

Preliminary Official Statement Dated July 1, 2019

New Issue: Book-Entry Only

RATINGS: See "Ratings" herein.

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 and the Notes 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 and the Notes may be includable in the calculation of certain taxes under the Code, including the federal alternative minimum tax imposed on certain corporations for tax years beginning before January 1, 2018. In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds and the Notes 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 Danbury, Connecticut

\$7,000,000

General Obligation Bonds, Issue of 2019

DRAFT

Dated: Date of Delivery

**Due: Serially on July 15, 2020-2029,
as detailed inside this front cover.**

The Bonds will bear interest payable January 15, 2020 and semiannually thereafter on July 15 and January 15 in each year until maturity or earlier redemption. 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 Transfer System" herein.

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

Electronic bids via PARITY for the Bonds will be received until 11:30 A.M. (E.D.T.) on Tuesday, July 9, 2019 at Danbury City Hall, Finance Department Conference Room, 155 Deer Hill Avenue, Danbury, Connecticut 06810.

\$13,000,000

General Obligation Bond Anticipation Notes

Dated: July 18, 2019

Due: July 16, 2020

The Notes will be issued in book-entry-only form and will bear interest at such rate or rates per annum as are specified by the successful bidder or bidders as set forth on the inside front cover, in accordance with the Notice of Sale dated July 1, 2019. The Notes, when issued, will be registered in the name of Cede & Co., as Noteowner and nominee for DTC, New York, New York. See "Book-Entry-Only Transfer System" herein. The Notes are NOT subject to redemption.

Sealed proposals and electronic bids via PARITY for the Notes will be received until 11:00 A.M. (E.D.T.) on Tuesday, July 9, 2019 at Danbury City Hall, Finance Department Conference Room, 155 Deer Hill Avenue, Danbury, Connecticut 06810. Telephone bids will be received by an authorized agent of Phoenix Advisors, LLC, the City's Municipal Advisor, until 11:00 A.M. on the day of the sale at 203-797-4652.

The Bonds and the Notes will be general obligations of the City of Danbury, Connecticut (the "City") and the City will pledge its full faith and credit to pay the principal of and the interest on the Bonds and the Notes 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, 23rd Floor, Hartford, Connecticut 06103.

The Bonds and the Notes are offered for delivery when, as and if issued, subject to the approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut and certain other conditions. It is expected that delivery of the Bonds and the Notes in book-entry-only form will be made to DTC on or about July 18, 2019.



City of Danbury, Connecticut
\$7,000,000
General Obligation Bonds, Issue of 2019

Dated: *Date of Delivery*

Due: *Serially on July 15, 2020-2029,
as detailed below:*

Maturity Schedule

Year	Principal	Coupon	Yield	CUSIP	Year	Principal	Coupon	Yield	CUSIP
2020	\$ 700,000	___%	___%	235866___	2025	\$ 700,000	___%	___%	235866___
2021	700,000	___%	___%	235866___	2026	700,000	___%	___%	235866___
2022	700,000	___%	___%	235866___	2027	700,000	___%	___%	235866___
2023	700,000	___%	___%	235866___	2028	700,000	___%	___%	235866___
2024	700,000	___%	___%	235866___	2029	700,000	___%	___%	235866___

\$13,000,000
General Obligation Bond Anticipation Notes

Dated: **July 18, 2019**
Rate: ___%
Yield: ___%

Due: **July 16, 2020**
CUSIP: **235866___**
Underwriter: **TBD**

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and the Notes 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 and the Notes 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 information set forth herein has been obtained by the City from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. Certain information in this Official Statement has been obtained by the City from other sources. Neither the City, the Underwriter, nor the Municipal Advisor guaranty the accuracy or completeness of such information, however, and such information is not to be construed as a representation of any of the foregoing.

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 Appendices B and C, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has 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 it is subject to revision or amendment.

The City currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system. 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 (i) annual financial information and operating data, (ii) notice of the occurrence of certain events within 10 business days of the occurrence of such events, and (iii) 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. The Continuing Disclosure Agreements for the Bonds and the Notes shall be executed in substantially the forms attached as Appendices D and E to this Official Statement.

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Bond Issue Summary

The information in this Bond Issue Summary, the front cover and the inside front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Tuesday, July 9, 2019, 11:30 A.M. (E.D.T.).
Location of Sale:	Danbury City Hall, Finance Department Conference Room, 155 Deer Hill Avenue, Danbury, Connecticut 06810.
Issuer:	City of Danbury, Connecticut (the "City").
Issue:	\$7,000,000 General Obligation Bonds, Issue of 2019 (the "Bonds").
Dated Date:	Date of Delivery.
Interest Due:	January 15, 2020 and semiannually thereafter on July 15 and January 15 in each year until maturity or earlier redemption.
Principal Due:	July 15 in each of the years 2020 through 2029, as detailed in this Official Statement.
Purpose and Authority:	A portion of the Bond proceeds are being issued to permanently finance a portion of bond anticipation notes maturing on July 18, 2019, which were issued for various general purpose and school projects, and the remaining Bond proceeds will provide new money for various general purpose, school and water projects.
Redemption:	The Bonds are subject to redemption prior to maturity.
Security and Remedies:	The Bonds will be general obligations of the City, and the City will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	Application for a rating on this issue has been made to Moody's Investors Service ("Moody's"), Inc., S&P Global Ratings ("S&P") and Fitch Ratings ("Fitch"). The City has outstanding credit ratings as follows: Moody's, Inc. "Aa1"; S&P "AA+"; and Fitch "AAA".
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Bond Insurance:	The City does not expect to direct purchase a credit enhancement facility.
Bank Qualification:	The Bonds shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, the City will provide or cause to be provided: (i) certain annual financial information and operating data, including audited financial statements; (ii) timely notice of the occurrence of certain events within 10 business days of the occurrence of such events; and (iii) timely notice of its failure to provide such annual financial information, pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form attached as Appendix D to this Official Statement.
Registrar, Transfer Agent, Certifying Agent, Paying Agent and Escrow Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23 rd Floor Hartford, Connecticut 06103.
Municipal Advisor:	Phoenix Advisors, LLC, of Milford, Connecticut. Telephone (203) 878-4945.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about July 18, 2019, against payment in federal funds.
Issuer Official:	Questions concerning the City and the Official Statement should be addressed to David W. St. Hilaire, Director of Finance, City of Danbury, 155 Deer Hill Avenue, Danbury, Connecticut 06810. Telephone (203) 797-4652.

Note Issue Summary

The information in this Note Issue Summary, the front cover and the inside front cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Tuesday, July 9, 2019, 11:00 A.M. (E.D.T.).
Location of Sale:	Danbury City Hall, Finance Department Conference Room, 155 Deer Hill Avenue, Danbury, Connecticut 06810.
Issuer:	City of Danbury, Connecticut (the "City").
Issue:	\$13,000,000 General Obligation Bond Anticipation Notes (the "Notes").
Dated Date:	July 18, 2019.
Interest Due:	At maturity: July 16, 2020.
Principal Due:	At maturity: July 16, 2020.
Purpose and Authority:	Proceeds of the Notes are being issued to refund a portion of bond anticipation notes maturing on July 18, 2019 and the balance of the Note proceeds will provide new money for various general purpose, school and sewer projects.
Redemption:	The Notes are <u>NOT</u> subject to redemption prior to maturity.
Security and Remedies:	The Notes will be general obligations of the City, and the City will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
Credit Rating:	Application for a rating on this issue has been made to Moody's Investors Service ("Moody's"), S&P Global Ratings ("S&P") and Fitch Ratings ("Fitch").
Basis of Award:	Lowest Net Interest Cost (NIC), as of the dated date.
Bank Qualification:	The Notes shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, the City will provide or cause to be provided: (i) certain annual financial information and operating data, including audited financial statements; (ii) timely notice of the occurrence of certain events within 10 business days of the occurrence of such events; and (iii) timely notice of its failure to provide such annual financial information, pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form attached as Appendix E to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23 rd Floor Hartford, Connecticut 06103.
Municipal Advisor:	Phoenix Advisors, LLC, of Milford, Connecticut. Telephone (203) 878-4945.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about July 18, 2019, against payment in federal funds.
Issuer Official:	Questions concerning the City and the Official Statement should be addressed to David W. St. Hilaire, Director of Finance, City of Danbury, 155 Deer Hill Avenue, Danbury, Connecticut 06810. Telephone (203) 797-4652.

I. Bond and Note 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 Danbury, Connecticut (the "City"), in connection with the original issuance and sale of \$7,000,000 General Obligation Bonds, Issue of 2019 (the "Bonds") and \$13,000,000 General Obligation Bond Anticipation Notes (the "Notes") 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 and the Notes. 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, Goodwin Square, 225 Asylum Street 23rd Floor, Hartford, Connecticut will act as Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds and the Notes.

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 opinion) and they make no representation that they have independently verified the same.

Municipal Advisor

Phoenix Advisors, LLC, of Milford, Connecticut has served as Municipal Advisor to the City with respect to the issuance of the Bonds and the Notes (the "Municipal Advisor"). The Municipal 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 Municipal 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 of rates as set forth on the inside front cover of this Official Statement, payable on January 15, 2020 and semiannually thereafter on July 15 and January 15 in each year until maturity or optional redemption. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. Interest is payable to the registered owner as of the close of business on the last business day of December and June in each year, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, and the City shall agree.

Redemption Provisions

Bonds maturing on or before July 15, 2025 are not subject to redemption prior to maturity. The Bonds maturing July 15, 2026 and thereafter are subject to redemption prior to maturity, at the election of the City, on or after July 15, 2025 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:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
July 15, 2025 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 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.

Description of the Notes

The Notes will be dated July 18, 2019 and will be due and payable as to both principal and interest at maturity on July 16, 2020. The Notes will bear interest calculated on the basis of twelve 30-day months and a 360-day year at such rate or rates per annum as are specified by the successful bidder or bidders. A book-entry system will be employed evidencing ownership of the Notes in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. See "Book-Entry Only Transfer System". The Notes are NOT subject to redemption prior to maturity.

Authorization and Purpose

The Bonds and the Notes are issued pursuant to Title 7 of the General Statutes of Connecticut as amended, the City charter and ordinances adopted by the City Council of the City or approved by the voters of the City at referendum.

Proceeds of the Issue

Proceeds of the Bonds and the Notes will be used to refund the \$23,500,000 bond anticipation notes maturing on July 18, 2019 and to provide new money borrowing for the projects listed below:

Project	Authorized	Notes Due: 7/18/19	(Reductions) or New Money	This Issue	
				Dated: 7/18/19 Due: 7/16/20	The Bonds
Gen. Public Imp. 13-14	\$ 3,000,000	\$ 175,000	\$ (175,000)	\$ -	\$ -
Gen. Public Imp. 15-16	3,000,000	125,000	-	-	125,000
Gen. Public Imp. 16-17	3,000,000	400,000	-	-	400,000
Gen. Public Imp. 17-18.....	3,000,000	1,800,000	-	1,000,000	800,000
Gen. Public Imp. 18-19.....	3,000,000	500,000	1,050,000	750,000	800,000
Gen. Public Imp. 19-20.....	3,000,000	-	2,500,000	2,500,000	-
Open Space	16,970,698	-	50,000	50,000	-
Danbury Road Bond 2020.....	15,063,750	1,000,000	2,400,000	2,350,000	1,050,000
2016 Vision Public Improvements.....	10,000,000	1,700,000	(25,000)	1,000,000	675,000
DHS 2020.....	53,500,000	12,500,000	(6,200,000)	3,300,000	3,000,000
Open Space - Danbury High School.....	1,929,302	-	400,000	300,000	100,000
Vision 2020 Bond-Schools.....	40,490,000	2,300,000	(800,000)	1,500,000	-
2016 Sewer.....	10,000,000	2,600,000	(2,600,000)	-	-
Vision 2020 Sewer upgrade.....	7,975,000	200,000	-	200,000	-
Vision 2020 Water System.....	550,000	200,000	(100,000)	50,000	50,000
Total.....	\$ 174,478,750	\$ 23,500,000	\$ (3,500,000)	\$ 13,000,000	\$ 7,000,000

School Projects

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved on or after July 1, 1996. Debt service reimbursement will continue under the old program for all projects approved prior to July 1, 1996. However, the City will receive approximately 80% of eligible costs in State funding for the Danbury High School project.

Under the old program, the State of Connecticut will reimburse the City for principal and interest costs for eligible school construction projects over the life of outstanding school bonds and the subsequent bond issues necessary to completely fund the approved school projects.

Book-Entry-Only Transfer System

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

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

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each 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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by

arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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 Securities 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 Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 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 the City believes to be reliable, but the City nor the Underwriter takes no responsibility for the accuracy thereof.

Security and Remedies

The Bonds and the Notes will be general obligations of the City and the City will pledge its full faith and credit to pay the principal of and interest on the Bonds and the Notes when due. Unless paid from other sources, the Bonds and the Notes 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 and the Notes is not limited to property tax revenues or any other revenue source, but certain revenues of the City may be restricted as to use and therefore may not be available to pay debt service on the Bonds and the Notes.

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 and the Notes, 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 power in appropriate proceedings to render a judgment against the City. Courts of competent jurisdiction also have 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 11 of the 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 and the Notes shall NOT be designated by the City as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for certain interest expense allocable to the Bonds and the Notes.

Availability of Continuing Information

The City 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 Agreements, and timely notice of the occurrence of certain events with respect to the Bonds and Notes pursuant to Continuing Disclosure Agreements to be executed by the City substantially in the forms attached as Appendices D and E to this Official Statement. The Underwriter's obligation to purchase the Bonds and Notes shall be conditioned upon its receiving at or prior to the delivery of the Bonds and Notes the executed copies of the Continuing Disclosure Agreements.

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). In the past five years, the City has not failed to comply, in all material respects, with its previous undertakings under such agreements. The Municipal Advisor will assist the city in complying with its continuing disclosure obligations.

Ratings

Applications have been made to Moody's Investors Service ("Moody's"), S&P Global Ratings ("S&P"), acting through Standard & Poor's Financial Services LLC, and Fitch Ratings ("Fitch") for a rating on the Bonds and on the Notes. The City has outstanding credit ratings as follows: Moody's "Aa1"; S&P "AA+"; and Fitch "AAA".

The City furnished to the rating agencies information and materials that they requested. The ratings, if obtained, will reflect only the view of each rating agency and will be subject to revision or withdrawal, which could affect the market price of the Bonds and the Notes. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will continue for any given period of time or that the ratings will not be revised or withdrawn entirely by any agency, if, in the judgment of such rating agency, circumstances so warrant. The rating agencies should be contacted directly for their ratings on the Bonds and the Notes and the explanation of such rating. However, the City may issue short-term or other debt for which a rating is not required. The City's Municipal 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 enhancement facility.

II. The Issuer



Description of the Municipality

The City is the largest city in northern Fairfield County. Traversed by I-84 and Route 7, and adjacent to I-684, Danbury is easily accessible to New York City, Hartford and Norwalk, all of which are within 60 miles. Danbury is also accessible by a municipal airport.

