6	2,542,470	211,036	2,331,434	0.1%
2001 ¹	55.5	23.9	0.4	10.4	9.8	2,419,954	90,129	2,329,825	20.0%
2000	56.2	18.7	0.6	13.2	11.3	2,037,758	96,222	1,941,536	1.3%

¹ Revaluation.

Source: City of Meriden, City Assessor's Office

Property Tax Levies and Collections

Grand List as of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	District	Mill Rate	Total Tax Levy	Uncollected		
						Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Collected as of 2/28/10
2008	2010	\$3,632,830,081	First	28.85	\$ 105,217,635		In collection	
			Second	1.74				
2007	2009	3,659,204,456	First	27.96	102,298,379	97.24%	2.76%	98.86%
			Second	1.93				
2006	2008 ¹	3,608,414,217	First	27.96	101,123,487	97.30%	2.70%	99.56%
			Second	2.31				
2005	2007	2,420,649,275	First	42.2	101,900,365	97.30%	2.70%	99.54%
			Second	2.31				
2004	2006	2,373,437,388	First	40.34	95,254,308	96.30%	3.70%	99.43%
			Second	2.31				
2003	2005	2,338,867,898	First	39.09	90,481,335	97.00%	3.00%	99.61%
			Second	1.90				
2002	2004	2,331,434,357	First	37.30	85,627,280	96.30%	3.70%	99.57%
			Second	1.90				
2001	2003	2,329,824,832	First	36.00	82,604,334	96.30%	3.70%	99.62%
			Second	1.80				
2000	2002	1,941,535,686	First	40.40	76,597,402	95.90%	4.10%	99.52%
			Second	2.10				
1999	2001	1,916,229,649	First	40.40	75,467,728	94.40%	5.60%	99.63%
			Second	2.10				

¹ Taxes for the fiscal year are paid on the Grand List of October 1 prior to the beginning of the fiscal year, and are due and payable in four quarterly installments (July 1, October 1, January 1, and April 1) for real estate. Personal property taxes are payable semi-annually (July 1 and January 1) and motor vehicle taxes are due in a single payment on July 1. Failure to pay an installment within one month of the installment due date makes the installment delinquent and subject to interest charges of 1 1/2 per month (18% per annum). Real Estate is lien for delinquent taxes within one year after the due date. The amount collected to the end of each fiscal year represents collection of twelve months.

Source: City of Meriden, Tax Collector's Office

Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List¹
Meriden Square #3 LLC et al.....	Shopping Center	\$ 141,266,270	3.89%
Computer Sciences Corp.....	Telecommunications Data Center	53,973,960	1.49%
Connecticut Light & Power	Public Utility	39,802,840	1.10%
Urstadt Biddle Properties, Inc.	Shopping Center	23,350,670	0.64%
Radio Frequency Systems Inc.	RF Communications Manufacturer	22,270,460	0.61%
Yankee Gas	Public Utility	19,289,670	0.53%
Carabetta Enterprises, Inc	Real Estate Developer	14,999,610	0.41%
AT&T Mobility LLC.....	Telecommunications	14,940,050	0.41%
Newberry Village Development, Inc.	Residential Real Estate	12,705,460	0.35%
Denmeri Associates LP.....	Office Building	11,593,880	0.32%
Total		\$ 354,192,870	9.76%

¹ Based on a net taxable grand list 10/1/09 of \$3,632,845,000.

Source: Assessor's Office, City of Meriden

V. Financial Information

Fiscal Year

The City's fiscal year begins July 1 and ends June 30.

Basis of Accounting and Accounting Policies

The City's accounting system is organized on a fund basis and uses funds and account groups to report on its financial position and results of operations. The City's accounting records are maintained on a modified accrual basis, with revenues recognized as they become both measurable and available and expenditures recognized when incurred. (See Appendix A – "GENERAL PURPOSE FINANCIAL STATEMENTS, Notes to Financial Statements" herein.)

Governmental Fund Types

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund and account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. The various funds and account groups are grouped as follows in the financial statements.

Governmental Funds

General Fund – is the general operating fund of the City and operates under a legal budget. It is used to account for all financial transactions except those required to be accounted for in another fund.

Special revenue funds – are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Capital projects funds – are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those accounted for in the enterprise funds.

Proprietary Funds

Enterprise funds – are used to account for operations:

- a. that are financed and operated in a manner similar to private business enterprises;
- b. where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The City's enterprise funds are its water fund, sewer authority, and golf course.

Internal service funds – are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's internal service funds are its medical self-insurance fund and workers' compensation fund.

Fiduciary Funds

Trust and agency funds – are used to account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds consist of expendable, nonexpendable, pension trust funds, and the post employment healthcare fund.

Budgetary Procedures

Budget Calendar	
Timeline	Action
At least 180 days before fiscal year end	Final date for budget estimates to be submitted by Department Heads to Finance Director and by Finance Director to City Manager.
Not later than 120 days before fiscal year end.....	Final date for City Manager to submit proposed budget to City Council.
Not later than 75 days before fiscal year end.....	Final date for City Council to hold a public hearing on the proposed budget.
Within 20 days of last public hearing	Date by which budget must be adopted by City Council.
Within 5 days of adoption by council	Final date Mayor has veto power on a line item basis only. City Council may override any line item veto by a two-thirds (2/3) vote of the entire body.
Within 10 days of final adoption	Date by which tax rate must be set by City Council.

For additional information, see Appendix A – “FINANCIAL STATEMENTS, Note #3 – “Budgets and Budgetary Accounting” to the “General Purpose Financial Statements” herein.

Annual Audit

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the City is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management, and a copy of said audit report must be filed with the Office of Policy and Management. The City of Meriden is in full compliance with said provisions. For the fiscal year ended June 30, 2009, the financial statements of the City were audited by the firm of Blum Shapiro & Company, P.C. attached hereto as Appendix A.

Pension Plans

See Appendix A -- "FINANCIAL STATEMENTS, Note #10 - “Employee Retirement Plans” to “General Purpose Financial Statements" herein.

Other Post Employment Benefits

See Appendix A -- "FINANCIAL STATEMENTS, Note #11 - “Postemployment Healthcare Plan” to “General Purpose Financial Statements" herein.

Investment Policies and Procedures

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

The City of Meriden manages the investment of its funds in compliance with its Charter and the Connecticut General Statutes.

The City’s investment policies and investments relative to the City’s retirement and deferred compensation funds are available upon request to the Director of Finance.

General Fund - Comparative Balance Sheet

	<u>Actual 2009</u>	<u>Actual 2008</u>	<u>Actual 2007</u>	<u>Actual 2006</u>	<u>Actual 2005</u>
Assets:					
Cash and Cash Equivalents.....	\$ 21,632,601	\$ 16,106,796	\$ 22,967,437	\$ 19,193,358	\$ 16,652,109
Investments.....	5,421,001	1,535,297	-	-	-
Receivables (net):					
Property Taxes.....	3,333,698	3,240,018	4,529,830	3,174,454	4,682,195
Accounts Receivable.....	391,517	1,274,036	939,463	257,217	540,187
Federal and State Governments....	559,372	1,311,447	877,038	2,298,514	3,681,963
Inventory.....	132,810	136,300	108,962	-	-
Other Assets.....	-	-	-	78,581	79,200
Due from Other Funds.....	1,363,937 ¹	473,558	350,566	327,786	5,215,988
Advance to Golf Fund.....	- ¹	938,600	963,600	988,600	988,600
Total Assets.....	\$ 32,834,936	\$ 25,016,052	\$ 30,736,896	\$ 26,318,510	\$ 31,840,242

¹ Reclassified for proper illustration.

Liabilities and Fund Balance:

	<u>Actual 2009</u>	<u>Actual 2008</u>	<u>Actual 2007</u>	<u>Actual 2006</u>	<u>Actual 2005</u>
Liabilities:					
Accounts Payable and	\$ 13,876,888	\$ 11,709,834	\$ 13,775,650	\$ 11,913,090	\$ 14,657,024
Other Accrued Liabilities.....					
Due to Other Funds.....	1,483,003	765,856	420,619	-	-
Deferred Revenue.....	3,223,337	3,064,990	5,047,048	4,593,787	7,571,066
Total Liabilities.....	\$ 18,583,228	\$ 15,540,680	\$ 19,243,317	\$ 16,506,877	\$ 7,571,066

Municipal Equity:

Fund Balances:

Reserved for:

Encumbrances	\$ 26,872	\$ 219,648	\$ 296,190	\$ 259,555	\$ 58,460
Inventory	132,810	136,300	-	-	-
Donor Restrictions	-	-	13,820	269,864	247,435
Long Term Advances	- ¹	938,600	963,600	988,600	988,600
Debt Payments	-	275,000	1,875,000	3,500,000	5,000,000
Enabling Legislation.....	825,001	3,944,990	4,701,001	1,784,411	-
Flood Control	-	-	-	-	1,484,734

Unreserved:

Unreserved, Undesignated	13,267,025 ¹	3,960,834	3,643,968	3,009,203	1,832,923
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Total Municipal Equity.....	\$ 14,251,708	\$ 9,475,372	\$ 11,493,579	\$ 9,811,633	\$ 9,612,152
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Total Liabilities and Fund Balance	\$ 32,834,936	\$ 25,016,052	\$ 30,736,896	\$ 26,318,510	\$ 17,183,218
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¹ Reclassified for proper illustration.

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General Fund Revenues and Expenditures
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis)
And Current Budget (Budgetary Basis)

	Budget 2010 ¹	Actual 2009	Actual 2008	Actual 2007	Actual 2006
Revenues:					
Property Taxes.....	\$ 107,072,423	\$ 104,179,020	\$ 102,504,625	\$103,735,166	\$ 95,955,630
Intergovernmental.....	61,435,628	69,491,660	96,756,081 ³	62,904,894	60,209,360
Charges for services.....	2,940,664	4,619,605	4,981,502	5,630,423	5,649,007
Investment Income.....	959,248	486,060	1,307,843	1,871,308	1,395,995
Other Revenues.....	4,140,726	9,062,688	4,022,513	4,539,833	4,172,296
Transfers In.....	421,878	714,238	155,746	100,000	100,000
Fund Balance Allocation....	1,000,000	-	-	-	-
Total Revenues and Transfers In.....	\$ 177,970,567	\$ 188,553,271	\$ 209,728,310	\$178,781,624	\$167,482,288
Expenditures:					
Current:					
General government.....	28,769,298	28,564,423	28,278,758	26,055,557	17,757,578
Finance.....	1,701,190	-	-	1,941,515	-
Public safety.....	20,212,804	20,082,788	19,512,250	18,607,636	28,129,333
Public works.....	5,739,367	7,127,528	6,191,233	6,038,496	6,617,173
Health & Welfare.....	2,850,685	3,067,450	2,903,236	2,929,846	3,269,905
Cultural & Recreation.....	3,838,615	3,877,415	3,714,167	3,755,945	-
Education. ²	99,624,840	106,175,816	133,749,494 ³	99,267,133	93,307,731
Debt Service.....	14,633,265	14,201,046	16,983,368	18,063,938	17,959,146
Capital Outlay.....	600,503	462,980	-	-	-
Transfers Out.....	-	217,489	414,011	439,612	241,941
Total Expenditures and Transfers Out.....	\$ 177,970,567	\$ 183,776,935	\$ 211,746,517	\$177,099,678	\$167,282,807
Operating Results	-	4,776,336	(2,018,207)	1,681,946	199,481
Fund Balance, July 1	14,251,708	9,475,372	11,493,579	9,811,633	9,612,152
Adjustments to Beginning Fund Balance.....	-	-	-	-	-
Fund Balance, June 30	\$ 14,251,708	\$ 14,251,708	\$ 9,475,372	\$ 11,493,579	\$ 9,811,633

¹ Budgetary basis, subject to audit.

² Includes Education Health Insurance.

³ During FY2008, the State of Connecticut made an additional deposit (approximately \$36.9 million) to the State Teacher's Pension Fund. This amount was in excess of \$31 million from the prior year's contribution.

**Analysis of General Fund Equity
(GAAP Basis)**

	Budget 2010	Actual 2009	Actual 2008	Actual 2007	Actual 2006
Reserved for:					
Encumbrances.....	N/A	\$ 26,872	\$ 219,648	\$ 296,190	\$ 259,555
Inventory.....	N/A	132,810	136,300	-	-
Donor Restrictions.....	N/A	-	-	13,820	269,864
Long Term Advances.....	N/A	- ¹	938,600	963,600	988,600
Debt Payments.....	N/A	-	275,000	1,875,000	3,500,000
Enabling Legislation.....	N/A	825,001 ²	3,944,990	4,701,001	1,784,411
Flood Control.....	N/A	-	-	-	-
Unreserved Undesignated.....	N/A	13,267,025 ^{1,2}	3,960,834	3,643,968	3,009,203
Total Fund Balance.....	N/A	\$14,251,708	\$ 9,475,372	\$11,493,579	\$ 9,811,633
Undesignated Fund Balance					
as % of Total Expenditures.....	N/A	7.2%	2.2%	2.1%	1.8%

¹ Reclassified for proper illustration.

² The pending claim that had previously been reserved for has been settled.

Source: Comprehensive Annual Financial Reports 2006-2009; Budget for fiscal year 2010, City of Meriden.

Intergovernmental Revenues as a Percent of General Fund Revenues

Fiscal Year Ended June 30	Intergovernmental Revenues	General Fund Revenues and Transfers	Percent
2010 ¹	\$61,435,628	\$177,970,567	34.52%
2009	69,491,660	188,553,271	36.86%
2008	65,756,081 ²	178,728,310 ²	36.79%
2007	62,904,894	178,781,624	35.19%
2006	60,209,360	167,482,288	35.95%

¹ Adopted Budget.

² During FY2008, the State of Connecticut made an additional deposit (approximately \$36.9 million) to the State Teacher's Pension Fund. This amount was in excess of \$31 million from the prior year's contribution. In order to be comparable to prior and future years, these numbers have been reduced by \$31 million.

Source: Comprehensive Annual Financial Reports; 2006-2009.

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Enterprise Funds
Comparative Balance Sheet
As of June 30, 2009

Assets:	Water	Sewer	George Hunter Memorial Golf
Current assets:			
Cash and cash equivalents.....	\$ 4,810,963	\$ 4,955,827	\$ 154,153
Accounts Receivable, net.....	3,301,726	3,077,126	-
Due from other funds.....	7,245,307	1,104,136	1,684
Investments.....	497,174	494,189	-
Total Current Assets.....	15,855,170	9,631,278	155,837
Noncurrent assets:			
Capital assets (nondepreciable).....	668,275	34,888,716	49,999
Capital assets (net of accumulated depreciation).....	43,816,707	48,057,346	836,756
Total Noncurrent Assets.....	44,484,982	82,946,062	886,755
Total Assets.....	60,340,152	92,577,340	1,042,592
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities.....	341,583	2,309,334	58,930
Current portion of Bonds and Notes payable.....	1,592,020	671,988	14,667
Current portion of compensated absences.....	75,279	30,329	26,873
Due to other funds.....	-	-	913,600
Total Current Liabilities.....	2,008,882	3,011,651	1,014,070
Noncurrent liabilities:			
Compensated Absences.....	802,977	197,138	107,490
Bonds and notes payable, less current portion.....	13,930,060	3,505,567	127,331
Long term claims payable.....	-	-	-
Advance from general fund.....	-	-	-
Total Noncurrent Liabilities.....	14,733,037	3,702,705	234,821
Total Liabilities.....	16,741,919	6,714,356	1,248,891
Net Assets:			
Invested in capital assets (net of related debt).....	36,208,209	79,872,643	746,441
Unrestricted.....	7,390,024	5,990,341	952,740
Total Net Assets.....	\$43,598,233	\$85,862,984	\$ 1,699,181

Water Fund
Historical Comparative Balance Sheet

Assets:	Actual 2009	Actual 2008	Actual 2007	Actual 2006	Actual 2005
Current Assets:					
Cash and Cash Equivalents.....	\$ 4,810,963	\$ 2,148,901	\$ 975,733	\$ 469,974	\$ 660,066
Receivables (net):					
Use Charges	1,322,353	1,247,216	1,240,705	955,060	1,047,678
Unbilled Usage.....	1,975,041	2,003,529	1,905,603	2,116,468	1,843,678
Other.....	4,332	2,517	30,818	-	24,767
Investments.....	497,174	4,198,556	3,396,516	7,085,000	7,440,000
Due from other funds.....	7,245,307	4,622,432	6,220,000	24,936	960,080
Total Current Assets.....	15,855,170	14,223,151	13,769,375	10,651,438	11,976,269
Fixed Assets:					
Capital Assets.....	44,484,982	44,601,992	45,598,163	44,842,652	45,092,886
Total Assets.....	\$60,340,152	\$58,825,143	\$59,367,538	\$55,494,090	\$57,069,155
Liabilities and Municipal Equity:					
Liabilities:					
Bonds Payable – Current.....	\$ 1,592,020	\$ 1,051,020	\$ 1,363,644	\$ 1,052,840	\$ 877,540
Temporary Note Payable.....	-	5,928,000	3,838,000	-	-
Bonds Payable, less current portion.....	13,930,060	4,809,070	5,860,097	5,357,941	6,410,781
Due to Other Funds.....	-	14,584	-	-	-
Current Portion of Compensated Absences.....	75,279	81,787	-	-	-
Compensated Absences.....	802,977	659,153	-	-	-
Accounts Payable & Other Accrued Liabilities.....	341,583	429,020	763,709	878,752	982,060
Total Liabilities.....	16,741,919	12,972,634	11,825,450	7,289,533	8,270,381
Net Assets:					
Invested in Capital Assets.....	36,208,209	32,813,902	34,536,511	43,789,812	38,764,645
Unrestricted.....	7,390,024	13,038,607	13,005,666	4,414,745	10,034,129
Total Net Assets.....	43,598,233	45,852,509	47,542,177	48,204,557	48,798,774
Total Liabilities and Net Assets Equity.....	\$60,340,152	\$58,825,143	\$59,367,627	\$55,494,090	\$57,069,155

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Sewer Authority
Historic Comparative Balance Sheet

Assets:	Actual 2009	Actual 2008	Actual 2007	Actual 2006	Actual 2005
Current Assets:					
Cash and Cash Equivalents.....	\$ 4,955,827	\$ 2,105,459	\$ 554,929	\$ 20,887	\$ 169,835
Investments.....	494,189	765,604	5,535,000	5,880,000	5,348,000
Receivable (net):					
Sewer Use Charges Receivable.....	1,347,457	1,251,903	1,202,675	917,663	1,011,972
Estimated Unbilled Usage.....	1,725,365	1,757,967	1,667,119	1,600,325	1,398,729
Other Accounts Receivables.....	4,304	2,310	34,629	-	8,258
Due from other funds.....	1,104,136	1,576,614	1,749,173	-	602,615
Total Current Assets.....	9,631,278	7,459,857	10,743,525	8,418,875	8,539,409
Fixed Assets:					
Capital Assets.....	82,946,062	55,523,637	51,931,212	52,663,671	52,646,804
Total Assets.....	\$92,577,340	\$62,983,494	\$62,674,737	\$61,082,546	\$61,186,213
Liabilities:					
Liabilities:					
Due to Other Funds.....	\$ -	\$ 2,891	\$ -	\$ 699,232	\$ -
Temporary Note Payable.....	-	1,175,000	799,000	-	-
Accounts Payable & Other Current Liabilities....	2,309,334	2,475,981	461,415	544,271	528,176
Bonds Payable.....	3,505,567	3,239,555	3,865,542	2,496,530	2,968,218
Current Portion of Compensated Absences.....	30,329	36,012	-	-	-
Compensated Absences.....	197,138	290,231	-	-	-
Bonds Payable – Current.....	671,988	625,988	851,888	471,688	407,188
Total Liabilities.....	6,714,356	7,845,658	5,977,845	4,211,721	3,903,582
Net Assets:					
Invested in Capital Assets.....	79,872,643	50,483,094	46,414,782	51,492,751	49,874,013
Unrestricted.....	5,990,341	4,654,742	10,282,110	5,378,074	7,408,618
Total Net Assets.....	85,862,984	55,137,836	56,696,892	56,870,825	57,282,631
Total Liabilities and Net Assets.....	\$92,577,340	\$62,983,494	\$62,674,737	\$61,082,546	\$61,186,213

