

Final Official Statement Dated February 22, 2017

New Money Issue: Book-Entry-Only

**Rating: S&P Global Ratings: "AAA"
Fitch Ratings: "AAA"**

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

Town of Cheshire, Connecticut

\$17,500,000

General Obligation Bonds, Issue of 2017

BOOK-ENTRY-ONLY

Dated: Date of Delivery

**Due: July 15, 2018-2036
as detailed below:**

The Bonds will bear interest payable on July 15, 2017 and semiannually thereafter on January 15 and July 15 in each year until maturity. The Bonds are issuable only as fully registered bonds, without coupons, and when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book entry-only 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 described herein) of the Bonds. (See "Book Entry Only Transfer System" herein).

<u>Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP</u>
2018	\$ 925,000	3.000%	0.900%	165375U79	2028*	\$ 920,000	2.750%	2.700%	165375V94
2019	925,000	3.000%	1.050%	165375U87	2029*	920,000	3.000%	2.900%	165375W28
2020	925,000	2.000%	1.210%	165375U95	2030	920,000	3.000%	3.000%	165375W36
2021	925,000	5.000%	1.400%	165375V29	2031	920,000	3.000%	3.100%	165375W44
2022	920,000	5.000%	1.580%	165375V37	2032	920,000	3.125%	3.200%	165375W51
2023	920,000	5.000%	1.800%	165375V45	2033	920,000	3.125%	3.250%	165375W69
2024	920,000	4.000%	1.980%	165375V52	2034	920,000	3.250%	3.300%	165375W77
2025*	920,000	4.000%	2.150%	165375V60	2035	920,000	3.250%	3.350%	165375W85
2026*	920,000	3.000%	2.360%	165375V78	2036	920,000	3.250%	3.400%	165375W93
2027	920,000	2.500%	2.500%	165375V86					

* Priced assuming redemption on July 15, 2024; however any such redemption is at the option of the Town.

BAIRD

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

The Bonds are subject to optional redemption prior to maturity as more fully described herein. (See "Optional Redemption" herein.)

The Registrar, Certifying, Transfer, Paying and Escrow Agent will be U.S. Bank National Association of Hartford, Connecticut.

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Robinson & Cole LLP, Bond Counsel, Hartford, Connecticut, and certain other conditions. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about March 6, 2017.

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

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

The independent auditors for the Town 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.

The Bonds have not been registered under the Securities Act of 1933, as amended, nor have the Bonds been registered under any state securities laws.

The Town 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 Town 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 Town will agree to provide or cause to be provided (i) annual financial information and operating data, (ii) a 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 Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement. The Continuing Disclosure Agreement shall be executed in substantially the form attached as Appendix C to this Official Statement.

(Remainder of page intentionally left blank)

Table of Contents

Bond Issue Summary	1	IV. Tax Base Data	25
I. Bond Information	2	Property Tax Assessments	25
Introduction	2	Property Tax Levy & Collections	26
Municipal Advisor	2	Property Tax Collections	26
Description of the Bonds	2	Property Taxes Receivable	26
Optional Redemption	3	Principal Taxpayers	27
Authorization and Purpose	3	Comparative Assessed Valuations of Taxable Property	27
Book-Entry Only Transfer System	5	Tax-Exempt Property	28
DTC Practices	6	V. Debt Summary	29
Replacement Bonds	6	Long-Term Bonded Debt	29
Security and Remedies	6	Short-Term Debt	30
Qualifications for Financial Institutions	7	Other Commitments	30
Availability of Continuing Disclosure Information	7	Annual Bonded Debt Maturity Schedule	30
Bond Rating	7	Overlapping/Underlying Debt	31
Tax Matters	7	Debt Statement	31
Original Issue Discount	8	Current Debt Ratios	31
Original Issue Premium	8	Temporary Financing	32
Bond Insurance	9	Clean Water Fund Program	32
II. The Issuer	10	Authority to Incur Debt	33
Description of the Municipality	10	Statement of Statutory Debt Limitation	34
Government Organization	11	Authorized But Unissued Debt	35
Principal Municipal Officials	11	Principal Amount of Outstanding Debt	35
Resumes of Key Municipal Officials	12	Ratios of Net Long-Term Debt to Valuation Population and Income	35
Municipal Services	14	Ratio of Annual Debt Service to total General Fund Expenditures	36
Employee Relations and Collective Bargaining	17	VI. Financial Information	37
Municipal Employees	17	General Fund Revenues, Expenditures and Changes in Fund Balance	37
Employees' Bargaining Organizations	17	Analysis of General Fund Balance	38
Education System	18	Historical General Fund Balance Sheet	39
School Facilities	18	Accounting Policies and Basis of Accounting	40
School Enrollment and Projections	19	Audit	40
III. Economic and Demographic Information	20	Certificate of Achievement for Excellence in Financial Reporting	40
Population and Density	20	Budget Adoption Procedure	40
Age Distribution of the Population	20	Capital Improvement Plan	41
Income Distribution	20	Pension Programs	42
Income Levels	21	Other Post-Employment Benefits	42
Educational Attainment	21	Compensated Absences	43
Employment Data	21	Risk Management	43
Employment by Industry	22	Investments	44
Major Employers	22	VII. Legal and Other Information	45
Building Permits	23	Litigation	45
Housing Unit Inventory	23	Transcript and Closing Documents	45
Owner Occupied Housing Values	23	Concluding Statement	46
Age Distribution of Housing	24	Appendix A - Basic Financial Statements (Excerpted from the Town's 2016 Comprehensive Annual Financial Report)	
Breakdown of Land Use	24	Appendix B - Form of Opinion of Bond Counsel	
		Appendix C - Form of Continuing Disclosure Agreement	
		Appendix D - Notice of Sale	

Bond Issue Summary

The information in this Bond Issue Summary and the 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:	Wednesday, February 22, 2017 at 11:30 A.M. (E.S.T.).
Location of Sale:	Cheshire Town Hall, 84 South Main Street, Cheshire, Connecticut 06410.
Issuer:	Town of Cheshire, Connecticut (the "Town").
Issue:	\$17,500,000 General Obligation Bonds, Issue of 2017 (the "Bonds").
Dated Date:	Date of Delivery.
Interest Due:	July 15, 2017 and semiannually thereafter on January 15 and July 15, in each year until maturity or earlier redemption.
Principal Due:	The Bonds are due serially, July 15, 2018 through July 15, 2036, as detailed in this Official Statement.
Purpose:	The proceeds of the Bonds will be used to fund various sewer, general purpose and school construction projects authorized by the Town.
Redemption:	The Bonds are subject to redemption prior to maturity, as described herein.
Security:	The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
Credit Rating:	The Bonds have been rated "AAA" from S&P Global Ratings and "AAA" from Fitch Ratings.
Basis of Award:	Lowest True Interest Cost (TIC), as of the dated date.
Bond Insurance:	The Town does not expect to purchase a credit enhancement facility.
Tax Exemption:	See "Tax Matters" herein.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided: (i) annual financial information and operating data, (ii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the continuing disclosure agreement, and (iii) notices of certain events with respect to the Bonds, within 10 business days of the occurrence of such event, pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.
Bank Qualification:	The Bonds <u>shall NOT be</u> designated by the Town 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 of interest expense allocable to the Bonds.
Registrar, Transfer Agent, Certifying Agent, Paying and Escrow Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23rd Floor, Hartford, Connecticut 06103.
Legal Opinion:	Robinson & Cole LLP, of Hartford, Connecticut will act as Bond Counsel.
Municipal Advisor:	Phoenix Advisors, LLC, of Milford, Connecticut will act as Municipal Advisor. Telephone (203) 878-4945.
Delivery and Payment:	It is expected that delivery of the Bonds in book-entry-only form will be made on or about March 6, 2017, against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be addressed to James J. Jaskot, Director of Finance & Treasurer, Town Hall, 84 South Main Street, Cheshire, Connecticut 06410. Telephone (203) 271-6610.

I. Bond Information

Introduction

This Official Statement, (the "Official Statement") including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Cheshire, Connecticut (the "Town"), in connection with the original issuance and sale of \$17,500,000 General Obligation Bonds, Issue of 2017 (the "Bonds") of the Town.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstance, create any implication that there has been no change in the affairs of the Town since the date hereof. Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representation of fact. No representation is made that any of such statements will be realized. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof.

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

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

The Town 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.

Municipal Advisor

Phoenix Advisors, LLC, of Milford, Connecticut the ("Municipal Advisor") has served as Municipal Advisor to the Town with respect to the issuance of the Bonds and has assisted the Town in preparing this Official Statement. 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 as of the date of delivery, March 6, 2017, and will mature in annual installments on July 15 in each of the years and in the principal amounts set forth on the cover page of this Official Statement. Interest on the Bonds will be payable on July 15, 2017 and semiannually thereafter on January 15 and July 15, in each year until maturity. Interest will be calculated on the basis of twelve 30-day months and a 360-day year and will be payable to the registered owners of the Bonds as of the close of business on the last business day of June and December in each year, by check, mailed to the registered owner at the address as shown on the registration books of the Town kept for such purpose, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree. The Bonds are subject to redemption prior to maturity as more fully described herein. The Bonds shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended.

Optional Redemption

The Bonds maturing on or before July 15, 2024 are not subject to redemption prior to maturity. The Bonds maturing on July 15, 2025 and thereafter, are subject to redemption prior to maturity, at the election of the Town, on and after July 15, 2024 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 Town may determine, at the respective price (expressed as a percentage of the principal amount of Bonds to be redeemed), set forth in the following table, plus interest accrued and unpaid to the redemption date:

<i>Period During Which Redeemed</i>	<i>Redemption Price</i>
July 15, 2024 and thereafter	100%

Notice of redemption shall be given by the Town 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 of the Bonds at the address of such registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town 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 Town, 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 Town 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 Town authorizing the issuance of the Bonds and will not be conducted by the Town, the Registrar or Paying Agent.

Authorization and Purpose

The Town of Cheshire has the power to incur indebtedness as provided by the Connecticut General Statutes and the Town Charter. The issuance of bonds and notes is authorized by a resolution of the Town Council subject to certain procedures outlined in the Town Charter (see "Authority to Incur Debt" herein). Notes and bonds may be issued to meet certain emergency appropriations as provided in the Connecticut General Statutes.

The projects financed by the Bonds include:

Project Number	Project Name	Bond Authorization	Bonds This Issue
General Purpose			
01198	Municipal Telephone System.....	\$ 100,000	\$ 100,000
01157	Capital Planning	50,000	50,000
01158	Underground Storage Tank Removal	75,000	25,000
01244	Generator Replacement at Firehouse # 2 and Animal Control Facility	120,000	120,000
01245	Town Hall Window Replacement	75,000	75,000
00713	Land Acquisition	2,022,343	1,500,000
01264	Land Acquisition - Chapman Property	1,500,000	1,500,000
01107	Firefighting Equipment and Protective Clothing	45,000	45,000
01224	Firefighting Equipment and Protective Clothing.....	145,000	100,000
01260	Upgrade and Expansion of Public Safety Radio Communication System	3,163,000	2,139,305
01261	Replacement of 1990 Fire Truck Pumping Engine # 3	635,000	635,000
01088	Road Repavement Program	1,573,695	1,573,695
01228	Sidewalk Program	200,000	200,000
01229	Public Works Vehicles and Equipment	337,000	337,000
01230	Dump Trucks and Plows	347,513	322,000
01236	East Johnson Avenue Bridge Over Quinipiac River	2,909,285	600,000
01241	Dump Truck and Plow	153,000	153,000
01248	Sidewalks - Lanyon Drive / Westland Avenue	100,000	100,000
01255	Mt. Sanford Road Culvert and Road Realignment	75,000	75,000
01256	Sidewalk Program	200,000	125,000
01262	Road Repavement Program	1,650,000	1,650,000
01203	Mixville Dam and Spillway Improvements	100,000	75,000
01231	Tennis Court Renovations at Youth Center	260,000	260,000
01249	Renovations at Various Outdoor Basketball Courts	135,000	135,000
01250	Restroom Upgrades for Cheshire Park, Mixville Park and McNamara Legion Field	120,000	120,000
Subtotal General Purpose.....		16,090,836	12,015,000
School			
01025	Cheshire High School Infrastructure Improvements	150,000	50,000
01144	Emergency Shelter Generators	125,000	125,000
01167	Upgrade Public Bathrooms and Concession Stand at Cheshire High School Athletic Complex	350,000	280,000
01193	District Wide Roof Repairs and Replacements	221,250	81,500
01195	District Wide Sidewalk and Masonry Repairs	250,000	25,000
01196	District Wide Lavatory Improvements	525,000	525,000
01204	Window Replacements and Energy Improvements	562,500	562,500
01232	Remedy Exterior Area Deficiencies - Cheshire High School	251,000	251,000
01233	District Wide Paving	250,000	250,000
01234	Cheshire High School Storage	260,000	260,000
01251	Sidewalk and Masonry Repairs - Chapman, Darcey and Cheshire High	125,000	125,000
01253	Emergency Generator Connections - 5 Elementary Schools and Dodd Middle School	175,000	175,000
01259	Cafeteria Renovations - Doolittle	275,000	275,000
Subtotal Schools.....		3,519,750	2,985,000
Sewer			
01150	Wastewater Treatment Plant Upgrade	752,633	300,000
01263	West Johnson Avenue Pump Station Rehabilitation	3,500,000	2,200,000
Subtotal Sewers.....		4,252,633	2,500,000
Grand Totals.....		\$ 23,863,219	\$ 17,500,000

Book-Entry-Only Transfer System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds (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 Standard & Poor’s 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.

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 Town 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 Town or Agent, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to

Beneficial Owners will be governed by standing instructions and customary practices, as is the case with 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, Agent, or the Town, 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 Town or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Town 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 Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

DTC Practices

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

Replacement Bonds

In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town is authorized to issue fully registered Bond certificates directly to the Beneficial Owner. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner’s name, will become the registered owner of the Bonds.