According to the U.S. Bureau of Census, American Community Survey (2013-2017), Danbury has a median household income of \$68,068. Danbury is diversely populated with an estimated population of 87,543 (2019). The City's residents represent more than 60 different nationalities and the students entering Danbury public schools speak over 45 different languages. Danbury is a hub for retail shopping. The Danbury Fair Mall remains the largest mall in New England and newer shopping centers have attracted tenants such as Home Depot, Best Buy, Lowes and Wal-Mart.

Cultural activities abound in the City through the Charles Ives Center—the largest outdoor concert site in Western Connecticut; Richter Park, containing one of the top 25 public golf courses in the country; Candlewood Lake—the largest man-made lake in New England; and other smaller sites, such as museums and festivals.

Form of Government

The City operates under a Charter, adopted in 1889, and was last revised in November, 2009. The City is governed by a Mayor and a twenty-one member City Council. The Mayor is the City's Chief Executive Officer and the City Council is the legislative body.

Principal Municipal Officials

Office	Name	Manner of Selection	Term	Years of Service	Employment Last Five Years
Mayor.....	Mark D. Boughton	Elected	12/17-11/19	17	Mayor
Treasurer.....	Daniel P. Jowdy	Elected	12/17-11/19	15	Funeral Director
Council.....	21 members	Elected	12/17-11/19	Various	Various
Director of Finance.....	David W. St. Hilaire	Appointed ¹	Indefinite	12	Director of Finance
		Civil Service			
Tax Collector.....	Scott Ferguson	Appointed ¹	Indefinite	13	Manager, Taxes
		Civil Service			
Assessor.....	David W. St. Hilaire ³	Appointed ¹	Indefinite		Tax Assessor
Superintendent of Schools....	Dr. Sal Pascarella	Appointed ²	Contract	12	Superintendent
Corporation Counsel.....	Robert J. Yamin	Appointed ¹	Indefinite	17	Attorney

¹ Appointed by the Mayor.

² Appointed by the Board of Education.

³ Acting Tax Assessor.

Municipal Services

Danbury Police Department – DPD “Dependable, Professional, Dedicated”

The mission of the Danbury Police Department is to provide an environment that is free from the fear of crime, where people can enjoy a high quality of life, and the entire Danbury community can prosper.

The Danbury Police Department has three major divisions; Patrol, Investigations, and Professional Standards. It has an authorized strength of 154 sworn officers. Additional civilian support personnel are assigned to various divisions within the agency.

In September of 2018, the Department earned Tier 3 Accreditation from the State of Connecticut Police Officer Standards and Training Council (POSTC). This is the highest level of accreditation than can be achieved from POSTC.

Internally we have started initiatives to better focus on officer mental health and wellness, started the implementation of an automated scheduling system for greater efficiency, and we are currently studying the feasibility of implementing a body camera program. Leveraging a local grant, we approved new software to improve and streamline our personnel management system, and we recently received a generous donation to outfit our three patrol K-9’s with brand new ballistic vests. Additionally, several new officers joined the department, thanks to successful entry-level and lateral recruitment campaigns.

Externally, we ran two more successful Citizens Police Academies this past year. During the summer of 2018 our School Resource Officers ran a two-week Junior Police Academy at Rogers Park Middle School. Our Traffic Division secured grants to conduct various enforcement initiatives throughout the year, especially to deter distracted driving. We recently secured a grant to bring downtown foot patrols back on a limited basis this coming spring and summer.

The City had another relatively successful year with our overall crime rate, including a significant reduction in violent crime. This is due not only to the efforts of the men and women of the police department but also to the positive relationships that we have developed and maintained with our residential and business communities, civic organizations and other agencies.

Danbury Fire Department and EMS

The mission of the Danbury Fire Department (the “Department”) is to provide for the protection of life, property and the environment for all citizens in the safest and most efficient manner possible. To meet this objective, the Department utilizes an aggressive Fire Education, Prevention and Inspection Program, rapid professional responses, up-to-date emergency equipment and continuing training for both Career and Volunteer Divisions of the Department.

Initiatives of the Department include the implementation of the upgrading of the Computer Aided Dispatch with the NexGen system and the Computer Aided Dispatch (NexGen Public Safety software system) for the Police Department and EMS. The Department has Telestaff scheduling and the Firehouse Software package to assist in its operations. The Telestaff program assists in tracking of schedules, overtime and other various leaves, which allows the City to better track its budget allocations. The Firehouse program is a system specifically designed to assist in Fire Department operations in all facets from fire response to inspection tracking and maintenance of gear and equipment.

The programs of the Community Risk Reduction division of the Department include all aspects of the efforts to reduce fire risks in the City. Based in City Hall, adjacent to the Permit Center, this division is led by the Fire Marshal and staffed by six Deputy Fire Marshals. The Community Risk Reduction programs include pre-construction plan reviews, prescribed inspections of occupancies, complaint response, and public education. The public education activities include programs developed and delivered to students in City schools, and target populations such as senior citizen groups as well as business and social organizations.

The missions involving emergency response are carried out by a Career Division comprising administrative and response staff in five locations, operating with twelve (12) fire trucks of various configurations, seventeen (17) sedans and SUVs and various equipment trailers. Volunteer companies combined with volunteer fire continue to support the Department in emergency situations including fire response, flood remediation and traffic control. The volunteer companies operate with approximately one hundred and ten (110) volunteers from twelve (12) stations with fire response apparatus and rescue equipment.

With fire suppression as the Department's core mission, the Department continues to face the challenges of potential terrorism and hazardous material spills. The Department is part of a regional Hazardous Material response team with trained Hazardous Material technicians assigned to each shift. As a member of this regional effort, the Department's response region extends from Ridgefield, Connecticut to the Massachusetts border. In addition, the Danbury Fire Department is a member of the state-wide response network staffing other state response apparatus. These regional resources include a Hazardous Material response vehicle, foam trailer, a Mass DECON trailer and Mass Casualty trailer.

Additional specialized training in various technical rescue modalities is also ongoing. This training, utilizing the instructors of the Connecticut Fire Academy, has included basic rescue training or C.O.R.E., below grade, trench and confined space certifications and most recently heavy equipment rescue. The Department will continue these training initiatives. Future programs will include advanced rescue programs and other such classes as the demands on the Department continue to evolve.

All firefighters are cross-trained to an advanced life support first responder level. The Fire Department operates five (5) engine companies with one heavy rescue, one special response vehicle and one truck company. Each company is equipped with automatic defibrillators and other advanced life support equipment. With rapid response times due to geographic distribution of fire stations, this complement of equipment and professionally trained personnel helps make Danbury a safe community in which to work and live. The deployment schedule for ambulances coupled with the Department's first responder engine companies has improved response time throughout the City. This response model has benefited residents in all areas of the City with timely lifesaving emergency medical care.

The City has partnered with Western Connecticut Health Network ("WCHN"), the parent of Danbury Hospital, through a performance based EMS contract to manage, staff and operate the Danbury Emergency Medical Services Division. Each City ambulance is staffed with a paramedic offering the highest level of pre hospital advanced care to those in need of medical attention. Throughout the many years of this engagement, collaborative efforts with Fire and EMS officials have focused on specific performance metrics to consistently deliver prompt, courteous and professional emergency medical care to the citizens and visitors of Danbury. Additionally, the continual assessment of specific analytics has best facilitated EMS transport resources to be operated and staffed according to peak hour call volume demand. As such, the EMS program has historically proven both fiscally and operationally responsible through optimal revenue recovery and high call volume coverage performance. Advances in resuscitation protocols, have yielded a more coordinated and expedient response of strategically positioned fire department first responders and paramedics. Efforts in continually developing a reliable emergency medical dispatch program recognize that early notification and activation of the 9-1-1 system are often the first link in the chain of survival. In fact, the EMS program has consistently been recognized in providing gold standard care for patients

experiencing cardiac emergencies through the Mission Lifeline program. Quality and performance improvement initiatives through the regular review and medical oversight established by existing oversight committee membership remain the foundation of the systematic and collaborative approach in responding and managing emergency medical services in the City.

Training programs for both career and volunteer members are continuous and have expanded to meet recent challenges and demands of the fire and emergency services. Hundreds of continuing classroom and practical hours keep firefighters abreast of current risks, equipment use, standards, regulations and safety practices. All career recruits attend an initial fifteen (15) week session at the Connecticut State Fire Academy. This basic training, at one of the premier fire training institutions in the country, prepares recruits for the challenges they will face. Many members continue their education at the National Fire Academy, State Fire Academy and other institutions of higher learning including Naugatuck Valley Community College and the University of New Haven. The Department has completed construction of its new classroom structure at the Fire Training School which includes two classrooms, office and break room space, two truck bays, and unique features for firefighter training. This facility complements the existing burn building and other training props on site.

The Department continues public education activities throughout the community with Juvenile Fire Setter Intervention programs and File of Life senior citizen programs (sponsored by the Danbury Professional Firefighters Local 801). An initiative of the Department has placed automatic defibrillators in municipal buildings and City schools.

A Federal grant was awarded for replacement of mobile and portable radios. Collaboration with the American Red Cross facilitated distribution of smoke detectors throughout the community. A private donor contributed funds for the purchase of a drone which is used to provide situational awareness such as live aerial feed of fires or large-scale incidents, pre-planning information, and to search for lost persons in rugged terrain. A corporate grant covered the purchase of a new Utility Terrain Vehicle that will be used for search and rescue operations for lost persons in rugged terrain, emergency medical evacuation from remote locations, and wildland firefighting.

These programs, response, mitigation and fire suppression actions, each contribute to improving the quality of life in the City.

Parks and Recreation

Excluding school facilities, the City has 1,680 acres designated for park and recreational use distributed as follows: 251 acres of City parks; 256 acres of natural resource areas; and 1,054 acres of special use parks. The Parks & Recreation Department uses 15 schools for playgrounds/ball fields, which account for 55 acres.

The City also contains recreational facilities and parks owned and maintained by state and community organizations. Wooster Mountain State Park (428 acres), administered by Squantz Pond State Park, contains a few lightly used hiking trails and a shooting range operated by the Danbury Shooting Sports Associates. Lattin's Cove (5 acres) operates a State boat launch on Lake Candlewood. Privately owned recreational facilities include diverse organizations such as the Swampfield Land Trust, the Portuguese Cultural Center, the Ridgewood Country Club, private and parochial schools and Western Connecticut State University. The facilities and parks owned and maintained by the City include:

- *Bear Mountain Park* (140 acres): mostly undeveloped, passive recreation with a conservational outlook, Ranger Cottage and parking with many diverse hiking trails.
- *Blind Brook Playground* (.5 acres): playground.
- *Danbury Dog Park, Miry Brook Rd.* Off leash park for small and large dogs.
- *Danbury Green* (1 acre): benches, walkway and band shell.
- *Elmwood Park* (2 acres): park benches for passive recreation and a fountain.
- *Farrington Property* (192 acres): hiking trails.
- *Hatter's Community Park* (32 acres): bowling alley, Park & Recreation Office, 3 softball fields, banquet hall, open air Pavilion and playground.
- *Highland Playground* (8 acres): playground and spray-park.
- *John Perry Field* (3 acres): all-purpose field turf surface, located in Rogers Park, used for football, soccer, lacrosse (boys & girls) and field hockey, located in Rogers Park.

- *Joseph Sauer Memorial Park* (2 acres): park for the elderly and a basketball court.
- *Kennedy Park* (1 acre): park benches for passive recreation.
- *Lake Candlewood Park* (11 acres): swimming, picnicking, volleyball court, motorized boating and boat ramp.
- *Lake Kenosia Park* (25 acres): picnicking, Spray Park, non-motorized boating, four soccer fields and playground.
- *Mill Plain Swamp* (34 acres): no facilities.
- *Mill Ridge, West Side Middle School Academy*, all-purpose field turf playing surface, soccer and rugby.
- *Old Quarry Nature Center* (40 acres): trails, bird watching and natural scenery.
- *Richter Park* (230 acres): 18-hole golf course, pro shop, restaurant, playhouse, basketball court, fishing, hiking trail, two tennis courts and winter recreation. (Richter Park Drive).
- *Rogers Park* (56 acres): 8 tennis courts/lights, handball/paddleball court, 4 softball fields, 6 baseball fields, 1 all-purpose turf field, and 6 volleyball courts.
- *Rogers Park Playground* (1 acre) and spray park.
- *Rogers Park Pond* (7 acres): interpretative trails, outdoor fitness park and footbridge.
- *Rowan Street Playground* (3 acres): playground.
- *Stephen A. Kaplanis Field* (5.5 acres): all-purpose field turf surface used for football, soccer, lacrosse (boys & girls) and field hockey.
- *Still River Greenway* (35 acres): hiking trails, education station, boat launch, bird sanctuary and footbridge.
- *Tom West Park* (.5 acres): playground.
- *Wiedel Meadows*- Passive Recreational.

Tarrywile Park is a passive recreational area. It consists of 722 acres split into two distinct sections by Brushy Hill Road. It has several buildings on the property. The following are most noteworthy:

- *Mansion* - 3 stories, built in late 1897 which contains 18 rooms that have been renovated for use as a Community Center.
- *Castle* - 3 stories, built in 1897 from natural quarry stone and its use is undetermined as it currently undergoing a large renovation project.
- *Carriage House* - park residence.
- *Farm House* - park residence.
- *Dairy Barns* - Red Barn is an environmental education center with a renovated silo. The milking parlor was recently renovated.
- *Gate House* - park residence.
- *Greenhouse* - used by Danbury High School "Green Room Program" for at risk students.
- *School building* - used as a pre-school.

Danbury Public Library

The Danbury Public Library opened in 1970 on the primary downtown intersection of Main and West Street. Current services include:

- *Hours*: The library is open a total of 51 hours per week, Monday – Sunday, from September through May, and 44 hours per week, Monday – Saturday, during the summer.
- *E-books and Streaming Services*: The library provides access, with a valid Danbury Library card, to a growing collection of downloadable and streaming eBooks, audiobooks, music, movies, and television shows. Downloadable content can be accessed through an e-reader, smart phone, tablet or personal computer. The library currently offers Overdrive and RB Digital for e-books and audiobooks; Hoopla for music, movies, audiobooks e-books, comics and television shows; Freegal for music; Kanopy for film; and Tumblebooks for e-books for children,
- *Audio-Video Department*: A 4,200 square foot area holds more than 20,000 non-print items including: DVDs, compact discs, books on CD, Playaways (books on MP3), and Blu-ray discs.
- *Personal computers for the public use*: Access to word processing, spreadsheet programs, the Internet and a variety of on-line databases is available for public use on 94 computers. Free high-speed wireless Internet access is available in the library, as well as on the library plaza.

– *Library Technology Center*: A 4,300 square foot computer lab with 23 workstations can be used by the public for Internet access, word processing, on-line access to the library catalog, resume and typing programs and multilingual access to the Internet. Library staff members offer introductory as well as specialized Internet and computer classes to the public on a regular basis in English or Spanish. The technology center also lends out iPads, Kindles, Rokus, Chromebooks, and WiFi hotspots to Danbury residents.