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Golf Course
Historic Comparative Balance Sheet

Assets:	Actual 2009	Actual 2008	Actual 2007	Actual 2006	Actual 2005
Current Assets:					
Cash and Cash Equivalents.....	\$ 154,153	\$ 253,223	\$ 16,025	\$ 23,912	\$ 22,796
Charges Receivable, Net.....	-	5,900	-	13,001	12,983
Investments.....	-	-	220,000	224,730	250,000
Due from Other Funds.....	1,684	38,552	43,945	-	-
Other.....	-	-	20,352	-	-
Total Current Assets.....	155,837	297,675	300,322	261,643	285,779
Property and Equipment, Net.....	886,755	899,503	945,540	1,012,559	1,173,471
Total Assets.....	\$1,042,592	\$1,197,178	\$1,245,862	\$1,274,202	\$1,459,250
Liabilities and Fund Equity					
Liabilities:					
Accounts Payable and Other Accrued Liabilities.....	\$ 58,930	\$ 55,899	\$ 104,131	\$ 86,994	\$ 95,785
Due to Other Funds.....	913,600 ¹	-	-	-	-
Temporary Note Payable.....	-	50,000	50,000	-	-
Bonds Payable.....	127,331	111,998	124,665	117,332	127,999
Current Portion of Compensated Absences.....	26,873	12,201	-	-	-
Compensated Absences.....	107,490	98,338	-	-	-
Bonds Payable – Current.....	14,667	12,667	16,267	10,667	10,667
Advance from General Fund.....	- ¹	938,600	963,600	988,600	988,600
Total Liabilities.....	1,248,891	1,279,703	1,258,663	1,203,593	1,223,051
Net Assets:					
Unrestricted.....	(952,740)	(807,363)	(767,409)	(931,283)	(798,606)
Invested in Capital.....	746,441	724,838	754,608	1,001,892	1,034,805
Total Net Assets.....	(206,299)	(82,525)	(12,801)	70,609	236,199
Total Liabilities and Net Assets.....	\$1,042,592	\$1,197,178	\$1,245,862	\$1,274,202	\$1,459,250

¹ Reclassified for proper illustration.

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Enterprise Funds
Comparative Statement of Revenues and Expenditures
As of June 30, 2009

	Water	Sewer	George Hunter Memorial Fund
Operating Revenues			
Charges for services.....	\$ 7,662,583	\$ 5,967,492	\$ 826,967
Miscellaneous.....	644,856	229,002	18,622
Total operating revenues.....	8,307,439	6,196,494	845,589
Operating Expenses			
Salaries, benefits and claims.....	3,567,264	1,411,172	516,418
Materials and supplies.....	2,880,414	1,914,440	163,319
Utilities.....	1,036,814	973,107	-
Administration and operation.....	274,804	567,045	-
Depreciation.....	1,612,841	2,034,268	66,639
Other.....	574,825	1,484,396	212,223
Total operating expenses.....	9,946,962	8,384,428	958,599
Operating income (loss).....	(1,639,523)	(2,187,934)	(113,010)
Nonoperating Revenues (Expenses)			
Federal and State Grants.....	-	33,244,705	
Interest income.....	66,777	58,029	(3,507)
Interest expense.....	(681,530)	(167,813)	(7,257)
Total nonoperating revenues (expenses).....	(614,753)	33,134,921	(10,764)
Change in net assets.....	(2,254,276)	30,946,987	(123,774)
Net Assets (Deficit), beginning.....	45,852,509	54,915,997	(82,525)
Net Assets (Deficit), ending.....	\$ 43,598,233	\$ 85,862,984	\$ (206,299)

Water Fund
Historical Comparative Statement of Revenues and Expenditures

	Actual 2009	Actual 2008	Actual 2007	Actual 2006	Actual 2005
Operating Revenues:					
Charges for Services.....	\$ 7,662,583	\$ 7,719,351	\$ 6,760,906	\$ 6,272,650	\$ 6,724,188
Miscellaneous.....	644,856	701,387	560,755	138,738	73,756
Fiscal Division.....	-	-	-	1,046,848	1,056,763
Total Operating Revenue.....	8,307,439	8,420,738	7,321,661	7,458,236	7,854,707
Total Operating Expenses Before Depreciation....	(8,334,121)	(8,252,758)	(6,377,042)	(6,362,227)	(6,359,861)
Operating Income Before Depreciation.....	(26,682)	167,980	944,619	1,096,009	1,494,846
Less Depreciation.....	(1,612,841)	(1,585,724)	(1,568,894)	(1,523,024)	(1,458,691)
Operating Income (Loss).....	(1,639,523)	(1,417,744)	(624,275)	(427,015)	36,155
Add: Interest Income.....	66,777	201,876	291,499	262,237	116,805
Less: Interest Expense.....	(681,530)	(473,711)	(329,693)	(429,439)	(196,048)
Capital Contributions.....	-	-	-	-	-
Net Income (Loss).....	(2,254,276)	(1,689,579)	(662,469)	(594,217)	(43,088)
Fund Equities, Beginning.....	45,852,509	47,542,088	48,204,557	48,798,774	50,018,360
Adjustments to Beginning Balances.....	-	-	-	-	(1,176,498)
Fund Equities, Beginning - Restated.....	45,852,509	47,542,088	48,204,557	48,798,774	48,841,862
Fund Equities, Ending.....	\$43,598,233	\$45,852,509	\$47,542,088	\$48,204,557	\$48,798,774

Sewer Authority
Historic Comparative Statement of Revenues and Expenditures

	Actual 2009	Actual 2008	Actual 2007	Actual 2006	Actual 2005
Operating Revenues:					
Charges for Services.....	\$ 5,967,492	\$ 5,963,555	\$ 6,141,622	\$ 6,118,228	\$ 4,930,657
Miscellaneous.....	229,002	178,355	881,102	51,059	18,900
Total Operating Revenue.....	6,196,494	6,141,910	7,022,724	6,169,287	4,949,557
Operating Expenses Before Depreciation.....	(6,350,160)	(5,573,643)	(5,341,681)	(4,728,531)	(4,437,375)
Operating Income Before Depreciation.....	(153,666)	568,267	1,681,043	1,440,756	512,182
Less Depreciation.....	(2,034,268)	(2,072,715)	(1,956,737)	(1,933,623)	(1,830,376)
Operating Income (Loss).....	(2,187,934)	(1,504,448)	(275,694)	(492,867)	(1,318,194)
Add: Federal and State Grants.....	33,244,705				
Add: Interest Income.....	58,029	191,673	282,989	198,950	124,673
Less: Interest Expense.....	(167,813)	(246,281)	(181,228)	(117,889)	(122,228)
Capital Contributions.....	-	-	-	-	-
Net Income (Loss).....	30,946,987	(1,559,056)	(173,933)	(411,806)	(1,315,749)
Fund Equities, Beginning.....	55,137,836	56,696,892	56,870,825	57,282,631	56,832,256
Adjustments to Beginning Balances	(221,839)	-	-	-	1,766,124
Fund Equities, Beginning - Restated.....	54,915,997	56,696,892	56,870,825	57,282,631	58,598,380
Fund Equities, Ending.....	\$85,862,984	\$55,137,836	\$56,696,892	\$56,870,825	\$57,282,631

Year	Water Fund Total Operating Revenue Generated	Sewer Authority Total Operating Revenue Generated
2009	\$8,307,439	\$6,196,494
2008	8,420,738	6,141,910
2007	7,321,661	7,022,724
2006	7,458,236	6,169,287
2005	7,854,707	4,949,557

Golf Course
Historic Comparative Statement of Revenues and Expenditures

	Actual 2009	Actual 2008	Actual 2007	Actual 2006	Actual 2005
Operating Revenues:					
Operating Revenues.....	\$ 845,589	\$ 850,586	\$ 787,294	\$ 785,704	\$ 826,394
Less: Operating Expenses Before Depreciation.....	(891,960)	(829,947)	(821,008)	(783,198)	(747,603)
Net Operating Income.....	(46,371)	20,639	(33,714)	2,506	78,791
Less: Depreciation.....	(66,639)	(88,933)	(53,875)	(160,912)	-
Net Operating Income (Loss).....	(113,010)	(68,294)	(87,589)	(158,406)	78,791
Add: Interest Income.....	(3,507)	6,408	10,341	-	-
Less: Interest Expense.....	(7,257)	(7,838)	(6,162)	(7,184)	(6,043)
Transfers out.....	-	-	-	-	-
Net Income (Loss).....	(123,774)	(69,724)	(83,410)	(165,590)	72,748
Fund Equities, Beginning.....	(82,525)	(12,801)	70,609	236,199	163,451
Adjustments to Beginning Balances	-	-	-	-	-
Fund Equities, Beginning - Restated.....	(82,525)	(12,801)	70,609	236,199	163,451
Fund Equities, Ending.....	\$ (206,299)	\$ (82,525)	\$ (12,801)	\$ 70,609	\$ 236,199

VI. Debt Summary
Principal Amount of Bonded Indebtedness
As of May 4, 2010
(Pro Forma)

Date	Purpose	Rate %	Amount of Original Issue	Amount Outstanding¹	Date of Fiscal Year Maturity
01/15/91	General Purpose.....	6.40-6.50	\$ 1,000,000	\$ 50,000	2011
12/30/94	Clean Water Fund Loan.....	2.00	2,320,480	425,421	2014
08/01/96	Urban Renewal.....	4.25-6.25	2,753,000	350,000	2012
01/26/98	Clean Water Fund Loan.....	2.00	571,353	219,018	2018
08/01/02	General Purpose.....	3.00-5.00	37,028,000	4,680,177	2012
08/01/02	School.....	3.00-5.00	908,400	112,040	2012
08/01/02	Water.....	3.00-5.00	674,300	63,096	2012
08/01/02	Sewer.....	3.00-5.00	429,300	69,020	2012
08/01/02	Golf.....	3.00-5.00	160,000	20,667	2012
08/01/02	General Purpose – Taxable.....	5.60	600,000	180,000	2013
04/15/03	Refunding - Taxable Urban Renewal...	3.00-5.00	520,000	100,000	2012
08/01/04	General Purpose.....	3.00-5.00	18,132,400	3,439,775	2012
08/01/04	School	3.00-5.00	15,300,900	1,926,869	2012
08/01/04	Water.....	3.00-5.00	4,824,700	385,887	2012
08/01/04	Sewer.....	3.00-5.00	1,407,000	917,469	2012
08/01/06	General Purpose	4.125-5.00	14,211,700	10,590,000	2017
08/01/06	School	4.125-5.00	1,923,000	1,450,000	2017
08/01/06	Sewer	4.125-5.00	2,220,900	1,410,000	2017
08/01/06	Water	4.125-5.00	1,865,800	1,166,000	2017
08/01/06	Golf	4.125-5.00	23,600	14,000	2017
08/01/08	General Purpose	3.00-5.00	18,206,000	10,925,000	2029
08/01/08	School	3.00-5.00	3,163,000	1,901,000	2029
08/01/08	Sewer	3.00-5.00	938,000	563,000	2029
08/01/08	Water	3.00-5.00	10,713,000	6,427,000	2029
08/01/08	Golf	3.00-5.00	30,000	19,000	2029
Total Outstanding Long-Term Debt.....			\$ 139,924,833	\$ 47,404,439	

This Issue

SERIES A BONDS

05/04/10	General Purpose Refunding.....	3.00-5.00	\$ 11,582,000	\$ 11,582,000	2023
05/04/10	Schools Refunding.....	3.00-5.00	45,000	45,000	2023
05/04/10	Sewer Refunding.....	3.00-5.00	81,000	81,000	2023
05/04/10	Water Refunding.....	3.00-5.00	23,000	23,000	2023
05/04/10	Golf Refunding.....	3.00-5.00	59,000	59,000	2023
Sub-Total Series A.....			\$ 11,790,000	\$ 11,790,000	

SERIES B BONDS

05/04/10	General Purpose Refunding.....	3.00-5.00	\$ 11,836,000	\$ 11,836,000	2024
05/04/10	Schools Refunding.....	3.00-5.00	9,306,000	9,306,000	2024
05/04/10	Sewer Refunding.....	3.00-5.00	344,000	344,000	2024
05/04/10	Water Refunding.....	3.00-5.00	5,206,000	5,206,000	2024
05/04/10	Golf Refunding.....	3.00-5.00	8,000	8,000	2024
Sub-Total Series B.....			\$ 26,700,000	\$ 26,700,000	
Total All Bonds.....			\$ 178,414,833	\$ 85,894,439	

¹ Excludes bonds refunded with this issue.

Short Term Debt

As of May 4, 2010

(Pro Forma)

The City of Meriden has an outstanding Interim Funding Obligation under the State of Connecticut Clean Water Fund program in the amount of \$33,342,762. For more information, refer to the section entitled "Clean Water Fund" herein.

Annual Bonded Debt Maturity Schedule

As of May 4, 2010

(Pro Forma)

Fiscal Year	Principal ²	Interest ²	Total ²	Pro-forma: This Issue			Cumulative Principal Retired
				Series A	Series B	Total	
2010 ¹	\$ 24,099	\$ 2,128	\$ 26,227	\$ -	\$ -	\$ -	0.03%
2011	10,429,591	1,753,475	12,183,067	105,000	260,000	365,000	12.60%
2012	9,584,591	1,384,723	10,969,315	-	-	-	23.75%
2013	3,949,591	1,128,159	5,077,750	2,010,000	3,205,000	5,215,000	34.42%
2014	3,831,580	969,241	4,800,821	1,785,000	3,195,000	4,980,000	44.68%
2015	3,773,568	804,872	4,578,440	1,800,000	3,350,000	5,150,000	55.07%
2016	3,773,568	638,773	4,412,340	1,805,000	1,000,000	2,805,000	62.73%
2017	3,773,568	469,570	4,243,138	1,815,000	1,000,000	2,815,000	70.40%
2018	14,284	383,708	397,992	705,000	2,680,000	3,385,000	74.36%
2019	-	383,625	383,625	355,000	2,700,000	3,055,000	77.91%
2020	-	383,625	383,625	355,000	2,705,000	3,060,000	81.48%
2021	-	383,625	383,625	355,000	1,655,000	2,010,000	83.82%
2022	-	383,625	383,625	350,000	1,650,000	2,000,000	86.15%
2023	-	383,625	383,625	350,000	1,650,000	2,000,000	88.47%
2024	-	383,625	383,625	-	1,650,000	1,650,000	90.40%
2025	1,650,000	346,500	1,996,500	-	-	-	92.32%
2026	1,650,000	271,219	1,921,219	-	-	-	94.24%
2027	1,650,000	194,906	1,844,906	-	-	-	96.16%
2028	1,650,000	117,563	1,767,563	-	-	-	98.08%
2029	1,650,000	39,188	1,689,188	-	-	-	100.00%
Total.....	\$ 47,404,439	\$ 10,805,776	\$ 58,210,215	\$ 11,790,000	\$ 26,700,000	\$ 38,490,000	

¹ Excludes \$13,420,493 in principal payments and \$2,222,199 in interest payments from July 1, 2009 through May 4, 2010.

² Excludes bonds refunded with this issue.

Overlapping/Underlying Debt

As of May 4, 2010

The City of Meriden has neither overlapping nor underlying debt.

**THE CITY OF MERIDEN HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR
INTEREST ON ITS BONDS OR NOTES.**

Debt Statement
As of May 4, 2010
(Pro Forma)

Long-Term Debt Outstanding:

General Purpose (Includes \$29,864,952 outstanding and \$23,418,000 of this issue)	\$ 53,282,952
Revitalization	450,000
Schools (Includes \$5,389,909 outstanding and \$9,351,000 of this issue)	14,740,909
Sewers (Includes \$3,603,928 outstanding and \$425,000 of this issue)	4,028,928 ¹
Water (Includes \$8,041,983 outstanding and \$5,229,000 of this issue)	13,270,983 ¹
Golf Course (Includes \$53,667 outstanding and \$67,000 of this issue)	120,667 ¹
Total Long-Term Debt	85,894,439

Short-Term Debt:

Interim Funding Obligation - State of Connecticut Clean Water Fund.....	33,342,762
Total Direct Debt	119,237,201

Less: Amount to be provided by the State for school construction (As of 6/30/09).....	-
Self Supporting Long-Term and Short-Term Debt	(50,763,340) (50,763,340)

Total Net Direct Debt	68,473,861
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Plus: Overlapping/Underlying Debt	-
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Total Overall Net Debt	\$ 68,473,861
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¹ Self-Supporting Debt.

Current Debt Ratios
As of May 4, 2010
(Pro Forma)

Population ¹	59,186
Net Taxable Grand List (10/1/09) ²	\$ 3,629,868,000
Estimated Full Value (70%).....	\$ 5,185,525,714
Equalized Grand List (10/1/07) ³	\$ 5,530,244,034
Money Income per Capita (2000) ¹	\$ 20,597

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	<u>\$119,237,201</u>	<u>\$68,473,861</u>	<u>\$68,473,861</u>
Per Capita.....	\$2,014.62	\$1,156.93	\$1,156.93
Ratio to Net Taxable Grand List.....	3.28%	1.89%	1.89%
Ratio to Estimated Full Value.....	2.30%	1.32%	1.32%
Ratio to Equalized Grand List.....	2.16%	1.24%	1.24%
Debt per Capita to Money Income per Capita.....	9.78%	5.62%	5.62%

¹ State of Connecticut Department of Public Health, July 1, 2008.

² Revalued : October 1, 2006.

³ Office of Policy and Management, State of Connecticut.

Bond Authorization Procedure

The City of Meriden has the power to incur indebtedness as provided by the Connecticut General Statutes and the City Charter. The issuance of bonds and notes is authorized by the City Council. Bonds and notes may be issued to meet certain emergency appropriations as provided in the Connecticut General Statutes.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable and the legislative body schedules principal reductions starting at the end of the third and continuing in each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for school and sewer projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for school and sewer projects, by the amount of time temporary financing has been outstanding.

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

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment. Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

Clean Water Fund Program

The City of Meriden is a participant in the State of Connecticut's Clean Water Fund Program (General Statutes Sections 22a-475 et seq., as amended), which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs, with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan, and denitrification projects which are financed with a 30% grant and a 70% loan. The City recently authorized \$45,000,000 to undertake major renovations to the water pollution control facility. The City expects to finance the renovations and other eligible projects through the State of Connecticut Clean Water Fund Program.

