

Official Statement Dated October 18, 2016

REFUNDING ISSUE

Book-Entry-Only

MOODY'S RATING: Aa2

(See "Rating" herein)

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing law, interest on the Bonds (as defined herein) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, with respect to certain corporations (as defined for federal income tax purposes) subject to the federal alternative minimum tax, such interest is taken into account in computing the federal alternative minimum tax.

In the opinion of Bond Counsel, under existing statutes and regulations, interest on the Bonds is excludable 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. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "Tax Matters" herein.

TOWN OF MONROE, CONNECTICUT

\$7,220,000

GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2016

(BANK QUALIFIED)

Dated: Date of Delivery

**Due: March 15, 2017 and serially beginning
September 15, 2017 as shown below**

The General Obligation Refunding Bonds, Issue of 2016 (the "Bonds") will be general obligations of the Town of Monroe, 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.)

Interest on the Bonds will be payable semiannually on March 15 and September 15 in each year until maturity, commencing March 15, 2017.

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

The Bonds will be issued by means of a book-entry-only system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. The Beneficial Owners of the Bonds will not receive certificates representing their ownership interest in the Bonds. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. DTC will act as security depository for the Bonds. So long as Cede & Co. is the Bondowner, as nominee for DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. (See "Book-Entry-Only Transfer System" herein.)

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

MATURITY SCHEDULE AND AMOUNTS

<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP¹</u>	<u>Maturity</u>	<u>Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>CUSIP¹</u>
March 15, 2017	\$ 40,000	2.000 %	0.800 %	610423YX7	September 15, 2024	\$ 200,000	2.000 %	1.620 %	610423ZF5
September 15, 2017	625,000	2.000	0.850	610423YY5	September 15, 2024	550,000	4.000	1.620	610423ZG3
September 15, 2018	625,000	3.000	0.950	610423YZ2	September 15, 2025	765,000	4.000	1.750	610423ZH1
September 15, 2019	685,000	4.000	1.030	610423ZA6	September 15, 2026	535,000	4.000	1.850	610423ZJ7
September 15, 2020	695,000	4.000	1.140	610423ZB4	September 15, 2027	205,000	4.000	2.000 *	610423ZK4
September 15, 2021	705,000	4.000	1.240	610423ZC2	September 15, 2028	100,000	3.000	2.120 *	610423ZL2
September 15, 2022	690,000	4.000	1.330	610423ZD0	September 15, 2028	100,000	4.000	2.120 *	610423ZM0
September 15, 2023	700,000	2.250	1.480	610423ZE8					

* - Priced assuming redemption on September 15, 2026; however, any such redemption is at the option of the Town (see "Optional Redemption" herein).

Roosevelt & Cross, Incorporated

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Pullman & Comley LLC, Bond Counsel, of Hartford, Connecticut. Certain matters will be passed upon for the Underwriter by Shipman & Goodwin LLP, Underwriter's Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds in definitive book-entry form will be made to DTC in New York, New York on or about November 1, 2016.

¹ Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, broker, salesman or other person has been authorized by the Town to give any information or to make any representations, other than those contained in this Official Statement or any supplement which may be issued hereto; and if given or made, such other information or representations must not be relied upon as having been authorized by the Town. 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 is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. The presentation of information in this Official Statement is intended to show recent historic trends and is not intended to indicate future or continuing trends in financial or other positions of the Town. 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 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 the Official Statement.

The information, estimates and expressions of opinion in this Official Statement are subject to change without notice.

All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete, are subject to repeal or amendment, and are qualified in their entirety by reference to such laws and the original official documents. All references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

The independent auditors for the Town are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in Appendix A, "Audited Financial Statements" herein), and makes no representation that it has independently verified the same. The auditors have not been engaged nor performed audit procedures regarding the post audit period.

Bond Counsel is not passing upon and does not assume responsibility for the sufficiency, accuracy or completeness of the statements made or financial information presented in this Official Statement (other than matters expressly set forth as its opinions in Appendix B "Form of Opinion of Bond Counsel" herein) and makes no representation that it has 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 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 with respect to the Bonds, (ii) a notice of the occurrence of certain events with respect to the Bonds 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 with respect to the Bonds on or before the date specified in the Continuing Disclosure Agreement for the Bonds. The Continuing Disclosure Agreement shall be executed in substantially the form attached as Appendix C to this Official Statement.