– *Language Center*: There are 12 computers in the Language Center Computer Lab installed with state-of-the-art interactive ELLIS English Learning software, and a bi-lingual instructor is available at various times during the week to assist new students. There are various print and non-print materials that teach reading comprehension, pronunciation and vocabulary are available for self-study. The Language Center also carries materials on learning languages other than English. Access to an online language learning database is available in the library or remotely from a home computer. The language center also offers talk time conversational ESL classes.

– *Program Rooms*: The Family Program Room, which seats up to 70, has kitchen facilities. The Lower Level Meeting Room, which seats up to 30, can be reserved by the public for programs and workshops. A third conference room in the Technology Center can be reserved for smaller gatherings and seats 12. The Study Pod accommodates up to four people, and is designed for quiet study, business meetings, and interviews.

– *Danbury Library Homepage*: Connecting to the library’s home page (danburylibrary.org) allows off-site customers to view the library’s catalog, reserve books, subscribe to an on-line newsletter, visit selected web sites of current interest, and retrieve full-text magazine articles 24 hours a day, seven days a week. Residents can also access digital services of ebooks, downloadable music, movies and audiobooks. The library homepage can be viewed in English, Portuguese, and Spanish.

– *Danbury Innovation Center (Hackerspace)*: The Danbury Hackerspace is a non-profit collaborative work space and educational resource for projects related to business and technology, where members and the general public can learn, create and share technology, art, craft and culture. The use includes, but is not limited to, maintaining a physical space for workshops, project collaboration, project storage, shared equipment, libraries, exhibitions, lectures and all lawful activities in the furtherance of the stated purposes or those incidental to them. The City has provided the space, which is connected to the library, to help launch the Hackerspace and build a community of entrepreneurs, makers, craftspeople, and artists. The Danbury Hackerspace includes 3D printers, prototyping tools, a mockup studio, a common work area, program space, separate co-working space, and the Innovation Cafe.

A Board of Directors, appointed by the Mayor, governs the Danbury Public Library. The Mayor also appoints a Library Director to promote library services, supervise a staff of 45, and manage an operating budget of \$2 million.

Solid Waste - Recycling

The City of Danbury is a member of the Housatonic Resources Recovery Authority (“HRRRA”), and that membership has no sunset date. As a member of the HRRRA, Danbury’s solid waste and recycling contracts are managed by the HRRRA as part of a regional authority. The HRRRA negotiates the tip fees on behalf of its members. The 2019 calendar year tipping fee is \$87.47 per ton while 2020’s fee has been set at **\$88.21** per ton. HRRRA’s services are funded through a program fee that is collected as part of the tip fees which is paid by the private haulers. The haulers charge the residents of the City of Danbury (their customers) directly for collection services. The City of Danbury has no financial obligation to the HRRRA. The City of Danbury is in the process of signing a new “Form of Municipal Agreement” (the current FOMA expires June 30, 2019) which is an attachment to the new full solid waste and recycling system agreement (contract) which takes effect July 1, 2019. The HRRRA negotiated the ten year contract with Winters Brothers Waste Systems of Connecticut (operators of the City’s transfer station). There are approximately thirty independent haulers registered to collect solid waste in the City. There is no municipal garbage collection.

The City’s landfill closed on December 31, 1996. However the final closure and capping of the landfill was not completed until 1998. The \$11 million project included installation of a gas recovery system including a full synthetic geomembrane cap.

The Citywide recycling program was implemented in 1991. Municipal recycling trucks remain available for use by all City residents. There is also curbside recycling offered citywide by independent haulers. In addition, the

City has contracted with Winters Brothers. Waste System to operate a municipal solid waste and recycling center drop off location for residents who do not wish to contract with an independent hauler.

On April 21, 2004, the City entered into a 12-year contract with Total Landscaping and Tree Service, LLC for the management and operation of a wood waste facility and a leaf composting facility. The contract was automatically renewed for an additional five-year term on March 1, 2016. The wood waste and leaf composting operations are conducted at City owned facilities. Total Landscaping and Tree Service, LLC is responsible for accepting and processing wood waste and leaves deposited at these City owned facilities as generated by the City or its residents.

Enterprise Funds

Sewer Fund

The City had a 20-year agreement through June 2018 (the “Agreement”) with Veolia Water to manage its wastewater collection and treatment system. However, a 5-year extension to this agreement was signed on October 1, 2017. The annual base fee is maintained at approximately \$4.9 million (plus an annual adjustment equal to the change in the consumer price index, which currently totals approximately \$154,000) through June 30, 2013. The City continues to exercise control over its rate setting and inter-municipal agreements. The City retains full legal title and ownership of the facility. Veolia operates and maintains the facility in accordance with the terms and conditions of the City’s NPDES permit (# CT0100145). The contract with Veolia contains additional performance standards, such as Veolia implementing a program to provide a year round nitrification process to ensure the quality of effluent, which are above the requirements of the City’s current NPDES permit. A laboratory is maintained on site by Veolia to ensure proper operation of the plant process and to comply with the Connecticut Department of Energy and Environmental Protection requirements.

All residential and other sewage collected flows to the treatment plant through lateral and trunk sewers. In those geographic areas where sewage cannot flow by gravity, pumping stations lift the sewage to a higher point in elevation so it may flow by gravity to the treatment plant. Sewers are inspected for blockage and other physical conditions. Collection system sewer gravity lines in Danbury are inspected and maintained by the Danbury Public Utilities Department.

Funds for the operation of the Wastewater Division, including payments to Veolia under its contract, are provided by a sewer use charge. The sewer use charge also pays for the debt service on the debt issued to construct the treatment plant and trunk sewers. The assessment of benefits for lateral sewer lines is calculated in accordance with City ordinances using a formula that includes the following four elements: area of lot or parcel; frontage of lot or parcel; number of existing building units or number of units allowed by zoning on lot or parcel; and property valuation for tax purposes of lot or parcel. Private individual's assessment represents a proportionate portion of the assessable cost of sewer extensions.

Sewer rates will require a 3.5% increase for fiscal year 2019-20. The historical sewer rate increases for the last five years were as follows:

<i>Fiscal Year Ending</i>	<i>Annual % Increase</i>
June 30, 2020 ¹	3.50%
June 30, 2019	2.95%
June 30, 2018	0.00%
June 30, 2017	2.95%
June 30, 2016	0.00%

¹ Currently, sewer consumption is billed at 90% of water consumption. As of 7/1/2019, it will be adjusted to 95% of water consumption.

The City has inter-municipal agreements with the Towns of Bethel, Brookfield, Newtown and Ridgefield which address and provide the mechanism for payment of the capital improvements to the upgraded facility as well as the making of operating and maintenance payments to the City for the treatment of the sewage that is generated by each municipality. The capital and operation and maintenance formulas are, both, a function of each municipality’s proportionate share of the flow either reserved in the plant for capital expenses or actually flowing to the plant for operation and maintenance expenses. The plant is fully operational.

Water Fund

The City’s raw water supply has 8 reservoirs with a total capacity of 3.0 billion gallons of water. The safe yield of the City’s water system is 7.9 million gallons per day. Presently, the Danbury Water Department produces and distributes an average of 6.6 million gallons per day.

A water quality monitoring program has been established to ensure compliance with the standard for quality of drinking water listed in the State of Connecticut Public Health Code and in the Federal Safe Drinking Water Act. All the drinking water provided at the treatment plants and well field is chlorinated and fluoridated as required by the Connecticut Department of Public Health Service. Testing for water quality is performed by the Danbury Water Department laboratory and outside laboratory services.

The Water Department completed major programs directed at improving the purity, adequacy, and safety of the supply. It is the intent of the City to maintain a water supply system consistent with its plan of development. A Vulnerability Assessment for the water system was submitted to the United States Environmental Protection Agency in December 2003 as required by federal regulations.

Metered and non-metered rates provide funds for the operation, maintenance, and debt service of the water system. Water rates will decrease by 1.5% for fiscal year 2019-20. The historical water rate increases for the last five years were as follows:

<i>Fiscal Year Ending</i>	<i>Annual % Increase</i>
June 30, 2020	-1.50%
June 30, 2019	2.75%
June 30, 2018	0.00%
June 30, 2017	2.95%
June 30, 2016	0.00%

The rate structure is intended to provide sufficient funds for the Water System to be self-sustaining.

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Employee Relations and Collective Bargaining

Municipal Employees

Fiscal Year Ended June 30	2019	2018	2017	2016	2015
General Government.....	551	551	552	550	562
Board of Education.....	1,750	1,725	1,686	1,617	1,571
Total.....	2,301	2,276	2,238	2,167	2,133

Employee Bargaining Organizations

Board of Education Groups	Number of Employees	Current Contract Expiration Date
Non-Bargaining Employees.....	49	N/A
DSAA - School Administrators.....	47	6/30/2022
NEA Teachers.....	935	6/30/2020
Local 677 Teamsters Custodians.....	76	6/30/2019 ²
CSEA Paraprofessionals.....	436	6/30/2019 ²
School Nurses Association.....	27	6/30/2020
Local 677 Teamsters School Lunch.....	66	6/30/2021
Danbury Association of School Secretaries.....	87	6/30/2021
Safety Advocates.....	27	6/30/2021
Total.....	1,750	
City Groups		
Danbury Police Union, Hat City Local, CACP ¹	154	6/30/2021
UPSEIU (formerly DMEA) Municipal Employees.....	94	6/30/2020
Local 677 Teamsters.....	108	6/30/2020
Local 801 AFL CIO Firefighters.....	118	6/30/2020
Non-Bargaining Employees.....	77	N/A
Total.....	551	

¹ Includes two canine control officers.

² In negotiation.

Source: City of Danbury, Finance Department.

The Connecticut General Statutes Sections 7-473c, 7-474 and 10-153a-10-153n 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 must 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. For binding arbitration of teachers' contracts, in assessing the financial capability of a municipality, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

Educational Services

The Board of Education of the City is comprised of eleven elected members each serving a four year term, as provided by the City Charter. The Mayor serves as an ex-officio member. The Board of Education is responsible for maintaining public elementary and secondary schools. There are thirteen (13) elementary schools, three (3) middle schools, one (1) high school and one (1) alternative high school providing educational programs to students in grades pre-kindergarten through twelve.

School Facilities

School	Grades	Date Opened (Add. or Ren.)	Type of Construction	Number of Classrooms	Enrollment 10/1/18	Rated Capacity
Great Plain.....	PK - 5	1963	Brick	21	300	379
Hayestown.....	PK - 5	1955	Brick	26	470	448
King Street Primary	PK - 2	1977	Brick	22	452	488
King Street Intermediate	3 - 5	1964	Brick	31	370	322
Magnet.....	K - 4	2006	Brick	18	377	390
Mill Ridge Primary	PK - 2	1974	Brick	22	373	396
Morris Street.....	PK - 5	1992	Brick	24	332	379
		1963	(Addition)			
		1980	(Add. & Ren.)			
Park Avenue.....	PK - 5	1951	Brick	22	640	402
		2015	(Addition)			
Pembroke.....	PK - 5	1970	Brick	23	345	425
Ellsworth Avenue	PK - 5	1952	Brick	19	469	356
Shelter Rock.....	PK - 5	1963	Brick	22	545	405
		1973	(Addition)			
		2015	(Addition)			
South Street.....	PK - 5	1935	Brick	19	390	339
		1980	(Add. & Ren.)			
Stadley Rough.....	PK - 5	1971	Brick	21	514	494
		2015	(Addition)			
Broadview M.S.	6 - 8	1967	Brick	39	977	1,012
Rogers Pk. M.S.	6 - 8	1972	Brick	42	979	1,012
Westside M.S.	6 - 8	1957	Brick	36	639	600
Danbury H.S.	9 - 12	1964	Brick	117	3,086	2,442
Alternative Center.....	9 - 12	1977	Brick	11	91	100
Total				535	11,349¹	10,389

¹ Total represents all students reported by the district, including students placed in schools outside of the district. Therefore, the sum of school-level counts may be less than the total district enrollment.

Source: Danbury Board of Education

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School Enrollment

Year	<u>Historical</u>				Total
	Pre-K - 5	6-8	9-12	Other	
2009-2010	5,100	2,146	2,944	307	10,497
2010-2011	5,199	2,201	2,981	346	10,727
2011-2012	5,277	2,232	2,981	335	10,825
2012-2013	5,348	2,272	2,944	354	10,918
2013-2014	5,302	2,293	2,960	214	10,769
2014-2015	5,516	2,416	2,993	*	10,925
2015-2016	5,613	2,472	3,035	*	11,120
2016-2017	5,423	2,539	3,095	*	11,057
2017-2018	5,447	2,453	3,201	*	11,101
2018-2019	5,732	2,601	3,199	*	11,532
<i>* Head Start number no longer in BOE count</i>					
		<u>Projected¹</u>			
2019-2020	5,674	2,648	3,300	-	11,622
2020-2021	5,640	2,724	3,270	-	11,634
2021-2022	5,668	2,701	3,325	-	11,694

¹ Projections based on 2% Enrollment Growth based on Enrollment Study.

Source: Board of Education FY 2018/2019 Budget Book.

The Danbury Public Schools 2020 Task Force, launched in 2008, was charged with studying the Danbury Public Schools Five Year Plan and identifying strategies for both long and short term facility management, space utilization analysis, and capital improvement planning. The outcome of the study led to the City authorizing bonding in the amount of \$44 million for the Vision 2020 – Public Improvement Project and to the \$53.5 million Danbury High School (DHS) expansion project. As part of the projects, Mill Ridge Educational Center (renovated and renamed Westside Middle School), Park Avenue, Shelter Rock and Stadley Rough and Danbury High schools will be expanded and upgraded to accommodate the expanding enrollment. The City received approximately 63-80% reimbursement from the State of Connecticut School Building Grant program for these projects.

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III. Economic and Demographic Information

Population and Density

Year	Actual		Density ²
	Population ¹	% Increase	
2017 ³	84,573	4.5%	1,922.1
2010	80,893	8.1%	1,838.5
2000	74,848	14.1%	1,701.1
1990	65,585	8.5%	1,490.6
1980	60,470	18.4%	1,374.3
1970	51,066	-	1,160.6

¹ U.S. Department of Commerce, Bureau of Census.

² Per square mile: 44.0 square miles.

³ American Community Survey 2013-2017.

Age Distribution of the Population

Age	City of Danbury		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	5,408	6.4%	186,188	5.2%
5 to 9 years	4,983	5.9	206,536	5.7%
10 to 14 years	4,690	5.5	225,831	6.3%
15 to 19 years	5,835	6.9	249,777	6.9%
20 to 24 years	5,986	7.1	245,849	6.8%
25 to 34 years	12,161	14.4	439,239	12.2%
35 to 44 years	12,709	15.0	433,401	12.1%
45 to 54 years	11,878	14.0	535,611	14.9%
55 to 59 years	5,097	6.0	266,501	7.4%
60 to 64 years	4,478	5.3	229,788	6.4%
65 to 74 years	6,295	7.4	318,515	8.9%
75 to 84 years	3,302	3.9	167,133	4.6%
85 years and over	1,751	2.1	90,109	2.5%
Total.....	84,573	100%	3,594,478	100%
Median Age (Years) 2017.....	37.6		40.8	
Median Age (Years) 2010. ¹	35.2		37.4	

¹ U.S. Department of Commerce, Bureau of Census, 2010.