Loans to each municipality are made pursuant to a Project Grant and Project Loan Agreement. Each municipality is obligated to repay only that amount which it draws down from the Interim Funding Obligation ("IFO") for the payment of project costs. Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality, and/or a dedicated source of revenue of such municipality. As of the date of this Official Statement, the City currently has an IFO outstanding in the amount of \$33,342,762 and has received grant commitments totaling \$10,186,837 under the State's Clean Water Fund Program.

Amortization of each Loan is required to begin one year from the earlier of the project completion date specified in the Loan Agreement, or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are payable 1) in equal monthly installments commencing one month after the scheduled completion date, or 2) in a single annual installment representing 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement, the first year's date, and thereafter in monthly installments. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty.

Statement of Debt Limitation
As of May 4, 2010
(Pro Forma)

Total Tax Collections (including interest and lien fees):

For the year ended June 30, 2009..... \$104,139,000

Reimbursement For Revenue Loss On:

Tax Relief for Elderly..... 51,000

BASE \$104,190,000

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Unfunded Pension</u>
Debt Limitation :					
2 1/4 times base.....	\$ 234,427,500	\$ -	\$ -	\$ -	\$ -
4 1/2 times base.....	-	468,855,000	-	-	-
3 3/4 times base.....	-	-	390,712,500	-	-
3 1/4 times base.....	-	-	-	338,617,500	-
3 times base.....	-	-	-	-	312,570,000
Total Debt Limitation.....	<u>234,427,500</u>	<u>468,855,000</u>	<u>390,712,500</u>	<u>338,617,500</u>	<u>312,570,000</u>
Indebtedness:					
Outstanding Debt ^{1,2} :					
Outstanding Bonds Payable.....	29,864,952	5,389,909	3,603,928	450,000	-
Bonds of This Issue.....	23,418,000	9,351,000	425,000	-	-
Short-Term Debt (IFO-CWF).....	-	-	33,342,762	-	-
Bonds Authorized But Unissued.....	17,013,308	9,927,119	753,497	-	-
Total Indebtedness.....	<u>70,296,260</u>	<u>24,668,028</u>	<u>38,125,187</u>	<u>450,000</u>	<u>-</u>
Less School Construction Grants.....	-	-	-	-	-
Total Net Indebtedness For Debt Limitation Calculation.....	<u>70,296,260</u>	<u>24,668,028</u>	<u>38,125,187</u>	<u>450,000</u>	<u>-</u>
DEBT LIMITATION IN EXCESS OF INDEBTEDNESS.....					
	<u>\$ 164,131,240</u>	<u>\$ 444,186,972</u>	<u>\$352,587,313</u>	<u>\$338,167,500</u>	<u>\$312,570,000</u>

¹ Water debt is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes. Excluded from above is \$8,041,983 of outstanding water bonds, \$5,229,000 of refunding water bonds in this issue, and \$1,073,420 of water debt authorized but unissued debt.

² Excludes outstanding self-supporting Golf Course bonds in the amount of \$53,667 and \$67,000 of refunding bonds included in this issue.

Note: Total debt limit is equal to seven times of base \$729,330,000.

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Debt Authorized but Unissued ¹
As of May 4, 2010
(Pro Forma)

Project	Authorized	Estimated Grants	Debt Previously Issued	Debt Authorized but Unissued			
				General Purpose	Schools	Sewers	Water
General Purpose Issue #37...	\$ 3,200,000	\$ 3,005,000	\$ 65,000	\$ 130,000	\$ -	\$ -	\$ -
General Purpose Issue #40...	3,657,000	280,533	1,012,000	2,364,467	-	-	-
General Purpose Issue #45...	100,000	-	81,300	18,700	-	-	-
General Purpose Issue #49...	100,000	-	72,800	27,200	-	-	-
General Purpose Issue #50...	4,919,300	-	3,922,588	-	-	-	996,712
General Purpose Issue #52...	1,000,000	768,348	231,652	-	-	-	-
General Purpose Issue #53...	30,498,400	18,864,234	6,072,000	-	5,562,166	-	-
General Purpose Issue #55...	50,000	-	28,200	21,800	-	-	-
General Purpose Issue #56...	270,000	-	112,000	158,000	-	-	-
General Purpose Issue #57... ³	50,632,000	47,979,467 ²	1,899,036	-	-	753,497	-
General Purpose Issue #58...	12,907,897	3,352,221	5,789,800	3,765,876	-	-	-
General Purpose Issue #59...	8,629,300	3,791,891	1,410,040	-	3,427,369	-	-
General Purpose Issue #60...	2,105,775	64,800	1,672,320	368,655	-	-	-
General Purpose Issue #61...	1,495,000	850,000	437,800	207,200	-	-	-
General Purpose Issue #63...	1,297,917	-	497,917	800,000	-	-	-
General Purpose Issue #64...	16,755,981	7,943,406	6,556,204	1,242,079	937,584	-	76,708
General Purpose Issue #65...	8,488,500	579,968	(799)	7,909,331	-	-	-
Total.....	\$ 146,107,070	\$ 87,479,868	\$ 29,859,857	\$ 17,013,308	\$ 9,927,119	\$ 753,497	\$ 1,073,420

¹ Total Authorized but Unissued does not include amounts paid down from the General Fund on outstanding notes or grants received.

² Included in this amount is a State of Connecticut Clean Water fund Grant of \$8,682,765.

³ It is expected that the City will be eligible for State of Connecticut 2.0% Clean Water Fund Loans on its \$45,000,000 sewer project included in this authorization. This amount includes an Interim Funding Obligation in the amount of \$34,731,058.

Principal Amount of Outstanding Debt
(Last Five Fiscal Years)

Fiscal Year	Notes	Bonds	Total	Water, Sewer, Golf and Hospital ¹
2009	\$ -	\$ 80,903,298	\$ 80,903,298	\$ 19,076,702
2008	22,355,000	69,944,215	92,299,215	8,940,785
2007	17,125,000	82,722,012	99,847,012	2,087,203
2006	25,800,000	80,476,709	106,276,709	8,308,291
2005	14,985,000	93,485,905	108,470,905	9,459,095

¹ Self-supporting.

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Ratios of Long-Term Debt to Valuation, Population and Income

Fiscal Year Ended 6/30	Net Assessed Value	Estimated Full Value	Net Long-Term Debt ¹	Ratio of Net Long-Term Debt to Assessed Value	Ratio of Net Long-Term Debt to Estimated Full Value	Population ²	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income ³
2009	\$3,659,204	\$5,227,434	\$100,745	2.75%	1.93%	59,186	\$1,702.18	8.26%
2008	3,608,414	5,154,877	79,795	2.21%	1.55%	59,186	1,348.21	6.55%
2007	2,420,649	3,458,070	94,803	3.92%	2.74%	59,225	1,600.73	7.77%
2006	2,373,439	3,390,627	89,984	3.79%	2.65%	59,552	1,511.02	7.34%
2005	2,338,821	3,341,173	104,288	4.46%	3.12%	59,653	1,748.24	8.49%

¹ Consists of all General and Business-Type debt, including Clean Water Fund loans.

² State of Connecticut, Department of Health Services estimates.

³ Income per Capita: \$20,597 U.S. Department of Commerce, Bureau of Census, 2000

Ratio of Annual Debt Service to Total General Fund Expenditures and Other Financing Uses (in 000's)

Fiscal Year Ended 6/30	Principal	Interest	Total	Total General Fund Expenditures	Ratio of General Fund Debt Service To Total General Fund Expenditures
2010 ¹	\$10,986	\$3,647	\$14,633	\$177,971	8.22%
2009	10,410	3,791	14,201	183,777	7.73%
2008	12,778	4,206	16,984	180,747 ²	9.40%
2007	13,889	4,175	18,064	177,100	10.20%
2006	13,009	4,950	17,959	167,283	10.74%

¹ Budgetary basis and subject to change.

² During FY2008, the State of Connecticut made an additional deposit (approximately \$36.9 million) to the State Teacher's Pension Fund. This amount was in excess of \$31 million from the prior year's contribution. In order to be comparable to prior and future years, this number has been reduced by \$31 million.

Source: Comprehensive Annual Financial Reports; 2006-2009. 2010: Finance Department.

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Capital Improvement Program
Fiscal Year 2011 through Fiscal Year 2016

Proposed Projects	Outstanding Prior Authorizations	2010-11 ¹	2011-12	2012-13	2013-14	2014-15	2015-16	Total
Education	\$ 5,309,750	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,609,750
Engineering	4,837,909	3,649,164	3,965,000	2,685,000	4,300,000	5,580,000	7,325,000	32,342,073
Parking	-	45,000	-	-	-	-	-	45,000
Fire	69,285	120,000	279,000	585,000	1,450,000	655,000	575,000	3,733,285
Highway / Garage	15,400	443,000	561,000	726,000	834,000	294,000	364,000	3,237,400
Library	58,000	-	-	-	-	-	-	58,000
Parks & Recreation	31,450	890,000	755,000	434,000	1,070,000	310,000	447,000	3,937,450
Traffic	60,000	90,000	520,000	431,000	480,000	480,000	392,000	2,453,000
Public Buildings	-	890,000	1,530,000	-	120,000	20,000	-	2,560,000
Police	-	335,000	15,000	19,500	36,575	-	-	406,075
Landfill/Recycling/ Solid Waste	-	254,000	200,000	-	200,000	525,000	-	1,179,000
Water	237,208	1,185,000	15,646,000	6,986,000	16,493,000	4,004,000	9,150,000	53,701,208
Sewer	84,583	1,447,000	650,000	2,040,000	1,728,000	1,000,000	1,000,000	7,949,583
General	624,900	-	-	-	-	-	-	624,900
TOTAL	\$ 11,328,485	\$ 9,648,164	\$ 24,121,000	\$ 13,906,500	\$ 26,711,575	\$ 12,868,000	\$ 19,253,000	\$ 117,836,724
Proposed Funding								
User Fees	\$ 321,792	\$ 2,632,000	\$ 16,296,000	\$ 9,026,000	\$ 18,221,000	\$ 5,004,000	\$ 10,150,000	\$ 61,650,792
Federal/State Grants	-	2,177,164	260,000	789,800	870,400	2,286,000	3,331,600	9,714,964
City Funded	11,006,694	4,839,000	7,565,000	4,090,700	7,620,175	5,578,000	5,771,400	46,470,969
TOTAL	\$ 11,328,485	\$ 9,648,164	\$ 24,121,000	\$ 13,906,500	\$ 26,711,575	\$ 12,868,000	\$ 19,253,000	\$ 117,836,724

¹ Fiscal Year 2010-2011 is the City Manager Recommended Amount. The Capital Plan will be adopted by the City Council as part of the currently ongoing budget process. Expected to be approved during May 2010.

Note: Outstanding prior authorization is following May 2010 Bond Sale.

In addition to the capital projects listed above, the City Council has authorized the Board of Education to develop specifications for the renovations and rebuilding of the City's two high schools (Platt & Maloney) for submission to the State of Connecticut in fiscal year ending June 30, 2011. Preliminarily, the City's net cost of the projects is expected to be approximately \$65 million, after accounting for approximately 78% reimbursement from the State of Connecticut for eligible school construction expenses.

School Projects

Pursuant to Public Act No. 97-11, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on school building projects approved after July 1, 1996. Under the new program, the City would receive progress payments for eligible construction costs.

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VII. Legal and Other Information

Litigation

The City of Meriden, its officers, employees and commissions are defendants in numerous lawsuits. In the opinion of the Corporation Counsel, none of the pending litigation is likely to result, either individually or in the aggregate, in final judgment against the City that would materially adversely affect its financial position, taking into account current applicable insurance coverages. The following significant pending cases are noted.

Following the 2006 Grand List property revaluation, numerous property tax assessment appeals have been filed. While many appeals have been settled, several assessment appeals are still pending, including a number involving properties of significant value. Generally, in past years, assessment appeals have been settled without significant reductions in the amounts of the assessment which would in turn impact revenues.

Transcript and Closing Documents

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

1. Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. Certificate on behalf of the City, signed by the City Manager and the Director of Finance/Treasurer which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that as of the date of the execution of the Bond Purchase Agreement and as of the closing date, the description and statements in the Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Official Statement.
3. Receipts for the purchase price of the Bonds.
4. The approving opinions of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut.
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached as Appendix C to this Official Statement.
6. Any other documents or certifications required by the Bond Purchase Agreement.

A transcript of the proceedings taken by the City will be kept on file at the offices of U.S. Bank National Association in Hartford, Connecticut and will be available for examination upon reasonable notice.

Concluding Statement

This Official Statement is not to be construed as a contract or agreement between the City and the purchaser or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

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

CITY OF MERIDEN, CONNECTICUT

By: */S/ Lawrence Kendzior*
LAWRENCE KENDZIOR, *City Manager*

Dated as of April 20, 2010

/S/ Michael Lupkas
MICHAEL LUPKAS, *Director of Finance/Treasurer*

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Appendix A

2009 General Purpose Financial Statements (Excerpted from the City's Comprehensive Annual Financial Report)

The following includes the General Purpose Financial Statements of the City of Meriden, Connecticut for the fiscal year ended June 30, 2009. The supplemental data and letter of transmittal, which were a part of that report, have not been reproduced herein. A copy of the complete report is available upon request from Matthew Spoerndle, Managing Director, Phoenix Advisors LLC, 53 River Street, Suite 3, Milford, Connecticut 06460. Telephone (203) 878-4945.

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Accounting | Tax | Business Consulting

Independent Auditors' Report

Honorable Mayor and
Members of the City Council
City of Meriden, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of and for the year ended June 30, 2009, which collectively comprise the City of Meriden, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Meriden, Connecticut, as of June 30, 2009 and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Blum, Shapiro & Company, P.C.

WEST HARTFORD • SHELTON
Westport • Waterbury • New York

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Management's discussion and analysis on pages A-3 through A-13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Blum, Shapiro & Company, P.C.

December 14, 2009

City of Meriden, Connecticut
Management's Discussion and Analysis
June 30, 2009

As management of the City of Meriden, Connecticut, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Meriden for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here along with additional information we have furnished in our letter of transmittal, as well as the City's basic financial statements that follow this section.

Financial Highlights

- ◆ On a government-wide basis, the assets of the City of Meriden exceeded its liabilities resulting in total net assets at the close of the fiscal year of \$196.6 million. Total net assets for Governmental Activities at fiscal year-end were \$67.3 million and total net assets for Business-Type Activities were \$129.3 million.
- ◆ On a government-wide basis, during the year, the City's net assets increased by \$27.0 million or 15.9%, from \$169.6 million to \$196.6 million. Net assets decreased by \$1.5 million for Governmental Activities and increased by \$28.5 million for Business-Type Activities. Governmental activities expenses were \$215.0 million, while revenues were \$213.5 million.
- ◆ At the close of the year, the City of Meriden's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$20.7 million, an increase of \$20.1 million from the prior fiscal year (Exhibit IV).
- ◆ At the end of the current fiscal year, the total fund balance for the General Fund was \$14.3 million, an increase of \$4.8 million from the prior fiscal year. Of the total General Fund fund balance as of June 30, 2009, \$13.3 million represents unreserved General Fund fund balance. Unreserved General Fund fund balance at year-end represents 7.58% of total general fund expenditures (\$175.5 million), an increase of 4.72% from the prior year.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The statement of net assets presents information on all of Meriden's assets and liabilities, with the difference reported as net assets. One can think of the City's net assets – the difference between assets and liabilities – as one way to measure the City's financial health or financial position. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the city

is improving or deteriorating. It speaks to the question of whether or not the City, as a whole, is better or worse off as a result of this year's activities. Other non-financial factors will need to be considered, however, as such changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City of Meriden.

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

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

- ◆ Governmental activities of the City of Meriden encompass most of the City's basic services and include governmental and community services, administration, public safety, health and welfare, operations and education. Property taxes, charges for services and state and federal grants finance most of these activities.
- ◆ Business-type activities of the City of Meriden include the Water Pollution Control Authority, Water Division and the George Hunter Memorial Golf Course. They are reported here as the City charges a fee to customers to help cover all or most of the cost of operations.

The government-wide financial statements (statement of net assets and statement of activities) can be found on Exhibits I and II of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control and accountability over resources that have been segregated for specific activities or objectives. The City of Meriden, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City of Meriden has three kinds of funds:

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Meriden maintains 42 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Bonded Projects Fund, both of which are

considered to be major funds. Data from the other 40 governmental funds are combined into a single, aggregated presentation as nonmajor governmental funds.

Individual fund data for each of these nonmajor governmental funds is provided in the combining balance sheets on Exhibit B-1 and in the combining statement of revenues, expenditures and changes in fund balance on Exhibit B-2.

The City of Meriden adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the authorized budget. The statement of revenues, expenditures and changes in unreserved fund balance on a budgetary basis can be found on Exhibit V.

The basic governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) can be found on Exhibits III and IV of this report.

Proprietary funds. The City of Meriden maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Meriden uses enterprise funds to account for its Water Pollution Control Authority, the Water Division and the Hunter Golf Course. Internal service funds are an accounting device used to accumulate and allocate certain costs internally among the City of Meriden's various functions. The City of Meriden uses internal service funds to account for its risk management costs including risk related to Workers' Compensation and Employee Health Insurance. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority and the Water Division, both of which are considered to be major funds of the City of Meriden. The Hunter Golf Course is also provided separately and identified as a nonmajor fund of the City of Meriden. Individual fund data for the internal service fund is also provided as a separate column in the proprietary fund financial statements.

The City of Meriden adopts annual appropriated budgets for its Proprietary Funds. A budgetary comparison statement has been provided for the proprietary funds to demonstrate compliance with the authorized budget. The proprietary fund financial statements can be found on Exhibits VI - VIII of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the City's constituency. The City has three pension trust funds, one post retirement benefit trust fund, five agency funds and one private purpose fund. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on Exhibits IX and X of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-59 of this report.

The notes to this report also contain certain supplementary information concerning the City of Meriden's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 49-50 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. City of Meriden total net assets exceeded liabilities by \$196.6 million on June 30, 2009. Governmental activities assets exceeded liabilities by \$67.3 million. Business-type activities assets exceeded liabilities by \$129.3 million.

City of Meriden, Connecticut Statement of Net Assets (\$000s) Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 61,195	\$ 53,547	\$ 24,728	\$ 21,963	\$ 85,923	\$ 75,510
Capital assets, net of accumulated depreciation	183,909	186,912	128,318	101,025	312,227	287,937
Total assets	<u>245,104</u>	<u>240,459</u>	<u>153,046</u>	<u>122,988</u>	<u>398,150</u>	<u>363,447</u>
Current liabilities	35,577	47,445	5,120	12,155	40,697	59,600
Long-term liabilities outstanding	142,191	124,136	18,671	10,147	160,862	134,283
Total liabilities	<u>177,768</u>	<u>171,581</u>	<u>23,791</u>	<u>22,302</u>	<u>201,559</u>	<u>193,883</u>
Net Assets:						
Invested in capital assets, net of related debt	104,751	101,766	116,827	84,022	221,578	185,788
Restricted	825	4,220			825	4,220
Unrestricted	<u>(38,240)</u>	<u>(37,108)</u>	<u>12,428</u>	<u>16,664</u>	<u>(25,812)</u>	<u>(20,444)</u>
Total Net Assets	<u>\$ 67,336</u>	<u>\$ 68,878</u>	<u>\$ 129,255</u>	<u>\$ 100,686</u>	<u>\$ 196,591</u>	<u>\$ 169,564</u>

A portion of net assets was restricted in June 30, 2009 as a result of enabling legislation. Governmental Accounting Standards Board (GASB) Statement 46, *Net Assets Restricted by Enabling Legislation - An Amendment to GASB Statement 34* pertains to this.