The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exemptions contained in such act. In addition, the Bonds have not been registered under any state securities laws.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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

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SECTION I - SECURITIES OFFERED

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Monroe, Connecticut (the "Town") in connection with the issuance and sale of \$7,220,000 General Obligation Refunding Bonds, Issue of 2016 (the "Bonds") of the Town.

Description of the Bonds

The Bonds will be dated the date of delivery, November 1, 2016, and will mature on the dates and in the principal amounts set forth on the cover page hereof. Interest on the Bonds will be payable semiannually on March 15 and September 15 in each year until the date of maturity, commencing on March 15, 2017. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be payable to the registered owners of the Bonds as of the last business day of February and August in each year. A book-entry-only system will be employed evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry-Only Transfer System" herein.) The Certifying Bank, Registrar, Transfer, Paying and Escrow Agent will be U.S. Bank National Association of Hartford, Connecticut. **The Bonds are subject to optional redemption prior to maturity.** (See "Optional Redemption" herein.) The legal opinion on the Bonds will be rendered by Pullman & Comley LLC of Hartford, Connecticut, as set forth in Appendix B. The Bonds **SHALL** 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 and described herein.

Optional Redemption

The Bonds maturing on or before September 15, 2026 are not subject to redemption prior to maturity. The Bonds maturing on September 15, 2027, and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after September 15, 2026, 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 redemption price or prices (expressed as a percentage of the principal amount of Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 15, 2026 and thereafter	100%

Notice of Redemption

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date 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 kept for such purpose. 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 Bonds 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-only system is used for the Bonds, will send any notice of redemption only to DTC (or a 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 a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry-only system, among the interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions 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 allocation 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 or the responsibility of the Town, the Registrar or Paying Agent.

Rating

The Bonds have been rated "Aa2" by Moody's Investors Service, Inc. ("Moody's"). The underlying rating on the Town's outstanding bonds has recently been affirmed as "Aa2" by Moody's. Such rating reflects only the views of such organization and any explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Town furnished certain information and materials to the rating agency, some of which may not have been included in this Official Statement. There is no assurance that such rating will continue for any given period of time or that the rating will not be revised or withdrawn entirely by the agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the Town's bonds.

Authorization and Plan of Refunding

The Bonds are being issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, and a resolution adopted by the Town Council at a meeting held on July 25, 2016 authorizing the issuance of refunding bonds in an amount not to exceed \$7,850,000 to refund all of the outstanding maturities of the Town's general obligation bonds listed herein (the "Refunded Bonds"). The refunding is contingent upon the delivery of the Bonds.

<u>Issue</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2010	9/15/2010	9/15/2017	\$ 475,000	2.000 %	12/1/2016	100.00 %
2010	9/15/2010	9/15/2018	475,000	2.000	12/1/2016	100.00
2010	9/15/2010	9/15/2019	500,000	2.250	12/1/2016	100.00
2010	9/15/2010	9/15/2020	500,000	2.375	12/1/2016	100.00
2010	9/15/2010	9/15/2021	500,000	2.500	12/1/2016	100.00
2010	9/15/2010	9/15/2022	250,000	2.625	12/1/2016	100.00
2010	9/15/2010	9/15/2023	250,000	3.000	12/1/2016	100.00
2010	9/15/2010	9/15/2024	250,000	3.000	12/1/2016	100.00
2010	9/15/2010	9/15/2025	250,000	3.000	12/1/2016	100.00
			3,450,000			
2012	5/24/2012	5/15/2018	225,000	2.000	5/15/2017	100.00
2012	5/24/2012	5/15/2019	225,000	2.000	5/15/2017	100.00
2012	5/24/2012	5/15/2020	250,000	2.250	5/15/2017	100.00
2012	5/24/2012	5/15/2021	250,000	2.250	5/15/2017	100.00
2012	5/24/2012	5/15/2022	250,000	2.000	5/15/2017	100.00
2012	5/24/2012	5/15/2023	255,000	2.125	5/15/2017	100.00
2012	5/24/2012	5/15/2024	275,000	2.250	5/15/2017	100.00
2012	5/24/2012	5/15/2025	325,000	2.375	5/15/2017	100.00
2012	5/24/2012	5/15/2026	325,000	2.500	5/15/2017	100.00
2012	5/24/2012	5/15/2027	325,000	3.000	5/15/2017	100.00
			2,705,000			