Source: American Community Survey 2013-2017

Income Distribution

Family Income	City of Danbury		State of Connecticut	
	Families	Percent	Families	Percent
\$ 0 - \$ 9,999.....	694	3.5%	27,787	3.1%
10,000 - 14,999.....	347	1.8	16,143	1.8%
15,000 - 24,999.....	968	4.9	41,072	4.6%
25,000 - 34,999.....	1,618	8.2	52,218	5.8%
35,000 - 49,999.....	2,167	11.0	82,371	9.2%
50,000 - 74,999.....	3,682	18.7	134,356	15.0%
75,000 - 99,999.....	2,797	14.2	122,244	13.6%
100,000 - 149,999.....	3,923	19.9	186,352	20.8%
150,000 - 199,999.....	1,569	8.0	100,359	11.2%
200,000 and over.....	1,916	9.7	132,765	14.8%
Total.....	19,681	100.0%	895,667	100.0%

Source: American Community Survey 2013-2017

Income Levels

	<u>City of Danbury</u>	<u>State of Connecticut</u>
Per Capita Income, 2017	\$ 32,764	\$ 41,365
Median Family Income, 2017	\$ 78,392	\$ 93,800
Median Household Income, 2017	\$ 68,068	\$ 73,781

Source: American Community Survey 2013-2017

Educational Attainment Population 25 years and over

	<u>City of Danbury</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade.....	6,799	11.8%	104,623	4.2%
9th to 12th grade.....	3,675	6.4	137,877	5.6
High School graduate.....	16,866	29.2	673,582	27.2
Some college, no degree.....	9,121	15.8	422,535	17.0
Associate's degree	3,561	6.2	188,481	7.6
Bachelor's degree.....	10,161	17.6	532,055	21.5
Graduate or professional degree.....	7,488	13.0	421,144	17.0
Total.....	57,671	100.0%	2,480,297	100.0%
Total high school graduate or higher (%).....	81.8%		90.2%	
Total Bachelor's degree or higher (%).....	30.6%		38.4%	

Source: American Community Survey 2013-2017

Major Employers As of July 2019

<u>Name</u>	<u>Business</u>	<u>Approximate Number of Employees¹</u>
Western CT Health Network (Danbury Hospital)....	Hospital (excluding affiliates)	2,665
Boehringer-Ingelheim Pharmaceuticals ²	Pharmaceuticals	2,500
Danbury School Systems.....	Education	1,750
Cartus (formerly Cedant Mobility)	Relocation firm	1,255
IQVIA Holdings - Data Processing.....	Pharmaceutical Service Consulting	1,000
Western CT State University.....	Education	578
City of Danbury.....	Government	551
UTC B. F. Goodrich.....	Aerospace	531
Praxair, Inc.....	Industrial Gases	479
Pitney Bowes.....	Mailing Machines	300

¹ Does not include part-time employees

² The facility is on the Danbury/Ridgefield border. The number shown includes all employees at the facility.

Source: Department of Business Advocacy; Reported in CAFR Page 192; and current BOE employee bargaining data.

Employment by Industry

Sector	City of Danbury		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	101	0.2%	7,166	0.4%
Construction.....	4,625	10.2	104,122	5.8
Manufacturing.....	5,671	12.5	191,519	10.6
Wholesale trade.....	861	1.9	44,741	2.5
Retail trade.....	5,898	13.1	193,016	10.7
Transportation warehousing, and utilities....	1,644	3.6	68,926	3.8
Information.....	752	1.7	42,200	2.3
Finance, insurance, real estate, and leasing..	2,654	5.9	163,810	9.1
Professional, scientific, management, administrative, and waste management.....	5,877	13.0	208,130	11.5
Education, health and social services.....	9,613	21.3	478,083	26.5
Arts, entertainment, recreation, accommodation and food services.....	4,137	9.2	153,679	8.5
Other services (except public admin.).....	2,476	5.5	82,538	4.6
Public Administration.....	880	1.9	67,156	3.7
Total Labor Force, Employed.....	45,189	100%	1,805,086	100.0%

Source: American Community Survey 2013-2017

Employment Data By Place of Residence

Period	City of Danbury		Percentage Unemployed		
	Employed	Unemployed	City of Danbury	Danbury Labor Market	State of Connecticut
April 2019	45,448	1,257	2.7	2.7	3.3
Annual Average					
2018.....	45,621	1,609	3.4	3.4	4.1
2017.....	46,042	1,871	3.9	3.9	4.7
2016.....	45,113	2,046	4.3	4.4	5.3
2015.....	44,782	2,160	4.6	4.5	5.6
2014.....	43,746	2,471	5.4	5.3	6.7
2013.....	42,539	2,826	6.2	6.3	7.9
2012.....	43,255	3,169	6.8	6.7	8.3
2011.....	41,519	3,323	7.4	7.2	8.8
2010.....	41,394	3,495	7.8	7.6	9.0
2009.....	41,496	3,350	7.5	7.3	8.2

Source: State of Connecticut, Department of Labor.

Age Distribution of Housing

Year Built	City of Danbury		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	6,717	20.6%	338,011	22.4%
1940 to 1969.....	9,790	30.0	535,477	35.5
1970 to 1979.....	4,729	14.5	200,217	13.3
1980 to 1989.....	4,776	14.6	191,939	12.7
1990 to 1999.....	2,184	6.7	114,261	7.6
2000 or 2009.....	3,503	10.7	105,131	7.0
2010 or later.....	959	2.9	22,675	1.5
Total Housing Units.....	32,658	100.0%	1,507,711	100.0%

Source: American Community Survey 2013-2017

Housing Inventory

Housing Units	City of Danbury		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	14,147	43.3%	892,621	59.2%
1-unit, attached.....	3,501	10.7	81,393	5.4
2 units.....	3,494	10.7	123,040	8.2
3 or 4 units.....	3,770	11.5	130,914	8.7
5 to 9 units.....	2,195	6.7	82,787	5.5
10 to 19 units.....	1,735	5.3	56,540	3.8
20 or more units.....	3,377	10.3	128,477	8.5
Mobile home.....	439	1.3	11,564	0.8
Boat, RV, van, etc.....	-	-	375	0.0
Total Inventory.....	32,658	100.0%	1,507,711	100.0%

Source: American Community Survey 2013-2017

Building Permits

Calendar Year	Residential		Commercial		Industrial		Total		
	Ending 12/31	No.	Value	No.	Value	No.	Value	No.	Value
2018		977	\$ 43,988,687	180	\$ 51,759,308	2	\$ 1,000,000	1,159	\$ 96,747,995
2017		1,036	55,776,275	200	29,432,456	2	500,000	1,238	85,708,731
2016		876	40,316,792	231	78,064,219	3	913,500	1,110	119,294,511
2015		900	115,268,512	241	51,735,137	5	1,646,000	1,146	168,649,649
2014		951	78,906,280	192	48,270,735	10	13,451,161	1,153	140,628,176
2013		967	42,944,615	219	145,532,615	11	16,709,942	1,197	205,187,172
2012		872	92,841,102	273	72,099,494	4	5,422,450	1,149	170,363,046
2011		829	30,801,215	235	45,597,554	11	4,619,000	1,075	81,017,769
2010		823	29,438,911	225	44,204,745	7	10,037,000	1,055	83,680,656
2009		949	59,205,660	165	25,269,316	11	1,450,559	1,125	85,925,535

Source: Building Department, City of Danbury

Owner-Occupied Housing Values

Specified Owner-Occupied Units	City of Danbury		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	484	2.7%	24,038	2.7%
\$50,000 to \$99,000.....	557	3.1	29,789	3.3
\$100,000 to \$149,999.....	1,108	6.3	83,320	9.2
\$150,000 to \$199,000.....	1,863	10.5	141,024	15.6
\$200,000 to \$299,999.....	5,475	30.9	244,356	26.9
\$300,000 to \$499,999.....	6,922	39.1	236,671	26.1
\$500,000 to \$999,999.....	1,155	6.5	106,192	11.7
\$1,000,000 or more.....	129	0.7	41,408	4.6
Total.....	17,693	100.0%	906,798	100.0%
Median Value.....	\$289,700		\$270,100	

Source: American Community Survey 2013-2017

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IV. Tax Base Data

Property Tax

Assessments

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the City for inclusion onto the Grand List is the responsibility of the assessor's office. The Grand List represents the total of assessed value for all taxable real and personal property located within the City as of October 1 in accordance with Section 12-62a of the Connecticut General Statutes. A Board of Assessment Appeal determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last revaluation which was effective for the October 1, 2017 Grand List.

Under Section 12-62 of the General Statutes, the City must do a revaluation every five years and the assessor must fully inspect each parcel once every ten years. The next revaluation will be for the October 1, 2022 Grand List.

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

Motor vehicle lists are furnished to the City by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials and as recommended by the State Office of Policy and Management. Section 12-71b of the Connecticut General Statutes (CGS), provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Cars that are purchased in August and September are not taxed until the next October 1 Grand List. If that new motor vehicle replaces a motor vehicle that was taxed on the October Grand List, the taxpayer is entitled to certain credits.

Connecticut General Statutes Section 12-71e, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property, but caps the motor vehicle tax rate at 39.00 mills for the assessment year commencing October 1, 2016, and 45.00 mills for the assessment year commencing October 1, 2018, and each assessment year thereafter. Section 4-66l of the General Statutes, as amended, diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap. The City's motor vehicle tax rates for the current 2018 assessment year (the fiscal year ending June 30, 2020) is 27.60 mills.

All business personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually. An Assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at seventy percent (70%) of present market value.

Section 12-124a of the CGS permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum, or at such rate approved by the legislative body, at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. The City has not approved the use of this abatement provision to date.

In accordance with CGS 12-65b, the City Council adopted in November 1996 an ordinance authorizing the deferral of assessment increases attributed to construction or improvements to real property. This applies to offices, manufacturers, warehouses or storage areas.

Also, in accordance with CGS 12-65b, the City Council adopted in February 2004 an ordinance authorizing the deferral of assessment increases attributed to the placement of personal property to be located in a manufacturing facility.

Levy

Property taxes are levied on all assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. At the discretion of the City and for the convenience of the taxpayer, tax bills are payable in four installments: July 1, October 1, January 1, and April 1. Payments not received by August 1, November 1, February 1 or May 1, respectively, become delinquent. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. A modest estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed at least three times a year, with interest charged at the rate of one and one-half percent per month in accordance with CGS, with a minimum charge of \$2.00. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Real estate accounts and other accounts are transferred to suspense 15 years after the due date in accordance with CGS.

Comparative Assessed Valuation

Grand List as of 10/1	Commercial/				Gross Taxable Grand List	Manufacturers' ¹		Annual Change
	Residential Real Property (%)	Industrial Real Property (%)	Personal Property (%)	Motor Vehicle (%)		Exemptions, Veterans Relief and Elderly	Net Taxable Grand List	
2018	58.3%	25.4%	9.1%	7.3%	\$8,097,604,258	\$252,075,186	\$7,845,529,072 ⁴	1.41%
2017 ²	58.7	25.6	8.5	7.2	7,975,702,690	238,974,122	7,736,728,568	8.51%
2016	58.3	25.6	8.5	7.5	7,364,955,037	234,706,423	7,130,248,614	1.46%
2015	58.0	29.9	8.5	7.5	7,248,636,675	220,725,660	7,027,911,015	1.16%
2014	54.4	30.0	8.2	7.3	7,156,813,746	209,812,673	6,947,001,073	0.86%
2013	54.7	30.4	7.7	7.2	7,106,826,042	219,216,555	6,887,609,487	0.89%
2012 ²	54.7	30.6	7.7	7.0	7,059,377,127	232,270,525	6,827,106,602	-13.47%
2011	54.7	30.6	7.9	6.8	8,777,328,518	887,067,631	7,890,260,887	0.58%
2010 ³	61.4	26.7	6.4	5.5	8,717,670,101	872,588,119	7,845,081,982	-0.20%
2009 ³	61.6	27.0	6.1	5.2	8,749,742,349	888,997,101	7,860,745,248	10.13%

¹ Manufacturers' Exemptions began in 10/1/91.

² Revaluation (10/1/17 is before the Board of Appeals).

³ Revaluation. The column entitled "Exemptions" includes exemptions due to phase in of revaluation.

⁴ Subject to Board of Appeals adjustments and anticipated final filings for veterans and elderly tax relief programs.

Source: City of Danbury, City Assessor's Office

Exempt Property

The following categories of exempt properties are not included in the grand lists.

	<u>Assessed Value</u>
U.S. Government.....	\$ 72,320,800
State of Connecticut.....	420,318,200
Miscellaneous.....	475,225,800
City of Danbury.....	550,276,800
Total Exempt Property.....	\$ 1,518,141,600
Percent Compared to Gross Grand List ¹	15.79%

¹ Based on a Gross Grand List October 1, 2018 of \$9,615,745,858.

Source: City of Danbury, Assessor's Office

Property Tax Levies and Collections

Grand List as of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Original Annual Levy	Percent of Annual Levy Collected at end of Fiscal Year	Percent of Annual Levy Uncollected at end of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/19
2018	2020	\$ 7,845,529,072	27.60	\$ 216,566,602		N/A	
2017	2019	7,736,728,568	27.60	213,356,078	98.6%	1.4%	1.4%
2016	2018	7,130,248,614	28.95	206,450,160	98.4%	1.6%	1.6%
2015	2017	7,027,911,015	28.68	201,328,858	98.5%	1.5%	1.5%
2014	2016	6,947,001,073	28.26	196,329,248	98.7%	1.3%	1.3%
2013	2015	6,887,609,487	27.60	190,198,289	98.9%	1.1%	1.1%
2012	2014	6,827,106,602	26.80	182,966,457	98.0%	2.0%	2.0%
2011	2013	7,890,260,887	22.45	175,439,500	98.2%	1.8%	1.8%
2010	2012	7,845,081,982	21.69	168,403,918	98.8%	1.2%	1.2%
2009	2011	7,860,745,248	20.96	164,232,064	98.4%	1.6%	1.6%

Source: City of Danbury, Tax Collector's Office

Property Taxes Receivable

As of June 30	Total ¹	Current Year
2019	\$4,684,745	\$2,895,496
2018	4,469,186	2,710,842
2017	5,901,000	2,650,000
2016	4,949,051	2,528,036
2015	5,722,623	2,755,668
2014	6,177,235	3,038,395
2013	5,075,342	2,568,724
2012	4,683,195	2,168,012
2011	6,087,661	2,023,921
2010	5,760,498	2,052,476

¹ Less allowance.

Source: Comprehensive Annual Financial Reports, City of Danbury, 2010 - 2018. Finance Department: 2019.

Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
Danbury Mall Associates.....	Shopping Mall	\$ 270,240,100	3.44%
Eversource (CL&P, Yankee Gas)	Public Utility	111,301,280	1.42%
Algonquin Gas Transmission LLC.....	Natural Gas Pipeline	98,827,120	1.26%
Boehringer Ingelheim.....	Research Center	94,149,580	1.20%
Crown Point Gardens.....	Land Developer	66,540,400	0.85%
BRT Reserve LLC.....	Land Developer	63,699,800	0.81%
Kennedy Flats.....	Apartments - 374 units	38,824,400	0.49%
Mankind Corp.....	Research , Production	37,977,880	0.48%
ENTEGRIS	Research , Production	36,569,070	0.47%
Danbury DHC LLC & ME AV LLC	Apartments-268 units	34,647,000	0.44%
Total.....		\$ 852,776,630	10.87%

¹ Based on a Net Taxable Grand List October 1, 2018 of \$7,845,529,072.

Source: Assessor's Office, City of Danbury

V. Debt Summary
Principal Amount of Bonded Indebtedness
As of July 18, 2019
(Pro Forma)

Date	Purpose	Rate %	Amount of Original Issue	Amount Outstanding ⁴	Fiscal Year of Maturity
03/18/10	Public Improvement Refunding.....	2.000 - 5.000	27,512,000	5,985,000	2025
03/18/10	Schools Refunding.....	2.000 - 5.000	5,172,000	1,610,000	2025
03/18/10	Sewer Refunding ²	2.000 - 5.000	2,319,000	509,000	2025
03/18/10	Sewer Refunding ²	2.000 - 5.000	953,000	61,000	2025
03/18/10	Water Refunding ¹	2.000 - 5.000	2,014,000	370,000	2025
07/15/10	Public Improvement.....	2.000 - 4.000	21,625,000	1,081,250	2031
07/15/10	Schools.....	2.000 - 4.000	80,000	4,000	2031
07/15/10	Sewer ²	2.000 - 4.000	900,000	45,000	2031
07/15/10	Water ¹	2.000 - 4.000	395,000	19,750	2031
09/30/10	Sewers - Clean Water Fund Loan ²	2.000	2,549,994	1,420,220	2030
12/15/11	Public Improvement Refunding.....	3.000 - 5.000	11,701,000	11,701,000	2026
12/15/11	Schools Refunding.....	3.000 - 5.000	1,563,000	1,563,000	2026
12/15/11	Sewer Refunding ²	3.000 - 5.000	228,000	228,000	2026
12/15/11	Sewer - Lateral Refunding ³	3.000 - 5.000	1,450,000	1,450,000	2026
12/15/11	Water Refunding ¹	3.000 - 5.000	1,283,000	1,283,000	2026
07/27/12	Public Improvement.....	2.000 - 4.000	8,984,956	3,180,000	2031
07/27/12	Schools.....	2.000 - 4.000	1,976,890	695,000	2031
07/27/12	Sewer ²	2.000 - 4.000	147,232	51,000	2031
07/27/12	Sewer - Lateral ³	2.000 - 4.000	186,803	23,000	2031
07/27/12	Water ¹	2.000 - 4.000	704,119	246,000	2031
08/21/12	Public Improvement Refunding.....	2.000 - 4.000	12,383,000	11,848,000	2029
08/21/12	Schools Refunding.....	2.000 - 4.000	329,000	317,000	2028
08/21/12	Sewer - Lateral Refunding ³	2.000 - 4.000	1,232,000	1,182,000	2029
08/21/12	Sewer Refunding ²	2.000 - 4.000	449,000	428,000	2029
08/21/12	Water Refunding ¹	2.000 - 4.000	662,000	635,000	2029
01/31/13	Sewers - Clean Water Fund Loan ⁴	2.000	3,457,535	2,494,781	2033
05/06/14	Public Improvement Refunding.....	1.000 - 5.000	5,207,000	949,000	2022
05/06/14	Schools Refunding.....	1.000 - 5.000	1,410,000	271,000	2022
05/06/14	Sewer - Lateral Refunding ³	1.000 - 5.000	490,000	92,000	2022
05/06/14	Water Refunding ¹	1.000 - 5.000	3,793,000	663,000	2022
07/25/14	Public Improvement.....	2.000 - 4.000	2,000,000	1,500,000	2035
07/25/14	Schools.....	2.000 - 4.000	9,000,000	6,750,000	2035
07/23/15	Public Improvement.....	3.000 - 5.000	11,400,000	7,980,000	2036
07/23/15	Schools.....	3.000 - 5.000	6,600,000	4,620,000	2036
03/29/16	Public Improvement Refunding.....	2.500 - 4.000	12,394,000	12,394,000	2031
03/29/16	Schools Refunding.....	2.500 - 4.000	1,940,000	1,940,000	2031
03/29/16	Sewer - Lateral Refunding ³	2.500 - 4.000	28,000	28,000	2030
03/29/16	Sewer Refunding ²	2.500 - 4.000	183,000	183,000	2031
03/29/16	Water Refunding ¹	2.500 - 4.000	410,000	410,000	2031
07/21/16	Public Improvement.....	2.000 - 4.000	7,850,000	6,280,000	2037
07/21/16	Schools.....	2.000 - 4.000	3,000,000	2,400,000	2037
07/21/16	Sewer ²	2.000 - 4.000	4,750,000	3,800,000	2037
07/21/16	Water.....	2.000 - 4.000	400,000	320,000	2037
07/20/17	Public Improvement.....	2.000 - 5.000	3,050,000	2,744,000	2038
07/20/17	Schools.....	2.000 - 5.000	12,000,000	10,800,000	2038
07/20/17	Sewer ²	2.000 - 5.000	2,750,000	2,476,000	2038
07/20/17	Water.....	2.000 - 5.000	200,000	180,000	2038
09/21/17	Public Improvement Refunding.....	2.125-5.00	12,965,000	12,965,000	2030
09/21/17	Schools Refunding.....	2.125-5.00	1,938,000	1,938,000	2030
09/21/17	Sewer - Lateral Refunding ³	2.125-5.00	57,000	57,000	2029
09/21/17	Sewer Refunding ²	2.125-5.00	533,000	533,000	2030
09/21/17	Water Refunding ¹	2.125-5.00	297,000	297,000	2030
07/19/18	Public Improvement.....	3.000 - 5.000	6,450,000	6,020,000	2034
07/19/18	Schools.....	3.000 - 5.000	3,500,000	3,265,000	2034
07/19/18	Sewer ²	3.000 - 5.000	5,304,580	4,950,000	2034
07/19/18	Water ¹	3.000 - 5.000	245,420	225,000	2034
Total Long Term Debt.....			\$ 230,402,529	\$ 145,460,001	
This Issue					
07/18/19	Public Improvement.....	<i>tbd</i>	\$ 3,850,000	\$ 3,850,000	2030
07/18/19	Schools.....	<i>tbd</i>	3,100,000	3,100,000	2030
07/18/19	Water ¹	<i>tbd</i>	50,000	50,000	2030
Total This Issue.....			\$ 7,000,000	\$ 7,000,000	
Grand Total.....			\$ 237,402,529	\$ 152,460,001	

¹ Debt service is included in and paid from the operating budget of the Water Enterprise Fund.

² Debt service and capital costs incurred in the expansion, renovation, and repair of the central sewer filtering plant, major trunk lines and pumping stations are included in the sewer system operating budget. Rates are established by standards contained in an ordinance enacted by the City Council and in conformity with Chapter 103 of the General Statutes, as amended.

³ All costs associated with the extension of new sewer services and for the construction of collector lines or laterals are borne by the property owners benefiting from such extension projects. Assessments of benefits for those whose property benefits by such extension projects are established by standards contained in an ordinance enacted by the City Council and in conformity with Chapter 103 of the General Statutes, as amended. Debt service is paid from the Sewer Assessment Fund.

⁴ Excludes Refunded Bonds.

**Short Term Debt
As of July 18, 2019
(Pro Forma)**

Project	Authorized	Notes:	
		Dated: 7/18/19	Due: 7/16/20
Gen. Public Imp. 17-18.....	\$ 3,000,000	\$ 1,000,000	
Gen. Public Imp. 18-19.....	3,000,000	750,000	
Gen. Public Imp. 19-20.....	3,000,000	2,500,000	
Open Space	16,970,698	50,000	
Danbury Road Bond 2020.....	15,063,750	2,350,000	
2016 Vision Public Improvements.....	10,000,000	1,000,000	
DHS 2020.....	53,500,000	3,300,000	
Open Space - Danbury High School....	1,929,302	300,000	
Vision 2020 Bond-Schools.....	40,490,000	1,500,000	
Vision 2020 Sewer upgrade.....	7,975,000	200,000	
Vision 2020 Water System.....	550,000	50,000	
Totals.....	\$ 155,478,750	\$ 13,000,000	

Other Obligations

The City leases certain capital equipment. As of June 30, 2019, the outstanding amount owed under such capital leases obligations was \$8,016,629 (inclusive of principal and interest payments for a lease financed an \$11.5 million Qualified Energy Conservation Bond). Please refer to the General Purpose Financial Statements, Note 8 for more information.

**General Fund Annual Bonded Debt Maturity Schedule
As of July 18, 2019
(Pro Forma)**

Fiscal Year	Principal	Interest	Total	This Issue - Principal			Cummulative
				Pub. Imp.	Schools	Total	% Principal Retired
2020 ²	\$ 611,000	\$ 2,504,032	\$ 3,115,032	\$ -	\$ -	\$ -	0.5%
2021	11,763,750	4,256,444	16,020,194	385,000	310,000	695,000	10.2%
2022	11,606,500	3,754,881	15,361,381	385,000	310,000	695,000	19.9%
2023	10,960,500	3,264,381	14,224,881	385,000	310,000	695,000	29.0%
2024	10,738,500	2,774,723	13,513,223	385,000	310,000	695,000	37.9%
2025	10,230,500	2,336,473	12,566,973	385,000	310,000	695,000	46.5%
2026	10,083,000	1,941,289	12,024,289	385,000	310,000	695,000	54.9%
2027	9,732,500	1,553,898	11,286,398	385,000	310,000	695,000	63.1%
2028	8,551,500	1,216,293	9,767,793	385,000	310,000	695,000	70.3%
2029	7,455,500	965,572	8,421,072	385,000	310,000	695,000	76.7%
2030	6,543,500	767,026	7,310,526	385,000	310,000	695,000	82.4%
2031	5,324,500	596,781	5,921,281	-	-	-	86.5%
2032	3,404,500	469,802	3,874,302	-	-	-	89.2%
2033	3,404,500	370,154	3,774,654	-	-	-	91.9%
2034	3,404,500	269,824	3,674,324	-	-	-	94.5%
2035	2,744,500	175,431	2,919,931	-	-	-	96.7%
2036	2,194,500	96,940	2,291,440	-	-	-	98.4%
2037	1,294,500	42,918	1,337,418	-	-	-	99.4%
2038	752,000	11,750	763,750	-	-	-	100.0%
Total.....	\$ 120,800,250	\$ 27,368,611	\$ 148,168,861	\$ 3,850,000	\$ 3,100,000	\$ 6,950,000	

¹ Excludes Refunded Bonds.

² Excludes \$11,116,583 in principal payments and \$2,288,988 interest payments made or coming due between July 1, 2019 and July 18, 2019.

Self-Supporting Debt Annual Bonded Maturity Schedule
As of July 18, 2019
(Pro Forma)

Fiscal Year	Principal	Interest	Total	This Issue - Principal		Cummulative % Principal Retired
				Water	Total	
2020 ²	\$ 631,579	\$ 511,812	\$ 1,143,391	\$ -	\$ -	2.6%
2021	2,269,635	778,515	3,048,150	5,000	5,000	11.8%
2022	2,272,806	686,732	2,959,538	5,000	5,000	21.0%
2023	2,059,848	599,716	2,659,563	5,000	5,000	29.3%
2024	2,063,010	512,574	2,575,584	5,000	5,000	37.7%
2025	2,067,299	433,135	2,500,433	5,000	5,000	46.1%
2026	2,016,213	358,285	2,374,498	5,000	5,000	54.3%
2027	2,003,257	284,126	2,287,383	5,000	5,000	62.4%
2028	1,640,932	225,207	1,866,139	5,000	5,000	69.1%
2029	1,413,744	183,968	1,597,713	5,000	5,000	74.8%
2030	1,181,903	150,828	1,332,731	5,000	5,000	79.6%
2031	1,036,670	123,028	1,159,698	-	-	83.8%
2032	975,730	97,454	1,073,183	-	-	87.7%
2033	892,124	73,064	965,188	-	-	91.4%
2034	770,500	51,551	822,051	-	-	94.5%
2035	405,500	35,038	440,538	-	-	96.1%
2036	405,500	22,873	428,373	-	-	97.8%
2037	405,500	10,708	416,208	-	-	99.4%
2038	148,000	2,313	150,313	-	-	100.0%
Total.....	\$ 24,659,751	\$ 5,140,924	\$ 29,800,675	\$ 50,000	\$ 50,000	

¹ Excludes Refunded Bonds.

² Excludes \$1,728,417 in principal payments and \$367,934 interest payments made or coming due between July 1, 2019 and July 18, 2019.

Note: Long-Term capital leases and State of Connecticut Local Bridge Loans are not included.

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**Total General Obligation Debt
Annual Bonded Debt Maturity Schedule
As of July 18, 2019
(Pro Forma)**

Fiscal Year	Principal	Interest	Total	Total Principal This Issue	Cummulative % Principal Retired
2019	\$ 1,242,579	\$ 3,015,844	\$ 4,258,423	\$ -	0.8%
2020	14,033,385	5,034,959	19,068,344	700,000	10.5%
2021	13,879,306	4,441,613	18,320,919	700,000	20.0%
2022	13,020,348	3,864,096	16,884,444	700,000	29.0%
2023	12,801,510	3,287,297	16,088,807	700,000	37.9%
2024	12,297,799	2,769,608	15,067,407	700,000	46.4%
2025	12,099,213	2,299,575	14,398,788	700,000	54.8%
2026	11,735,757	1,838,024	13,573,781	700,000	63.0%
2027	10,192,432	1,441,500	11,633,932	700,000	70.1%
2028	8,869,244	1,149,540	10,018,784	700,000	76.4%
2029	7,725,403	917,854	8,643,256	700,000	81.9%
2030	6,361,170	719,809	7,080,979	-	86.1%
2031	4,380,230	567,255	4,947,485	-	89.0%
2032	4,296,624	443,218	4,739,843	-	91.8%
2033	4,175,000	321,375	4,496,375	-	94.5%
2034	3,150,000	210,469	3,360,469	-	96.6%
2035	2,600,000	119,813	2,719,813	-	98.3%
2036	1,700,000	53,625	1,753,625	-	99.4%
2037	900,000	14,063	914,063	-	100.0%
Total.....	\$ 145,460,001	\$ 32,509,536	\$ 177,969,536	\$ 7,000,000	

¹ Excludes Refunded Bonds.