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

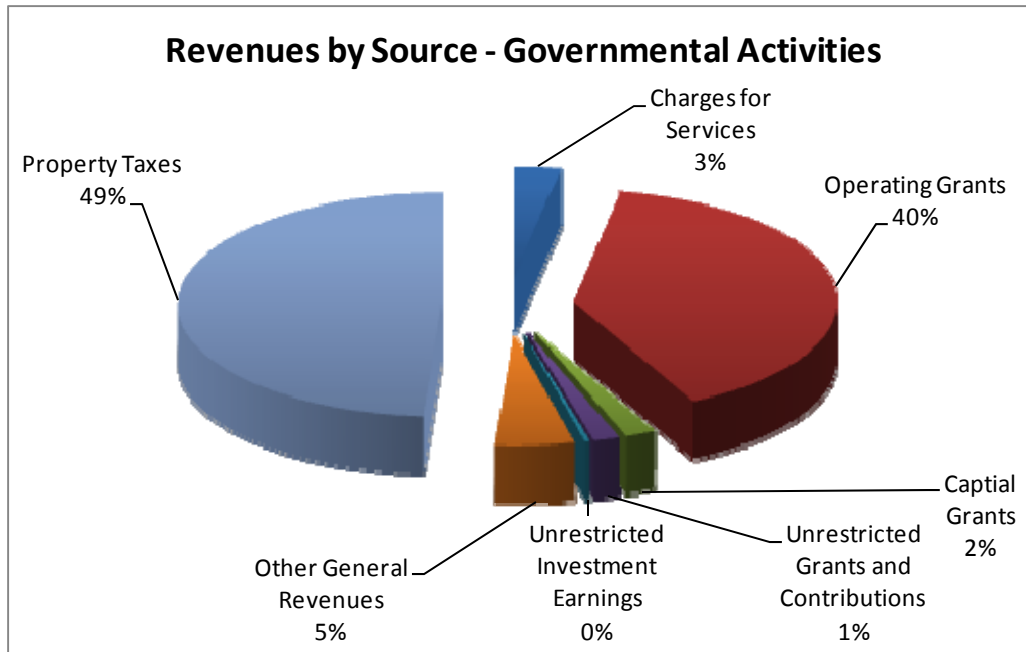
City of Meriden, Connecticut
Changes in Net Assets (\$000s)
Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 6,120	\$ 7,217	\$ 14,457	\$ 14,499	\$ 20,577	\$ 21,716
Operating grants and contributions	84,594	109,132			84,594	109,132
Capital grants and contributions	3,989	6,413	33,245		37,234	6,413
General revenues:						
Property taxes	104,384	100,322			104,384	100,322
Grants not restricted to specific programs	3,425	3,917			3,425	3,917
Unrestricted investment earnings	693	1,430	121	400	814	1,830
Miscellaneous income	10,300	4,207	892	914	11,192	5,121
Total revenues	<u>213,505</u>	<u>232,638</u>	<u>48,715</u>	<u>15,813</u>	<u>262,220</u>	<u>248,451</u>
Expenses:						
General government	29,068	35,682			29,068	35,682
Education	133,861	158,801			133,861	158,801
Public safety	23,155	23,479			23,155	23,479
Public works	10,849	10,037			10,849	10,037
Human services	9,675	8,665			9,675	8,665
Cultural and recreation	4,472	4,287			4,472	4,287
Interest on long-term debt	3,967	3,209			3,967	3,209
Sewer Authority			8,552	8,114	8,552	8,114
Water Authority			10,628	10,312	10,628	10,312
George Hunter Golf Course			966	927	966	927
Total expenses	<u>215,047</u>	<u>244,160</u>	<u>20,146</u>	<u>19,353</u>	<u>235,193</u>	<u>263,513</u>
Change in net assets	(1,542)	(11,522)	28,569	(3,540)	27,027	(15,062)
Net Assets at Beginning of Year	<u>68,878</u>	<u>80,400</u>	<u>100,686</u>	<u>104,226</u>	<u>169,564</u>	<u>184,626</u>
Net Assets at End of Year	<u>\$ 67,336</u>	<u>\$ 68,878</u>	<u>\$ 129,255</u>	<u>\$ 100,686</u>	<u>\$ 196,591</u>	<u>\$ 169,564</u>

The City's net assets increased by \$27.0 million during the fiscal year, with net assets of governmental activities decreasing \$1.6 million and business-type activities increasing by \$28.6 million.

Governmental Activities

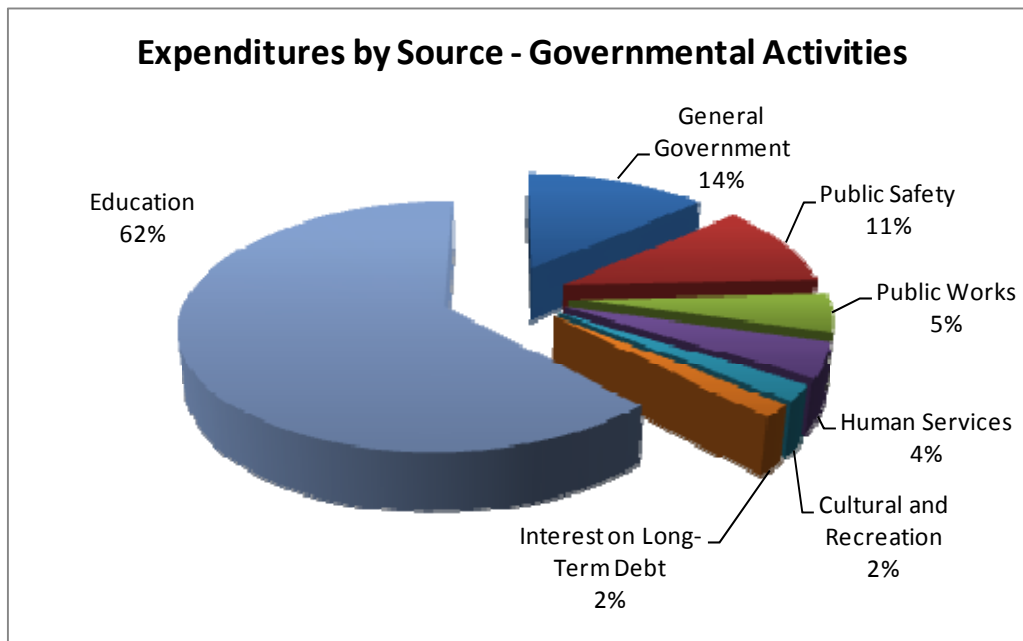
Almost 49% of the revenues were derived from property taxes, followed by 40% from State and Federal Government program revenues, then 5% from other revenues.



Major revenue factors included:

- ◆ Property tax revenues increased by \$4.1 million, for fiscal year 2009, due to legal settlements which reduced tax revenues in fiscal year 2008, the City's tax rate remained constant between the two years and total assessed value of all taxable property increased by 1.0%. Property revaluation was implemented for the calculation of property taxes for FY 2008. (Property Taxes)
- ◆ The reduction in operating grants was due to a one-time revenue (approx. \$31 million) received from the State of Connecticut during fiscal year 2008 relating to additional pension plan contributions for teachers. (Operating Grants)
- ◆ The distribution of accumulated reserves from the Municipal Solid Waste Management Services Contract amounted to \$5,953,740 of unbudgeted revenue. (Miscellaneous Income)
- ◆ An agreement in lieu of taxes with NRG Electrical Generating Plant of \$2.88 million in revenue for fiscal year 2009. This is the seventh year of the agreement. (Miscellaneous Income)

For Governmental Activities, 62.2% of the City's expenditures relate to education, 13.5% to general government, 10.8% relate to public safety, 5.0% to public works, 4.5% to health and human services, 2.1% to culture and recreation and 1.8% on interest on long term debt.



Major expenditure factors include:

- ◆ Increases in employee wages, resulting from general wage increases, ranged from 1.3% to 3.5% depending on the employee group. Some employees also received negotiated step increases.
- ◆ Employee benefit costs rose 6.1%, due to health insurance costs and pension funding requirements.
- ◆ The cost of education services increased \$6.06 million due to negotiated wage settlements, employee health insurance cost increases and special education cost increases. The change stated is net of the one-time expenditure (approx. \$31 million) from the State of Connecticut during fiscal year 2008 relating to additional pension plan contributions for teachers.
- ◆ General government expenditures for fiscal year 2008 were restated for the amount estimated for property remediation (\$7.0 million). Other expenditures within general government remained flat between the two compared years.

Business-Type Funds

Business-type activities increased the City's net assets by \$28,569,000.

Financial Analysis of the City's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the City's financing requirements.

The General Fund is the chief operating fund of the City of Meriden. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$13.3 million while total fund balance was \$14.3

million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 7.58% of total General Fund expenditures (\$175.5 million), while total fund balance represents 8.15% of that same amount.

As stated earlier, the fund balance of the City of Meriden's General Fund increased by \$4,776,336 during the current fiscal year. The increase in fund balance was attributed to unbudgeted revenues offset by the use of \$775,000 of fund balance which was included as part of the FY2009 modified budget.

The Bonded Projects Fund has a total fund balance of \$571,451, an increase of \$15,634,193 from the prior year. This increase can be explained by the issuance of long term bonds during fiscal year 2009.

The Nonmajor Governmental Funds has a total fund balance of \$5,847,061, down from \$6,196,898 in the prior year. The \$349,837 decrease was recognition of expenditures in the current year.

Proprietary Funds

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

Net assets of the Water Fund at the end of the year were \$43.6 million, with unrestricted net assets of \$7.4 million. The Water Fund experienced an operating loss of \$1,639,523.

Net assets of the Sewer fund were \$85.9 million. Unrestricted net assets were \$6.0 million. The Sewer Fund experienced an operating loss of \$2,187,934.

General Fund Budgetary Highlights

The difference between the original expenditure budget and the final amended expenditure budget was \$500,000. Unrelated to that difference, is the fact that the original budget included a contingency of \$500,000 that was budgeted in the General Fund expenses to cover certain items, including unsettled labor contracts and other unanticipated expenses. The major additional appropriation approved during the year is summarized below:

- ◆ \$500,000 contribution to the Other Post Retirement Benefits (OPEB) Trust Fund

Several departments had favorable variances in their budgets during the fiscal year. The Employee Benefits department was \$1,093,570 under budget due mainly to a favorable experience in the health insurance fund from which the department is charged. The Public Safety function was under their budget by \$107,594. The Public Works function was under their budget by \$90,572. During the year, actual revenues on a budgetary basis were \$181.5 million, which exceeded budgetary estimates by \$4,051,764. Total property tax revenues were less than budget by \$1,570,237. Actual investment income totaled \$992,104 which was \$417,912 below the budgeted amount.

Actual revenues and other financing sources on a budgetary basis totaled \$181.5 million, exceeding actual expenditures and other financing uses on a budgetary basis by \$5,750,112.

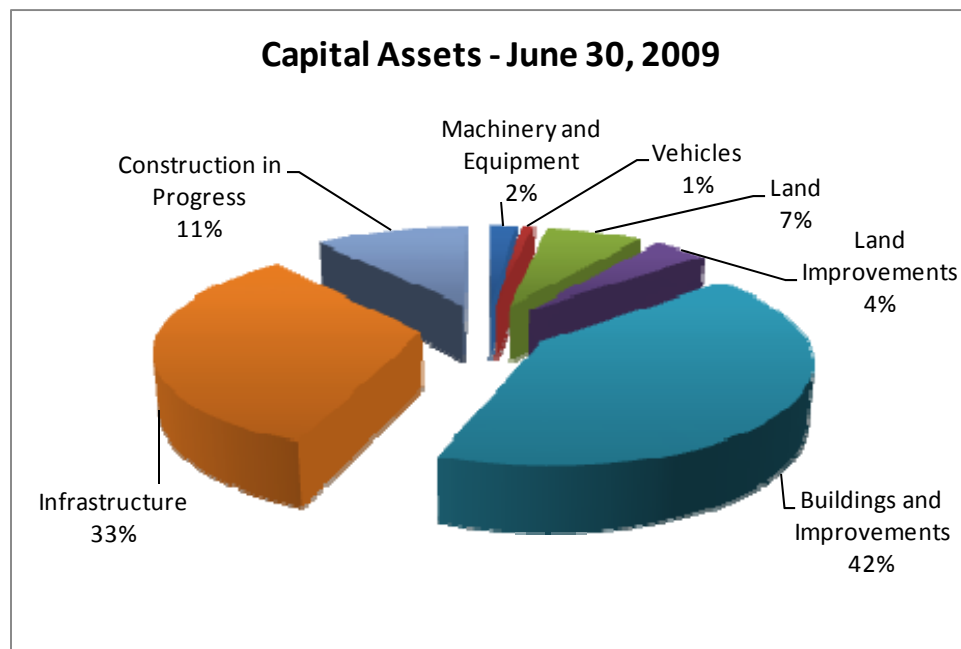
Capital Asset and Debt Administration

Capital Assets. The City of Meriden's investment in capital assets for its governmental and business-type activities as of June 30, 2009 amount to \$312.2 million (net of accumulated depreciation). This investment in capital assets includes land, building and system improvements, machinery and equipment,

park facilities, roads, sewers and bridges. This is the seventh year the City of Meriden has reported its investment in capital assets.

City of Meriden, Connecticut
Capital Assets (Net of Depreciation) (\$000s)
Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 21,206	\$ 20,769	\$ 887	\$ 916	\$ 22,093	\$ 21,685
Land improvements	9,153	8,356	3,391	2,550	12,544	10,906
Buildings and improvements	112,430	113,408	18,264	19,291	130,694	132,699
Infrastructure	35,712	36,509	66,932	66,680	102,644	103,189
Machinery and equipment	2,345	2,500	4,092	4,858	6,437	7,358
Vehicles	2,562	2,820	32	45	2,594	2,865
Construction in progress	501	2,550	34,720	6,685	35,221	9,235
Total	<u>\$ 183,909</u>	<u>\$ 186,912</u>	<u>\$ 128,318</u>	<u>\$ 101,025</u>	<u>\$ 312,227</u>	<u>\$ 287,937</u>



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

- ◆ \$29,465,301 for Construction at the Water Pollution Control Facility
- ◆ \$1,746,891 for Water Department Projects
- ◆ \$1,237,964 for Roadway Paving and Road Construction
- ◆ \$1,100,446 for Manufacturer Assistance Program
- ◆ \$975,699 for Falcon Field Construction
- ◆ \$335,195 for Completion of Lincoln Middle School

Additional information on the City of Meriden's capital assets can be found in Note 5 on pages 39-40 of this report.

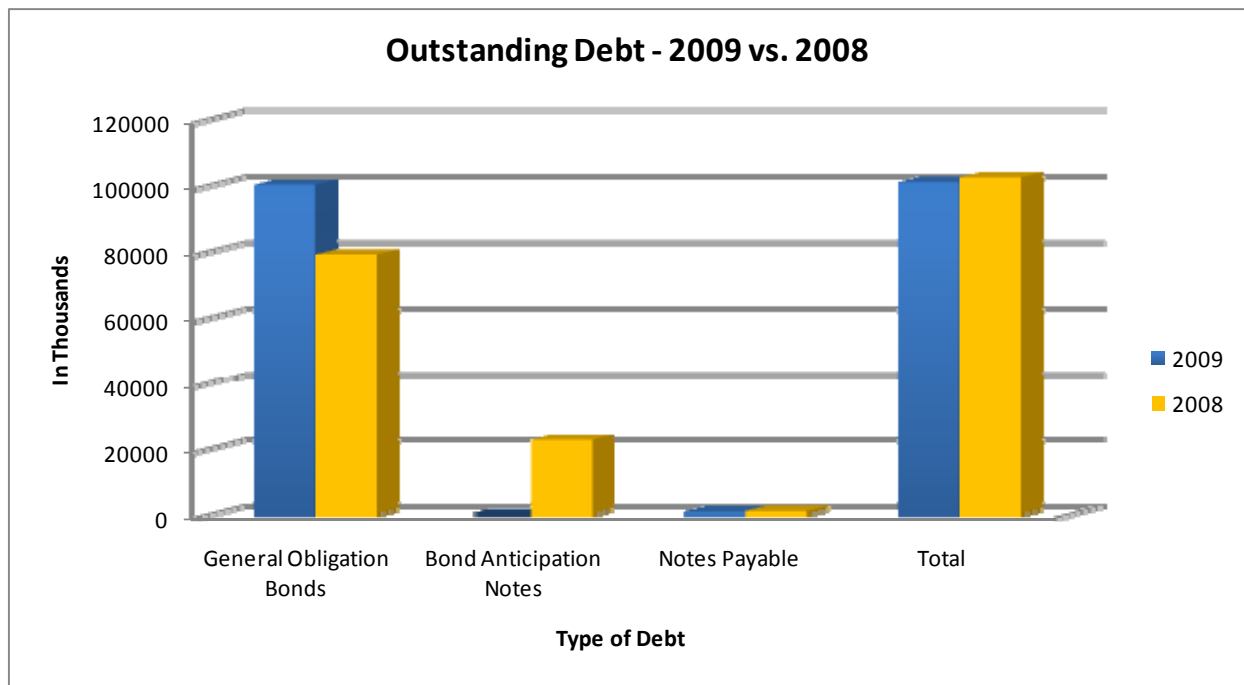
Long-Term Debt. At the end of the current fiscal year, the City of Meriden had total bonded debt outstanding of \$100.0 million. All of this debt is backed by the full faith and credit of the City.

City of Meriden, Connecticut

Outstanding Debt (\$000s)

General Obligation and Revenue Bonds

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 80,903	\$ 69,944	\$ 19,077	\$ 8,941	\$ 99,980	\$ 78,885
Bond anticipation notes		15,202		7,153		22,355
Notes payable			765	910	765	910
Total	\$ 80,903	\$ 85,146	\$ 19,842	\$ 17,004	\$ 100,745	\$ 102,150



The City of Meriden's bonded debt increased by \$21.1 million or 26.7% during the 2008-2009 fiscal year. During the current fiscal year the City issued \$30.1 million in long term bonds which included the repayment of \$22.4 million of outstanding notes from the prior year.

The City of Meriden has an underlying rating from Moody's Investors Service of A3 and from FitchRatings Service of A-.

The overall statutory debt limit for the City of Meriden is equal to seven times annual receipts from taxation or approximately \$729,330,000. As of June 30, 2009, the City recorded long-term debt of \$80.9 million related to Governmental Activities and \$19.1 million related to Business-Type Activities, well below its statutory debt limits.

Additional information on the City of Meriden's long-term debt can be found in Note 7 on pages 40-43 of this report.