Security and Remedies

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

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

The Town is subject to suit on its general obligation bonds and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds from funds lawfully available therefor or, in the absence thereof, to order the Town 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 may take into account all relevant factors, including the current operating needs of the Town 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 as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted and to the exercise of judicial discretion. Under the Federal Bankruptcy Code, the Town may seek relief only, among other requirements, if it is

specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by state law or by a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

Qualification for Financial Institutions

The Bonds shall NOT be designated by the Town 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 of interest expense allocable to the Bonds.

Availability of Continuing Information

The Town prepares, in accordance with State law, annual independent audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. The Town provides, and will continue to provide, to Moody's Investor Service, S&P Global Ratings and Fitch Ratings ongoing disclosure in the form of comprehensive annual audited financial statements, adopted budgets and other materials relating to its management and financial condition, as may be necessary or requested.

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town 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 with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed in substantially the form contained in Appendix C to this Official Statement. The Underwriter's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds to provide certain annual financial information and notices of events pursuant to Rule 15c2-12(b)(5). In the last five years, the Town has not failed to comply, in all material respects, with its previous undertakings in such agreements.

Bond Rating

The Town has received a "AAA" rating from S&P Global Ratings and a "AAA" from Fitch Ratings (the "Rating Agencies") on the Bonds. The Town furnished to the Rating Agencies certain information and materials, some of which may not have been included in this Official Statement. The rating reflects only the views of the Rating Agencies. No application was made to any other rating agencies for the purpose of obtaining ratings on outstanding securities of the Town.

Generally, the rating agencies base their rating upon such information and materials and upon investigations, studies and assumptions by the rating agencies. There can be no assurance that a rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability or market price of the Town's outstanding bonds and notes, including this issue.

The Town expects to furnish to the Rating Agencies information and materials that they may request. However, the Town may issue short-term or other debt for which a rating is not requested. The Town's Municipal Advisor, Phoenix Advisors, LLC, recommends that all bonded debt be submitted for a credit rating.

Tax Matters

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

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

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

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Legislation affecting the exclusion from gross income of interest on State or local bonds, such as the Bonds, 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 will not reduce or eliminate the benefit of the exclusion from gross income of interest on the Bonds or adversely affect the market price of the Bonds.

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

Original Issue Discount

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

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

Original Issue Premium

The initial public offering price of certain maturities of the Bonds may be greater than the principal amount payable on such Bonds at maturity. The excess of the initial public offering price at which a substantial amount of these Bonds are sold over the principal amount payable at maturity or on earlier call date constitutes original issue

premium. The prices set forth on the cover page of the Official Statement may or may not reflect the prices at which a substantial amount of the Bonds were ultimately sold to the public.

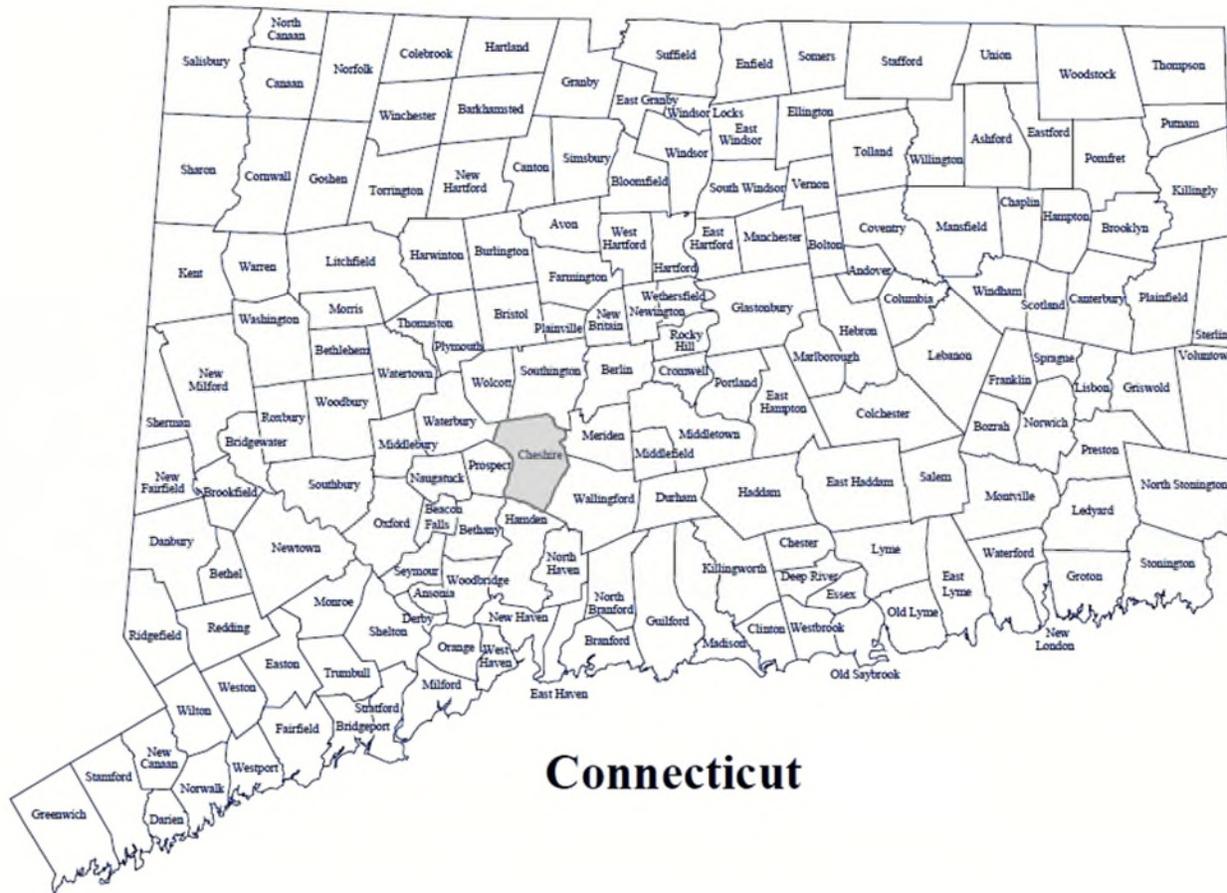
Under Sections 1016 and 171 of the Code, the amount of original issue premium treated as amortizing with respect to any Bond during each day it is owned by a taxpayer is subtracted from the owner's adjusted basis for purposes of determining gain or loss upon the sale or other disposition of such Bonds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

Bond Insurance

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

(Remainder of page intentionally left blank)

II. The Issuer



Description of the Municipality

Cheshire, originally a part of the Town of Wallingford, was settled in 1694 and incorporated as a town in May 1780. Located in the south central section of the State, Cheshire is approximately 14 miles north of New Haven and 25 miles southwest of Hartford. The Town has a land area of 33 square miles and is bounded on the north by Southington and Wolcott, on the east by Meriden and Wallingford, on the south by Hamden and Bethany, and on the west by Prospect and Waterbury.

Until about 1950, Cheshire was predominantly a rural farming community. Since then, the Town has evolved into a residential suburban community. Despite significant industrial/commercial growth, Cheshire retains its rural characteristics with thousands of acres of open space and an active agricultural industry. The Town is designated as the Bedding Plant Capital of Connecticut by the General Assembly.

From its predominantly agricultural base, the economy of Cheshire has diversified and grown steadily. The Economic Development Coordinator and Town personnel work to attract new business development and retain companies. The Town has zoned 2,500 acres for industrial use in the north central section of Town. The Town continues to use a policy, started in 1993, for the possible granting of tax and infrastructure incentives to businesses that are compatible with Cheshire.

The Town's industrial zone is bounded on the west by Interstate 84, a major highway between Boston and New York. Interstate 691 traverses the industrial zone and links Interstate 84 to Interstate 91, 8 miles to the east. In addition, State Highway Routes 10 and 68/70, which run north south and east west respectively, intersect in the center of Cheshire. Intra and interstate area trucking companies are available to service Cheshire business and industry. International air service is 35 miles away at Bradley International Airport and 15 miles to the south is Tweed New Haven Airport, available for commuter and general aircraft use. The port of New Haven, the third largest in New England, handles all types of cargo and is less than one half hour away.

The Town is served by four daily newspapers and one local weekly newspaper. Major cable companies provide service to Cheshire residents and businesses.

The Town provides excellent quality of life opportunities for its residents. In addition to a variety of year-round recreational and cultural activities available in Cheshire, residents have easy access to activities in both the greater New Haven and greater Hartford areas.

The Town has been noted by a number of publications as a desirable community in which to live. In recent years, The Town has been recognized by Money and Connecticut magazines as one of the best small towns in the State and country.

Government Organization

The Town is governed by a Council-Manager form of government, which was adopted under a Town Charter approved by Town voters on June 9, 1971. The most recent Town Charter revisions became effective January 1, 1996.

The legislative function is performed by a nine-member Town Council, one member for each of the four voting districts and five members elected at large (the “Town Council”). Not more than seven persons from any one political party may serve as Town Council members. All Town Council members are elected biennially for two-year terms. The Town Council is empowered to adopt the Town’s budget, fix the mill rate and enact local ordinances. A Mayor is elected from within the Town Council and acts as its Chairman. The Town Council also appoints the members of all boards and commissions, except those positions that are elected.

The Town Council appoints the Town Manager who serves as the Chief Executive Officer of the Town. The Town Manager is responsible, in accordance with the Town Charter, for the operation of the municipality, including the appointment of all department heads.

The Board of Education, a seven-member elected body, is responsible for the operation of the public school system and appoints a Superintendent of Schools who serves as the Chief Executive Officer of the school system.

Principal Municipal Officials

Office	Name	Manner of Selection/Term	Years of Service As of December 2016
Town Manager	Michael A. Milone ¹	Appointed	27 years
Director of Finance/Treasurer	James J. Jaskot ²	Appointed	18 years
Deputy Director of Finance	Gina DeFilio	Appointed	5 years
Personnel Director/Asst. Town Manager for Human Resources ..	Louis A. Zullo	Appointed	22 years ⁵
Asst. Town Manager for Admin./ Public Information Officer	Arnett T. Talbot ³	Appointed	24 years
Director of Public Works/Engineering.....	George Noewatne ⁴	Appointed	12 years
Chief of Police	Neil Dryfe	Appointed	6 years
Fire Chief	Jack Casner	Appointed	20 years ⁶
Town Planner	William Voelker	Appointed	11 years
Economic Development Coordinator	Gerald L. Sitko	Appointed	25 years
Superintendent of Schools.....	Jeffrey F. Solan	Appointed	1 year ⁷

¹ Mr. Milone spent his first ten and a half years with the Town as Finance Director/Treasurer.

² Mr. Jaskot spent thirteen years with the Town as Deputy Finance Director before becoming the Director of Finance/Treasurer in 2011.

³ Arnett Talbot was appointed Assistant Town Manager for Administration in January 2017, and has served as Public Information Officer since 2000. Ms. Talbot also served as the Executive Assistant to the Town Manager since 2000 and other various positions within the Town.

⁴ Mr. Noewatne served as Deputy Director of Public Works from April 2004 until his appointment as Director of Public Works/Engineering in January 2013.

⁵ Non-consecutive. Louis A. Zullo has been in his position since January 2017, Personnel Director since August 2000 and the Assistant Town Manager since April 2006.

⁶ Fire Chief became a full time position in 2004. Mr. Casner served as Fire Chief in a volunteer capacity for seven years.

⁷ Mr. Solan was the Assistant Principal at Dodd Middle School for three years, Principal at Dodd Middle School for four years, and Principal at Cheshire High School for four years before becoming Superintendent of Schools.

Resumes of Key Municipal Officials

Michael A. Milone, Town Manager: Michael A. Milone has been with the Town since January 1990. Mr. Milone served as Finance Director/Treasurer for the Town for 10½ years, and was appointed Town Manager in May 2000. He has been in municipal government for 40 years, having worked for the City of New Haven for 13 years prior to coming to Cheshire. While with the City of New Haven, Mr. Milone worked as a Management Analyst, Executive Assistant to the Controller, Deputy Controller, and he spent his final six years with the City of New Haven as Controller (Chief Financial Officer).

Mr. Milone graduated from Georgetown University with a Bachelor's Degree in Public Administration and received a Master's Degree in Public Administration from New York University.

Mr. Milone was an adjunct professor at the University of New Haven for fourteen years from 1986 through 2000, where he taught a graduate course in Local Government Finance. Currently, he still continues as a guest lecturer. Mr. Milone has been a Credentialed Manager with International City/County Manager's Association (ICMA) since 2005, and Chairman of the Committee on Taxes and Finance for the Connecticut Conference of Municipalities (CCM). Mr. Milone is a past member of the Government Finance Officers Association of the United States and Canada (GFOA), former Board member of the Connecticut GFOA (GFOA CT), and former member of the State of Connecticut Municipal Finance Advisory Commission. In addition, Mr. Milone is a former chairman of the City of New Haven's Financial Review and Audit Commission of which he had been a member from April 1994 through 2000.

James J. Jaskot, Director of Finance / Treasurer: James J. Jaskot has been with the Town since July 1998. Mr. Jaskot served as Deputy Director of Finance for the Town for 13 years and was appointed Director of Finance / Treasurer in July 2011. Prior to coming to Cheshire, Mr. Jaskot worked for over fourteen years in public accounting with emphasis on municipal accounting, auditing and financial reporting.

Mr. Jaskot graduated from the University of Connecticut in 1983 with a Bachelor of Science Degree in Accounting. He is a Certified Public Accountant and member of the American Institute of Certified Public Accountants, Connecticut Society of Certified Public Accountants (CSCPA), and the GFOA CT. He is a past chair of the CSCPA Governmental Accounting and Auditing Committee and served as President of the GFOA CT Board. He has also participated on several task forces for the Governmental Accounting Standards Board (GASB) to deliberate proposed accounting standards.