<u>Issue</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2014	6/18/2014	6/15/2023	\$ 240,000	2.250 %	6/15/2019	100.00 %
2014	6/18/2014	6/15/2024	230,000	2.500	6/15/2019	100.00
2014	6/18/2014	6/15/2025	230,000	2.750	6/15/2019	100.00
2014	6/18/2014	6/15/2026	230,000	3.000	6/15/2019	100.00
2014	6/18/2014	6/15/2027	230,000	3.000	6/15/2019	100.00
2014	6/18/2014	6/15/2028	220,000	3.000	6/15/2019	100.00
2014	6/18/2014	6/15/2029	215,000	3.000	6/15/2019	100.00
			<u>1,595,000</u>			
		Total	<u>\$ 7,750,000</u>			

Upon delivery of the Bonds, a portion of the proceeds of the Bonds will be placed in an irrevocable escrow deposit fund (the "Escrow Deposit Fund") established with U.S. Bank National Association of Hartford, Connecticut, as escrow agent (the "Escrow Agent") under an Escrow Agreement (the "Escrow Agreement") to be dated as of the Date of Delivery of the Bonds between the Escrow Agent and the Town. The Escrow Agent will use such proceeds to purchase a portfolio of United States Treasury State and Local Government Series ("SLGS") securities all of which shall not be callable or pre-payable at the option of the issuer thereof (the "Escrow Securities"). The maturing principal of, and interest on the Escrow Securities held in the Escrow Deposit Fund will be irrevocably deposited by the Town for the payments of the principal, interest and redemption prices of the Refunded Bonds. The balance of the proceeds of the Bonds will be used to pay costs of issuance and underwriter's discount.

Verification of Mathematical Computations

Barthe & Wahrman, a Professional Association, will deliver a report on the mathematical accuracy of certain computations based upon certain information provided to them by the Underwriter relating to: (1) the computations that the anticipated receipts from the Escrow Securities set forth in the Underwriter's schedules, will be sufficient to pay, when due, the principal, interest and applicable call premium, if any, of the Refunded Bonds; and (b) the computations of yield on the Bonds and the Escrow Securities contained in the provided schedules. Barthe & Wahrman, a Professional Association, will express no opinion on the assumptions provided to them.

Sources and Uses of Proceeds

Proceeds of the Bonds are to be applied as follows:

Sources:		
Par Amount		\$ 7,220,000.00
Original Issue Premium		800,319.50
Total Sources		<u>\$ 8,020,319.50</u>
Uses:		
Deposit to Escrow Deposit Fund		\$ 7,917,578.29
Underwriter's Discount		35,955.60
Costs of Issuance		66,785.61
Total Uses		<u>\$ 8,020,319.50</u>

Tax Matters

Federal Taxes. In the opinion of Pullman & Comley, LLC, Bond Counsel, under existing law, interest on the Bonds (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to certain corporations (as defined for federal income tax purposes) subject to the federal alternative minimum tax, such interest may be taken into account in computing the federal alternative minimum tax.

Bond Counsel's opinion with respect to the Bonds will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds, as the case may be, irrespective of the date on which such noncompliance occurs. In the Tax Compliance Agreement, which will be delivered concurrently with the issuance of the Bonds, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Bond proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Bonds is conditioned upon compliance by the Town with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Bonds.

Original Issue Discount. The initial public offering price of the Bonds may be less than the stated principal amount. Under existing law, the difference between the stated principal amount and the initial offering price of the Bonds will constitute original issue discount. The offering price relating to the yield set forth on the cover page of this Official Statement for the Bonds is expected to be the initial offering price to the public (excluding bond houses and brokers) at which a substantial amount of the Bonds are sold. Under existing law, original issue discount on the Bonds accrued and properly allocable to the owners thereof under the Code is excludable from gross income for federal income tax purposes if interest on the Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner's adjusted basis in a Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such Bond and will be added to the owner's basis. Original issue discount will accrue on a constant-yield-to-maturity method based on regular compounding. The owner's adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of such a Bond. For certain corporations (as defined for federal income tax purposes), a portion of the original issue discount that accrues in each year to such Bond will be included in the calculation of the corporation's federal alternative minimum tax liability. As a result, ownership of such a Bond by such a corporation may result in an alternative minimum tax liability even though such owner has not received a corresponding cash payment.