Economic Factors (Updated through September 2009)

The City of Meriden has not been immune from the effects of the national economic downturn. As of September 2009, the unemployment rate for the Meriden Labor Market Area was 10.2%, an increase from 6.5% in the prior year. This compares with the September 2009 New Haven Labor Market rate of 8.2%. Larger cities in Connecticut have higher unemployment rates than the City of Meriden, the City of New Haven at 11.3% and the City of Hartford at 14.5%. In September 2009 Connecticut's overall unemployment rate stands at 8.4%, compared with 6.2% for the same time last year. The United States' September 2009 unemployment rate is 9.8% compared to 6.2% percent last year. In addition, it is forecasted that state and federal governments will continue the trend of reducing grants to municipalities.

Nevertheless, the City of Meriden is well positioned to deal with the present economic downturn. A power generating plant PILOT agreement will add in excess of \$2.5 million annually for the next thirty years. With an overwhelming reliance on property taxes, Meriden's income stream is rather stable, even during a recession. Moreover, the City's high-quality tax base lends even more stability to the City's revenue. The City has established an Enterprise Zone, a Technology Zone and financing incentives for businesses relocating to or expanding in Meriden.

Requests for Information

The financial report is designed to provide a general overview of the City of Meriden's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City Hall Room 212, 142 East Main Street, Meriden Connecticut 06450.

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and cash equivalents	\$ 44,041,614	\$ 9,920,943	\$ 53,962,557
Investments	6,891,693	991,363	7,883,056
Receivables, net	17,129,429	6,378,852	23,508,281
Internal balances	(7,437,527)	7,437,527	-
Inventory	238,338		238,338
Pension assets	330,669		330,669
Capital assets, nondepreciable	21,707,750	35,606,990	57,314,740
Capital assets, net of accumulated depreciation	162,201,726	92,710,809	254,912,535
Total assets	<u>245,103,692</u>	<u>153,046,484</u>	<u>398,150,176</u>
Liabilities:			
Accounts payable and accrued liabilities	18,585,207	2,709,847	21,295,054
Retainage payable	47,989		47,989
Due to other governments	3,114		3,114
Accrued interest	1,311,840		1,311,840
Unearned revenue	1,657,321		1,657,321
Noncurrent liabilities:			
Due within one year	13,971,199	2,411,156	16,382,355
Due in more than one year	142,190,727	18,670,563	160,861,290
Total liabilities	<u>177,767,397</u>	<u>23,791,566</u>	<u>201,558,963</u>
Net Assets:			
Invested in capital assets, net of related debt	104,751,737	116,827,293	221,579,030
Restricted for:			
Enabling legislation	825,001		825,001
Unrestricted	(38,240,443)	12,427,625	(25,812,818)
Total Net Assets	<u>\$ 67,336,295</u>	<u>\$ 129,254,918</u>	<u>\$ 196,591,213</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2009

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 29,067,795	\$ 2,930,953	\$ 1,713,288	\$ 2,220,431	\$ (22,203,123)	\$	\$ (22,203,123)
Education	133,862,446	1,208,817	80,489,676		(52,163,953)		(52,163,953)
Public safety	23,154,655	41,942	35,020	879,750	(22,197,943)		(22,197,943)
Public works	10,848,927	1,633,941		888,361	(8,326,625)		(8,326,625)
Human services	9,675,095	273,970	2,177,420		(7,223,705)		(7,223,705)
Culture and recreation	4,471,566	30,814	178,494		(4,262,258)		(4,262,258)
Interest on long-term debt	3,967,334				(3,967,334)		(3,967,334)
Total governmental activities	<u>215,047,818</u>	<u>6,120,437</u>	<u>84,593,898</u>	<u>3,988,542</u>	<u>(120,344,941)</u>	<u>-</u>	<u>(120,344,941)</u>
Business-type activities:							
Sewer Authority	8,552,241	5,967,492		33,244,705		30,659,956	30,659,956
Water Authority	10,628,492	7,662,583				(2,965,909)	(2,965,909)
George Hunter Golf Course	965,856	826,967				(138,889)	(138,889)
Total business-type activities	<u>20,146,589</u>	<u>14,457,042</u>	<u>-</u>	<u>33,244,705</u>	<u>-</u>	<u>27,555,158</u>	<u>27,555,158</u>
Total Primary Government	<u>\$ 235,194,407</u>	<u>\$ 20,577,479</u>	<u>\$ 84,593,898</u>	<u>\$ 37,233,247</u>	<u>(120,344,941)</u>	<u>27,555,158</u>	<u>(92,789,783)</u>
General revenues:							
Property taxes					104,384,209		104,384,209
Grants and contributions not restricted to specific programs					3,425,194		3,425,194
Unrestricted investment earnings					693,285	121,299	814,584
Miscellaneous income					10,300,250	892,480	11,192,730
Total general revenues					<u>118,802,938</u>	<u>1,013,779</u>	<u>119,816,717</u>
Change in net assets					(1,542,003)	28,568,937	27,026,934
Net Assets at Beginning of Year, as Restated					<u>68,878,298</u>	<u>100,685,981</u>	<u>169,564,279</u>
Net Assets at End of Year					<u>\$ 67,336,295</u>	<u>\$ 129,254,918</u>	<u>\$ 196,591,213</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2009

	<u>General</u>	<u>Bonded Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 21,632,601	\$ 10,281,102	\$ 5,663,577	\$ 37,577,280
Investments	5,421,001		1,470,692	6,891,693
Receivables, net of allowance for collections	4,284,587	1,702,211	3,811,774	9,798,572
Inventory	132,810		105,528	238,338
Due from other funds	1,363,937	515,831	244,500	2,124,268
	<u>1,363,937</u>	<u>515,831</u>	<u>244,500</u>	<u>2,124,268</u>
Total Assets	\$ <u>32,834,936</u>	\$ <u>12,499,144</u>	\$ <u>11,296,071</u>	\$ <u>56,630,151</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 13,876,888	\$ 1,300,920	\$ 1,734,443	\$ 16,912,251
Retainage payable		47,989		47,989
Due to other governments			3,114	3,114
Due to other funds	1,483,003	8,433,972	367,492	10,284,467
Deferred revenue	3,223,337	2,144,812	3,343,961	8,712,110
Total liabilities	<u>18,583,228</u>	<u>11,927,693</u>	<u>5,449,010</u>	<u>35,959,931</u>
Fund balances:				
Reserved:				
Encumbrances	26,872	1,336,606		1,363,478
Inventory	132,810		105,528	238,338
Donor intentions			1,749,318	1,749,318
Loans receivable		1,687,479		1,687,479
Enabling legislation	825,001			825,001
Unreserved and reported in:				
General fund	13,267,025			13,267,025
Special revenue funds			3,722,868	3,722,868
Capital projects funds		(2,452,634)	269,347	(2,183,287)
Total fund balances	<u>14,251,708</u>	<u>571,451</u>	<u>5,847,061</u>	<u>20,670,220</u>
Total Liabilities and Fund Balances	\$ <u>32,834,936</u>	\$ <u>12,499,144</u>	\$ <u>11,296,071</u>	\$ <u>56,630,151</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2009

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

Fund balances - total governmental funds (Exhibit III)	\$ 20,670,220
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 323,169,411	
Less accumulated depreciation	<u>(139,259,935)</u>	
Net capital assets		183,909,476

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

Net pension assets	330,669
Property tax receivables greater than 60 days	2,568,890
Loan receivables greater than 60 days	4,485,899
Interest and lien receivable on property taxes	7,330,858

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

521,434

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

Bonds payable	(80,903,298)
Bond premium	(55,284)
Interest payable on bonds	(1,311,840)
Compensated absences	(16,134,567)
Landfill post-closure monitoring	(2,144,755)
Net pension obligation	(25,774,354)
OPEB obligation	(18,707,053)
Pollution remediation	(7,000,000)
Claims and judgments	<u>(450,000)</u>

Net Assets of Governmental Activities (Exhibit I)	<u>\$ 67,336,295</u>
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The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

	General	Bonded Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes, interest and lien fees	\$ 104,179,020	\$	\$	\$ 104,179,020
Federal and state government	69,491,660	495,081	22,020,893	92,007,634
Charges for services	4,619,605		1,500,832	6,120,437
Investment income (loss)	486,060	312,877	(156,023)	642,914
Other local revenues	9,062,688	22,300	245,632	9,330,620
Total revenues	<u>187,839,033</u>	<u>830,258</u>	<u>23,611,334</u>	<u>212,280,625</u>
Expenditures:				
Current:				
General government	28,564,423		451,373	29,015,796
Public safety	20,082,788		442,303	20,525,091
Public works	7,127,528			7,127,528
Health and welfare	3,067,450		5,469,987	8,537,437
Culture and recreation	3,877,415		85,769	3,963,184
Education	106,175,816		16,392,263	122,568,079
Debt service:				
Principal retirement	10,409,917			10,409,917
Interest and other charges	3,791,129			3,791,129
Capital outlay	462,980	5,926,176	1,319,810	7,708,966
Total expenditures	<u>183,559,446</u>	<u>5,926,176</u>	<u>24,161,505</u>	<u>213,647,127</u>
Excess (Deficiency) of Revenues over Expenditures	<u>4,279,587</u>	<u>(5,095,918)</u>	<u>(550,171)</u>	<u>(1,366,502)</u>
Other Financing Sources (Uses):				
Issuance of bonds		21,369,000		21,369,000
Bond premium		58,194		58,194
Transfers in	714,238		300,334	1,014,572
Transfers out	(217,489)	(697,083)	(100,000)	(1,014,572)
Total other financing sources (uses)	<u>496,749</u>	<u>20,730,111</u>	<u>200,334</u>	<u>21,427,194</u>
Net Change in Fund Balances	4,776,336	15,634,193	(349,837)	20,060,692
Fund Balances at Beginning of Year, as Restated	<u>9,475,372</u>	<u>(15,062,742)</u>	<u>6,196,898</u>	<u>609,528</u>
Fund Balances at End of Year	<u>\$ 14,251,708</u>	<u>\$ 571,451</u>	<u>\$ 5,847,061</u>	<u>\$ 20,670,220</u>

(Continued on next page)

CITY OF MERIDEN, CONNECTICUT

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

FOR THE YEAR ENDED JUNE 30, 2009

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 20,060,692
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	6,589,896
Depreciation expense	(9,109,311)
Loss on disposal of capital assets	(483,529)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes collected after 60 days	57,829
Other receivables collected after 60 days	(14,490)
Loans collected after 60 days	984,120
Decrease in interest and liens receivable	147,360
Change in pension assets	(11,058)

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

Bond proceeds	(21,369,000)
Premium on bonds issued	(58,194)
Accrued interest	(179,114)
Principal payments	10,409,917
Amortization of premium	2,910

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

Change in long-term compensated absences	(67,186)
Change in landfill post-closure monitoring	44,496
Change in net pension obligation	241,576
Change in OPEB obligation	(7,155,919)
Change in claims and judgments	50,000

The net expense of the internal service funds is reported with governmental activities.	<u>(1,682,998)</u>
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Change in Net Assets of Governmental Activities (Exhibit II)	<u><u>\$ (1,542,003)</u></u>
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The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes, interest and lien fees	\$ 105,749,257	\$ 105,749,257	\$ 104,179,020	\$ (1,570,237)
Intergovernmental revenues	61,768,860	61,768,860	61,635,925	(132,935)
Charges for services	5,008,676	5,008,676	4,619,605	(389,071)
Investment income	1,410,016	1,410,016	992,104	(417,912)
Other revenues	2,711,500	2,711,500	9,168,688	6,457,188
Total revenues	<u>176,648,309</u>	<u>176,648,309</u>	<u>180,595,342</u>	<u>3,947,033</u>
Expenditures:				
Current:				
General government	29,313,015	29,262,343	27,347,739	1,914,604
Finance	1,647,268	1,653,609	1,644,728	8,881
Public safety	19,847,334	20,202,882	20,095,288	107,594
Public works	7,067,745	7,218,100	7,127,528	90,572
Health and welfare	3,030,828	3,067,476	3,067,450	26
Culture and recreation	3,913,018	3,914,798	3,877,415	37,383
Education	98,165,522	98,165,522	98,164,778	744
Debt service:				
Principal retirement	10,151,417	10,151,417	10,409,917	(258,500)
Interest and other charges	3,787,162	3,787,162	3,791,129	(3,967)
Total expenditures	<u>176,923,309</u>	<u>177,423,309</u>	<u>175,525,972</u>	<u>1,897,337</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(275,000)</u>	<u>(775,000)</u>	<u>5,069,370</u>	<u>5,844,370</u>
Other Financing Sources (Uses):				
Contribution from fund balance	275,000	775,000		(775,000)
Cancellation of prior year encumbrances			2,537	2,537
Transfers in			108,194	108,194
Transfers out			(204,989)	(204,989)
Total other financing sources (uses)	<u>275,000</u>	<u>775,000</u>	<u>(94,258)</u>	<u>(869,258)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>4,975,112</u>	<u>\$ 4,975,112</u>
Fund Balance at Beginning of Year			<u>9,249,724</u>	
Fund Balance at End of Year			<u>\$ 14,224,836</u>	

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

JUNE 30, 2009

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Water	Sewer	George Hunter Memorial Golf Course		
Assets:					
Current assets:					
Cash and cash equivalents	\$ 4,810,963	\$ 4,955,827	\$ 154,153	\$ 9,920,943	\$ 6,464,334
Accounts receivable, net	3,301,726	3,077,126		6,378,852	
Investments	497,174	494,189		991,363	
Due from other funds	7,245,307	1,104,136	1,684	8,351,127	722,672
Total current assets	<u>15,855,170</u>	<u>9,631,278</u>	<u>155,837</u>	<u>25,642,285</u>	<u>7,187,006</u>
Noncurrent assets:					
Capital assets, nondepreciable	668,275	34,888,716	49,999	35,606,990	
Capital assets, net of accumulated depreciation	<u>43,816,707</u>	<u>48,057,346</u>	<u>836,756</u>	<u>92,710,809</u>	
Total noncurrent assets	<u>44,484,982</u>	<u>82,946,062</u>	<u>886,755</u>	<u>128,317,799</u>	<u>-</u>
Total assets	<u>60,340,152</u>	<u>92,577,340</u>	<u>1,042,592</u>	<u>153,960,084</u>	<u>7,187,006</u>
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	341,583	2,309,334	58,930	2,709,847	29,603
Claims payable				-	3,307,559
Due to other funds			913,600	913,600	
Current portion of bonds and notes payable	1,592,020	671,988	14,667	2,278,675	
Current portion of compensated absences	<u>75,279</u>	<u>30,329</u>	<u>26,873</u>	<u>132,481</u>	
Total current liabilities	<u>2,008,882</u>	<u>3,011,651</u>	<u>1,014,070</u>	<u>6,034,603</u>	<u>3,337,162</u>
Noncurrent liabilities:					
Compensated absences	802,977	197,138	107,490	1,107,605	
Bonds and notes payable, less current portion	13,930,060	3,505,567	127,331	17,562,958	
Claims incurred but not reported				-	3,328,410
Total noncurrent liabilities	<u>14,733,037</u>	<u>3,702,705</u>	<u>234,821</u>	<u>18,670,563</u>	<u>3,328,410</u>
Total liabilities	<u>16,741,919</u>	<u>6,714,356</u>	<u>1,248,891</u>	<u>24,705,166</u>	<u>6,665,572</u>
Net Assets:					
Invested in capital assets, net of related debt	36,208,209	79,872,643	746,441	116,827,293	
Unrestricted	<u>7,390,024</u>	<u>5,990,341</u>	<u>(952,740)</u>	<u>12,427,625</u>	<u>521,434</u>
Total Net Assets	<u>\$ 43,598,233</u>	<u>\$ 85,862,984</u>	<u>\$ (206,299)</u>	<u>\$ 129,254,918</u>	<u>\$ 521,434</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund		
			George Hunter Memorial Golf Course		Internal Service Funds
	Water	Sewer		Total	
Operating Revenues:					
Charges for services	\$ 7,662,583	\$ 5,967,492	\$ 826,967	\$ 14,457,042	\$ 21,376,697
Miscellaneous	644,856	229,002	18,622	892,480	282,454
Total operating revenues	<u>8,307,439</u>	<u>6,196,494</u>	<u>845,589</u>	<u>15,349,522</u>	<u>21,659,151</u>
Operating Expenses:					
Salaries and benefits	3,567,264	1,411,172	516,418	5,494,854	
Medical claims				-	22,196,029
Materials and supplies	2,880,414	1,914,440	163,319	4,958,173	
Utilities	1,036,814	973,107		2,009,921	
Administration and operation	274,804	567,045		841,849	1,165,351
Depreciation	1,612,841	2,034,268	66,639	3,713,748	
Other	574,825	1,484,396	212,223	2,271,444	31,140
Total operating expenses	<u>9,946,962</u>	<u>8,384,428</u>	<u>958,599</u>	<u>19,289,989</u>	<u>23,392,520</u>
Operating Loss	<u>(1,639,523)</u>	<u>(2,187,934)</u>	<u>(113,010)</u>	<u>(3,940,467)</u>	<u>(1,733,369)</u>
Nonoperating Revenues (Expenses):					
Federal and state grants		33,244,705		33,244,705	
Interest income	66,777	58,029	(3,507)	121,299	50,371
Interest expense	(681,530)	(167,813)	(7,257)	(856,600)	
Total nonoperating revenues (expenses)	<u>(614,753)</u>	<u>33,134,921</u>	<u>(10,764)</u>	<u>32,509,404</u>	<u>50,371</u>
Change in Net Assets	(2,254,276)	30,946,987	(123,774)	28,568,937	(1,682,998)
Net Assets at Beginning of Year, as Restated	<u>45,852,509</u>	<u>54,915,997</u>	<u>(82,525)</u>	<u>100,685,981</u>	<u>2,204,432</u>
Net Assets at End of Year	<u>\$ 43,598,233</u>	<u>\$ 85,862,984</u>	<u>\$ (206,299)</u>	<u>\$ 129,254,918</u>	<u>\$ 521,434</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Major Funds		Nonmajor Fund	Total	Internal Service Funds
	Water	Sewer	George Hunter Memorial Golf Course		
Cash Flows from Operating Activities:					
Receipts from customers and users	\$ 8,258,975	\$ 6,131,548	\$ 851,489	\$ 15,242,012	\$ 21,678,046
Receipts from interfund services provided	(2,622,875)	472,478	36,868	(2,113,529)	(722,672)
Payments to suppliers	(4,854,283)	(5,327,474)	(372,511)	(10,554,268)	(1,176,850)
Payments to employees	(3,429,948)	(1,509,948)	(492,594)	(5,432,490)	(20,968,074)
Payments for interfund services used	(14,584)	(2,891)	(25,000)	(42,475)	(147,327)
Net cash used in operating activities	<u>(2,662,715)</u>	<u>(236,287)</u>	<u>(1,748)</u>	<u>(2,900,750)</u>	<u>(1,336,877)</u>
Cash Flows from Capital and Related Financing Activities					
Grants received from state and federal government		33,244,705		33,244,705	
Additions to property, plant and equipment	(1,495,831)	(29,456,693)	(53,891)	(31,006,415)	
Issuance of capital debt	4,562,000	-	-	4,562,000	
Principal payments of capital debt	(828,020)	(862,988)	(32,667)	(1,723,675)	
Interest paid on capital debt	(681,530)	(167,813)	(7,257)	(856,600)	
Net cash provided by (used in) capital and related financing activities	<u>1,556,619</u>	<u>2,757,211</u>	<u>(93,815)</u>	<u>4,220,015</u>	<u>-</u>
Cash Flows from Investing Activities					
Sales of investments	3,701,381	271,415		3,972,796	
Interest on investments	66,777	58,029	(3,507)	121,299	50,371
Net cash provided by (used in) investing activities	<u>3,768,158</u>	<u>329,444</u>	<u>(3,507)</u>	<u>4,094,095</u>	<u>50,371</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,662,062	2,850,368	(99,070)	5,413,360	(1,286,506)
Cash and Cash Equivalents at Beginning of Year	<u>2,148,901</u>	<u>2,105,459</u>	<u>253,223</u>	<u>4,507,583</u>	<u>7,750,840</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,810,963</u>	<u>\$ 4,955,827</u>	<u>\$ 154,153</u>	<u>\$ 9,920,943</u>	<u>\$ 6,464,334</u>
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:					
Operating loss	\$ (1,639,523)	\$ (2,187,934)	\$ (113,010)	\$ (3,940,467)	\$ (1,733,369)
Adjustments to reconcile operating loss to net cash provided by used in operating activities:					
Depreciation	1,612,841	2,034,268	66,639	3,713,748	
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(48,464)	(64,946)	5,900	(107,510)	18,895
(Increase) decrease in due from other funds	(2,622,875)	472,478	36,868	(2,113,529)	(722,672)
Increase (decrease) in accounts payable and accrued items	(87,426)	(388,486)	3,031	(472,881)	19,641
Increase (decrease) in compensated absences	137,316	(98,776)	23,824	62,364	1,227,955
Increase (decrease) in due to other funds	(14,584)	(2,891)	(25,000)	(42,475)	(147,327)
Total adjustments	<u>(1,023,192)</u>	<u>1,951,647</u>	<u>111,262</u>	<u>1,039,717</u>	<u>396,492</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (2,662,715)</u>	<u>\$ (236,287)</u>	<u>\$ (1,748)</u>	<u>\$ (2,900,750)</u>	<u>\$ (1,336,877)</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2009