Gina M. DeFilio, Deputy Director of Finance: Gina M. DeFilio became the Deputy Director of Finance in September 2011. Prior to coming to Cheshire, Ms. DeFilio worked in public accounting at RSM US LLP for over 10 years, with an emphasis on municipal accounting, auditing and financial reporting. She has managed the financial statement and grant audits of a number of Connecticut municipalities.

Ms. DeFilio graduated from the University of Connecticut in 1995 with a Bachelor of Science Degree in Accounting. She is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants, Connecticut Society of Certified Public Accountants (CSCPA), and the GFOA CT.

Louis A. Zullo, Human Resources Director / Assistant Town Manager for Human Resources: Louis A. Zullo has been in his position since January 2017, Personnel Director since August 2000 and the Assistant Town Manager since April 2006. He has also served as Cheshire's Assistant to the Town Manager from 1986 to 1992. He had spent fourteen years with the Town of East Haven as Community Development Coordinator and then Director of Administration and Management. Prior to his return to Cheshire, Mr. Zullo served as Administrative Officer of the Town of Woodbridge for two years.

Mr. Zullo received a Bachelor of Arts degree in Political Science from Providence College in 1975 and a Master of Public Administration degree from the University of New Haven in 1984.

Arnett T. Talbot, Assistant Town Manager for Administration / Public Information Officer: Arnett Talbot was appointed Assistant Town Manager for Administration in January 2017, and has served as Public Information Officer since 2000. Ms. Talbot also served as the Executive Assistant to the Town Manager since 2000. Prior to Ms. Talbot's 24 year tenure with the Town of Cheshire, including three years as a certified Assistant Town Clerk, she worked as the Director of Marketing for the United Way of Greater New Haven and as an Account Supervisor in the advertising and public relations industry.

Ms. Talbot earned a Bachelor of Arts degree in Communication Science from the University of Connecticut in 1980, and is currently a candidate for a Master of Public Administration degree from Post University.

George D. Noewatne, Jr., Director of Public Works / Engineering: George Noewatne was appointed to his current position in January 2013. He had previously served as the Town's Operations Manager/Deputy Director of Public Works since April 2004. Prior to his employment with the Town, Mr. Noewatne served for eight years as a project manager and/or owner's representative for numerous construction projects. In that capacity he worked for firms including: The Whiting-Turner Contracting Company, O&G Industries, and Strategic Building Solutions. Mr. Noewatne also served as an officer in the US Army Corps of Engineers for five years.

Mr. Noewatne graduated from the Virginia Military Institute with a Bachelor of Science Degree in Civil Engineering. Mr. Noewatne also holds a Master of Science Degree in Civil Engineering from the Virginia Polytechnic Institute and State University, as well as a Master of Business Administration Degree from the University of Connecticut. He is a member of the American Public Works Association, and is a certified Connecticut tree warden.

Neil Dryfe, Chief of Police: Neil Dryfe was appointed Chief of the Cheshire Police Department in January of 2011. Prior to coming to Cheshire, he served twenty-one years with the Hartford Police Department, rising through the ranks from police officer to assistant chief.

Chief Dryfe holds a Bachelors Degree from the University of Connecticut and a Masters Degree in Criminal Justice Administration from Western New England College. He is a member of the Connecticut Police Chiefs Association, the International Association of Chiefs of Police and the Police Executive Research Forum.

Jack Casner, Fire Chief: Jack Casner joined the volunteer fire department in 1987 and was appointed to the position of full time fire chief in January of 2004 after serving as a Lieutenant, Captain, and Fire Inspector over the course of his fire service career. Chief Casner was the volunteer fire chief for seven years prior to his appointment in 2004.

A twenty-five year veteran of the fire service, Chief Casner has gained his education through Connecticut colleges and fire service education through the State of Connecticut Fire Academy. Chief Casner is a member of the International Association of Fire Chiefs, member and past president of the Waterbury Area Fire Chiefs Association, Connecticut Career Fire Chiefs Association, New England Fire Chiefs Association, New York State Fire Chiefs Association and several other related associations. Chief Casner is a member of the National Fire Protection Association and has served on several committees and boards within all of these associations and organizations. Currently Chief Casner is on the Board of Directors and is the immediate Past President of the New England Association of Fire Chiefs. Chief Casner is recently accredited as a Fire Officer by the Commission on Public Safety Excellence, the third accredited in the State of Connecticut.

William Voelker, Town Planner: William Voelker has been employed by the Town since November 2005. Prior to coming to Cheshire, Mr. Voelker worked as the Director of Community Planning and Development for the Town of Simsbury since 1996. He has also served as the Town Planner of Berlin for seven and a half years and was the Assistant Planning Director for the City of Meriden for three plus years. He is a member of the American Institute of Certified Planners and is also a member of the American Planning Association, the Connecticut Developers Council, and the International Council of Shopping Centers.

Mr. Voelker holds a Bachelor of Arts degree from SUNY-Oswego and a Masters Degree in Community Planning and Development from the University of Rhode Island.

Gerald L. Sitko, Economic Development Coordinator: Gerald L. Sitko has been the Town's Economic Development Coordinator since 1991. Mr. Sitko came to Cheshire from the Connecticut Business and Industry Association where he was Assistant Director of Public Affairs for six years. He also served as Glastonbury's Assistant Town Manager for six years. Mr. Sitko received a Bachelor of Arts degree in Political Science from the University of Delaware. He received a Master of Arts degree in Urban Studies from the University of Akron.

Jeffrey F. Solan, Superintendent of Schools: Jeffrey F. Solan has been with the Cheshire Public Schools since July, 2005. Mr. Solan served as the Assistant Principal and Principal of Dodd Middle School before spending the past four years as Principal of Cheshire High School. He was appointed Superintendent of Schools in July, 2016. He has over 12 years of experience in public school administration, including 1 year with the Ansonia Public School system.

Mr. Solan graduated from the State University of New York, Oswego with a Bachelor's Degree in Psychology and earned a Master's Degree in Counseling and Psychology Services also from the State University of New York, Oswego. He has a Sixth Year Certificate from Southern Connecticut State University, an Executive Leadership

Certificate from University of Connecticut, and he is currently working on an Educational Doctorate at Southern Connecticut State University.

Mr. Solan has served as the Chair of the Ulbrich Boys and Girls Club in Wallingford, Connecticut, volunteered with the Wallingford Youth Soccer and New Haven Warriors Hockey associations, and with Connecticut Food Bank. He is currently a member of the Connecticut Association of Public School Administrators and the American Association of School Administrators.

Municipal Services

Police

The Cheshire Police Department is staffed with fifty-eight full-time employees, forty eight of whom are sworn police officers. The Department is organized into three divisions; Patrol, Support Services, and Administration. The Police Department also manages the municipal animal control function consisting of two full-time employees, and employs seven part-time school crossing guards. The Cheshire Police Department is a full service agency providing a full range of police services on a twenty-four hour a day basis.

The headquarters building is a 20,000+ square foot facility, hosting all police department functions including a records division and dispatch facility. The Department is equipped with all appropriate telephone, radio and computer systems common to modern police agencies. The Department operates a fleet of twenty-five marked and unmarked vehicles equipped with two-way radios, computers, video cameras, less-lethal munitions, first aid supplies, Automatic External Defibrillators, GPS and traffic safety equipment. The Department also operates a motorcycle and an all-terrain vehicle.

Fire

Fire suppression and rescue services are provided by the Cheshire Fire Department. The Department is comprised of approximately 100 volunteer members, including 60 active firefighters. A career Fire Chief, appointed by the Town Manager, is responsible for administrative activities and personnel matters in addition to all of the services provided by the Department. The Town appropriates funds annually for the operation of the Department that are used for typical operating expenses such as training, insurance, and fleet maintenance. Apparatus and equipment are funded through the Town's Five-Year Capital Plan.

The Department equipment includes seven fire engines, two heavy-duty rescue units, two aerial ladders and several vehicles. The Department maintains three fire stations including an 18,000+ square foot headquarter facility and two substations.

Under the direction of the Fire Chief, the Fire Marshall's Office provides an aggressive prevention/public education/inspection program through its three full time and two part-time staff, who also serve as firefighters and respond with apparatus while on duty.

Parks and Recreation

The Parks and Recreation Department, located at the Harmon Leonard, Jr. Youth Center, offers a wide range of year-round recreational activities for all age groups—preschool, teens, adults and senior citizens. Over 330 acres are devoted to parks and active recreation and over 1,500 acres for open space and passive recreation. Parks include Roaring Brook, a natural area with a water course that falls eighty feet; Lock 12 Historical Park, a restored 150 year old canal lock and gatekeeper's home on the Farmington Canal; Cheshire Park, 75 acres, 25% set aside for active recreation with the balance undeveloped; Mixville Recreation Area which offers swimming, sledding and picnicking; other areas set aside for baseball, softball, soccer, tennis, basketball and summer concerts; a 6.9 mile paved hiking and biking trail along the Farmington Canal; Bartlem Park which features eight ball-fields, a 50 meter year-round community pool, "boundless" playground apparatus, a skateboard facility, a community garden; and an 80 by 180 foot rollerblading rink at Quinnipiac Park.

Public Works

The Public Works Department is made up of 38 administrative, technical, clerical, and labor personnel. The Department is responsible for the maintenance and repair of 152 miles of roads, winter snow and ice operations, sewer system and a wastewater treatment plant, public buildings and properties, residential curbside garbage and recycling collection, Town tree program, and engineering services. Town roads are replaced on an approximate 20 year cycle,

thus in any given year, the Department is improving 7.5 miles of roadway. The Town performs pavement preservation measures such as crack seal, chip seal and micro seal on a number of roads each year to extend the usefulness of the road network.

The Town recently completed a \$32.15 million upgrade at its wastewater treatment plant which will serve the needs of the community for the next 20 years.

The Town has a Municipal Solid Waste Disposal contract with Covanta Projects of Wallingford, L.P., under which it participates with four other south central Connecticut municipalities (Hamden, Meriden, North Haven, and Wallingford) in the Wallingford Regional Solid Waste Project. This regional solid waste facility use to consist of a mass-burn solid waste, resource recovery, steam and electric generation facility located in the Town of Wallingford. However, Covanta and the member towns agreed to convert the site to a transfer station, and this conversion was completed in 2015.

Library

The Cheshire Public Library houses the collection of over 135,000 items, including books, recordings, downloadable materials and periodicals. The Library provides a full range of information services and answers more than 35,000 reference questions a year, utilizing both print and digital resources. More than 19,000 books are borrowed through inter-library loan services using regional and national databases. In addition, the Library provides various cultural activities such as lectures, demonstrations, art exhibitions and youth programs. The Library also collaborates with the Cheshire Performing and Fine Arts Committee, which provides art and theatre programs, to expand cultural offerings to residents.

Human Services Department

The Human Services Department provides programs serving Cheshire youth, senior citizens and the handicapped. Counseling is available for teenagers and their families, as well as positive youth development programs for high school-aged adolescents. Bartlem Park features the “Yellow House” community youth center. The Town Senior Center serves as a gathering place for seniors and offers a variety of activities. A transportation system is provided for seniors and the handicapped.

Inspection

The Inspection Department issues all types of mechanical and building permits and is responsible for the inspection and approval of all the permitted construction in the Town in accordance with the Connecticut State Building Code. The Department is staffed by a Building Official, an Assistant Building Official, an Electrical Inspector and a Secretary.

Planning and Zoning

Cheshire is served by an elected, nine-member, Planning and Zoning Commission (the “Commission”) whose responsibilities include the adoption of the Cheshire Plan of Conservation and Development (“POCD”) as well as the Zoning Regulations and Subdivision Regulations. Additional duties include the review of proposed development projects throughout Cheshire which are governed by these regulations. An update of the POCD was approved on June 27, 2016, with an effective date of July 1, 2016. The Commission also performs an annual review of the Capital Budget in accordance with Section 8-24 of the Connecticut General Statutes. The Planning Department is staffed by a Town Planner/Development Coordinator, an Environmental Planner and a part time Zoning Enforcement Officer.

Economic Development

The Economic Development Commission (“EDC”), a seven-member body appointed by the Cheshire Town Council, works with the Economic Development Coordinator to promote and develop the Town’s economic resources. The EDC feels that economic growth should be of high quality and compatible with the Town and that the future commercial and industrial growth be linked closely to thoughtful planning and zoning decisions.

The EDC takes an active role in issues that affect the Town’s quality of life. EDC members feel that this involvement helps to make Cheshire a more attractive community in which to live and do business.

The Economic Development Coordinator and EDC maintain contact with Cheshire companies as part of the EDC's retention activities. The coordinator visits companies and the EDC holds monthly meetings with local companies to learn about and discuss possible ways the Town could be of service to Cheshire businesses. Information and services are provided regularly by the Coordinator to prospective businesses as well as existing companies. Also, the Economic Development Coordinator maintains a working relationship with State agencies, utilities, the Connecticut Economic Resource Center ("CERC"), real estate professionals, the Cheshire Chamber of Commerce and other organizations in order to assist existing businesses or prospects interested in expanding or relocating their facilities in the Town.

Development in the Cheshire real estate market continues to be diversified and significant. Nosal Builders began construction of a 25,000 square foot office/warehouse building off Fieldstone Court which will be occupied by Nosal & Shred-it. RALO Properties commenced construction of a 20,800 square foot warehouse addition to its 6,000 square foot building at 15 Burton Drive. The addition will be occupied by Tropicana. WANHO Manufacturing leased 80,000 square feet at 156 Knotter Drive and Fosdick Fulfillment leased 130,000 square feet at 181 West Johnson Avenue. Gaylord Physical Therapy and St. Mary's Hospital each leased 7,000 square feet at 1154 Highland Avenue. In addition, Maker Carpentry and Construction leased 13,468 square feet at 248 Sandbank Road and Park Assist leased 5,000 square feet at 125 Commerce Court. Hylie Products Inc., a manufacturer of precision small parts, purchased 30 Grandview Court, and UTC Aerospace Systems signed a 5-year lease extension for its 158,000 square feet facility on Knotter Drive.