² Excludes \$12,845,000 in principal payments and \$2,656,922 interest payments made or coming due between July 1, 2019 and July 18, 2019.

Note: Long-Term capital leases and State of Connecticut Local Bridge Loans are not included.

Overlapping/Underlying Debt

The City has neither overlapping nor underlying debt.

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

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Debt Statement
As of July 18, 2019
(Pro Forma)

Long-Term Debt:

Public Improvement (Includes this issue)	\$ 88,477,250
Schools (Includes this issue)	39,273,000
Sewers.....	20,011,001
Water (Includes this issue).....	4,698,750
Total Long-Term Debt ^{1,2}	<u>152,460,001</u>

Short-Term Debt:

Bond Anticipation Notes (Due July 16, 2020).....	13,000,000
Total Direct Debt	<u>165,460,001</u>
Less: Self-Supporting Sewer Debt	(20,211,001)
Self-Supporting Water Debt	<u>(4,748,750)</u>
Total Net Direct Debt	<u>140,500,250</u>
Plus: Overlapping/Underlying Debt.....	-
Total Overall Net Debt	<u><u>\$ 140,500,250</u></u>

¹ Excludes \$9,992,746 in capital leases (including \$11.5 million in principal and interest payments for a Qualified Energy Conservation Bond lease).

² Excludes Refunded Bonds

Current Debt Ratios
As of July 18, 2019
(Pro Forma)

Population (2017) ¹	84,573
Net Taxable Grand List (10/1/18).....	\$ 7,845,529,072
Estimated Full Value.....	\$11,207,898,674
Equalized Net Taxable Grand List (10/1/16) ²	\$10,962,930,312
Income per Capita (2017) ¹	\$ 32,764

	Total Direct Debt:	Total Net Direct Debt:	Total Overall Net Debt:
	\$165,460,001	\$140,500,250	\$140,500,250
Per Capita.....	\$1,956.42	\$1,661.29	\$1,661.29
Ratio to Net Taxable Grand List.....	2.11%	1.79%	1.79%
Ratio to Estimated Full Value.....	1.48%	1.25%	1.25%
Ratio to Equalized Net Taxable Grand List.....	1.51%	1.28%	1.28%
Debt per Capita to Income per Capita (2017).....	5.97%	5.07%	5.07%

¹ United States Census Bureau: American Community Survey, 2013-2017.

² State of Connecticut, Office of Policy and Management.

Bond Authorization Procedure

The issuance of bonds is authorized pursuant to ordinances passed by the City Council by affirmative vote of at least two-thirds (2/3) of all members of the Council. No bonds may be issued for a term longer than the estimated life of the improvement for which they are issued and, in no event, for a term longer than twenty years. Whenever the City Council votes to issue bonds in a principal amount in excess of \$3,000,000, the ordinance authorizing such issue must be submitted for approval or disapproval of the electors at the next municipal election or at a special City meeting called by the Mayor.

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 is a participant in the State of Connecticut's Clean Water Fund Program (Connecticut General Statutes Sections 22a-475 et seq., as amended) (the "CWF Program"), 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 and phosphorus removal projects which are each financed with a 50% grant and a 50% loan and denitrification projects which are funded by a 30% grant and a 70% loan).

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 for the payment of project costs (Interim Funding Obligation). 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.

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 and accrued interest thereon not later than one year from the project completion date specified in the Loan Agreement, 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.

To date, the City has authorized \$98,845,000 to undertake major renovations to the wastewater treatment plant, to be financed through the CWF Program and local borrowings. The City has issued \$56,119,563 in debt and

has received \$11,423,922 from the State in the form of grants for the project under the CWF Program. The City currently has CWF debt outstanding of \$3,915,004 as of the June 30, 2019. To date, the City has authorized \$98,845,000 to undertake major renovations to the wastewater treatment plant, to be financed through the CWF Program and local borrowings. The City has issued \$56,119,563 in debt and has received \$11,423,922 from the State in the form of grants for the project under the CWF Program. The City currently has CWF debt outstanding of \$3,915,004 as of the June 30, 2019.

Limitation of Indebtedness

Municipalities shall not incur indebtedness through the issuance of bonds which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Past Pension Purposes:	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the annual receipts from taxation. Annual receipts from taxation (the "base") are defined as total tax collections (including interest and penalties) and state payments for revenue loss under the Connecticut General Statutes Sections 12-129d and 7-528.

The statutes also provide for exclusion from the debt limit calculation debt issued in anticipation of taxes; for the supply of water, gas, electricity; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; and for two or more of such purposes. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement and for indebtedness issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or contract but only to the extent such indebtedness can be paid from such proceeds. The statutes also provide for exclusion from the debt limitation any debt to be paid from a funded sinking fund.

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Statement of Debt Limitation
As of July 18, 2019
(Pro Forma)

Total Tax Collections (including interest and lien fees):

For the year ended June 30, 2018..... \$ 209,305,618

Reimbursement For Revenue Loss On:

Tax Relief for Elderly..... 4,706

BASE..... \$ 209,310,324

Debt Limitation:	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
2 1/4 times base.....	\$ 470,948,229	-	-	-	-
4 1/2 times base.....	-	\$ 941,896,458	-	-	-
3 3/4 times base.....	-	-	\$ 784,913,715	-	-
3 1/4 times base.....	-	-	-	\$ 680,258,553	-
3 times base.....	-	-	-	-	\$ 627,930,972
Total Debt Limitation	\$ 470,948,229	\$ 941,896,458	\$ 784,913,715	\$ 680,258,553	\$ 627,930,972

Indebtedness:

Outstanding Debt: ^{1, 2}

Bonds Payable ³..... \$ 84,627,250 \$ 36,173,000 \$ 17,179,001 \$ 590,000 \$ -

Bonds – This Issue..... 3,850,000 3,100,000 - - -

Notes..... 7,650,000 5,100,000 200,000 - -

Authorized But Unissued..... 13,923,357 530,783 11,031,065 1,800,000 -

Total Indebtedness ⁴..... 110,050,607 44,903,783 28,410,066 2,390,000 -

Less School Construction Grants ⁵..... - - - - -

Total Net Indebtedness For Debt

Limitation Calculation..... \$ 110,050,607 \$ 44,903,783 \$ 28,410,066 \$ 2,390,000 \$ -

DEBT LIMITATION IN EXCESS OF

INDEBTEDNESS..... \$ 360,897,622 \$ 896,992,675 \$ 756,503,649 \$ 677,868,553 \$ 627,930,972

¹ Water debt is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes. Excluded from above is \$4,648,750 of outstanding water bonds, \$50,000 of water bonds of this issue, \$50,000 of water notes outstanding, and \$1,776,311 of authorized but unissued water debt.

² Sewer assessment debt is excludable from the calculation of debt limitation as allowed by Connecticut General Statutes. Excluded from above is \$2,832,000 of outstanding sewer assessment bonds and \$3,251,088 of authorized but unissued sewer debt.

³ Includes Clean Water Fund Permanent Loan Obligations.

⁴ Excludes \$9,992,746 in capital leases (including \$11.5 million in principal and interest payments for a Qualified Energy Conservation Bond lease).

⁵ See "School Projects" herein.

Note: With certain exclusions as set forth in Chapter 109 of the General Statutes, bonds and notes causing the aggregate indebtedness of the City to exceed seven times annual receipts from taxation may not be issued for any purpose. This limitation is \$1,389,352,979.

**Debt Authorized but Unissued
As of July 18, 2019
(Pro Forma)**

Project	Authorized	Debt Previously Issued	Grants (actual and estimated) ⁴	Maturing Notes Due: 7/18/19	Notes			City Paydowns	Debt Authorized but Unissued ³			
					Dated: 7/18/19 Due: 7/16/20	The Bonds			General Purpose	Schools	Sewers	Water
GENERAL PURPOSE												
Gen. Public Imp. 13-14	\$ 3,000,000	\$ 2,800,000	\$ 200,000	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gen. Public Imp. 14-15	3,000,000	3,000,000	-	-	-	-	-	-	-	-	-	-
Gen. Public Imp. 15-16	3,000,000	2,675,000	-	125,000	-	125,000	-	200,000	-	-	-	-
Gen. Public Imp. 16-17	3,000,000	1,850,000	-	400,000	-	400,000	-	750,000	-	-	-	-
Gen. Public Imp. 17-18	3,000,000	-	-	1,800,000	1,000,000	800,000	-	1,200,000	-	-	-	-
Gen. Public Imp. 18-19	3,000,000	1,171,415	-	500,000	750,000	800,000	-	278,585	-	-	-	-
Gen. Public Imp. 19-20	3,000,000	-	-	-	2,500,000	-	-	500,000	-	-	-	-
Open Space	16,970,698	15,214,141	-	-	50,000	-	35,859	1,670,698	-	-	-	-
Danbury Road Bond 2020	15,063,750	9,499,676	-	1,000,000	2,350,000	1,050,000	-	2,164,074	-	-	-	-
2016 Vision Public Improvements	10,000,000	5,350,000	-	1,700,000	1,000,000	675,000	-	2,975,000	-	-	-	-
Vision 2020 Bond-Public Improvements	5,985,000	1,800,000	-	-	-	-	-	4,185,000	-	-	-	-
Sub-Total	69,019,448	43,360,232	200,000	5,700,000	7,650,000	3,850,000	35,859	13,923,357	-	-	-	-
SCHOOLS												
DHS 2020	53,500,000	13,750,000	33,316,506	12,500,000	3,300,000	3,000,000	-	-	133,494 ⁶	-	-	-
Open Space - Danbury High School	1,929,302	1,180,000	-	-	300,000	100,000	21,000	-	328,302	-	-	-
Danbury Road Bond 2020	4,936,250	4,936,250	-	-	-	-	-	-	-	-	-	-
Vision 2020 Bond-Schools	40,490,000	19,000,000	19,871,013	2,300,000	1,500,000	-	50,000	-	68,987 ⁵	-	-	-
Sub-Total	100,855,552	38,866,250	53,187,519	14,800,000	5,100,000	3,100,000	71,000	-	530,783⁵	-	-	-
SEWER												
21st Century Danbury Sewer	5,000,000	4,771,535	-	-	-	-	172,400	-	-	56,065	-	-
Safety Sewer Improvements	5,800,000	2,122,903	3,677,097	-	-	-	-	-	-	-	-	-
Sewer Service Extension III ¹	5,000,000	1,748,912	-	-	-	-	-	-	-	3,251,088	-	-
2016 Sewer	10,000,000	-	-	2,600,000	-	-	-	-	-	10,000,000	-	-
Vision 2020 Sewer upgrade	7,975,000	6,800,000	-	200,000	200,000	-	-	-	-	975,000	-	-
Sub-Total	33,775,000	15,443,350	3,677,097	2,800,000	200,000	-	172,400	-	-	14,282,153	-	-
WATER												
Danbury Neighborhood Water ²	998,000	983,000	-	-	-	-	15,000	-	-	-	-	-
Water Service Extension II ²	3,000,000	1,373,689	-	-	-	-	-	-	-	-	-	1,626,311
Vision 2020 Water System	550,000	300,000	-	200,000	50,000	50,000	-	-	-	-	-	150,000
Sub-Total	4,548,000	2,656,689	-	200,000	50,000	50,000	15,000	-	-	-	-	1,776,311
Grand Total	\$ 208,198,000	\$ 100,326,521	\$ 57,064,616	\$ 23,500,000	\$ 13,000,000	\$ 7,000,000	\$ 294,259	\$ 13,923,357	\$ 530,783	\$ 14,282,153	\$ 1,776,311	-

¹ All costs associated with the extension of new sewer services and for the construction of collector lines or laterals are borne by the property owners benefiting by such extension project. Assessments of benefits for those whose property benefits by such extension project are established by standards contained in an ordinance enacted by the City Council and in conformity with Chapter 103 of the General Statutes, as amended. Debt service is paid from the Sewer Assessment Fund.

² Debt service is included in and paid from the operating budget of the Water Enterprise Fund.

³ Authorized but Unissued debt listed above is net of paydowns.

⁴ The amounts in the Grants column represent the total of actual and the estimated grant payments related to the authorization.

⁵ The City expects to receive approximately \$26.45 million in State of Connecticut School Building Grants for this project. This number represents the amount authorized but unissued, net of grants received to date.

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
2018	\$ 7,130,248,614	\$ 10,186,069,449	\$ 133,509,677	1.87%	1.31%	84,573	\$ 1,578.63	4.82%
2017	7,027,911,015	10,039,872,879	131,335,878	1.87%	1.31%	84,573	1,552.93	4.74%
2016	6,947,001,073	9,924,287,247	131,366,254	1.89%	1.32%	84,573	1,553.29	4.74%
2015	6,887,609,487	9,839,442,124	124,087,349	1.80%	1.26%	84,573	1,467.22	4.48%
2014	6,827,106,602	9,753,009,431	122,616,599	1.80%	1.26%	83,684	1,465.23	4.47%

¹ Excludes self-supporting water, sewer and capital lease debt

² U.S. Census Bureau: American Community Survey, 2013-2017 used for 2015-2018. State of Connecticut data used for 2013-2014.

³ U.S. Department of Commerce, Bureau of Census, ACS 2013-2017 data used for per capita income (\$31,940).

**Ratio of Annual Debt Service to Total General Fund Expenditures
and Other Financing Uses
(Includes Transfers Out)**

Fiscal Year Ended 6/30	Principal	Interest	Total	Total General Fund Expenditures	Ratio of General Fund Debt Service To Total General Fund Expenditures %
2019	\$ 11,542,844	\$ 5,354,056	\$ 16,896,900	\$ 291,315,857	5.80%
2018	11,625,876	5,008,319	16,634,195	306,605,847	5.43%
2017	10,880,376	4,877,819	15,758,195	280,623,430	5.62%
2016	10,400,095	5,288,527	15,688,622	283,673,837	5.53%
2015	9,529,250	4,974,937	14,504,187	259,776,480	5.58%
2014	11,506,110	5,595,000	17,101,110	254,775,425	6.71%
2013	10,937,570	6,004,475	16,942,045	248,755,337	6.81%
2012	10,181,600	5,610,243	15,791,843	244,080,061	6.47%
2011	8,413,350	5,011,121	13,424,471	216,313,085	6.21%

Source: City of Danbury Audit Reports 2011-2018.

2019 provided by Finance Director.