	<u>Pension Trust Funds</u>	<u>OPEB Trust Funds</u>	<u>Private Purpose Trust Fund</u>	<u>Agency Funds</u>
Assets:				
Cash and cash equivalents	\$ 13,258,170	\$	\$ 204,291	\$ 3,487,820
Investments, at fair value:				
Stocks and options	122,724,207			
Fixed income securities	34,156,932			
Mutual funds	2,115,872			
Preferreds/fixed rate cap secs	212,970			
Other	25,937,446			
Total investments	<u>198,405,597</u>	<u>-</u>	<u>204,291</u>	<u>3,487,820</u>
Accounts receivable	480,524	500,000		
Due from other funds		1,226,500		
Total assets	<u>198,886,121</u>	<u>1,726,500</u>	<u>204,291</u>	<u>3,487,820</u>
Liabilities:				
Other liabilities	44,244			3,487,820
Due to other funds	1,226,500			
Total liabilities	<u>1,270,744</u>	<u>-</u>	<u>-</u>	<u>3,487,820</u>
Net Assets:				
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 197,615,377</u>	<u>\$ 1,726,500</u>	<u>\$ 204,291</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2009

	Pension Trust Funds	OPEB Trust Funds	Private Purpose Trust Fund Scholarship Fund
Additions:			
Contributions:			
Employer	\$ 6,785,359	\$ 3,516,897	\$
Plan members	2,930,560	3,206,146	
Total contributions	<u>9,715,919</u>	<u>6,723,043</u>	<u>-</u>
Investment earnings (losses):			
Net decrease in fair value of investments	(55,016,618)		
Interest and dividends	5,785,647		20,189
Total investment earnings (losses)	<u>(49,230,971)</u>		<u>20,189</u>
Less investment expenses:			
Investment management fees	794,752		
Net investment earnings	<u>(50,025,723)</u>	<u>-</u>	<u>20,189</u>
Total additions (reductions)	<u>(40,309,804)</u>	<u>6,723,043</u>	<u>20,189</u>
Deductions:			
Benefits	17,001,111	5,988,405	5,572
Administrative expense	104,663	234,638	
Other	471,273		4,237
Total deductions	<u>17,577,047</u>	<u>6,223,043</u>	<u>9,809</u>
Change in Net Assets Before Transfers	(57,886,851)	500,000	10,380
Transfers	<u>(1,226,500)</u>	<u>1,226,500</u>	
Change in Net Assets	(59,113,351)	1,726,500	10,380
Net Assets at Beginning of Year	<u>256,728,728</u>	<u>-</u>	<u>193,911</u>
Net Assets at End of Year	<u>\$ 197,615,377</u>	<u>\$ 1,726,500</u>	<u>\$ 204,291</u>

The accompanying notes are an integral part of the financial statements

CITY OF MERIDEN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Meriden, Connecticut (the City) was settled in 1661, incorporated as a Town in 1806 and as a City in 1867. It operates under a Council/Manager form of government. The City Manager is appointed by the Council and serves as the Chief Executive Officer.

The City provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning and general administrative services to its residents.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; therefore, data from these units are combined with data of the primary government. Discretely presented component units are presented in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. Based on these criteria, there are no component units requiring inclusion in these financial statements.

B. Basis of Presentation

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

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a

particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, have no measurement focus.

Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, special assessments, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to long-term liabilities such as debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The City reports the following major governmental funds:

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

The *Bonded Projects Fund* is used to account for resources used for capital expenditures or for the acquisition or construction of capital facilities, improvements and equipment. Most of the capital outlays are financed by the issuance of general obligation bonds. Other sources include capital grants, current tax revenues and low interest State loans.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the operations of the City's water supply system. Its operations are financed from direct charges to the users of the service.

The *Sewer Fund* accounts for the operations of the City's wastewater treatment system. The City operates its own sewage treatment plan, sewage pumping stations and collection system. Its operations are financed from direct charges to the users of the service.

Additionally, the City reports the following fund types:

The *Internal Service Funds* account for employee health insurance and workers' compensation insurance provided to departments of the City and Board of Education.

The *Private Purpose Trust Fund* accounts for assets held by the City in a trustee capacity for various scholarship trusts.

The *Pension Trust Funds* are used to account for activities of the City's three defined benefit plans which accumulate resources for pension benefit payments to qualified employees. As part of these trust funds, an amount is segregated to pay for retiree health benefits. These funds are also presented with the pension trust funds.

The *OPEB (Other Post Employment Benefit) Trust Fund* is used to account for the activities for both City and Board of Education for other post employment benefits (e.g., health insurance, life insurance) which accumulate resources for other post employment benefit payments to qualified employees.

The *Agency Funds* account for monies held on behalf of outside groups such as student activity funds, senior trip funds and performance bonds.

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering

goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

C. Cash Equivalents

For purposes of reporting cash flows, all savings, checking, money market accounts and certificates of deposit with an original maturity of less than 90 days are considered to be cash equivalents.

D. Investments

Investments are stated at fair value.

E. Inventories

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

F. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables, including those for the Water and Sewer Funds, are shown net of an allowance for uncollectible accounts.

An estimate has been recorded for utility service provided, but not billed, at the end of the fiscal year.

G. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$20,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if

purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Assets	Years
Land improvements	20
Buildings	40-50
Building improvements	7-30
Infrastructure	65
Machinery and equipment	5-30
Vehicles	7

H. Compensated Absences

Under the terms of its various union contracts, City and Board of Education employees are granted vacation and sick time in varying amounts based on length of service. Certain employees may also carry over a limited number of unused vacation days to subsequent years based on the terms of an employment or union contract. In the event of termination, these employees are reimbursed for accumulated vacation. The City recognizes a liability for the vested portion, as well as the unvested portion to the extent expected to be paid, as compensated absences.

I. Net Pension and Other Post Employment (OPEB) Assets/Obligations

Governmental Funds:

The net pension asset/obligation and net OPEB obligation represent the cumulative difference between the annual pension/OPEB cost and the City's contributions to the plans. This amount is calculated on an actuarial basis and is recorded as a noncurrent asset and a noncurrent liability, accordingly, in the government-wide financial statements.

J. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are

reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Equity

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

Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets - Net asset restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets - This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

Reserved Fund Balance - A portion of fund balance that is not available for appropriation or is legally restricted by outside parties for use for a specific purpose.

Designated Fund Balance - Represents tentative management plans that are subject to change.

Unreserved Fund Balance - Serves as a measure of current available financial resources.

L. Property Taxes

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real estate taxes are payable in four quarterly installments (July 1, October 1, January 1 and April 1). Personal property taxes are payable semi-annually (July 1 and January 1) and motor vehicle taxes are due in one single payment on July 1. Liens are filed on delinquent real estate taxes within one year. Statutory interest at the rate of 1.5% per month accrues on all overdue taxes. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of appraised market value. The City files a lien on the property for taxes which were due July 1 and remain unpaid on the following May 1.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The City defines the current period to mean within 60 days after year-end. Property taxes receivable not expected to be collected during the available period are reflected in deferred revenue in the fund financial statements. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent

years' assessment are reflected as advance tax collections in both the fund financial statements and the government-wide financial statements.

M. Accounting Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The annual budget is adopted by the City Council and employed for management control of the General Fund, Water Fund, Sewer Fund and Golf Fund.

The budget process is as follows:

- a. At least 180 days prior to the beginning of the fiscal year, the manager of each department, office and agency submits to the Director of Finance, at such date he determines, estimates of revenues and expenditures for the following year.
- b. At least 180 days prior to the beginning of the fiscal year, the City Manager reviews these estimates and may revise them as he deems advisable, except that in the case of the department of education, he has the authority to revise only the total estimated expenditures.
- c. On or before March 1, not later than 120 days prior to the beginning of the fiscal year, the City Manager submits to the City Council a balanced annual budget.
- d. The City Council shall hold one (1) public hearing on the budget to obtain public comments not later than seventy five (75) days prior to the beginning of the fiscal year.
- e. Within twenty days after the final public hearing, the City Council shall adopt a budget. The budget is legally enacted through passage of an ordinance.
- f. The Mayor shall have veto power on a line item basis only, and must submit any veto message within five (5) days after the Council has adopted the budget.
- g. The City Council may override any line item veto by a two-thirds (2/3) vote of the entire body.
- h. Budget referendum on the adopted budget must be held if a petition is filed within thirty days of the adoption of the final approved budget.
- i. The City Manager is authorized to transfer budgeted amounts within departments. However, any transfers between departments or additional appropriations must be approved by the City Council. Additional appropriations by the City Council may

not exceed 1 ½ % of the General Fund budget as established for the current year, without levying a special tax. There were additional appropriations of \$500,000 for the general fund, \$378,917 for sewer fund, \$97,500 for the water fund, during the year ended June 30, 2009, which was funded through fund balance.

- j. The Board of Education may transfer unexpected balances from one account to another within its line appropriation. A number of such transfers occurred during the year.
- k. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or commitment is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures of the current year.

The City's budgeting system requires accounting for certain transactions to be on a basis other than GAAP. The major difference between the budgetary and GAAP basis is that encumbrances are recognized as a charge against a budget appropriation in the year in which the purchase order, contract or commitment is issued and, accordingly, encumbrances outstanding at year-end are recorded in budgetary reports as expenditures of the current year, whereas, on a GAAP basis, encumbrances are recorded as reservations of fund balance.

A reconciliation of revenues, expenditures and fund balance of the General Fund between the accounting treatment required by GAAP and budgetary requirements is as follows:

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Fund Balance
Balance, budgetary basis	\$ 180,706,073	\$ 175,730,961	\$ 14,224,836
Encumbrances outstanding at June 30, 2008, liquidated during the year ended June 30, 2009		208,861	
Encumbrances outstanding at June 30, 2009, charged to budgetary expenditures during the year ended June 30, 2009		(18,622)	18,622
Encumbrances outstanding at June 30, 2008, still outstanding at June 30, 2009			8,250
Encumbrances outstanding at June 30, 2008, canceled during the year ended June 30, 2009	(2,537)		
Revenue recognized for budgetary purposes, not for GAAP	(6,000)		
State Teachers' Retirement on-behalf payment	<u>7,855,735</u>	<u>7,855,735</u>	
Balance, GAAP Basis	<u>\$ 188,553,271</u>	<u>\$ 183,776,935</u>	<u>\$ 14,251,708</u>

B. Deficit Fund Equity

For the year ended June 30, 2009, the following funds had deficit balances:

Nonmajor Enterprise Fund:	
George Hunter Memorial Golf Course	\$ 206,299
Nonmajor Governmental Funds:	
Airport Improvement Fund	433
Law Enforcement Block Grant	25,786
Capital and Nonrecurring	62,286
Internal Service Fund:	
Workers' Compensation Fund	4,567,999

These amounts will be funded through bonds, contributions and future revenues.

C. Fund Balance Designations

Fund balance of \$1,000,000 has been designated for subsequent year's budget in the General Fund for the year ended June 30, 2009.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

Deposits

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

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$53,854,656 of the City's bank balance of \$56,404,692 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 48,294,290
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>5,560,366</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 53,854,656</u>

Cash Equivalents

At June 30, 2009 the City's cash equivalents amounted to \$14,414,503. The following table provides a summary of the City's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	Standard and Poor's
Bank of America - Cash Management Assets	AAA
State Short-Term Investment Fund (STIF)	AAAm
Wachovia (pension funds)	*

*Not rated

Investments

As of June 30, 2009, the City had the following investments:

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)			
			N/A	Less Than 1	1-10	More Than 10
Mutual Funds	N/A	\$ 2,303,637	\$ 2,303,637	\$	\$	\$
U.S. Government Agencies	AAA	1,415				1,415
Corporate and Foreign Bonds	AAA	45,666		25,254	20,412	
Corporate and Foreign Bonds	AA	61,863			61,863	
Corporate and Foreign Bonds	A	114,252		32,250	79,002	
Corporate and Foreign Bonds	B	26,014			26,014	
Certificates of Deposit	N/A	6,617,147	24,935	1,681,962	4,910,250	
Common Equity Securities	N/A	610,469	610,469			
Preferred Equity Securities	N/A	29,820	29,820			
Fixed Income Securities	AAA	20,843,239		3,466,992	17,376,247	
Fixed Income Securities	AA	4,054,032			4,054,032	
Fixed Income Securities	A	9,259,661		668,584	8,591,077	
Taxable Fixed Income Funds	N/A	171,574	171,574			
Closed End Fixed Income	N/A	21,853	21,853			
Stocks and Options	N/A	122,724,211	122,724,211			
Preferreds/Fixed Rate Cap Securities	N/A	212,971	212,971			
Other	N/A	25,937,446	25,937,446			
Total Investments		<u>\$ 193,035,270</u>	<u>\$ 152,036,914</u>	<u>\$ 5,875,042</u>	<u>\$ 35,118,897</u>	<u>\$ 1,415</u>

N/A - Not applicable

Interest Rate Risk - The City's investment policy states that the weighted average maturity of the portfolio shall not exceed 12 years and the maturity of any single issue shall not exceed 30 years. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements.

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of cities and towns. It is the City's policy to invest only in securities that meet the ratings requirements set by General State Statute Chapter 112, Section 7-400.

Concentration of Credit Risk - The City's investment policy states that the exposure of the portfolio to any one issuer, other than securities of the U.S. government or agencies, shall not exceed 8% of the market value of the fixed income portfolio.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At June 30, 2009, the City did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the City's name.

Pension

The investments of the City's pension funds have their own policies and limitations on investments.

Investment managers and advisors must discharge their responsibilities in accordance with the fiduciary provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and supporting regulations, unless specifically exempted by a vote of the Board.

Equity investments in any one company by any one advisor shall be limited at purchase of 10% of the total assets under management and/or 5% of the company's total outstanding equity. Corporate fixed income investments shall be limited to the first four quality grades as established by one or more of the nationally recognized bond rating services, except by a specific vote of the Board to permit inclusion of some lesser-rated issues within an investment grade portfolio. In no event should the debt securities of any corporation exceed 10% of the assets under management of any one advisor.

There shall be no investments in:

- Securities of foreign issuers, other than those of the Canadian government, and also excepting American Depositary Receipts (ADRs) of foreign securities, and further excepting foreign securities purchased by an investment advisor specifically designated by the Board as an "international" or "global" manager;
- Securities issued by a participating employer, except to the extent permitted under ERISA;
- Private placements, without affirmative Board approval;

- Real estate, other than securities of exchange-traded or non-traded Real Estate Investment Trusts.

Uninvested cash balances should be kept at a minimum through the prompt investment of available funds in short-term or more permanent security holdings.

Each investment advisor, consultant, custodian or contractor shall be required to be available for at least one annual meeting with the Meriden Retirement Board. Results based on a total rate of return (including both realized and unrealized capital gains and losses) will be evaluated for each advisor to the Board over a complete market cycle. However, the Board retains the right (and obligation) to address issues of lagging performance at any time during a contract cycle.