In addition, Town officials continue to support the effort of Ball & Socket Arts, Inc. to remediate and redevelop the property of the former Ball & Socket Manufacturing Company on West Main Street. Plans for this project include multi-use space for the arts to include studio and retail space and a theatre.

The Town's economic prospects and indicators remain positive. Socioeconomic indicators such as per capita and median family income and educational attainment continue to exceed the norms in Connecticut. Further, Cheshire's unemployment rates continue to be below the State of Connecticut norm.

Health

Cheshire is a member of the multi-town (Cheshire, Prospect and Wolcott) Chesprocott Health District, which provides public health and sanitation inspection services to the member municipalities.

Sewer System

The Water Pollution Control Authority oversees management of a sewer system of approximately 4,500 properties and 400 businesses, or 60% of the Town's population including the central business district and Cheshire Industrial Park. The municipal sanitary sewer system extends into the western, southern, southeastern and northern sections of town. Sewage is treated at the wastewater treatment plant and the design capacity is 4,000,000 gallons per day. The current average daily flow is approximately 2,660,000 gallons per day. The Town recovers a portion of the construction costs for lateral sewers through the collection of sewer assessments remitted over a period not to exceed ten years. Users of the system pay an initial connection charge and an annual sewer use charge that covers 100% of the annual operating and maintenance expenses and a substantial portion of capital improvements and debt service.

Water

The South Central Connecticut Regional Water Authority supplies Cheshire with water from four wells located in Cheshire, with additional capacity available from the Authority's system in the adjacent Town of Hamden.

Natural Gas

Natural gas distribution is provided by Eversource Energy, which currently serves approximately 1,250 customers in Cheshire.

Electricity

Electricity is furnished to approximately 9,900 customers in Cheshire by Eversource Energy.

Employee Relations and Collective Bargaining

Municipal Employees ¹

	2016-17	2015-16	2014-15	2013-14	2012-13
General Government	209	211	211	210	210
Board of Education	630	631	633	615	613
Total	839	842	844	825	823

¹ Full-time equivalent

Source: 2017 Adopted Budget.

Employees Bargaining Organizations

Employee Group	Bargaining Organization	Number of Employees ¹	Contract Expiration Date
<u>General Government</u>			
Police	Local 1720 of American Federation of State, County and Municipal Employees, Connecticut Council 15, AFL-CIO	44	6/30/2016 ²
Public Works	Local 1303 of American Federation of State, County and Municipal Employees, Connecticut Council 4, AFL-CIO	30	6/30/2020
Dispatchers	Local 40 Connecticut Independent Labor Union	6	6/30/2020
Town Hall Employees	Local 1303-374 of American Federation of State, County and Municipal Employees, Connecticut Council 4, AFL-CIO	44	6/30/2016 ²
Library	Local 1303-431 of AFSCME	18	6/30/2020
Total		142	
<u>Board of Education</u>			
Administrators	Cheshire Administrative Personnel	18	6/30/2018
Teachers	Educational Association of Cheshire	388	6/30/2017 ³
Clerical	Cheshire Educational Secretaries and Technicians United	50	6/30/2015 ³
Custodial	Cheshire Custodians Local 424-Unit 19 of United Public Service Employees Union	24	6/30/2019
Instructional Teacher Assistants and Teacher Assistants (Lunch Room and Playground Aides)	Cheshire Instructional Assistants Association, CSEA Inc., SEIU, AFL-CIO, Local 2001 CTW	191	6/30/2019
Total		671	

Source: Finance Director and Superintendent of Schools, Town of Cheshire.

¹ Includes full-time and part-time union employees only.

² In negotiations.

³ In arbitration.

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

Education System

The Town's school system services grades pre-kindergarten through grade 12 and is governed by the local Board of Education. Cheshire has a seven-member Board of Education elected to 4-year staggered terms. The primary function of the Board is to establish policy. Some of the areas for which such policies are set include curriculum, budget requests submission, ensuring funds for education as appropriated by the Town are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation. The Town has 8 schools for grades pre-kindergarten through 12. Enrollment in grades pre-kindergarten through 12 as of October 1, 2016 was 4,341. The rated capacity of the system facilities is 5,168.

School Facilities

Facility	Grades	Date of Construction	Most Recent	Number of Classrooms	Enrollment 10/1/2016	Rated Capacity ²
			Additions & Renovations ¹			
Chapman School.....	K-6	1949	1981	19	323	380
Doolittle School.....	1-6	1962	1996	30	464	600
Highland School.....	K-6	1971	1979	43	722	860
Norton School.....	K-6	1955	1996	24	418	480
Dodd Middle.....	7-8	1958	2004	32	783	820
Cheshire High.....	9-12	1952	2000	71	1,460	1,575
Humiston School ³	Sp.Ed.	1912	1971	6	14	29
Darcey School ⁴	Pre-School	1947	1985	4	65	100
Darcey Kindergarten ⁴	K	1990	1990	9	92	324
Total				238	4,341	5,168

¹ Other additions and renovations to school buildings include: Chapman School 1954, 1962; Doolittle 1981, 1994; Norton School 1956, 1981, 1994; Dodd Middle 1969, 1980, 1994, 2004; Cheshire High School 1955, 1961, 1971, 1979, 1993; Humiston 1919, 1925; and Darcey School 1954, 1961, 1984.

² Capacities were taken from Cheshire Public Schools – 2005 Study per Kaestle Boos Associates, Inc., dated 4/17/97. Since the study, some space has been converted to be used as classroom space to accommodate the increased enrollment. As a result, total capacity has increased to 5,168.

³ Renovated in 1971 for use for certain special education students and is also the site for the Cheshire Public Schools administrative offices.

⁴ A portion of the facility is used for pre-school students and kindergarten.

Source: Superintendent of Schools, Town of Cheshire.

School Enrollment and Projections

As of October 1	Special Education				
	Pre-K	Grades K-6	Grades 7-8	Grades 9-12	Total
Actual ¹					
2007	119	2,565	824	1,611	5,119
2008	109	2,500	818	1,579	5,006
2009	99	2,486	815	1,545	4,945
2010	85	2,390	786	1,538	4,799
2011	73	2,369	774	1,572	4,788
2012	70	2,289	757	1,536	4,652
2013	76	2,213	747	1,558	4,594
2014	74	2,164	755	1,531	4,524
2015	52	2,115	719	1,497	4,383
2016	65	2,028	783	1,465	4,341
Projected ²					
2017	65	1,950	785	1,432	4,232
2018	66	1,959	688	1,487	4,200
2019	67	1,972	639	1,467	4,145

¹ Student Census Report/Racial Survey filed with the State Department of Education as of October 1.

² These are projections, they are intended as such, and not as representations of fact. No representation is made that such statements will be realized.

Source: Superintendent of Schools, Town of Cheshire.

(Remainder of page intentionally left blank)

III. Economic and Demographic Information

Population and Density

Year	Town of Cheshire		
	Population	% Change	Density ¹
2015 ²	29,254	(0.02%)	886.5
2010	29,261	2.52%	886.7
2000	28,543	11.13%	864.9
1990	25,684	17.88%	778.3
1980	21,788	14.37%	660.2
1970	19,051	--	577.3

¹ Density based on 33 square miles.

² American Community Survey, 2011-2015.

Source: U.S. Department of Commerce, Bureau of the Census, 1970–2010.

Age Distribution of the Population

Age	Town of Cheshire		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years.....	1,132	3.9%	191,445	5.3%
5 to 9 years.....	1,654	5.7	214,983	6.0
10 to 14 years.....	2,262	7.7	231,075	6.4
15 to 19 years.....	2,153	7.4	255,286	7.1
20 to 24 years.....	1,533	5.2	237,578	6.6
25 to 34 years.....	2,869	9.8	436,678	12.2
35 to 44 years.....	3,627	12.4	448,840	12.5
45 to 54 years.....	5,367	18.3	556,454	15.5
55 to 59 years.....	2,135	7.3	259,565	7.2
60 to 64 years.....	2,028	6.9	219,040	6.1
65 to 74 years.....	2,490	8.5	291,955	8.1
75 to 84 years.....	1,256	4.3	162,332	4.5
85 years and over.....	748	2.6	87,991	2.4
Total	29,254	100.0%	3,593,222	100.0%

Source: American Community Survey, 2011-2015.

Income Distribution

	Town of Cheshire		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	74	1.0%	30,926	3.5%
\$10,000 to \$14,999.....	32	0.4	18,063	2.0
\$15,000 to \$24,999.....	96	1.3	46,085	5.1
\$25,000 to \$34,999.....	190	2.6	55,715	6.2
\$35,000 to \$49,999.....	224	3.0	83,173	9.3
\$50,000 to \$74,999.....	930	12.5	139,724	15.6
\$75,000 to \$99,999.....	1,045	14.1	126,557	14.1
\$100,000 to \$149,999.....	2,011	27.0	183,030	20.4
\$150,000 to \$199,999.....	1,509	20.3	94,575	10.6
\$200,000 or more.....	1,324	17.8	117,791	13.2
Total	7,435	100.0%	895,639	100.0%

Source: American Community Survey, 2011-2015.

Income Levels

	<u>Town of Cheshire</u>	<u>State of Connecticut</u>
Per Capita Income, 2014.....	\$ 44,280	\$ 38,803
Per Capita Income, 2010.....	\$ 40,498	\$ 35,078
Median Family Income, 2014.....	\$ 125,362	\$ 89,031
Percent Below Poverty (Families), 2014.....	1.4%	7.6%

Source: U.S. Department of Commerce, Bureau of Census, 2010.

Source: American Community Survey, 2011-2015.

Educational Attainment (Years of School Completed Age 25 and Over)

	<u>Town of Cheshire</u>		<u>State of Connecticut</u>	
	Number	Percentage	Number	Percentage
Less than 9th grade.....	451	2.2%	105,725	4.3%
Grades 9-12 – no diploma.....	666	3.2	144,132	5.9
High School graduate.....	4,315	21.0	673,973	27.4
Some College - no degree.....	2,982	14.5	430,129	17.5
Associate Degree.....	1,272	6.2	183,289	7.4
Bachelors Degree.....	5,545	27.0	516,001	21.0
Graduate or Professional Degree.....	5,289	25.8	409,606	16.6
Totals.....	20,520	100.0%	2,462,855	100.0%
Percent High School Graduate or Higher		94.6%		89.9%
Percent Bachelor Degree or Higher		52.8%		37.6%

Source: American Community Survey, 2011-2015.

Employment Data

<u>Period</u>	<u>Town of Cheshire</u>		<u>Percentage Unemployed</u>		
	Employed	Unemployed	Town of Cheshire	New Haven Labor Market	State of Connecticut
November 2016.....	15,098	368	2.4%	3.7%	3.7%
Annual Average					
2015.....	14,878	583	3.8	5.7	5.6
2014.....	13,937	784	5.3	6.9	6.7
2013.....	13,455	903	6.3	8.1	7.9
2012.....	13,631	942	6.5	8.7	8.3
2011.....	13,802	1,060	7.1	9.2	8.8
2010.....	13,695	1,062	7.2	9.3	9.0
2009.....	13,842	942	6.4	8.2	8.2
2008.....	14,096	651	4.4	5.9	5.7
2007.....	13,980	537	3.7	4.8	4.6
2006.....	13,861	497	3.5	4.0	4.4

Source: State of Connecticut, Department of Labor.

Employment by Industry

Industry	Town of Cheshire		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing/hunting, & mining	163	1.1%	7,214	0.4%
Construction	456	3.1	100,593	5.6
Manufacturing	1,428	9.8	191,286	10.7
Wholesale trade	895	6.1	44,581	2.5
Retail trade	1,370	9.4	193,799	10.9
Transportation and warehousing, and utilities	466	3.2	66,850	3.8
Information	414	2.8	41,486	2.3
Finance, insurance, real estate, rental & leasing	1,172	8.0	163,822	9.2
Professional, scientific, management, administrative, and waste mgmt services	1,402	9.6	199,942	11.2
Education, health and social services	5,037	34.5	471,587	26.5
Arts, entertainment, recreation, accommodation and food services	733	5.0	153,516	8.6
Other services (except public administration)	618	4.2	79,998	4.5
Public Administration	438	3.0	66,743	3.7
Total Labor Force, Employed	14,592	100.0%	1,781,417	100.0%

Source: American Community Survey, 2011-2015.

Major Employers As of March 2017

Employer	Nature of Business	Number of Full-Time Employees
Bozzuto's Inc.	Wholesale Food Distribution	1,266
Town of Cheshire.....	Municipality	841
State of Connecticut.....	Correctional Facilities	717
Macy's Logistics.....	Distribution	450
UTC Aerospace.....	Manufacturing	285
Webster Bank	Banking	260
Omnicare.....	Pharmaceutical Services	220
Whole Foods.....	Distribution	220
EDAC.....	Manufacturing	203
Elim Park.....	Retirement Community	190

Source: Economic Development Coordinator, Town of Cheshire.