**Six Year Capital Improvement Program
Fiscal Year 2020 through Fiscal Year 2025**

Proposed Projects	2019-20	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	Total
Airport	\$ 5,135,000	\$ 3,497,000	\$ 7,923,800	\$ 813,901	\$ 821,000	\$ -	\$ 18,190,701
Ambulance.....	120,000	255,000	265,000	265,000	170,000	180,000	1,255,000
Animal Control.....	715,000	15,000	15,000	-	-	-	745,000
Civil Preparation.....	405,000	-	-	-	-	-	405,000
Construction Services.....	3,403,750	948,750	198,750	198,750	150,000	-	4,900,000
Engineering	3,935,649	5,067,500	3,682,500	2,977,500	1,917,500	1,080,000	18,660,649
Equipment Maintenance	-	550,000	400,000	50,000	50,000	50,000	1,100,000
Finance	-	-	-	-	-	-	-
Fire	711,036	880,751	310,967	400,000	1,580,000	140,000	4,022,754
Forestry.....	50,000	405,000	180,000	75,000	75,000	116,000	901,000
Health & Human Svc	100,217	-	-	-	-	-	100,217
Highway	3,300,000	3,990,000	3,130,000	2,975,000	2,975,000	2,975,000	19,345,000
Information Technology.....	1,457,528	945,000	827,256	720,000	220,000	490,000	4,659,784
Office of Proj. Excellence....	-	-	-	-	-	-	-
Park Maintenance.....	150,000	450,000	400,000	400,000	400,000	325,000	2,125,000
Planning.....	550,000	-	-	-	-	-	550,000
Police.....	540,000	500,000	90,000	115,000	65,000	65,000	1,375,000
Public Buildings	1,539,957	4,108,236	4,649,715	5,509,676	3,022,125	3,597,688	22,427,397
Public Buildings (BOE)	1,078,100	-	-	-	-	-	1,078,100
Recreation	-	-	-	85,000	-	-	85,000
Solid Waste/Recycle	-	-	242,000	-	-	-	242,000
Richter Park	-	-	-	-	-	-	-
Tarrywile Park	55,000	80,000	90,000	100,000	60,000	135,000	520,000
Sewer	33,269,000	55,259,850	38,694,550	3,265,550	131,550	50,000	130,670,500
Water	700,000	13,100,850	14,084,950	10,824,250	5,462,050	1,880,000	46,052,100
Total	\$ 57,215,237	\$ 90,052,937	\$ 75,184,488	\$ 28,774,627	\$ 17,099,225	\$ 11,083,688	\$ 279,410,202

Proposed Funding	2019-20	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	Total
User Charges ¹	\$ 25,760,125	\$ 52,267,993	\$ 40,751,968	\$ 11,393,910	\$ 4,658,828	\$ 1,721,500	\$ 136,554,323
Paygo	5,465,000	5,815,000	6,165,000	6,500,000	6,500,000	6,500,000	36,945,000
Notes/Bonds /Leases	5,593,339	6,671,288	4,035,592	3,429,333	1,161,163	18,919	20,909,634
St./Fed. Grants/Other	20,396,773	25,298,656	24,231,929	7,451,384	4,779,235	2,843,269	85,001,246
Total	\$ 57,215,237	\$ 90,052,937	\$ 75,184,488	\$ 28,774,627	\$ 17,099,225	\$ 11,083,688	\$ 279,410,202

¹ Includes self-supporting sewer and water debt that will be paid by user fees.

VI. Financial Information

Fiscal Year

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

Basis of Accounting

The City's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to General Purpose Financial Statements.

Budget Procedure

The City uses the following budgetary sequence and time schedule:

	<u>By</u>
All departments submit estimates to Mayor.....	February 15th
Mayor presents budget to the City Council.....	April 7th
City Council holds public hearings	By May 1st
City Council adopts budget.....	May 15

Investment Policy

The operating and working capital funds (excluding pension funds) of the City are invested at the direction of the City Treasurer in the following short-term investments: (1) various certificates of deposit with Connecticut banks; (2) money market accounts; (3) overnight repurchase agreements collateralized by U.S. government agency obligations such as Federal Home Loan Mortgage Corporation which are valued daily; (4) overnight U.S. Treasury obligations; (5) an investment pool investing in (i) high-grade, short-term, federal securities and variable rate obligations backed by federal agencies having monthly or quarterly assets based on indices like the prime rate, LIBOR, or a combination of the two, and (ii) very short-term (usually overnight) repurchase agreements secured by high quality collateral which is valued daily and fully delivered to the Program's custodial bank to be held for the benefit of the Pool's participants.

In addition, the City monitors the risk based capital ratios and collateral requirements of the qualified public depositories, as defined by the Connecticut General Statutes, Section 36-382, 7-400 and 7-402 with which it places deposits or makes investments.

The Connecticut General Statutes, Section 7-400 and 7-402 govern eligible investments for Connecticut municipalities. Please refer to the Notes to the Financial Statements, Note 4 regarding the City's cash and cash equivalent investments at June 30, 2018.

For an extensive description of the City's investment policy and investments related to the City's Pension Funds, see Note 12 to the City's audited financial statements in Appendix A.

Audit

The City, pursuant to the provisions of Chapter 111 of the Connecticut General Statutes (Sec. 7-391 through 397) is required to undergo an annual audit by an independent public accountant. The auditor, appointed by the City Council is required to conduct the audit under the standards adopted by the Secretary of the Office of Policy and Management by regulation and approved by the Auditor of Public Accounts. For the fiscal year ended June 30, 2018, the financial statements of the City were audited by RSM US LLP.

For thirty-one consecutive years, the City has been a recipient of the Certificate of Achievement for Excellence in Financial Reporting. This award is issued by the Government Finance Officers Association of the United States and Canada.

Liability Insurance

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Coverage has not been materially reduced, nor have settled claims exceeded commercial coverage in any of the last three years. The City self-insures up to certain levels of risk based on an evaluation of the City's financial capability to assume risk and prevailing market conditions for commercial insurance. The City is completely self-insured for all heart/hypertension liability. The City is self-insured for the first \$500,000 per claim and maintains an aggregate stop

loss on these worker's compensation claims of \$4 million. For medical insurance, the City and Board of Education ("BOE") have worked together to switch from being fully insured to self-insured as of July 1, 2013. The City and BOE remain self-insured for dental and prescription programs.

In addition, the City maintains liability insurance coverage as listed below:

Comprehensive General Liability insurance on an occurrence basis with a limit of \$1,000,000 per occurrence and aggregate limit of \$3,000,000 with a deductible of \$500,000 per occurrence.

Law Enforcement Liability with a limit of \$1,000,000 per each wrongful act and an aggregate limit of \$1,000,000 with a deductible of \$500,000 for each wrongful act.

Automobile Liability insurance with a limit of \$1,000,000 per each occurrence with a deductible of \$500,000 per occurrence.

Public Official Liability insurance on a claims made basis, \$1,000,000 limit per each wrongful act and aggregate limit of \$1,000,000 with a deductible of \$500,000 for each wrongful act.

School Board Errors and Omissions Liability on claims made basis, \$2,000,000 per each wrongful act and aggregate limit of \$2,000,000 with a deductible of \$10,000 for each wrongful act.

Student Nurses Medical Professional Liability Insurance on an occurrence basis with a limit of \$2,000,000 for each occurrence and aggregate limit of \$4,000,000.

Excess liability insurance over the Comprehensive General Liability, Law Enforcement Liability, Automobile Liability, Public Officials Liability with a limit of \$20,000,000 per occurrence and an aggregate limit of \$20,000,000.

See Appendix A -- "FINANCIAL STATEMENTS, Note #12 - "Risk Management" to "General Purpose Financial Statements" herein.

Pension Plans

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and its amendment, GASB Statement No. 71, was implemented on July 1, 2014. These statements revised and established new financial reporting requirements for most governments that provide their employees with pension benefits. Among other requirements, GASB Statement No. 68 required governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time and calls for immediate recognition of more pension expense than is currently required. The effects of the implementation of these statements are that a net pension liability of \$102,642,941 was recorded on the government-wide financial statements and net position was reduced by the same amount. Details can be found in Note 11 of financial statements. The adoption of these GASB standards also provided additional disclosures for the State Teachers' Retirement Plan.

The City maintains seven separate single-employer pension plans covering substantially all of its employees (collectively, "the City's plans"), except those public school teachers covered under the State of Connecticut Teachers' Retirement System. The General Employees Plan is a defined benefit plan covering all full-time employees not qualified under one of the City's other plans or the State Teachers' Retirement System. Effective July 1, 2013, General Employee Plan members, with the exception of non-union employees hired prior to January 1, 2012, began to contribute 1% of pay. This mandatory contribution increased to 2% of pay on July 1, 2014. The remaining six plans: Pre-1967 Policemen, Pre-1967 Firemen, Post-1967 Policemen, Post-1967 Firemen, Post-1983 Policemen and Post 2011 Firemen are contributory defined benefit plans, and cover all paid members of the City Police and Fire Departments. City and employee contributions are made pursuant to City Charter and Union contracts. Administrative fees are paid through the plans. The City's pension plans do not, however, issue stand-alone financial reports.

The City's plans' assets are consolidated and treated as one combined trust ("Master Trust") for all of the City's retirement 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.

As of its July 1, 2017 valuation, the City reduced the interest rate assumption from 7.25% to 7.125% for all plans. The collective funding for all pensions plans is 77.2% based upon each plan's most recent valuation. The individual funding status as of most recent valuations are as follows:

<i>Plan</i>	<i>Total Actuarial Accrued Liability</i>	<i>Actuarial Value Of Assets</i>	<i>Unfunded Accrued Liability</i>	<i>Funded Ratio</i>	<i>Valuation Date</i>
General Employees	\$144,475,221	\$114,051,818	\$30,423,403	78.94%	7/1/2017
Pre-1967 Police	6,007,913	1,959,557	4,048,356	32.62%	7/1/2017
Pre- 1967 Fire	5,799,260	2,657,957	3,141,303	45.83%	7/1/2017
Post-1967 Police	57,508,894	46,248,505	11,260,389	80.42%	7/1/2017
Post-1967 Fire	93,236,088	77,520,984	15,715,104	83.14%	7/1/2017
Post -1983 Police	54,806,574	36,869,534	17,937,040	67.27%	7/1/2017
Post-2011 Fire	416,745	392,199	24,546	94.11%	7/1/2017

Source: Individual Valuation Reports.

The City's plans, by policy, (i) require biennial actuarial valuations (as of July 1), with yearly updates, and (ii) require annual City contributions based on actuarial determinations. During the year of actuarial valuation, the City has historically contributed the annual required contribution ("ARC") for each of the pension plans. Any difference between the ARC and the actual contribution made has been settled by the next actuarial valuation date, and thus the City has never actually had, or had need to report, a net pension obligation ("NPO"). The required contributions are calculated to cover normal cost and the amortization of unfunded actuarial accrued liabilities.

The following presents the net pension liability of the City's plans, calculated using the discount rate of 7.25% as well as what the City's pension plan net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25% or 1- percentage-point higher 8.25%) than the current rate:

	<i>Current</i>		
	<i>1% Decrease 6.25%</i>	<i>Discount Rate 7.25%</i>	<i>1% Increase 8.25%</i>
General Employees	\$ 57,273,290	\$ 39,481,814	\$ 24,457,126
Pre-1967 Police	3,922,915	3,690,675	3,477,884
Pre- 1967 Fire	3,168,723	2,879,763	2,620,495
Post-1967 Police	18,924,820	13,843,907	9,503,221
Post-1967 Fire	33,325,129	21,459,405	11,593,981
Post -1983 Police	30,390,941	21,286,485	13,890,413
Post-2011 Fire	130,302	892	(100,635)

See Appendix A -- "FINANCIAL STATEMENTS, Note #11 - "Employee Retirement Plans" to "General Purpose Financial Statements" herein.

Other Post-Employment Benefits (OPEB)

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement #45 entitled "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions". Per such statement, retiree medical plans are required to disclose information about asset and liability levels and disclose historical contribution information. Actuarial valuations are required to determine liability levels and show historical contribution information.

The implementation schedule required the City to implement the provisions of this GASB Statement and recognize the liability on its financial statements in fiscal year ending 2010. In fiscal year ending June 30, 2008, the City adopted an ordinance for the establishment of an Other Post-employment Benefit (OPEB) Trust and appointed members to the Board. The City set up a \$1.2 million fund balance reserve for fiscal year ending 2011, made additional contributions of \$7.3 million through fiscal year ending 2019 and budgeted \$3.0 million for fiscal year ending 2020. An OPEB funding policy was approved in May 2014 to gradually reduce the funding gap each year until the ARC is fully funded. The goal is to fund the liability by at least 50% within 30 years which should include increases of 5% over the annual pay-as-you-go funding levels. The most recent valuation of July 1, 2016 estimates the City's OPEB liability to be approximately \$184.5 million with a fiscal year 2017 ARC of \$23.7 million. The net budget impact of the ARC is \$14.2 million, since the City is already contributing towards retiree health benefits.

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

	General Government Employees	Board of Education Employees
Total OPEB Liability		
Service Cost.....	\$ 4,924,813	\$ 1,023,694
Changes in Assumptions.....	(4,594,287)	(523,751)
Differences Between Expected and Actual and Actual Experience.....	(730,155)	854,537
Interest.....	12,528,613	538,215
Contributions - Employer.....	(10,558,546)	(909,734)
Contributions - TRB Subsidy.....	-	(97,740)
Net Investment Income.....	(65,020)	(1,635)
Benefit Payments, Including Refunds..... of Member Contributions.....	8,558,546 (8,558,546)	1,007,474 (1,007,474)
Net Change in Total OPEB Liability.....	1,505,418	883,586
Total OPEB Liability - Beginning.....	216,805,198	14,509,563
Total OPEB Liability - Ending.....	\$ 218,310,616	\$ 15,393,149

Fiscal Year	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation¹
General Government Employees:				
6/30/2018	\$ 15,605,213	\$ 10,558,546	67.7%	\$ 214,484,506
6/30/2017	21,207,600	8,537,900	40.3%	212,979,088
6/30/2016	21,013,700	8,447,300	40.2%	237,385,830
6/30/2015	14,032,300	8,212,700	58.5%	42,513,900
6/30/2014	13,824,100	6,497,900	47.0%	35,494,300
6/30/2013	12,898,800	6,645,000	51.5%	28,168,100
Board of Education Employees:				
6/30/2018	\$ 1,490,852	\$ 909,734	61.0%	\$ 15,246,604
6/30/2017	2,512,700	1,006,000	40.0%	14,363,018
6/30/2016	2,497,700	787,400	31.5%	11,208,862
6/30/2015	2,052,900	737,300	35.9%	10,534,000
6/30/2014	2,027,800	445,300	22.0%	9,218,400
6/30/2013	1,994,800	1,135,300	56.9%	7,635,900

¹ Restated pursuant to GASB 74/75 requirements starting in Fiscal 2016.