4. RECEIVABLES AND DEFERRED REVENUE

The receivables as of June 30, 2009 for the City's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts are as follows:

Governmental and Fiduciary Type Funds				
	General Fund	Bonded Projects Fund	Nonmajor and Fiduciary Funds	Total
Property taxes	\$ 7,170,117	\$	\$	\$ 7,170,117
Accounts	391,517	14,732	1,085,193	1,491,442
Intergovernmental	559,372		908,685	1,468,057
Loans		1,687,479	2,919,737	4,607,216
Gross receivables	8,121,006	1,702,211	4,913,615	14,736,832
Less: Allowance for collection losses	3,836,419	-	121,317	3,957,736
Net Total Receivables	<u>\$ 4,284,587</u>	<u>\$ 1,702,211</u>	<u>\$ 4,792,298</u>	<u>\$ 10,779,096</u>
Business Type Funds				
	Water Authority	Sewer Authority	Nonmajor and Internal Service Funds	Total
Use charges	\$ 1,584,272	\$ 1,497,457	\$	\$ 3,081,729
Unbilled	1,975,041	1,725,365		3,700,406
Other	4,332	4,304		8,636
Gross receivables	3,563,645	3,227,126	-	6,790,771
Less: Allowance for collection losses	261,919	150,000	-	411,919
Net Total Receivables	<u>\$ 3,301,726</u>	<u>\$ 3,077,126</u>	<u>\$ -</u>	<u>\$ 6,378,852</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
General Fund:		
Delinquent property taxes receivable	\$ 2,568,890	\$
Property taxes collected in advance		654,447
Bonded Projects:		
Loans receivable	1,687,479	
Premium on temporary notes		457,333
Nonmajor governmental funds:		
Advances on grants		545,541
Loans receivable	<u>2,798,420</u>	
Total Deferred Revenue for Governmental Funds	<u>\$ 7,054,789</u>	<u>\$ 1,657,321</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 20,768,981	\$ 496,619	\$ 59,160	\$ 21,206,440
Construction in progress	2,550,075	550,046	2,598,811	501,310
Total capital assets not being depreciated	<u>23,319,056</u>	<u>1,046,665</u>	<u>2,657,971</u>	<u>21,707,750</u>
Capital assets being depreciated:				
Land improvements	15,935,463	1,476,771		17,412,234
Buildings and improvements	175,617,781	3,366,562	669,716	178,314,627
Machinery and equipment	10,529,511	729,385	2,506,394	8,752,502
Vehicles	13,966,084	518,222	2,103,113	12,381,193
Infrastructure	82,550,003	2,051,102		84,601,105
Total capital assets being depreciated	<u>298,598,842</u>	<u>8,142,042</u>	<u>5,279,223</u>	<u>301,461,661</u>
Less accumulated depreciation for:				
Land improvements	7,579,854	679,364		8,259,218
Buildings and improvements	62,210,003	4,036,130	361,302	65,884,831
Machinery and equipment	8,029,219	773,075	2,394,684	6,407,610
Vehicles	11,145,905	772,608	2,098,868	9,819,645
Infrastructure	46,040,497	2,848,134		48,888,631
Total accumulated depreciation	<u>135,005,478</u>	<u>9,109,311</u>	<u>4,854,854</u>	<u>139,259,935</u>
Total capital assets being depreciated, net	<u>163,593,364</u>	<u>(967,269)</u>	<u>424,369</u>	<u>162,201,726</u>
Governmental Activities Capital Assets, Net	<u>\$ 186,912,420</u>	<u>\$ 79,396</u>	<u>\$ 3,082,340</u>	<u>\$ 183,909,476</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 915,981	\$	\$ 28,700	\$ 887,281
Construction in progress	6,685,247	29,590,536	1,556,074	34,719,709
Total capital assets not being depreciated	<u>7,601,228</u>	<u>29,590,536</u>	<u>1,584,774</u>	<u>35,606,990</u>
Capital assets being depreciated:				
Land improvements	3,237,964	1,029,079	29,655	4,237,388
Buildings and improvements	43,631,484		338,470	43,293,014
Machinery and equipment	16,888,910	230,457	2,514,372	14,604,995
Vehicles	216,590			216,590
Infrastructure	115,948,686	2,056,842		118,005,528
Total capital assets being depreciated	<u>179,923,634</u>	<u>3,316,378</u>	<u>2,882,497</u>	<u>180,357,515</u>
Less accumulated depreciation for:				
Land improvements	687,789	161,612	3,089	846,312
Buildings and improvements	24,271,570	1,040,600	283,066	25,029,104
Machinery and equipment	12,031,194	693,699	2,212,005	10,512,888
Vehicles	171,620	13,230		184,850
Infrastructure	49,268,945	1,804,607		51,073,552
Total accumulated depreciation	<u>86,431,118</u>	<u>3,713,748</u>	<u>2,498,160</u>	<u>87,646,706</u>
Total capital assets being depreciated, net	<u>93,492,516</u>	<u>(397,370)</u>	<u>384,337</u>	<u>92,710,809</u>
Business-Type Activities Capital Assets, Net	<u>\$ 101,093,744</u>	<u>\$ 29,193,166</u>	<u>\$ 1,969,111</u>	<u>\$ 128,317,799</u>

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

Governmental activities:	
General government	\$ 385,246
Education	3,626,655
Public safety	749,360
Public works	3,494,666
Human services	<u>853,384</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 9,109,311</u>
Business-type activities:	
Water Authority	\$ 1,612,841
Sewer Authority	2,034,268
Golf Course	<u>66,639</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 3,713,748</u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund loans were generally as a result of the timing between the date payments occur between funds for various activities including capital outlay. The composition of interfund balances as of June 30, 2009 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 367,492
	Bonded Projects Fund	82,845
	Nonmajor Proprietary Fund	<u>913,600</u>
		1,363,937
Bonded Projects Fund	General Fund	515,831
Nonmajor Governmental Funds	General Fund	244,500
Water Fund	Bonded Projects Fund	7,245,307
Sewer Fund	Bonded Projects Fund	1,104,136
Nonmajor Proprietary Funds	Bonded Projects Fund	1,684
Internal Service	General Fund	<u>722,672</u>
		<u>\$ 11,198,067</u>

For the most part, all balances are expected to be repaid within a year.

Interfund balances are a result of temporary loans to various funds. The transfers that occurred during the year are as follows:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers Out</u>
General Fund	\$	\$ 217,489	\$ 217,489
Bonded Projects Fund	614,238	82,845	697,083
Nonmajor governmental Funds	<u>100,000</u>		<u>100,000</u>
Total Transfers In	<u>\$ 714,238</u>	<u>\$ 300,334</u>	<u>\$ 1,014,572</u>

7. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 69,944,215	\$ 21,369,000	\$ 10,409,917	\$ 80,903,298	\$ 10,985,917
Premium on bonds		58,194	2,910	55,284	2,910
Compensated absences	16,067,381	1,350,618	1,283,432	16,134,567	1,018,167
Workman's compensation	1,733,262	1,376,377	1,513,834	1,595,805	531,935
Heart and hypertension	2,118,430	4,500,705	3,222,325	3,396,810	1,132,270
Landfill post-closure monitoring	2,189,251		44,496	2,144,755	50,000
Net pension obligation	26,015,930	5,779,646	6,021,222	25,774,354	
OPEB obligation	11,551,134	10,672,816	3,516,897	18,707,053	
Pollution remediation	7,000,000			7,000,000	
Claims and judgments	500,000	450,000	500,000	450,000	250,000
Total Governmental Activities Long-Term Liabilities	<u>\$ 137,119,603</u>	<u>\$ 45,557,356</u>	<u>\$ 26,515,033</u>	<u>\$ 156,161,926</u>	<u>\$ 13,971,199</u>
Business-Type Activities:					
General obligation bonds	\$ 8,940,785	\$ 11,681,000	\$ 1,545,083	\$ 19,076,702	\$ 2,134,083
Compensated absences	1,177,723	142,729	80,366	1,240,086	132,481
Clean water fund notes	909,513		144,582	764,931	144,592
Total Business-Type Activities Long-Term Liabilities	<u>\$ 11,028,021</u>	<u>\$ 11,823,729</u>	<u>\$ 1,770,031</u>	<u>\$ 21,081,719</u>	<u>\$ 2,411,156</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund.

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds are direct obligations of the City for which full faith and credit are pledged and are payable from taxes levied on all taxable properties located within the City. Certain general obligation bonds are to be repaid by revenues of the enterprise funds.

General obligation bonds currently outstanding are as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Annual Principal</u>	<u>Balance Outstanding June 30, 2009</u>
Governmental:						
General purpose:						
General obligation	7/15/89	7/15/09	5.5-7.5%	\$ 12,332,000	\$ 200,000	\$ 200,000
General obligation	1/15/91	1/15/11	6.50%	23,600,000	50,000	100,000
General obligation	8/1/96	8/1/16	4.25-6.25%	21,997,500	various	525,000
General obligation	8/1/99	8/1/09	4.35-4.8%	20,126,400	various	1,758,000
General obligation	8/1/02	8/1/22	3-5%	37,936,400	various	19,517,198
General obligation	10/1/02	8/1/12	5.60%	600,000	60,000	240,000
General obligation	4/15/03	8/1/12	2.5-5%	9,090,000	various	480,000
General obligation	4/15/03	4/15/12	3-5%	520,000	55,000	155,000
General obligation	8/1/04	8/1/14	3-5%	33,433,300	2,899,700	22,799,100
General obligation	8/1/06	8/1/16	4.5-5%	16,134,700	various	13,760,000
General obligation	8/1/08	8/1/28	3-4.9%	21,369,000	various	21,369,000
Total governmental activities						<u>80,903,298</u>
Business-Type:						
General purpose:						
General obligation	8/1/99	8/1/09	4.35-4.8%	3,923,600	various	382,000
General obligation	8/1/02	8/1/22	3-5%	1,263,600	various	412,802
General obligation	8/1/04	8/1/14	3-5%	6,231,700	710,300	3,630,900
General obligation	8/1/06	8/1/16	4.5-5%	4,110,300	various	2,970,000
General obligation	8/1/08	8/1/28	3-4.9%	11,681,000	various	11,681,000
Total business-type activities						<u>19,076,702</u>
Total Outstanding						<u>\$ 99,980,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2010	\$ 10,985,917	\$ 3,197,059	\$ 2,134,083	\$ 771,334
2011	8,542,917	2,806,912	1,742,083	693,520
2012	8,491,917	2,488,562	1,743,083	631,251
2013	8,267,217	2,134,886	1,532,783	566,619
2014	7,494,666	1,788,462	1,475,334	504,201
2015	7,494,666	1,479,048	1,475,334	444,080
2016	5,619,666	1,204,018	975,334	393,207
2017	5,619,666	962,256	975,334	351,212
2018	2,799,666	782,652	605,334	317,711
2019	2,470,000	673,509	585,000	293,513
2020	2,466,000	565,246	584,000	266,848
2021	1,416,000	474,103	584,000	237,647
2022	1,416,000	405,052	584,000	208,448
2023	1,417,000	335,978	583,000	179,272
2024	1,067,000	274,752	583,000	150,123
2025	1,067,000	224,070	583,000	122,430
2026	1,067,000	175,388	583,000	95,831
2027	1,067,000	126,039	583,000	68,867
2028	1,067,000	76,024	583,000	41,539
2029	1,067,000	25,341	583,000	13,846
Total	\$ <u>80,903,298</u>	<u>20,199,357</u>	\$ <u>19,076,702</u>	\$ <u>6,351,499</u>

Clean Water Fund Loans Payable

The State of Connecticut under the Clean Water Fund Program issued the project loan obligation. The loan proceeds financed the sanitary sewer construction projects. The obligation will be paid from future user fees.

Project loan obligations payable to the State of Connecticut mature as follows:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2010	\$ 144,592	\$ 15,298
2011	144,592	12,407
2012	144,592	9,515
2013	144,592	6,623
2014	86,569	3,721
2015-2018	<u>99,994</u>	<u>4,571</u>
	\$ <u>764,931</u>	\$ <u>52,145</u>

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2009 is \$20,504,885. In most cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Landfill Post Closure Monitoring

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The liability for the landfill post-closure care, aggregating \$2,144,755 is based on the amount estimated to be paid for all equipment, facilities and services required to monitor and maintain the landfills as of June 30, 2009. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will be funded through future property taxes and/or state and federal grants. The landfill was considered to be at capacity and was closed during 1991.

Pollution Remediation

Pursuant to local laws, the City has recorded a liability of \$7,000,000 for remediation of Factory H. The Management has estimated this liability taking in to account data based on estimates from the engineering department. Management anticipates possible recoveries from the State and Federal government. Provision for the recovery amount has not been factored into the liability because it is too early to determine. This amount has been recorded as a liability in the government-wide financial statements effective July 1, 2008; accordingly a prior period adjustment was made to increase liabilities and decrease beginning net assets.

8. SHORT-TERM OBLIGATIONS

Bond Anticipation Notes

The City uses bond anticipation notes during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Bond anticipation note transactions for the year ended June 30, 2009 were as follows:

Outstanding, beginning of year	\$ 22,355,000
New borrowings	-
Repayments	<u>22,355,000</u>
Outstanding, End of Year	\$ <u><u>-</u></u>

9. RISK MANAGEMENT

The City of Meriden is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; employee health; and natural disasters. The City generally obtains commercial insurance for these risks, but has chosen to retain the risks of workers' compensation and employee health and medical claims. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2009.

The workers' compensation fund purchases a self-insured retention workers' compensation excess policy for claims exceeding \$500,000. All other claims are funded by the General Fund, Sewer Authority, Water Authority and George Hunter Memorial Golf Fund.

Payments to the fund are estimated based on payroll amounts, job classification rates, experience and second injury fund assessments.

Under the City's current policy, the Health Insurance Fund covers claims in excess of \$250,000 per claim. The City also purchases the aggregate maximum per year. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The health insurance fund is funded by contributions from all funds incurring payroll charges. The health benefits consultant provides the City with suggested rates for various types of coverage. The City uses employee counts and suggested rates to compute fund contributions.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that has been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs) and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate. Changes in the claims liability for the past two years are as follows:

	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
Workers' Compensation and Heart and Hypertension				
2008-09	\$ 3,851,692	\$ 5,877,082	\$ 4,736,159	\$ 4,992,615
2007-08	3,310,277	3,960,139	3,418,724	3,851,692
Health Insurance				
2008-09	\$ 1,556,323	\$ 17,546,901	\$ 17,459,870	\$ 1,643,354
2007-08	1,544,992	21,859,080	21,847,749	1,556,323

10. EMPLOYEE RETIREMENT PLANS

A. Pension Trust Fund

The City of Meriden administers three single-employer, contributory, defined benefit public employee retirement system (PERS) plans to provide pension benefits for its employees. The PERS is considered to be a part of the City of Meriden's financial reporting entity and is included in the City's financial reports as Pension Trust Funds. Stand-alone plan reports are not available for these plans. Although the assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

Plan Description

Substantially all full-time employees of the City are eligible to participate. Participants in the State Teachers' Retirement System are excluded. The Plans' provisions are as follows:

Provisions	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Benefit	2% of average annual pay for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 60% of salary.	2.5% of average annual pay for the first 20 years of service, 1.6% after for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 50% of salary.	2.2% of average annual pay for the first 20 years of service, for the highest of 3 consecutive years in the last 10 years prior to retirement multiplied by the years of continuous service in the plan, with a maximum of 50% of salary.
Eligibility requirements	Vested after 10 years of service.	Vested after 10 years of continuous service.	Vested after 10 years of continuous service.
Cost of living adjustment	2% per year beginning the later of 2 years from retirement age or age 62 (50% max).	2% after 20 years, 3% after 25 years (50% max).	3% after 25 years (50% max).
Early retirement provisions	City employees - age 65, 10 years of service or Rule of 80 - full benefits. Age 55, 10 years of service - reduced benefits. Police and Fire - none.	25 th anniversary with 10 years of service, anytime with 20 years of service.	None.
Contributions	Employee - 6% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits. Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.	Employee - 8% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits. Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.	Employee - 8% of earnings (includes 2% of earnings as contributed for post-employment healthcare benefits. Employer - remaining necessary to fund Plan based on City Charter and actuarial studies.

At July 1, 2008, Plan membership consisted of the following:

	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Retirees and beneficiaries currently receiving benefits	427	132	105
Vested terminated employees	100	1	-
Active participants	641	75	76
Total Participants	1,168	208	181

Summary of Significant Accounting Policies

Basis of Accounting - Financial statements are prepared using the accrual basis of accounting for the three defined benefit pension plans. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments - Investments are reported at market value. Investment income is recognized as earned.

Administrative Costs - Administrative costs of the Plan are financed through investment earnings.

The individual plan net assets at June 30, 2009 and changes in net assets for the year then ended are as follows:

	Pension Trust Funds						
	Employees’ Retirement Plan	Police Pension Fund	Firefighters’ Pension Plan	Employees’ Healthcare Plan	Police Healthcare Plan	Firefighters’ Healthcare Plan	Total Pension Trust Funds
Assets:							
Cash and cash equivalents	\$ 8,129,835	\$ 2,636,505	\$ 2,304,358	\$ (434,310)	\$ 423,097	\$ 198,685	\$ 13,258,170
Interest receivable	271,084	111,024	91,834	6,442	101	39	480,524
Investments, at fair value:							
Stocks and options	66,859,705	29,684,438	24,553,832	1,588,809	27,087	10,336	122,724,207
Fixed income securities	20,087,347	7,433,863	6,149,008	477,342	6,783	2,589	34,156,932
Mutual funds	1,078,237	553,489	457,825	25,623	505	193	2,115,872
Preferreds/fixed rate cap secs	116,918	51,013	42,196	2,778	47	18	212,970
Other	12,791,851	7,023,331	5,809,432	303,977	6,409	2,446	25,937,446
Total investments	100,934,058	44,746,134	37,012,293	2,398,529	40,831	15,582	185,147,427
Total assets	109,334,977	47,493,663	39,408,485	1,970,661	464,029	214,306	198,886,121
Liabilities:							
Other liabilities	10,835	7,392	5,091	12,926	5,000	3,000	44,244
Interfund balances	939,524	211,424	75,552				1,226,500
Total liabilities	950,359	218,816	80,643	12,926	5,000	3,000	1,270,744
Net Assets:							
Held in Trust for Pension							
Benefits and Other Purposes	\$ 108,384,618	\$ 47,274,847	\$ 39,327,842	\$ 1,957,735	\$ 459,029	\$ 211,306	\$ 197,615,377

Pension Trust Funds							
	Employees' Retirement Plan	Police Pension Fund	Firefighters' Pension Plan	Employees' Healthcare Plan	Police Healthcare Plan	Firefighters' Healthcare Plan	Total Pension Trust Funds
Additions:							
Contributions:							
Employer	\$ 764,137	\$ 3,556,861	\$ 2,464,361	\$	\$	\$	\$ 6,785,359
Plan members	<u>1,384,662</u>	<u>311,704</u>	<u>301,099</u>	<u>692,331</u>	<u>103,901</u>	<u>136,863</u>	<u>2,930,560</u>
Total contributions	<u>2,148,799</u>	<u>3,868,565</u>	<u>2,765,460</u>	<u>692,331</u>	<u>103,901</u>	<u>136,863</u>	<u>9,715,919</u>
Investment earnings (losses):							
Net increase in fair value of investments	(30,587,356)	(12,966,876)	(10,750,739)	(695,856)	(11,429)	(4,362)	(55,016,618)
Dividends and interest	<u>3,217,550</u>	<u>1,362,845</u>	<u>1,130,710</u>	<u>72,884</u>	<u>1,200</u>	<u>458</u>	<u>5,785,647</u>
Total investment earnings	<u>(27,369,806)</u>	<u>(11,604,031)</u>	<u>(9,620,029)</u>	<u>(622,972)</u>	<u>(10,229)</u>	<u>(3,904)</u>	<u>(49,230,971)</u>
Less investment expenses:							
Investment management fees	<u>444,909</u>	<u>191,266</u>	<u>158,577</u>				<u>794,752</u>
Net investment earnings (losses)	<u>(27,814,715)</u>	<u>(11,795,297)</u>	<u>(9,778,606)</u>	<u>(622,972)</u>	<u>(10,229)</u>	<u>(3,904)</u>	<u>(50,025,723)</u>
Total additions (reductions)	<u>(25,665,916)</u>	<u>(7,926,732)</u>	<u>(7,013,146)</u>	<u>69,359</u>	<u>93,672</u>	<u>132,959</u>	<u>(40,309,804)</u>
Deductions:							
Benefits	6,202,078	5,334,491	4,205,152	919,512	220,793	119,085	17,001,111
Administration	24,604	24,600	24,603	22,623	5,169	3,064	104,663
Other	<u>409,778</u>	<u>50,129</u>	<u>11,366</u>				<u>471,273</u>
Total deductions	<u>6,636,460</u>	<u>5,409,220</u>	<u>4,241,121</u>	<u>942,135</u>	<u>225,962</u>	<u>122,149</u>	<u>17,577,047</u>
Change in net assets before transfers	(32,302,376)	(13,335,952)	(11,254,267)	(872,776)	(132,290)	10,810	(57,886,851)
Transfers	<u>(939,524)</u>	<u>(211,425)</u>	<u>(75,551)</u>				<u>(1,226,500)</u>
Change in net assets	(33,241,900)	(13,547,377)	(11,329,818)	(872,776)	(132,290)	10,810	(59,113,351)
Net Assets at Beginning of Year	<u>141,626,518</u>	<u>60,822,224</u>	<u>50,657,660</u>	<u>2,830,511</u>	<u>591,319</u>	<u>200,496</u>	<u>256,728,728</u>
Net Assets at End of Year	<u>\$ 108,384,618</u>	<u>\$ 47,274,847</u>	<u>\$ 39,327,842</u>	<u>\$ 1,957,735</u>	<u>\$ 459,029</u>	<u>\$ 211,306</u>	<u>\$ 197,615,377</u>