**Building Permits
(Values in 000s)**

Fiscal Year	Residential¹		Industrial/Commercial		Other		Total	
	No.	Value	No.	Value	No.	Value	No.	Value
2016	38	\$10,926	2	\$ 715	1,978	\$ 27,481	2,018	\$ 39,122
2015	34	7,752	1	142	1,753	27,387	1,788	35,281
2014	36	7,442	-	-	1,907	41,061	1,943	48,503
2013	38	7,867	2	1,604	2,110	23,118	2,150	32,589
2012	20	8,740	4	2,720	2,008	22,754	2,032	34,214
2011	27	4,836	2	845	1,522	18,223	1,551	23,904
2010	40	7,104	3	1,835	1,524	12,611	1,567	21,550
2009	33	4,389	-	-	1,476	16,010	1,509	20,399
2008	47	8,653	8	9,748	1,660	21,868	1,715	40,269
2007	54	8,659	4	894	2,080	28,589	2,138	38,142

¹ Includes single, multi-family condominiums, apartments.

Source: Building Official, Town of Cheshire.

Housing Unit Inventory and Vacancy Rates

Type	Town of Cheshire		State of Connecticut	
	Number	Percent	Number	Percent
1-unit, detached.....	8,157	78.3%	882,941	59.2%
1-unit, attached.....	583	5.6	80,636	5.4
2 units.....	94	0.9	121,410	8.1
3 or 4 units.....	423	4.1	132,512	8.9
5 to 9 units.....	467	4.5	82,727	5.5
10 to 19 units.....	238	2.3	55,826	3.7
20 or more units.....	386	3.7	123,561	8.3
Mobile home.....	65	0.6	11,898	0.8
Boat, RV, van, etc.....	-	-	275	0.0
Total Inventory.....	10,413	100.0%	1,491,786	100.0%

Source: American Community Survey, 2011-2015.

Owner Occupied Housing Units

Specified Owner-Occupied Units	Town of Cheshire		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	162	1.9%	24,122	2.6%
\$50,000 to \$99,999.....	144	1.7	26,438	2.9
\$100,000 to \$149,999.....	318	3.7	72,756	8.0
\$150,000 to \$199,999.....	449	5.2	137,797	15.1
\$200,000 to \$299,999.....	2,252	26.1	257,364	28.2
\$300,000 to \$499,999.....	4,067	47.2	243,882	26.7
\$500,000 to \$999,999.....	1,141	13.2	109,918	12.0
\$1,000,000 or more.....	91	1.1	40,766	4.5
Total.....	8,624	100.0%	913,043	100.0%
Median Sales Price.....	\$ 340,000		\$ 274,500	

Source: American Community Survey, 2011-2015.

Age Distribution of Housing

Year Built	Town of Cheshire		State of Connecticut	
	Units	Percent	Units	Percent
2010 or Later	787	7.6%	331,829	22.2%
2000 to 2009	4,254	40.9	536,501	36.0
1990 to 1999	1,650	15.8	199,447	13.4
1980 to 1989	1,711	16.4	193,595	13.0
1970 to 1979	1,110	10.7	115,076	7.7
1940 to 1969	829	8.0	103,911	7.0
1939 or earlier	72	0.7	11,427	0.8
Total Housing Units	10,413	100.0%	1,491,786	100.0%
Percent Owner Occupied.....	87.9%		67.0%	

Source: American Community Survey, 2011-2015.

Breakdown of Land Use

Land Use Category	Total Area		Residential		Commercial		Industrial	
	Acres	Percent	Acres	Percent	Acres	Percent	Acres	Percent
Developed	9,428.43	44.6%	7,659.80	41.9%	174.50	88.7%	1,862.47	70.0%
Undeveloped	11,699.57	55.4	10,611.50	58.1	22.20	11.3	797.52	30.0
Total	21,128.00	100.0%	18,271.30	100.0%	196.70	100.0%	2,659.99	100.0%

Source: Town Planner and Tax Assessor, Town of Cheshire, 2016.

(Remainder of page intentionally left blank)

IV. Tax Base Data

Property Tax Assessment

The Assessor's Office is responsible for general revaluation of real property. A physical revaluation is required every 10 years with 5-year revaluation updates in between the physical revaluations. The Town had a general property revaluation effective October 1, 2013. Under Connecticut General Statutes Section 12-62, the Town must next update all real estate values in the year 2018, and every fifth year thereafter, by physical inspection. Public Act 06-148 permits the phase in of a real property assessment increase resulting from a revaluation over a period of up to five years. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List are the responsibilities of the Assessor's Office. The Grand List represents the total assessed values for all taxable real and personal property located within the Town on October 1, of each year. Each year a Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70% of the estimated market value at the time of the last general revaluation while assessments for motor vehicles are computed at 70% of the annual appraisal of motor vehicles. All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An Assessor's check and audit is completed periodically.

Section 12-124a of the Connecticut State Statutes 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.

Public Act 06-176 permits a municipality, upon approval by its legislative body, to freeze the property taxes due for certain low income elderly residents. Any municipality providing such property tax relief may place a lien upon such property in the amount of total tax relief granted plus interest.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last general revaluation. New construction completed after the October 1 assessment is prorated onto the grand list from the date the Building Official issues the Certificate of Occupancy or when the structure is occupied.

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule recommended by the Office of Policy and Management. For the October 1, 2014 grand list, OPM recommended using average retail values from the October 2014 issue of the National Automobile Dealers Association (NADA) guide. Section 12-71b of the Connecticut General Statutes 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 supplemental property tax as if the motor vehicle had been included on the October Grand List. The assessment is prorated, and the proration is based on the number of months of ownership between October 1 and the following September 30. Motor vehicles purchased in August and September are not assessed until the next October 1 Grand List. The supplemental motor vehicle tax is not due until January 1, a year and three months after the Grand List date. If the motor vehicle replaces a motor vehicle that was assessed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at 70% of the annual appraisal.

Effective October 1, 2015, Public Act No. 15-244, as amended (the "Act"), allows municipalities to tax motor vehicles at a different rate than other taxable property but caps the motor vehicle tax rate at (i) 32.00 mills for the 2015 assessment year and (ii) 29.36 mills for the 2016 assessment year and thereafter. The Act also 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 Town's motor vehicle tax rates for the current 2015 assessment year is 31.19 mills.

Property Tax Levy and Collection

Property taxes are levied on all taxable assessed property on the Grand List of October 1 prior to the beginning of the fiscal year. Real property taxes are payable in two installments on July 1 and January 1. Motor vehicle supplemental bills are payable on January 1. An estimate for interest and lien fees outstanding anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are liened each year following legal demands and these liens are then assigned to a third party for collection prior to June 30. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after a varying number of years, at which time they cease to be carried as receivables. The suspense accounts are placed with a private collection agency for further collection activity. Real estate accounts are transferred to suspense 15 years after the due date in accordance with State statutes.

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

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

Property Tax Collections

Grand List as of 10/1	Fiscal Year Ended 6/30	Net Taxable		Adjusted Annual Levy	Percent of Annual Levy Collected at End of Fiscal Year	Uncollected	
		Grand List (000's)	Mill Rate			Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/16
2015	2017 ²	\$ 2,750,532	31.19	\$ 86,120,878		<i>IN COLLECTION</i>	
2014	2016	2,726,750	30.69	83,710,090	99.78%	0.22%	0.22%
2013 ¹	2015	2,698,370	30.25	81,616,162	99.79	0.21	0.01
2012	2014	2,881,585	27.60	79,373,263	99.78	0.22	0.00
2011	2013	2,863,685	27.23	77,777,955	99.71	0.29	0.02
2010	2012	2,840,888	26.85	75,961,009	99.76	0.24	0.00
2009	2011	2,826,223	26.50	74,558,659	99.60	0.40	0.05
2008 ¹	2010	2,816,401	26.05	73,095,410	99.66	0.34	0.03
2007	2009	2,530,560	28.05	71,072,332	99.60	0.40	0.01
2006	2008	2,507,985	27.60	69,282,705	99.59	0.41	0.01

¹ Revaluation.

² Subject to Audit.

Source: Collector of Revenue, Town of Cheshire.

Property Taxes Receivable

	For the Fiscal Year Ending 6/30	Total Uncollected Taxes	Uncollected for Current Year of Levy
	2016	\$186,611	\$250,115
	2015	169,453	224,596
	2014	224,462	171,587
	2013	290,407	229,235
	2012	353,158	277,097
	2011	296,407	341,051
	2010	281,449	247,918
	2009	326,850	284,342
	2008	332,063	285,264
	2007	292,626	263,372

Source: Collector of Revenue, Town of Cheshire.

Principal Taxpayers

Taxpayer	Nature of Business	Assessment	Percent of Net Taxable Grand List ^{1,2}
Eversource (Formerly CL&P)	Utility	\$ 41,982,300	1.52%
Industrial Ave LLC	Wholesale Food Distribution	37,812,800	1.37
Bozzutos Inc.	Wholesale Food Distribution	32,993,065	1.19
WE 350 Knottter Cheshire LLC.....	Office/Research/Development	18,328,880	0.66
Macy's Corporate Services Inc.....	Warehouse/Distribution	17,361,680	0.63
CT Indy CH LLC.....	Office/Research/Development	15,981,780	0.58
Yankee Gas Service SVC.....	Utility	13,944,490	0.50
WFM Properties Cheshire LLC.....	Wholesale Food Distribution	7,972,910	0.29
Cheshire ILMR LLC	Real Estate	7,206,790	0.26
Montowese Industrial Park Inc	Real Estate	6,492,050	0.23
Total		\$ 200,076,745	7.24%

¹ Based on a Net Taxable Grand List for October 1, 2016 of \$2,763,741,000.

² Before Board of Assessment Appeals.

Source: Tax Assessor, Town of Cheshire.

Comparative Assessed Valuations of Taxable Property

Grand List as of 10/1	Commercial and					Gross Taxable	Less	Net Taxable	Percent Change
	Residential Real Property	Industrial Real Property	Other Real Property	Personal Property	Motor Vehicle	Grand List (000's)	Exemptions (000's)	Grand List (000's)	
2016 ¹	70.7	13.3	0.7	6.5	8.8	\$ 2,836,633	\$ 72,892	\$ 2,763,741	0.5%
2015	70.3	13.3	0.7	7.2	8.5	2,835,197	84,665	2,750,532	0.9
2014	70.5	13.4	0.7	6.9	8.5	2,806,804	80,054	2,726,750	1.1
2013 ²	71.1	13.4	0.7	6.5	8.3	2,770,330	71,960	2,698,370	-6.4
2012	72.6	13.9	0.7	5.2	7.6	2,936,016	54,431	2,881,585	0.6
2011	72.7	14.0	0.7	4.8	7.8	2,918,798	55,113	2,863,685	0.8
2010	72.9	14.2	0.8	4.6	7.5	2,899,654	58,766	2,840,888	0.5
2009	72.9	14.3	0.9	4.7	7.2	2,885,498	59,275	2,826,223	0.3
2008 ²	72.9	14.3	0.9	4.8	7.1	2,872,182	55,781	2,816,401	11.3
2007	74.1	12.2	0.6	4.9	8.2	2,574,872	44,312	2,530,560	0.9

¹ Before Board of Assessment Appeals.

² Revaluation.

Source: Tax Assessor, Town of Cheshire.

(Remainder of page intentionally left blank)

Tax-Exempt Property

The following categories of exempt real estate and personal properties are not included in the grand lists.

Public	Assessed Value
U.S. Government	\$ -
State of Connecticut ¹	160,924,900
Town of Cheshire	110,229,930
South Central Connecticut Regional Water Authority ¹	18,815,933
City of Meriden	1,264,500
Sub-Total Public	291,235,263
Private	
Volunteer Fire	459,710
Scientific	4,968,750
Educational	18,975,050
Historical	242,180
Charitable	3,366,160
Cemeteries	1,127,100
Churches	26,058,180
Hospitals and Sanitariums	45,318,850
Private College.....	14,410,530
Sub-Total Private	114,926,510
Total Exempt	\$ 406,161,773
Percent Compared to Net Taxable Grand List ^{2,3}	14.70%

¹ The Town has received a pilot payment from the State of Connecticut (prorated due to legislation) of \$1,865,136.00 as well as \$583,445.84 from the South Central Connecticut Regional Water Authority and \$121,350.00 for Colleges & Hospitals for fiscal year 2016-17 for this tax exempt property.

² Based on a Net Taxable Grand List for October 1, 2016 of \$2,763,741,000.

³ Before Board of Assessment Appeals.

Source: Tax Assessor, Town of Cheshire.