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**General Fund Revenues, Expenditures and Changes in Fund Balance
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis)
with Current Budget & Estimated Actuals (Budgetary Basis)**

	Budget ¹	Projected ¹	Actual	Actual	Actual	Actual
	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Revenues						
Property taxes.....	\$ 216,566,602	\$ 214,920,816	\$ 209,305,618	\$ 203,508,587	\$ 196,683,257	\$ 188,467,780
State and federal governments.....	30,315,390	61,113,369	62,381,831	59,633,635	47,213,313	48,767,079
Licenses and permits.....	4,504,820	4,099,081	3,494,955	3,728,908	3,775,368	3,855,787
Charges for services.....	2,298,512	4,069,756	5,670,919	6,177,499	8,796,204	5,901,523
Fines and penalties.....	1,665,200	343,595	296,040	203,799	1,568,929	1,687,742
Investment income.....	1,549,476	1,616,452	1,195,134	597,792	230,372	115,630
Other.....	-	-	-	-	-	-
Contributions.....	-	-	-	-	-	-
Total Revenues.....	\$ 256,900,000	\$ 286,163,069	\$ 282,344,497	\$ 273,850,220	\$ 258,267,443	\$ 248,795,541
Other Financing Sources						
Refunding Bond Proceeds.....	\$ -	\$ -	\$ 14,903,000	\$ -	\$ 14,334,000	\$ -
Premium on Bonds.....	-	906,866	3,690,356	1,977,328	2,983,165	502,810
Proceeds from Sale of Assets.....	-	-	-	-	-	3,253,129
Issuance of Capital Leases.....	-	-	91,584	-	2,010,198	750,000
Operating Transfers In.....	-	-	-	-	6,167	925,000
Total Revenues and Other Financing Sources.....	\$ 256,900,000	\$ 287,069,935	\$ 301,029,437	\$ 275,827,548	\$ 277,600,973	\$ 254,226,480
Expenditures						
General Government.....	\$ 10,818,411	\$ 10,582,572	\$ 11,205,788	\$ 10,049,384	\$ 9,532,956	\$ 9,656,623
Public Safety.....	37,756,594	37,440,305	34,532,494	35,214,368	34,844,916	33,938,144
Public Works.....	10,734,503	10,256,843	9,756,591	9,951,731	9,581,993	9,416,623
Health and Welfare.....	2,364,095	2,205,131	2,055,065	2,050,300	2,048,343	1,973,258
Culture and Recreation.....	3,009,862	2,915,489	2,276,744	2,775,925	2,782,720	2,630,485
Education.....	134,858,575	163,658,575	160,710,267	156,759,419	144,825,555	141,957,467
Pension and Other Employee Benefits.....	40,788,688	38,306,586	36,431,949	35,377,176	32,684,190	31,009,090
Other.....	333,000	-	-	-	-	-
Debt Service.....	16,667,350	16,896,529	16,634,195	15,758,195	15,688,622	14,504,187
Capital Outlay.....	-	-	91,584	-	2,127,004	1,005,435
Total Expenditures.....	\$ 257,331,078	\$ 282,262,030	\$ 273,694,677	\$ 267,936,498	\$ 254,116,299	\$ 246,091,312
Other Financing Uses						
Payment to Refunding Agent.....	\$ -	\$ -	\$ 17,140,101	\$ -	\$ 15,862,071	\$ -
Operating Transfers Out.....	4,168,922	4,245,922	5,576,410	4,795,882	6,072,864	5,550,000
Total Expenditures and Other Financing Uses.....	\$ 261,500,000	\$ 286,507,952	\$ 296,411,188	\$ 272,732,380	\$ 276,051,234	\$ 251,641,312
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources.....						
	(4,600,000)	561,983	4,618,249	3,095,168	1,549,739	2,585,168
Beginning Fund Balance.....	41,264,629	40,702,646	36,084,397	32,989,229	31,439,490	28,854,322
Ending Fund Balance.....	\$ 36,664,629	\$ 41,264,629	\$ 40,702,646	\$ 36,084,397	\$ 32,989,229	\$ 31,439,490

¹ Budget basis. No assurances can be given that subsequent projections and the final result of operations will not change.

Analysis of General Fund Equity

	Budget	Projected	Actual	Actual	Actual	Actual
	6/30/2020 ¹	6/30/2019 ¹	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Nonspendable.....	N/A	\$ 1,870,983	\$ 1,360,911	\$ 1,412,874	\$ 52,415	\$ 4,357,152
Restricted.....	N/A	-	-	-	-	11,735
Committed.....	N/A	-	-	-	-	-
Assigned.....	N/A	14,459,923	15,058,012	10,245,139	4,290,436	4,005,403
Unassigned.....	N/A	24,933,723	24,283,723	24,426,384	28,646,378	23,065,200
Total Fund Balance.....	N/A	\$ 41,264,629	\$ 40,702,646	\$ 36,084,397	\$ 32,989,229	\$ 31,439,490

¹ Subject to audit.

Source: Annual Audit Report: 2015-2018. Finance Department 2019 & 2020.

Connecticut General Statutes Section 4-66l, as amended (“Section 4-66l”), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in fiscal year 2018, the Office of Policy and Management (“OPM”) must reduce the amount of the municipal revenue sharing grant for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceed the spending limit specified in the general statutes. The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality’s adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-66l requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the spending limit, and if so, the amount by which the expenditure limit was exceeded. For fiscal years ending June 30, 2018 and June 30, 2019, the City will receive \$2,993,644 in municipal revenue sharing grant moneys from the State.

Under Section 4-66l, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, non-recurring grants, capital expenditures or payments on unfunded pension liabilities.

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VII. Legal and Other Information

Litigation

The Corporation Counsel has advised that there are several personal injury, negligence, personnel, and/or other related lawsuits pending against the City, some pending from previous periods. The outcome and eventual liability of the City in these cases, if any, is not known at this time. Based upon consultation with legal counsel, the City's management estimates that potential claims against the City, not covered by insurance, resulting from such litigation would not materially affect the financial position of the City except in the following cases:

MSW Associates v. City of Danbury/Planning Commission. This has been a two-pronged set of lawsuits based on a claim of improper denial of a permit(s) to operate a transfer station (waste processing) on Plumtrees Road in Danbury. The City has been defending its Planning Commission as well as opposing the grant of a processing permit from the CT Department of Energy and Environmental Protection ("DEEP"). While the liability is not expected to be serious in terms of financial exposure the City's past legal expenditures, including expert fees and costs, have approximated \$450,000 thus far. Further, it is possible that appeals can be taken from any adverse decision(s). Presently, the City does not anticipate the availability of insurance coverage in these matters.

This past Winter, the Court rendered rulings on both cases adverse to the City. The City is pursuing appeals of these matters.

Danbury Sports Dome, LLC v. City of Danbury. This suit, originally filed in May of 2015, asserts claims against the City and its Building Official with respect to the purported failure to allow for the timely and proper opening of its sports facility. Although the City believes the suit to have little merit, the plaintiff's claim for damages or lost profits is in excess of \$1.5 million. The City's insurance counsel is handling the matter. The City's deductible cap is \$100K. Discovery, precedent to trial is underway. While no trial date has yet been set, it is expected that a 2020 trial year will occur. The Motion to Dismiss was granted in part and denied in part. The case was transferred from federal to state court in 2017 and is being litigated as to permitting and construction issues.

Reynoldo Rodriguez v. City of Danbury, et al. This is a "labor" case filed in federal court in August 2015 asserting the deprivation of due process and equal protection rights based on the plaintiff's treatment in the Danbury Fire Department involving (failure to) promote claims. The suit also includes the union as a defendant. The plaintiff asserts a punitive damages claim of \$2.5 million. Outside (City) defense counsel indicates that such claim is without merit and that the potential actual and realistic liability for wages or back pay claim may be up to \$150,000. While potential total or recovery damages are unclear at this point, it is the opinion of the City's counsel that a verifiable claim, including the potential for attorney's fees, would not exceed \$350,000. The City insurance carrier is defending the case.

Marlene Moore-Callands v. City of Danbury. Following her retirement from City employment, Ms. Moore-Callands filed a complaint in federal district court in March 2019 alleging discrimination based on race and color, a hostile working environment, and retaliation, seeking: back pay, punitive damages, attorneys fees "wrongfully withheld pay" and reinstatement (or front pay if not reinstated). She is receiving pension benefits, however, which will mitigate damages.

Yvonne Perkins and Moore Bail Bonds, LLC v. Rachel Halas, et al. This federal case was filed in 2018 and alleges Constitutional violations and civil rights violations by police officers. While it is very early in the case status and the City insurance carrier is handling the defense costs subject to deductible of \$100K.

Party Depot v. City of Danbury. This is an ongoing 2010 case brought against the City by a commercial property owner claiming violations of inspection and occupancy permitting procedures by City building officials, allegedly resulting in a financial loss. CIRMA insurance counsel is handling defense for the City. It is believed that this suit has little merit, given that most of the plaintiff's claim is against the contractor and its subcontractors, rather than the City. While potential exposure claimed by the plaintiff could be over \$100,000, we do not anticipate any such loss. This case was unsuccessfully mediated in 2014. The expectation of potential downside has not changed, but we do not anticipate any adverse findings that would result in City financial loss greater than the City's insurance deductible. There has been no trial date set but trial is likely sometime in 2019 OR 2020, but probability of high cost adverse verdict is low to medium.

Kaitlyn Judson v. City of Danbury. This a suit alleging a failure to hire based upon a claimed disability. While based on the circumstances in the fact pattern of the case, we do not expect a high probability of success by the claimant, an adverse verdict could be greater than \$50,000.

Tax Appeals. There have been approximately 58 new commercial property tax appeals that have been brought against the City from the October 1, 2017 Grand List. About 13 of these have been withdrawn and another 14 have been resolved with minimal impact to the grand list. Only about a dozen appeals have been filed with Superior Court for the October 1, 2018 Grand list. At this time, and as is customary, the City is processing, litigating, and/or negotiating these appeals and assessing their proposed impact. Until said review is complete, City officials cannot state, with certainty, whether there will be a material financial impact in the event the appellants are successful. The City's recent history with tax appeals, however, suggest and lead it to expect or believe that many of these matters will either: settle, be tried successfully, and/or result in assessment adjustment(s). Therefore, at this time, City officials cannot quantify an impact.

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 and the Notes in order that interest on the Bonds and the Notes be and remains excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds and the Notes to be included in gross income retroactive to the date of issuance of the Bonds and the Notes. The Tax Regulatory Agreement, which will be executed and delivered by the City concurrently with the Bonds and the Notes, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds and the Notes in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the City also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Bonds and the Notes shall be excluded from gross income for federal income tax purposes under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the City with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds and the Notes 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 and the Notes is, however, includable in adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations for tax years beginning before January 1, 2018.

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

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds and the Notes 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.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds and the Notes, is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds and the Notes will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds and the Notes or adversely affect the market price of the Bond and the Notes.

The opinions of Bond Counsel are rendered as of their date and are based on existing law, which is subject to change. Bond Counsel assumes no obligation to update or supplement its opinions 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 and the Notes 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 and the Notes.

Original Issue Discount

The initial public offering price of certain maturities of the Bonds and the Notes may be less than the principal amount payable on such Bonds and the Notes 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 or Notes is sold constitutes original issue discount. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds and the Notes 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 or Note 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 or Notes by such owner. Accrued original issue discount on the Bonds and the Notes 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 or Note. The original issue discount attributable to any bond for any particular semiannual period is equal to the excess of the product of (i) one-half of the yield to maturity of such bond, and (ii) the amount which would be the adjusted basis of the bond at the beginning of such semiannual period if held by the original owner and purchased by such owner at the initial public offering price, over the interest paid during such period. The amount so treated as accruing during each semiannual period is apportioned in equal amounts among the days in that period to determine the amount of original issue discount accruing for such purposes during each such day. Prospective purchasers of the Bonds and the Notes should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds and the Notes.

Internal Revenue Service Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service is studying whether the stated interest portion of the payment at maturity on a short-term debt obligation (such as the Notes), that matures not more than one year from the date of issue, bears a stated fixed rate of interest and is described in section 103(a) of the Code, is (i) qualified stated interest that is excluded from the stated redemption price at maturity of the obligation (within the meaning of section 1273 of the Code) but is excluded from gross income pursuant to section 103(a) of the Code, or (ii) is not qualified stated interest and, therefore, is included by the taxpayer in the stated redemption price at maturity of the obligation, creating or increasing (as to that taxpayer) original issue discount on the obligation that is excluded from gross income pursuant to Section 103 of the Code. Notice 94-84 states that until the Internal Revenue Service provides further guidance with respect to tax-exempt short-term debt obligations, a taxpayer holding such obligations may treat the stated interest payable at maturity either as qualified stated interest or as included in the stated redemption price at maturity of the obligation. However, the taxpayer must treat the amounts to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Prospective purchasers of the Notes should consult their own tax advisors with respect to the federal, state and local income tax consequences of ownership of and of the election between the choices of treatment of the stated interest payable at maturity on the Notes.

Original Issue Premium

The initial public offering price of certain maturities of the Bonds and the Notes may be greater than the principal amount payable on such Bonds and Notes at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds or the Notes is sold over the principal amount payable at maturity or on earlier call date constitutes original issue premium. The prices set forth on the inside cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds and the Notes 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 or Note 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 or Notes by such owner. Amortized original issue premium on the Bonds and the Notes 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 purchasers of the Bonds and the Notes should consult their own tax advisors with respect to the federal, state and local income tax consequences of the disposition of and receipt of interest on the Bonds and the Notes.

Transcript and Closing Documents

The original purchaser(s) will be furnished the following documents when the Bonds and the Notes are delivered:

1. Signature and No Litigation Certificates stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds and the Notes or the levy or collection of taxes to pay them.

2. Certificates on behalf of the City, signed by the Mayor, the Treasurer, and the Director of Finance 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, at the time bids were accepted on the Bonds and the Notes 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 and the Notes.

4. The approving opinions of Robinson & Cole LLP, Bond Counsel.

5. Executed continuing disclosure agreements for the Bonds and the Notes in substantially the forms attached hereto as Appendices D and E, respectively.

The City of Danbury has prepared an Official Statement for the Bonds and the Notes, which is dated July __, 2019. The City deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(1), but it is subject to revision or amendment. The City will make available to the winning purchaser of the Bonds twenty five (25) copies of the Official Statement at the City's expense, and to each winning purchaser of the Notes ten (10) copies. The copies of the Official Statement will be made available to the winning purchasers within seven business days of the bid opening. If the City's Municipal Advisor, Phoenix Advisors, LLC, is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds and the Notes are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, the name of the managing underwriter, the name of the insurer, if any. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement to the purchaser. Additional copies of the Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

A transcript of the proceedings taken by the City with respect to the Bonds will be kept on file at the offices of U.S. Bank National Association 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 winning purchaser or holders of the Bonds and the Notes. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representation 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 provision of law is subject to repeal or amendment.

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

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

CITY OF DANBURY, CONNECTICUT

Mark D. Boughton, Mayor

Daniel P. Jowdy, Treasurer

David W. St. Hilaire, Director of Finance

Dated as of July __, 2019

Appendix A

2018 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 Danbury, Connecticut for the fiscal year ended June 30, 2018. 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, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Suite #1, Milford, Connecticut. Telephone (203) 878-4945.

Appendix B

Form of Opinion of Bond Counsel - Bonds

Appendix C

Form of Opinion of Bond Counsel - Notes

Appendix D

Form of Continuing Disclosure Agreement - Bonds

Appendix E

Form of Continuing Disclosure Agreement - Notes

Appendix F

Notice of Sale - Bonds

Appendix G

Notice of Sale - Notes