Annual Pension Cost and Net Pension Obligations

The City of Meriden's annual pension cost and net pension obligation (asset) for the year ended June 30, 2009 were as follows:

	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Annual required contribution (ARC)	\$ 764,137	\$ 3,556,861	\$ 2,464,361
Interest on net pension obligation (asset)	(27,338)	1,050,905	1,030,370
Adjustment to annual required contribution	<u>38,396</u>	<u>(1,172,885)</u>	<u>(1,149,966)</u>
Annual pension cost	775,195	3,434,881	2,344,765
Contributions made	<u>764,137</u>	<u>3,556,861</u>	<u>2,464,361</u>
Increase (decrease) in net pension obligation	11,058	(121,980)	(119,596)
Net pension obligation (asset), beginning of year	<u>(341,727)</u>	<u>13,136,309</u>	<u>12,879,621</u>
Net Pension Obligation (Asset), End of Year	<u>\$ (330,669)</u>	<u>\$ 13,014,329</u>	<u>\$ 12,760,025</u>

The following is a summary of certain significant actuarial assumptions and other plan information:

	Employees' Retirement Plan	Police Pension Plan	Firefighters' Pension Plan
Actuarial valuation date	7/1/08	7/1/08	7/1/08
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed
Remaining amortization period	14 years	23 years	23 years
Asset valuation method	5 year smoothed market	5 year smoothed market	5 year smoothed market
Actuarial assumptions:			
Investment rate of return	8.00%	8.00%	8.00%
Projected salary increases	5.00%	4.25%	4.00%

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
Employees' Retirement Plan			
6/30/09	\$ 775,195	98.60%	\$ (330,669)
6/30/08	662,084	99.60	(341,727)
6/30/07	196,764	99.40	(344,269)
Police Pension Plan			
6/30/09	3,434,881	103.60%	13,014,329
6/30/08	3,338,792	105.12	13,136,309
6/30/07	3,446,801	104.80	13,307,109
Firefighters' Pension Plan			
6/30/09	2,344,765	105.10%	12,760,025
6/30/08	2,267,926	107.38	12,879,621
6/30/07	2,453,709	106.60	13,047,095

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Under Funded AAL as a % of Covered Payroll ((a-b)/c)
Employees' Retirement Plan						
7/01/08	\$ 140,853,728	\$ 123,480,133	\$ (17,373,595)	114.07%	\$ 31,405,160	(55.32)%
7/01/07	N/A	N/A	N/A	N/A	N/A	N/A
7/01/06	128,680,666	114,597,050	(14,083,616)	112.29	30,170,844	(46.68)
7/01/05	N/A	N/A	N/A	N/A	N/A	N/A
7/01/04	122,127,232	103,416,190	(18,711,042)	118.09	27,345,499	(68.42)
7/01/03	N/A	N/A	N/A	N/A	N/A	N/A
Police Pension Plan						
7/01/08	60,974,656	89,709,424	28,734,768	67.97%	5,030,979	571.16%
7/01/07	N/A	N/A	N/A	N/A	N/A	N/A
7/01/06	53,745,820	79,947,211	26,201,391	67.23	5,940,009	441.10
7/01/05	N/A	N/A	N/A	N/A	N/A	N/A
7/01/04	48,752,364	72,823,660	24,071,296	66.95	7,039,682	341.94
7/01/03	N/A	N/A	N/A	N/A	N/A	N/A
Firefighters' Pension Plan						
7/01/08	51,281,856	70,302,239	19,020,383	72.94%	4,696,251	405.01%
7/01/07	N/A	N/A	N/A	N/A	N/A	N/A
7/01/06	46,026,189	65,036,368	19,010,179	70.77	4,971,096	382.41
7/01/05	N/A	N/A	N/A	N/A	N/A	N/A
7/01/04	43,396,288	64,094,542	20,698,254	67.71	5,134,902	403.09
7/01/03	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

Fiscal Year Ended	Employees' Retirement Plan		Police Pension Plan		Firefighters' Pension Plan	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
6/30/09	\$ 764,137	100.0%	\$ 3,556,861	100.0%	\$ 2,464,361	100.0%
6/30/08	649,414	101.6	3,509,801	100.0	2,435,594	100.0
6/30/07	185,534	105.4	3,601,118	100.3	2,605,081	100.4
6/30/06	74,741	100.0	3,540,516	91.5	2,574,201	85.7
6/30/05	-	N/A	3,413,205	99.0	1,906,328	100.0
6/30/04	-	N/A	3,357,184	72.9	1,872,975	89.4

B. Teachers' Retirement

All City of Meriden teachers participate in the State of Connecticut Teacher's Retirement System, a cost sharing plan with a special funding situation, under Section 10.183 of the General Statutes of the State of Connecticut. This is a multiple employer PERS. A teacher is eligible to receive a normal retirement benefit if he or she has:

- Attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or;
- Attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$50,870,552.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. In the current year, an additional amount was contributed to the plan by the State from proceeds of pension obligation bonds. For the year ended June 30, 2009 the City has recorded in the General Fund (Exhibit IV) intergovernmental revenue schools and schools expenditures in the amount of \$7,855,735 as payments made by the State of Connecticut on behalf of the City. This amount is significantly lower than the prior year because of a one-time prior year increase in the contribution by the State of Connecticut due to the State issuing pension obligation bonds. The City does not have any liability for teacher pensions.

The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

11. POSTEMPLOYMENT HEALTHCARE PLAN - CITY OF MERIDEN AND MERIDEN BOARD OF EDUCATION

Summary of Significant Accounting Policies

Basis of Accounting - The financial statements of the Postemployment Healthcare Plan (PHP) are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs of the plan are paid by the City.

Investments are reported at fair value. Investment income is recognized as earned.

Plan Description

The PHP is a single-employer defined benefit healthcare plan administered by the City of Meriden. The PHP provides medical, dental and prescription benefits to eligible retirees and their spouses. All employees of the City are eligible to participate in the plan. Benefit provisions are established through negotiations between the City and the various unions representing the employees.

The plan is considered to be part of the City's financial reporting entity and is included in the City's financial report as various pension trust funds. A portion of the employees' pension contributions is required to be recognized in these healthcare plan pension funds: the Employees Healthcare Plan, the Police Healthcare Plan, and the Firefighters' Healthcare Plan. The plan does not issue a stand-alone financial report.

At July 1, 2008, plan membership consisted of the following:

	City			Board of Education		
	Police	Fire	Other	Teachers	Other	Total
Active employees	113	94	323	734	307	1,571
Retired employees*	54	53	194	165	68	534
Total Participants	167	147	517	899	375	2,105

*Counts do not include spouses of retirees

Funding Policy

The contribution requirements of plan members and the City are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of health insurance premiums as follows:

City/Non-Teacher BOE	2.00% of Salary
Police	2.00% of Salary
Fire	1.00% of Salary
Teachers	1.25% of Salary

For the year ended June 30, 2009, plan members contributed \$3,206,146. The City is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the City in order to prefund benefits.

Employer contributions to the plan of \$3,516,897 were made in accordance with actuarially determined requirements. Of this amount \$3,016,897 represents premium payments, and \$500,000 was contributed to prefund future benefits.

Annual OPEB Cost and Net OPEB Obligations

The City of Meriden's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement Number 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (asset):

	Retiree Health Plan
Annual required contribution (ARC)	\$ 10,698,778
Interest on net OPEB obligation	924,091
Adjustment to annual required contribution	(950,053)
Annual OPEB cost (expense)	10,672,816
Contributions made	3,516,897
Increase in net OPEB obligation	7,155,919
Net OPEB obligation, beginning of year	11,551,134
Net OPEB Obligation, End of Year	\$ 18,707,053

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2009 is presented below. Data is only presented for the fiscal years ended June 30, 2009 and June 30, 2008 due to June 30, 2008 being the year of transition.

Fiscal Year Ended	Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation (Asset)
6/30/09	\$ 10,672,816	\$ 3,516,897	33.00%	\$ 18,707,053
6/30/08	16,701,796	5,150,662	30.84	11,551,134

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

compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress

<u>Plan Year</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
Postemployment Healthcare Plan						
7/1/2008	\$ 3,622,326	\$ 102,478,635	\$ 98,856,309	3.5%	\$ 105,582,188	93.6%
7/1/2006	3,172,002	231,478,641	228,306,639	1.4%	n/a	n/a

n/a - The covered payroll is not available for the July 1, 2006 valuation.

Schedule of Employer Contributions

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2009	\$ 10,698,778	32.90%
6/30/2008	16,701,796	30.84

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

In the July 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 8.0% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The annual medical/dental cost trend rate is 10% initially, graded to 5% over 5 years. The annual dental cost trend rate is 5%. The general inflation assumption is 3%. Projected salary increases were not a factor in the calculation. The actuarial value of assets was determined using the market value method. The UAAL is being amortized as a level payments method. The remaining amortization period at July 1, 2008 was 30 years.

12. CONTINGENCIES AND COMMITMENTS

Contingent Liabilities

There are various suits and claims pending against the City of Meriden, none of which, individually or in the aggregate, is believed by counsel to be likely to result in judgment or judgments that could materially affect the City's financial position.

The City has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, City management believes such disallowances, if any, will not be material.

The City may be subject to rebate penalties to the federal government relating to various bond and note issues. The City expects such amounts, if any, to be immaterial.

Construction Commitments

The government has active construction projects as of June 30, 2009. At year end, the government's commitments with contractors are as follows:

Project	Commitment
Gravel & Baldwin Reconstruction	\$ 617,800
Street Improvements	30,849
Water Line and Tank Rehabilitation	16,559
Merimere Elemere Study	1,501
Carpenter Ave	9,200
Water Supply Plan	4,500
Water Upgrades	40,562
Water Heating System	4,408
Water Level A Mapping	12,420
Water Roof Repair	7,859
Water GIS	18,001
Bridges Reconstruction Design	159,920
Police Radio Trans	8,800
Sewer Projects	57,040
Engineering Landfill Closure	115,103
West Main St Traffic Study	59,021
Traffic Signal Upgrade Program	271,512
Flood Improvements	208,328
Falcon Field Construction	31,000
Hanover Elementary	79,440
Fire Building Renovations	8,112
City Wide Drainage	59,816
Sodom Brook Trail	119,180

Cheshire Road Drainage	953
Emergency Back Up Generator	133,978
Sidewalk Program	2,600
2007 Paving Program	61,690
City Hall Air Handler	18,012
Parks Tractor	43,681
Curtis St Reconstruction	595,941
Spoonshop Brook Study	27,930
City Wide Sidewalks	367,396
MIS Technology Upgrade	3,338
PW Dump Truck Replacement	61,845
Signal Upgrade Program	33,086
Roof Repair Michael Drive	17,168
Police Public Safety Software	193
Fire Radio Equipment	40,972
WPCF Facility Improvements	7,489,740
SCADA Technology Upgrade	155,156
Elmere/Merimere Pilot Testing	483,475
	\$ 11,478,085

The commitments are being financed with bonds, bond anticipation notes and state and federal grants.

Municipal Solid Waste Management Services Contract

The City has entered into a municipal solid waste management services contract, as amended, (Service Contract) with the Connecticut Resources Recovery Authority (Authority) pursuant to which it participates with four other Connecticut municipalities (Contracting Municipalities), in the Wallingford Resource Recovery System (System). The System consists of mass-burn solid waste, recover resource steam and electric generation facility (Facility) located in the Town of Wallingford, Connecticut, and various improvements and facilities related thereto, including landfills. The Facility is complete and presently receiving waste from the Contracting Municipalities.

Under the Service Contract, the City is required to deliver, or cause to be delivered to the System solid waste generated within its boundaries with a minimum commitment of 34,500 tons per year and to pay a uniform per ton disposal service payment (Service Payment). The current fee is \$61 per ton. The aggregated minimum commitment of the Contracting Municipalities is 125,000 tons per year. The City's Service Payment commitment is a "Put-or-Pay" commitment in that if the aggregate minimum commitment of the Contracting Municipalities is not met by the total deliveries of the Contracting Municipalities in any year, the City must pay the Service Payment for its full portion of the aggregate minimum commitment even if it did not deliver that full portion.

The Service Payment applicable in any contract year is calculated by estimating the net cost of operation, which is the cost of operation less revenues other than Service Payments, as such terms are defined in the Service Contract. The sum of all Service Payments and other payments from the Contracting Municipalities are required to be sufficient to pay or provide for the net cost of operations.

The City has pledged its full faith and credit to the payment of Service Payments and also has agreed to enforce or levy and collect all taxes, cost sharing or other assessments or charges and take all such other action as may be necessary to provide for the payment of the Service Payments.

13. PRIOR PERIOD ADJUSTMENTS

Adjustments to Fund Balances

Bonded Projects Fund - Long term loans receivable were not deferred in the prior year resulting in a decrease in fund balance and an increase in deferred revenue of \$687,479.

Sewer Assessment Fund - Accounts payable was incorrectly reported in the prior year, resulting in a decrease in accounts payable and an increase in fund balance of \$221,839.

State and Federal Education Grants Fund - Deferred revenue was incorrectly reported in the prior year resulting in an increase in deferred revenue and a decrease in Fund balance of \$90,986.

Summer Student Fund - This fund was incorrectly omitted from the prior year, resulting in an increase cash and fund balance of \$1,762.

Adjustments to Net Assets

As a result of the above adjustments, beginning net assets decreased by \$89,224 for governmental funds, and decreased by \$221,839 for business-type funds.

In addition, as noted in Note 7, an increase to liabilities and a decrease to beginning net assets of \$7,000,000 have been recorded for a pollution remediation obligation.

Adjustments to Agency Funds

The cash balances in the student activity agency fund was incorrectly reported it the prior year. As a result, cash and deposits held for others increased by \$72,810.

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Appendix B

Forms of Legal Opinion of Bond Counsel

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ROBINSON & COLE LLP

280 Trumbull Street
Hartford, CT 06103-3597
Main (860) 275-8200
Fax (860) 275-8299

May 4, 2010

City of Meriden,
Meriden, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of Meriden, Connecticut (the "City"), a Tax Regulatory Agreement of the City, dated May 4, 2010 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of \$11,790,000 City of Meriden, Connecticut General Obligation Refunding Bonds, Issue of 2010, Series A, dated the date of delivery (the "Bonds"), maturing on August 1 in each of the years, in the principal amounts and bearing interest payable on August 1, 2010 and semiannually thereafter on February 1 and August 1 in each year until maturity or earlier redemption, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
August 1, 2010	\$ 105,000	3.000%
August 1, 2012	2,010,000	4.000
August 1, 2013	1,785,000	4.000
August 1, 2014	1,800,000	5.000
August 1, 2015	1,805,000	4.000
August 1, 2016	1,815,000	4.000
August 1, 2017	705,000	4.000
August 1, 2018	355,000	4.000
August 1, 2019	355,000	4.000
August 1, 2020	355,000	4.000
August 1, 2021	350,000	4.000
August 1, 2022	350,000	4.000

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

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

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

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the Bonds under authority of the Constitution and General Statutes of Connecticut and that the Bonds are a valid

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

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

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

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

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

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

Very truly yours,

ROBINSON & COLE LLP

ROBINSON & COLE LLP

280 Trumbull Street
Hartford, CT 06103-3597
Main (860) 275-8200
Fax (860) 275-8299

May 4, 2010

City of Meriden,
Meriden, Connecticut

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City of Meriden, Connecticut (the "City"), a Tax Regulatory Agreement of the City, dated May 4, 2010 (the "Tax Regulatory Agreement"), and other proofs submitted to us relative to the issuance and sale of \$26,700,000 City of Meriden, Connecticut General Obligation Refunding Bonds, Issue of 2010, Series B, dated the date of delivery (the "Bonds"), maturing on August 1 in each of the years, in the principal amounts and bearing interest payable on August 1, 2010 and semiannually thereafter on February 1 and August 1 in each year until maturity, at the rates per annum as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
August 1, 2010	\$ 260,000	3.000%
August 1, 2012	3,205,000	4.000
August 1, 2013	3,195,000	4.000
August 1, 2014	3,350,000	5.000
August 1, 2015	1,000,000	5.000
August 1, 2016	1,000,000	5.000
August 1, 2017	2,680,000	5.000
August 1, 2018	2,700,000	5.000
August 1, 2019	2,705,000	5.000
August 1, 2020	1,655,000	4.000
August 1, 2021	1,650,000	5.000
August 1, 2022	1,650,000	5.000
August 1, 2023	1,650,000	5.000

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

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

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement [any official statement] or other offering material relating to the Bonds, and we express no opinion relating thereto[, excepting only the matters set forth as our opinion in the Official Statement].

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

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

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

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

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

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

Very truly yours,

ROBINSON & COLE LLP

Appendix C

Form of Continuing Disclosure Agreement

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CONTINUING DISCLOSURE AGREEMENT

City of Meriden, Connecticut
\$38,490,000 General Obligation Refunding Bonds, Issue of 2010
Comprised of
\$11,790,000 General Obligation Refunding Bonds, Series A; and
\$26,700,000 General Obligation Refunding Bonds, Series B
dated the date of delivery

May 4, 2010

WHEREAS, the City of Meriden, Connecticut (the "City") has heretofore authorized the issuance of \$38,490,000 in aggregate principal amount of its General Obligation Refunding Bonds, Issue of 2010, dated the date of delivery (the "Bonds"), and to mature on the dates and in the amounts and set forth in the City's Official Statement dated April 20, 2010 describing the Bonds (the "Official Statement"); and

WHEREAS, the Bonds have been sold by a negotiated sale pursuant to a Bond Purchase Agreement, dated April 20, 2010 the "Bond Purchase Agreement"); and

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

WHEREAS, the City is authorized pursuant to Section 3-20e of the General Statutes of Connecticut to make such representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

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

NOW, THEREFORE, the City hereby represents, covenants and agrees as follows:

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

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

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

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

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

"Repository" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 57577 for purposes of the Rule, the MSRB or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

"SEC" shall mean the Securities and Exchange Commission of the United States or any successor thereto.

Section 2. Annual Reports.

(a) The City shall provide or cause to be provided to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, the following annual financial information and operating data regarding the City:

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

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

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

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

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

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

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

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

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

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

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

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

(c) Subject to the requirements of Section 8 hereof, the City reserves the right to modify from time to time the type of financial information and operating data provided or the format of the presentation of such financial information and operating data, to the extent necessary or appropriate; provided that the City agrees that any such modification will be done in a manner consistent with the Rule. The City also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

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

Section 4. Event Notices. The City agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of the occurrence of any of the following events, if material:

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

Section 5. Notice of Failure. The City agrees to provide, or cause to be provided, in a timely manner to the Repository in electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of any failure by the City to provide the annual financial information described in Section 2(a) of this Agreement on or before the date described in Section 3 of this Agreement.

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

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

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

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

Section 10. Indemnification. The City agrees to indemnify and save its officials, officers and employees harmless against any loss, expense or liability which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any loss, expense or liability due to any such person's malicious, wanton, or willful act. The obligations of the City under this Section shall survive termination of this Agreement.

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

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

City of Meriden, Connecticut

By: _____
Name: Lawrence Kendzior
Title: City Manager

By: _____
Name: Michael Lupkas
Title: Director of Finance & Treasurer