(Remainder of page intentionally left blank)

V. Debt Summary
Long-Term Bonded Debt
As of March 6, 2017
(Pro Forma)

Date of Issue	Date of Maturity	Rate	Purpose	Original Issue Amount	Balance Outstanding⁴
General Purpose					
06/15/10	08/01/22	3.00-5.00	Refunding Bonds - Series A	\$ 3,881,000	\$ 1,858,000
06/15/10	08/01/20	2.00-5.00	Refunding Bonds - Series B	1,560,000	687,000
02/15/11	07/15/30	2.75 - 4.25	General Purpose Bonds	4,716,800	500,000
07/16/12	08/01/26	0.20 - 4.00	General Purpose Refunding Bonds	3,676,000	2,727,000
02/28/13	07/15/32	3.00 - 4.00	General Purpose Bonds	6,688,197	5,628,000
05/07/14	08/01/21	2.00-5.00	General Purpose Refunding Bonds	6,252,000	3,251,000
02/26/15	07/15/34	2.00-5.00	General Purpose Bonds	12,044,268	11,409,000
03/13/15	01/15/29	2.00-5.00	General Purpose Refunding Bonds	2,977,000	2,849,000
03/31/16	07/15/30	2.00-4.00	General Purpose Refunding Bonds	3,226,000	3,101,000
Sub-total General Purpose				\$ 45,021,265	\$ 32,010,000
Schools¹					
06/15/10	08/01/22	3.00 - 5.00	Refunding Bonds – Series A	675,000	310,000
06/15/10	08/01/20	2.00 - 5.00	Refunding Bonds – Series B	1,085,000	478,000
02/15/11	07/15/30	2.75 - 4.25	School Bonds	2,149,000	225,000
07/16/12	08/01/26	0.20 - 4.00	School Refunding Bonds	1,411,000	1,116,000
02/28/13	07/15/32	3.00 - 4.00	School Bonds	3,546,803	2,983,000
05/07/14	08/01/21	2.00-5.00	School Refunding Bonds	2,880,000	1,704,000
02/26/15	07/15/34	2.00-5.00	School Bonds	2,909,732	2,758,000
03/13/15	01/15/29	2.00-5.00	School Refunding Bonds	980,000	938,000
03/31/16	07/15/30	2.00-4.00	School Refunding Bonds	1,476,000	1,418,000
Sub-total Schools				\$ 17,112,535	\$ 11,930,000
Sewers²					
09/30/07	03/31/27	2.00	CWF 481-C / WWT Plant ^{3,5}	5,226,439	2,868,147
09/30/07	03/31/27	2.00	CWF 112-CSL / WWT Plant ^{3,5}	1,497,614	821,855
06/15/10	08/01/22	3.00 - 5.00	Refunding Bonds – Series A	1,459,000	697,000
02/15/11	07/15/30	2.75 - 4.25	Sewer Bonds	1,809,200	190,000
07/16/12	08/01/26	0.20 - 4.00	Sewer Refunding Bonds	568,000	387,000
02/28/13	07/15/32	3.00 - 4.00	Sewer Bonds	265,000	224,000
05/07/14	08/01/21	2.00-5.00	Sewer Refunding Bonds	428,000	215,000
02/26/15	07/15/34	2.00-5.00	Sewer Bonds	46,000	43,000
03/13/15	01/15/29	2.00-5.00	Sewer Refunding Bonds	1,008,000	963,000
03/31/16	07/15/30	2.00-4.00	Sewer Refunding Bonds	1,238,000	1,191,000
Sub-total Sewers				\$ 13,545,253	\$ 7,600,002
Total Outstanding Long Term Debt				\$ 75,679,053	\$ 51,540,002
This Issue					
03/06/17	07/15/36	2.00-5.00	General Purpose Bonds	\$ 12,015,000	\$ 12,015,000
03/06/17	07/15/36	2.00-5.00	School Bonds	2,985,000	2,985,000
03/06/17	07/15/36	2.00-5.00	Sewer Bonds	2,500,000	2,500,000
Total This Issue				\$ 17,500,000	\$ 17,500,000
Grand-Total				\$ 93,179,053	\$ 69,040,002

¹ The State of Connecticut Bureau of School Building Grants will reimburse the Town for the State's share of eligible principal and interest costs over the life of any bonds issued for projects authorized by the General Assembly prior to July 1, 1996.

² Does not include Cheshire's obligation to make annual payments to Waterbury to pay a portion of debt service for the Town's use of Waterbury's sewer treatment facilities by Cheshire. The remaining principal amount is \$16,166.

³ Permanently financed under the State of Connecticut Clean Water Fund Program.

⁴ Excludes Refunded Bonds.

⁵ Debt service will be paid directly from the Water Pollution Control Fund with usage fees.

**Short Term Debt
As of March 6, 2017
(Pro-Forma)**

The Town has no short-term debt outstanding.

Other Commitments

The Town has entered into a put-or-pay contract with respect to solid waste. See “Public Works” under the “Municipal Services” section herein. The put-or-pay obligation will terminate if the mass-burn solid waste facility, located in the Town of Wallingford, becomes a transfer station. Currently the facility conversion is pending permit approval by the Connecticut Department of Energy and Environmental Protection.

The Town has an obligation to make annual payments to the City of Waterbury to pay a portion of debt service on Waterbury’s sewer treatment facilities, which is used by Cheshire. The remaining principal amount at June 30, 2016 is \$16,116 which will be paid off in fiscal year 2020.

On May 16, 2014, the Town entered into a \$9,765,000 capital lease for the purchase of energy conservation improvements in various Town and school buildings. The lease has a contract interest rate of 3.17% and an effective rate of 2.77% after an interest subsidy from Eversource Energy. The lease matures on March 15, 2031 and it is expected that the lease payments will be offset by the resulting energy cost savings. The improvements were substantially completed by the fall of 2015. The Town, as lessee, holds title to the equipment in which the lessor is granted a priority security interest or lien.

On December 18, 2015, the Town entered into a \$1,200,000 capital lease for the purchase of street lights and poles, and retrofitting the lights with LED energy efficient fixtures. The lease will be paid over ten years with an interest rate of 1.97%. Energy savings are expected to more than cover the cost of the lease payments.

**Annual Bonded Debt Maturity Schedule
As of March 6, 2017
(Pro Forma)**

Fiscal Year Ended 6/30	Principal Payments	Interest Payments	Total Payments	This Issue			Total This Issue	Cumulative Principal Retired (%)
				General Purpose	Schools	Sewer		
2017 ¹	\$ 110,474	\$ 24,855	\$ 135,328	\$ -	\$ -	\$ -	\$ -	0.16%
2018	5,315,871	1,621,748	6,937,619	-	-	-	-	7.86
2019	5,267,650	1,451,470	6,719,120	633,000	158,000	134,000	925,000	16.83
2020	4,719,567	1,266,825	5,986,392	633,000	158,000	134,000	925,000	25.01
2021	4,046,622	1,098,763	5,145,385	633,000	158,000	134,000	925,000	32.21
2022	4,053,821	941,078	4,994,898	633,000	158,000	134,000	925,000	39.42
2023	3,671,164	790,947	4,462,111	633,000	157,000	130,000	920,000	46.07
2024	3,208,656	654,970	3,863,626	633,000	157,000	130,000	920,000	52.05
2025	3,201,299	555,113	3,756,411	633,000	157,000	130,000	920,000	58.02
2026	2,899,096	475,878	3,374,974	632,000	157,000	131,000	920,000	63.55
2027	2,795,783	399,423	3,195,206	632,000	157,000	131,000	920,000	68.93
2028	2,205,000	331,350	2,536,350	632,000	157,000	131,000	920,000	73.46
2029	2,195,000	268,425	2,463,425	632,000	157,000	131,000	920,000	77.97
2030	1,805,000	204,988	2,009,988	632,000	157,000	131,000	920,000	81.92
2031	1,795,000	153,288	1,948,288	632,000	157,000	131,000	920,000	85.85
2032	1,340,000	107,400	1,447,400	632,000	157,000	131,000	920,000	89.12
2033	1,340,000	67,200	1,407,200	632,000	157,000	131,000	920,000	92.40
2034	785,000	35,325	820,325	632,000	157,000	131,000	920,000	94.87
2035	785,000	11,775	796,775	632,000	157,000	131,000	920,000	97.33
2036	-	-	-	632,000	156,000	132,000	920,000	98.67
2037	-	-	-	632,000	156,000	132,000	920,000	100.00
Total	\$ 51,540,002	\$10,460,820	\$ 62,000,821	\$12,015,000	\$2,985,000	\$ 2,500,000	\$ 17,500,000	

¹ Excludes \$5,468,752 in principal payments and \$1,708,429 in interest payments made or coming due between July 1, 2016 and March 6, 2017.

Overlapping/Underlying Debt

The Town has neither overlapping nor underlying debt.

THE TOWN HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.

Debt Statement As of March 6, 2017 (Pro Forma)

Long-Term Debt:	
General Purpose (Includes this issue)	\$ 44,025,000
Schools (Includes this issue)	14,915,000
Sewers ¹ (Includes this issue)	10,100,002
Total Long-Term Debt	69,040,002
Short-Term Debt (Clean Water Fund IFO)	22,590,551
TOTAL DIRECT DEBT	91,630,553
Less: State School Construction Building Grants Principal Receivable (As of 12/31/16) ²	(91,156)
Sewer and Water Assessments Receivable (As of 12/31/16)	(191,573)
TOTAL NET DIRECT DEBT	91,347,824
Plus: Overlapping/Underlying Debt	-
TOTAL OVERALL NET DEBT	\$ 91,347,824

¹ Partially supported by benefit assessments.

² The State of Connecticut Bureau of School Building Grants will reimburse the Town for eligible principal and interest costs over the life of any bonds issued for projects authorized by the General Assembly prior to July 1, 1996. School construction grants receivable stated above are for principal reimbursement only.

Current Debt Ratios* As of March 6, 2017 (Pro Forma)

Population (2015) ²	29,254
Net Taxable Grand List (10/1/16) (70% of Estimated Full Value)	\$ 2,763,741,000
Estimated Full Value	\$ 3,948,201,429
Equalized Net Taxable Grand List (10/1/14) ¹	\$ 5,414,806,061
Income per Capita (2010) ³	\$ 40,498
Income per Capita (2015) ²	\$ 44,280

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	\$91,630,553	\$91,347,824	\$91,347,824
Per Capita	\$3,132.24	\$3,122.58	\$3,122.58
Ratio to Net Taxable Grand List	3.32%	3.31%	3.31%
Ratio to Estimated Full Value	2.32%	2.31%	2.31%
Ratio to Equalized Net Taxable Grand List	1.69%	1.69%	1.69%
Debt per Capita to Income per Capita (2010)	7.73%	7.71%	7.71%
Debt per Capita to Income per Capita (2015)	7.07%	7.05%	7.05%

¹ Office of Policy and Management, State of Connecticut.

² American Community Survey, 2011-2015.

³ U.S. Bureau of Census.

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 Town is a participant in the State of Connecticut's Clean Water Fund Program (General Statutes Sections 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All qualifying municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow, and phosphorous removal projects which are financed with a 50% grant and a 50% loan, and denitrification projects, which are financed with a 30% grant and a 70% loan).

Loans to each municipality are made pursuant to a Project Grant and Project Loan Agreement ("Loan Agreement"). Each municipality is obligated to repay only that amount which it draws down for the payment of project costs. Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality, and/or a dedicated source of revenue of such municipality.

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the Loan Agreement, or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are payable 1) in equal monthly installments commencing one month after the scheduled completion date, or 2) in a single annual installment representing 1/20 of total principal not later than one year from the project completion date specified in the Loan Agreement, and thereafter in monthly installments. 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.

As of the date of this Official Statement, the Town has \$3,716,705 of Clean Water Fund permanent loan obligations outstanding reflected in the Town's "Debt Summary" herein. In addition, the Town has an outstanding Interim Funding Obligation in the amount of \$24,428,785 issued on January 10, 2014 per a Clean Water Fund Agreement dated November 19, 2013, and amended October 24, 2016. As of the date of this Official Statement, the Town has drawn down approximately \$24,190,552 under the Interim Funding Obligation. The Interim Funding Obligation matures on July 1, 2017 at which time the Town will be required to permanently finance the Interim Funding Obligation by the issuance of a Project Loan Obligation, which will mature on January 1, 2037.

Authority to Incur Debt

All debt is issued in accordance with the Connecticut General Statutes. The Town's Charter also specifies certain requirements for the approval and authorization of bonds and notes.

Authorization to incur indebtedness through the issuance of bonds and notes must be authorized by resolution of the Town Council subject to the following procedures.

1. Any appropriation and bond authorization not exceeding \$200,000 may be approved by the Town Council.
2. Any appropriation and bond authorization which exceeds \$200,000 but does not exceed \$400,000 may be approved by the Town Council following a public hearing called by the Council and noticed pursuant to the Town Charter. Such appropriation and bond authorization is subject to referendum if a petition requesting the same signed by at least 10% of the electors of the Town is submitted to the Town Clerk within 21 days following the publication of notice of the making of such appropriation and bond authorization.
3. Any appropriation and bond authorization which exceeds \$400,000 may be approved by the Town Council only following a public hearing called by the Council and noticed pursuant to the Town Charter. Such appropriation and bond authorization must be approved by the voters of the Town at a referendum held pursuant to the Charter.
4. To the extent any appropriation in excess of \$200,000 is to be funded from the proceeds of grants, insurance, gifts, or other off-setting reimbursements, the amount of the appropriation to be funded from such sources shall not be included in determining whether a referendum is required under the Charter.
5. The approval limits are cumulative during the fiscal year for the same capital project.
6. The Charter provides that the appropriation and bond authorization dollar limits set forth in therein shall be reviewed by the Council every five years, beginning January 1, 2001. The limits were revised in 2001, 2006, and 2015.

(Remainder of this page intentionally left blank)

**Statement of Statutory Debt Limitation
As of March 6, 2017
(Pro Forma)**

Total Tax Collections (including interest and lien fees)

Received by the Treasurer for the year ended June 30, 2016 \$ 83,832,396

Reimbursement For Revenue Loss:

Tax relief for elderly -

Base for Debt Limitation Computation..... \$ 83,832,396

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Pension
Debt Limitation:					
2 1/4 times base.....	\$ 188,622,891	-	-	-	-
4 1/2 times base.....	-	\$377,245,782	-	-	-
3 3/4 times base.....	-	-	\$314,371,485	-	-
3 1/4 times base.....	-	-	-	\$ 272,455,287	-
3 times base.....	-	-	-	-	\$ 251,497,188
Total Debt Limitation	\$ 188,622,891	\$ 377,245,782	\$ 314,371,485	\$ 272,455,287	\$ 251,497,188

Indebtedness:

Bonds & CWF PLO's Outstanding.....	32,010,000	11,930,000	7,600,002	-	-
Bonds – This Issue	12,015,000	2,985,000	2,500,000	-	-
CWF IFO Outstanding.....	-	-	22,590,551	-	-
Debt Authorized But Unissued.....	5,801,120	2,479,574	1,878,433	-	-
Total Indebtedness	49,826,120	17,394,574	34,568,986	-	-

Less:

State School Grants - Principal Receivable ¹	-	(91,156)	-	-	-
Estimated Grants Receivable	(7,458,558)	(484,000)	(99,701)	-	-
Sewer & Water Assessments Receivable	-	-	(191,573)	-	-
Total Net Indebtedness	42,367,562	16,819,418	34,277,712	-	-

DEBT LIMITATION IN EXCESS

OF OUTSTANDING INDEBTEDNESS \$ 146,255,329 \$ 360,426,364 \$ 280,093,773 \$ 272,455,287 \$ 251,497,188

¹ State School Construction Building Grants Receivable are estimated. The State of Connecticut Bureau of School Building Grants will reimburse the Town for the State's share of eligible principal and interest costs over the life of any bonds issued for projects authorized by the General Assembly prior to July 1, 1996. School Construction Grants Receivable stated above are for principal reimbursement only.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$586,826,772.

**Authorized But Unissued Debt
As of March 6, 2017
(Pro Forma)**

Project	Amount Authorized	Amount Previously Financed²	CWF IFO	This Issue	Authorized & Unissued	Estimated Grants Receivable¹
General Purpose	\$ 56,293,739	\$ 38,477,619	\$ -	\$12,015,000	\$ 5,801,120	\$ 7,458,558
Schools	12,298,000	6,833,426	-	2,985,000	2,479,574	484,000
Sewers	37,700,000	10,731,016	22,590,551	2,500,000	1,878,433	99,701
Total	\$ 106,291,739	\$ 56,042,061	\$ 22,590,551	\$17,500,000	\$10,159,127	\$ 8,042,259

¹ Subject to audit.

² Includes the amount the Town has permanently financed and amounts received through grants and equity contributions.

**Principal Amount of Outstanding Debt
Last Five Fiscal Years**

Fiscal Year Ending 6/30	2016	2015	2014	2013	2012
Long-Term Debt	\$ 57,008,754	\$ 62,576,466	\$ 53,987,792	\$ 60,862,861	\$ 57,172,608
Short-Term Debt	-	-	-	-	-
Total	\$ 57,008,754	\$ 62,576,466	\$ 53,987,792	\$ 60,862,861	\$ 57,172,608

Source: Annual audited financial statements.

Ratio of Net Long-Term Debt to Valuation, Population, and Income

Fiscal Year Ended 6/30	Net Assessed Value	Net Estimated Full Value	Net Long-Term Debt¹	Ratio of Net Long-Term Debt to Assessed Value	Ratio of Net Long-Term Debt to Estimated Full Value	Population²	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income³
2016	#####	#####	\$ 57,009	2.07%	1.45%	29,254	\$ 1,948.75	4.40%
2015	2,726,750	3,895,357	62,576	2.29	1.61	29,254	2,139.07	4.83
2014	2,698,370	3,854,814	53,659	1.99	1.39	29,254	1,834.24	4.14
2013	2,881,585	4,116,550	60,863	2.11	1.48	29,254	2,080.50	4.70
2012	2,863,685	4,090,979	56,085	1.96	1.37	29,254	1,917.17	4.33

¹ Total debt less school building grants receivable (water and sewer assessments receivable are not deducted).

² State of Connecticut, Department of Public Health: 2009. American Community Survey (ACS), 2011-2015.

³ U.S. Department of Commerce, Bureau of Census, ACS 2015: Income Per Capita: \$44,280.

**Ratio of Annual Debt Service to
Total General Fund Expenditures**

Fiscal Year Ended 6/30	Total Debt Service	Total General Fund Expenditures¹	Ratio of Debt Service To General Fund Expenditures (%)
2016	\$ 6,945,314	\$113,718,678	6.11%
2015	7,587,271	111,653,307	6.80
2014	8,212,210	108,347,596	7.58
2013	8,209,112	105,445,838	7.79
2012	9,048,827	104,726,303	8.64

¹ Presented on a GAAP basis (includes transfers out).

(Remainder of page intentionally left blank)

VI. Financial Information

The General Fund Revenues, Expenditures and Changes in Fund Balance for the fiscal years ended June 30, 2012 through June 30, 2016 have been derived from audited financial statements on a GAAP basis. The Adopted Budget for fiscal year 2016-2017 is provided by the Town on a budgetary basis.

The financial information presented herein is the responsibility of the Town's management. (Appendix A -- "Financial Statements" was taken from the Comprehensive Annual Financial Report of the Town for the fiscal year ended June 30, 2016.)

General Fund Revenues, Expenditures and Changes in Fund Balance

	Adopted Budget 2017	Actual 2016	Actual 2015	Actual 2014	Actual 2013	Actual 2012
Revenues:						
Property Taxes	\$ 85,475,164	\$ 83,973,691	\$ 81,989,985	\$ 79,722,309	\$ 78,167,540	\$ 76,299,237
Intergovernmental ¹	17,837,015	25,313,541	25,852,837	24,543,872	23,677,909	23,993,678
Investment Income	170,000	145,901	130,521	109,980	111,783	122,467
Charges for services	2,184,457	2,561,691	2,326,024	2,514,759	2,709,802	2,456,148
Other ²	1,384,592	709,382	294,274	275,836	352,099	190,511
Total Revenues	107,051,228	112,704,206	110,593,641	107,166,756	105,019,133	103,062,041
Expenditures:						
Administration and Finance ⁴	12,597,182	11,828,942	11,255,168	10,786,244	10,334,731	10,448,396
Planning and Development	543,569	527,025	510,710	511,205	493,523	480,376
Public Safety	6,831,945	6,765,459	6,446,795	6,291,401	6,195,398	6,291,077
Public Works	5,593,700	5,310,222	5,329,060	5,419,667	5,507,157	5,278,416
Public Health	478,972	451,549	449,181	428,576	441,501	427,444
Social Services	874,626	819,370	797,586	774,440	756,699	707,756
Cultural services	1,955,288	1,901,710	1,845,471	1,747,966	1,697,293	1,640,804
Leisure services	1,601,693	2,088,041	1,756,907	1,855,955	1,994,834	2,249,693
Education ¹	69,395,510	75,896,046	74,575,158	71,369,932	68,815,590	67,408,514
Debt Service	6,828,743	6,945,314	7,587,271	8,212,210	8,209,112	9,048,827
Total Expenditures	106,701,228	112,533,678	110,553,307	107,397,596	104,445,838	103,981,303
Excess (deficiency) of revenues over expenditures	350,000	170,528	40,334	(230,840)	573,295	(919,262)
Other financing sources (uses):						
Refunding Bond Proceeds	-	5,940,000	4,965,000	9,560,000	-	5,655,000
Bond Premiums/Accrued Interest	-	495,080	393,600	662,990	-	320,264
Payment to Refunded Bond Escrow	-	(6,318,509)	(5,272,199)	(10,079,384)	-	(5,863,084)
Insurance Recovery	-	-	-	-	258,344	-
Transfer in	750,000	753,657	754,013	813,938	802,863	803,652
Transfer out ³	(1,100,000)	(1,185,000)	(1,100,000)	(950,000)	(1,000,000)	(745,000)
Net other financing sources (uses)	(350,000)	(314,772)	(259,586)	7,544	61,207	170,832
Extraordinary Item:						
State teachers' on-behalf payments	-	-	-	-	-	-
State teachers' on-behalf revenue	-	-	-	-	-	-
Total Extraordinary Item	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	(144,244)	(219,252)	(223,296)	634,502	(748,430)
Fund Balance, July 1	11,805,369	11,949,613	12,168,865	12,392,161	11,757,659	12,506,089
Fund Balance, June 30	\$ 11,805,369	\$ 11,805,369	\$ 11,949,613	\$ 12,168,865	\$ 12,392,161	\$ 11,757,659
Operating Expenditures						
(including transfers out)	N/A	\$ 113,718,678	\$ 111,653,307	\$ 108,347,596	\$ 105,445,838	\$ 104,726,303
Fund Balance as Percent of General Fund						
Expenditures (including transfers out)	N/A	10.4%	10.7%	11.2%	11.8%	11.2%

¹ GAAP basis includes payments made by the State of Connecticut on behalf of Town of Cheshire for the State Teachers' Retirement System including: \$7,860,000 (6/30/16), \$8,105,000 (6/30/15), \$7,722,000 (6/30/14), \$6,452,000 (6/30/13), \$6,214,000 (6/30/12), and \$4,788,000 (6/30/11).

² Included in the "Other" revenue line item is application of \$700,000 of Fund Balance in the fiscal year 2016-17 adopted budget.

³ Includes transfers to the Capital and Non-Recurring Fund: \$835,000 (6/30/16), \$1,100,000 (6/30/15), \$950,000 (6/30/14), \$1,000,000 (6/30/13), and \$595,000 (6/30/12).

⁴ Fiscal Year 2017 Budget includes \$125,000 for contingency.

Analysis of General Fund Balance

	<i>Budget 2017</i>	<i>Actual 2016</i>	<i>Actual 2015</i>	<i>Actual 2014</i>	<i>Actual 2013</i>	<i>Actual 2012</i>
Nonspendable	N/A	\$ 76,554	\$ 82,760	\$ 81,848	\$ 97,636	\$ 83,655
Committed	N/A	100,000	250,000	500,000	500,000	600,000
Assigned	N/A	2,231,241	2,503,625	2,577,811	2,559,828	2,219,557
Unassigned	N/A	9,397,574	9,113,228	9,009,206	9,234,697	8,854,447
Total General Fund Balance	\$ -	\$ 11,805,369	\$ 11,949,613	\$ 12,168,865	\$ 12,392,161	\$ 11,757,659

Effective October 1, 2015, Public Act No. 15-244, as amended (the “Act”), creates certain disincentives on increasing general 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 (which is created by the Act) for those municipalities whose increases in general budget expenditures, with certain exceptions, exceed the spending limits specified in the Act. Each fiscal year, OPM must reduce the municipal revenue sharing grant paid to a municipality if the annual increase in its general budget expenditures is equal to or greater than 2.5 percent or the inflation rate, whichever is greater. The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar the municipality spends over the expenditure cap. However, for municipalities that taxed motor vehicles at more than 32 mills for the 2013 assessment year (for taxes levied in fiscal year 15), the reduction shall not be more than the portion of the grant that exceeds the difference between the amount of property taxes the municipality levied on motor vehicles for the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills. (See "Property Tax Assessments" herein.)

The Act requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the increased spending limits, and if so, the amount by which the limit was exceeded.

Under the Act, municipal spending does not include expenditures:

1. for debt service, special education, or costs to implement court orders or arbitration awards;
2. associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; or
3. for any municipal revenue sharing grant the municipality disburses to a district, up to the difference between the amount of property taxes the district levied on motor vehicles in the 2013 assessment year and the amount the levy would have been had the motor vehicle mill rate been 32 mills, for fiscal year 17 disbursements, or 29.36 mills, for fiscal year 18 disbursements and thereafter.

(Remainder of page intentionally left blank)

Historical General Fund Balance Sheet

	Actual 6/30/2016	Actual 6/30/2015	Actual 6/30/2014	Actual 6/30/2013	Actual 6/30/2012
Assets:					
Cash and Cash Equivalents.....	\$ 17,100,026	\$ 14,576,301	\$ 14,037,947	\$ 13,841,289	\$ 10,727,852
Receivables.....	865,540	716,699	817,950	1,863,882	2,478,791
Investments.....	8,101,000	7,983,000	7,875,000	7,736,000	5,601,000
Due from other funds.....	1,212	4,297	-	31,398	2,049,279
Other Assets	76,554	82,760	81,848	97,636	83,655
Bond Proceeds, held in trust.....	-	-	-	-	5,863,084
Prepays.....	-	-	-	-	-
Total Assets	\$ 26,144,332	\$ 23,363,057	\$ 22,812,745	\$ 23,570,205	\$ 26,803,661
Liabilities:					
Accounts Payable	\$ 1,970,241	\$ 1,206,828	\$ 1,572,040	\$ 1,472,007	\$ 1,344,273
Accrued Payroll	6,652,286	6,078,406	5,757,021	5,752,777	4,365,588
Deferred Revenue	-	-	-	866,973	1,390,364
Unearned Revenue	40,612	208,782	340,105	3,086,287	2,082,693
Due to bond escrow agent	-	-	-	-	5,863,084
Due to other funds	-	-	-	-	-
Total Liabilities	\$ 8,663,139	\$ 7,494,016	\$ 7,669,166	\$ 11,178,044	\$ 15,046,002
Deferred Inflows of Resources: ¹					
Advance Tax Collections.....	\$ 5,356,498	\$ 3,622,568	\$ 2,497,764	\$ -	\$ -
Unavailable Resources.....	319,326	296,860	476,950	-	-
Total Deferred Inflows of Resources	\$ 5,675,824	\$ 3,919,428	\$ 2,974,714	\$ -	\$ -
Fund Balance:					
Nonspendable	\$ 76,554	\$ 82,760	\$ 81,848	\$ 97,636	\$ 83,655
Committed	100,000	250,000	500,000	500,000	600,000
Assigned	2,231,241	2,503,625	2,577,811	2,559,828	2,219,557
Unassigned	9,397,574	9,113,228	9,009,206	9,234,697	8,854,447
Total Fund Balance	\$ 11,805,369	\$ 11,949,613	\$ 12,168,865	\$ 12,392,161	\$ 11,757,659

¹ Starting with the year ending June 30, 2014, there was a change in asset and liability classification per implementation of GASB Statement No. 65.

Accounting Policies and Basis of Accounting

The Town's accounting system conforms to Generally Accepted Accounting Principles (GAAP) as applied to governmental units. As a reporting entity, the Town's financial statements include all funds, account groups, agencies, boards, and commissions that are controlled by or dependent on the Town's executive and legislative branches. All accounts are organized on the basis of fund accounting and account groups. (See Appendix A -"Basic Financial Statements (Excerpted from the Town's Comprehensive Annual Financial Report)" herein.)

Audit

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes, Sections 7-391 through 7-397), the Town is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management, and a copy of said audit report must be filed with the Office of Policy and Management. The Town is in full compliance with said provisions. RSM US LLP of New Haven, Connecticut have audited the Town's finances for fiscal year ended 2016.

Certificate of Achievement for Excellence in Financial Reporting

The Town was awarded the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for its comprehensive annual financial reports for fiscal years ended June 30, 1993 through June 30, 2015. This is the highest form of recognition for governmental accounting and financial reporting. To be eligible for the award, financial reports must include general purpose financial statements presented in conformity with GAAP, and have been audited in accordance with generally accepted auditing standards. The reports also contain statistical information useful in evaluating the financial condition of a government and conform to certain generally accepted formatting standards established for the Certificate Program. In addition, the "Distinguished Budget Presentation Award" has been presented to the Town by the GFOA for the fiscal year 2016-2017 Town budget. This is the twelfth year that the Town has received this award as the Town progresses in transforming the budget document from a basic line item budget to a performance based budget.

Budget Adoption Procedure

Section 7-1 of the Town Charter requires that each department, office, board or commission of the Town, including the Board of Education, submit a budget request detailing estimates of the expenditures and anticipated revenues for the ensuing fiscal year to the Town Manager no later than February 15 in accordance with a format prescribed by the Town Manager. By March 10 the Town Manager must present an itemized annual operating budget to the Town Council detailing the Town Manager's recommendations for expenditures and revenues which must be balanced together with a budget message describing the recommended budget and outlining the financial policy for the Town for the upcoming fiscal year. The Town Manager, in making his recommendations, may make adjustments to any budget upwards or downwards except for the budget submitted by the Board of Education for which he may only offer recommendations but may not make any adjustments thereto.

Subsequent to the submission of the budget to the Town Council, a three member Budget Committee of the Town Council conducts a series of public meetings concerning the Town Manager's proposed budget. By no later than April 7 the Town Council must hold one or more public hearings concerning the budget, public notice of which must be given at least five days prior to said hearing. By April 17 the Town Council must adopt a budget and fix a tax rate in mills. The Town Council has the authority to increase or decrease the operating budget submitted by the Town Manager, including that portion pertaining to the Board of Education. The adopted budget must be filed with the Town Clerk and published in its entirety in a local newspaper by no later than April 27. In the event that the Council fails to adopt a budget by April 17 the budget submitted to the Town Council by the Town Manager is deemed to have been adopted and the Town Manager shall establish the tax rate.

The budget adopted by the Town Council is subject to referendum by petition of at least 10% of the registered electors. Said petition must be filed by May 11 and the Council shall call a referendum to be held no later than June 20. In order for a vote of a referendum to be effective, at least 20% of the qualified electors have to vote and in the event that the budget is rejected, the Council has to adopt a new budget and tax rate and file it with the Town Clerk by June 27.

See "Authority to Incur Debt" herein for a discussion of a capital expenditure appropriation.

Capital Improvement Plan

Annually, the Town Manager prepares a Five Year Capital Expenditure Plan, which is reviewed by the Planning and Zoning Commission and the Town Council in accordance with the Town Charter. Included in the Five Year Capital Expenditure Plan is a recommended Annual Capital Expenditure Budget for the current fiscal year.

Department	Fiscal Year					Total
	2016-17	2017-18	2018-19	2019-20	2020-21	
Administration & Finance						
Finance	\$ 315,000	\$ 568,000	\$ 506,000	\$ -	\$ 210,000	\$ 1,599,000
General Services.....	223,000	394,000	257,000	369,000	155,000	1,398,000
Public Property.....	295,000	280,000	445,000	565,000	510,000	2,095,000
Planning & Development						
Land Acquisition	-	-	-	-	1,000,000	1,000,000
Public Safety						
Police	3,267,000	1,413,000	-	-	-	4,680,000
Fire	635,000	140,000	640,000	795,000	1,150,000	3,360,000
Public Works						
Roads, Sidewalk, Drainage and Trees....	4,278,000	3,218,000	2,920,000	2,660,000	3,443,000	16,519,000
Sewer & Water	3,500,000	700,000	-	690,000	430,000	5,320,000
Cultural Services						
Library.....	500,000	-	-	-	-	500,000
Leisure Services						
Parks & Recreation	255,000	2,180,000	-	290,000	-	2,725,000
Education	1,600,000	1,800,000	5,503,000	5,460,000	3,250,000	17,613,000
Total	\$ 14,868,000	\$ 10,693,000	\$ 10,271,000	\$ 10,829,000	\$ 10,148,000	\$ 56,809,000
Funding Sources						
Bond/Note Proceeds	\$ 11,449,000	\$ 9,160,000	\$ 8,312,000	\$ 9,340,000	\$ 8,153,000	\$ 46,414,000
Grants	2,677,000	349,000	1,152,000	525,000	830,000	5,533,000
Capital & Non-recurring						
Expenditures Fund	742,000	1,184,000	807,000	964,000	1,165,000	4,862,000
Total Funding Sources	\$ 14,868,000	\$ 10,693,000	\$ 10,271,000	\$ 10,829,000	\$ 10,148,000	\$ 56,809,000

Note: The above is based on the Town Council's approved Five Year Capital Plan for Fiscal Years 2017 through 2021.

(Remainder of page intentionally left blank)

Pension Programs

The Town contributes to three single employer, defined benefit pension plans: the Town, Police, and Volunteer Firefighters that are closed to new employees. Certificated teachers and certificated school administrators contribute to the Connecticut State Teachers' Retirement System which does not require Town funding.

As of the actuarial valuation for July 1, 2016, the Town, Police and Volunteer Firefighter plans were funded at 83.4%, 60.9% and 42.0%, respectively. Cheshire's pension contributions are actuarially determined and valuations are based on a 7.50% rate of return assumption on investments, projected salary increases of 2.5%-4.75% for the Town Plan and 2.5%-8% for the Police plan (not applicable for the Firefighters plan), and inflation rate increases of 2.75% for the Police and Firefighters plans. As of July 1, 2016, there were 696 members in the Town's three plans with 267 retirees receiving benefits, 103 terminated employees entitled to benefits at a future date, and 326 active plan members. Town and Police employees must have ten years of continuous service to be 100% vested. Volunteer firefighters are vested on a percentage basis after 5 years of credited service.

The Town defined benefit pension plan was closed to new employees at various times between July 1, 2006 and June 30, 2012, depending on the union or nonunion group. The Police pension plan was closed to new employees effective December 31, 2013. In lieu of these plans, the Town has instituted defined contribution plans and is contractually required to contribute a percentage of compensation to an eligible 457(b) plan for Town employees, a 403(b) plan for Board of Education employees, and a 401(a) plan for police officers. Town contributions are generally 6% of compensation or 5% plus an additional 1% match depending on the union or nonunion group, except for police officers that require a contribution based on 6% of compensation, including overtime but excluding special duty, by both the Town and the officers.

Other Post-Employment Benefits

The Town provides other postemployment benefits (OPEB), including health and life insurance benefits, for certain retired employees. Police, other Town and Board of Education employees, and teachers are provided benefits when they retire if they meet their contractual eligibility requirements. A brief description of the benefits follows:

The Town administers an OPEB trust for Police personnel and their spouses. As of July 1, 2015, this plan was 3% funded with actuarial assets valued at \$240,668 and had actuarial accrued liabilities valued at \$8,945,286. As of June 30, 2016, this plan had a net OPEB obligation of \$4,533,182.

The Town administers another OPEB trust for all retiree medical benefits other than Police. Town employees, other than Police, are provided a subsidy ranging from \$2,000 to \$2,500 towards health insurance coverage for up to five years or until Medicare eligible. In addition, health and life insurance has been provided to some Town and Board of Education early retirees for a limited duration. As of July 1, 2015, this plan was 3% funded with actuarial assets valued at \$61,335 and had actuarial accrued liabilities valued at \$2,049,397. As of June 30, 2016, this plan had a net OPEB asset of \$651,451.

This OPEB trust also provides funds for an implicit rate subsidy pertaining to teacher post-retirement medical premiums. Teachers are allowed to continue participating in the Town's health insurance program after retirement until Medicare eligible, but must reimburse the Town for premiums paid on their behalf. Since the premiums are based on a pool of current and retired employees, the Town incurs an implicit rate subsidy in providing these benefits. As of July 1, 2015, this plan was 3% funded with actuarial assets valued at \$499,604 and had actuarial accrued liabilities valued at \$16,693,419. As of June 30, 2016, this plan had a net OPEB obligation of \$4,573,352.

For more information, please refer to Note #8 – Other Post-Employment Benefits (OPEB) in the Notes to the Financial Statements included as Appendix A herein.

Compensated Absences

Employees may accumulate a limited amount of vested vacation and sick leave. At the end of the fiscal year 2016, the accumulated value was \$2,981,252. The Town and Board of Education were also liable for early retirement contracts totaling \$223,155.

Risk Management

The Town is exposed to various risks of loss relating to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town purchases commercial insurance for all risks of loss, including blanket and umbrella policies, except for self-insured medical benefits provided under its three health insurance plans, prescription drug plan, dental plans, and workers' compensation covered under a public entity risk pool. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from coverage in the prior year.

The Town utilizes an internal service fund, the Health Insurance Fund, to account for and finance employee medical benefits claims for eligible employees of both the Town and Board of Education. The Town retains the risk of loss under the three medical plans it offers, along with dental and prescription drugs. A third party processes the claims filed under the self-insured health plans for which the Town is charged an administrative fee. The Town is a member of CT Prime, Inc, a captive established to provide a stop-loss policy for health insurance claims exceeding \$150,000. CT Prime, Inc. is an association sponsored, non-profit, non-stock specialty insurance company, fully regulated by the Connecticut Department of Insurance. CT Prime, Inc purchases commercial reinsurance for stop-loss claims in excess of \$500,000. Incurred but not reported ("IBNR") claims are accrued for in the Health Insurance Fund.

The Town utilizes another internal service fund, Heart & Hypertension, to account for the financing of heart and hypertension claims. Payments to the Health Insurance Fund are based upon estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. For the Heart & Hypertension Fund, payments to the fund are based upon estimates of claim reserves necessary to pay annual commitments as well as future claims. The claims liability for the Health Insurance Fund and Heart & Hypertension Fund, respectively, reported in the fund at June 30, 2015, is based upon the provisions of GASB Statements No. 10 and 30, which require that a liability for IBNR claims be recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claims accrual is based on the ultimate costs of settling the claims, which includes past experience data, inflation and other future economic and societal factors and incremental claims adjustment expenses, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

The Town currently is a member in Connecticut Interlocal Management Agency (CIRMA), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Section 7-479a, et. seq., of Connecticut General Statutes, for workers' compensation coverage.

Investments

Town policy for eligible investments is governed by State of Connecticut Statutes which, in general, allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivisions rated within the top three rating categories of any nationally recognized rating service. For the Capital Nonrecurring Fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

The Town has investment policies for its pension and other postemployment benefit (OPEB) funds that provide an asset allocation average, over a full market cycle, of approximately 65% equities (or alternative investment strategies as equivalents) and 35% fixed income and cash (or alternative investment strategies equivalents). For purposes of the policy, a full market cycle is defined by the Board to be no less than three years, or more than seven years. However, within a market cycle, Plan allocations should not exceed the following parameters:

	<u>Target</u>	<u>Range</u>
A. Global Equities	65%	35% - 80%
B. Fixed Income and Cash	35%	20% - 65%
C. Domestic Equities	60%	40% - 80%
D. International Equities	40%	20% - 60%

(Remainder of page intentionally left blank)

VII. Legal and Other Information

Litigation

Following consultation with the Town Attorney, Alfred Smith of Murtha Cullina, New Haven, Connecticut, and other attorneys providing legal services to the Town, Town officials advise that the Town, its officers, employees, boards and commissions are named defendants in a number of lawsuits. It is the Town Attorney's opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the Town which would materially adversely affect its financial position.

Transcript and Closing Documents

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

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

2. A certificate on behalf of the Town of Cheshire, Connecticut signed by the Town Manager and the Director of Finance & Treasurer, which will be dated the date of delivery, and attached to a signed copy of the Official Statement, certifying that, to the best of said officials' knowledge and belief, at the time bids on the Bonds were accepted, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.

3. A receipt for the purchase price of the Bonds.

4. The approving opinion of Robinson & Cole LLP, Bond Counsel, of Hartford, Connecticut in substantially the form attached as Appendix B to this Official Statement.

5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached as Appendix C to this Official Statement.

The Town of Cheshire has prepared an Official Statement for the Bonds, which is dated February 22, 2017. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(5), but it is subject to revision or amendment. The Town will make available to the winning bidder of the Bonds 100 copies of the Official Statement at the Town's expense within seven business days of the bid opening. Additional copies may be obtained by the original purchaser at its own expense by arrangement with the printer.

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

(Remainder of page intentionally left blank)

Concluding Statement

This Official Statement is not to be construed as a contract or agreement between the Town and the purchaser or holders of the Bonds. 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 Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provision of law are subject to repeal or amendment.

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

Additional information may be obtained from James J. Jaskot, Director of Finance, Town of Cheshire, 84 South Main Street, Cheshire, Connecticut 06410, and telephone number (203) 271-6610. This Official Statement has been duly prepared and delivered by the Town, and executed for and on behalf of the Town by the following officials:

TOWN OF CHESHIRE, CONNECTICUT

/s/ Michael A. Milone

Michael A. Milone, *Town Manager*

/s/ James J. Jaskot

James J. Jaskot, *Director of Finance & Treasurer*

Dated: February 22, 2017

Appendix A

2016 Basic Financial Statements

The following includes the Basic Financial Statements of the Town for the fiscal year ended June 30, 2016. The supplemental data, which was a part of that report, has 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 06460. Telephone (203) 878-4945.

Appendix B

Form of Opinion of Bond Counsel

Appendix C

Form of Continuing Disclosure Agreement

Appendix D

Notice of Sale

(This page intentionally left blank)