Prospective purchasers of Bonds at an original issue discount should consult their own tax advisors as to the calculation of accrued original issue discount, the accrual of original issue discount in the case of owners purchasing such Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such Bonds.

Original Issue Premium. The initial public offering price of the Bonds may be more than their stated principal amount. An owner who purchases a Bond at a premium to its principal amount must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner's basis in the Bond for federal income tax purposes. Prospective purchasers of the Bonds should consult their tax advisors regarding the amortization of premium and the effect upon basis.

Other Federal Tax Matters. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors regarding collateral federal income tax consequences.

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

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Accrued original issue discount on a Bond is also 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 for individuals, trusts and estates required to pay the federal alternative minimum tax.

Owners of the Bonds should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Bonds.

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof.

Proposed Legislation and Other Matters. Tax legislation and administrative actions taken by tax authorities (whether currently proposed, proposed in the future, or enacted) and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation, actions or decisions could affect the market price for, or the marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisers regarding the foregoing matters.

General. The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement their opinion to reflect any facts or circumstances that may come to their attention or any changes in law that may occur after the date of their opinion. Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Bonds. Prospective owners of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Bonds.

Security and Remedies

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

Unless paid from other sources, the Bonds are payable from the general property tax revenue of the Town. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all property subject to taxation by 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. There was, however, no such certified forest land on the last completed grand list of the Town, and under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation upon its power to tax such dwelling houses. 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 or Town property to secure the Bonds or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and notes and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the 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 or interest on such bonds or notes of the Town 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 by the Congress or the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor.

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

Qualification for Financial Institutions

The Bonds SHALL 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 for interest expense allocable to the Bonds.

Book-Entry-Only Transfer System

The Depository Trust Company ("DTC"), New York, NY will act as securities depository for the Bonds. The Bonds will be issued as fully-registered 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 Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond 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.

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 issuer will issue 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.

DTC Practices

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

Underwriting

The Bonds are being purchased by Roosevelt & Cross, Inc. (the "Underwriter"), pursuant to the terms of a contract of purchase for the Bonds with the Town (the "Bond Purchase Contract"). Pursuant to the Bond Purchase Contract, the Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the Town at the net aggregate purchase price of \$7,984,363.90 (consisting of the par amount of \$7,220,000.00, plus original issue premium of \$800,319.50, less underwriter's discount of \$35,955.60). The Underwriter will be obligated to purchase all such Bonds, if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including unit investment trusts and other affiliated portfolios of certain underwriters and other dealers depositing the Bonds into investment trusts) at prices lower or yields higher than the public offering prices or yields stated on the cover page hereof. The initial offering prices or yields may be changed, from time to time, by the Underwriter.

SECTION II - THE ISSUER

Description of the Town

The Town of Monroe, incorporated in 1823, is located in Fairfield County. It covers an area of 26.4 square miles seventy miles east of New York City and fourteen miles north of Bridgeport. It is bordered by Easton to the west, Newtown to the north, Shelton and Oxford to the east and Trumbull to the south. Lake Zoar, the Stevenson Dam, a FirstLight Power Resources hydropower facility, and the Housatonic River also are part of the Town's northeastern border.

The Town is one of the fastest growing, suburban residential communities in the state of Connecticut, with an increase of 16.2% since 1990 and a 40.7% increase since 1980. According to the U.S. Bureau of Census, 2014 American Community Survey, the Town's population was 19,744. The Town has above average income and education levels that reflect its character as a suburban bedroom community.

The Town of Monroe supports and encourages a balance of industrial, commercial, and residential properties and the Town's Economic Development Commission and Planning and Zoning Commission have worked together to reach this objective.

The Town is traversed by State Routes 25, running north and south and Route 111, running northeast through the Town. The Route 25 expressway, which begins at Route 8 in Bridgeport, intersects with the Merritt Parkway (Route 15), is completed to the intersection of Route 111 at the Monroe-Trumbull town line. The southern area of Town is easily accessible to the Merritt Parkway and thus to both Interstates 91 and 95. Air transportation is available in Bridgeport and Danbury, as is rail transportation, via Amtrak and the Metroliner Service; bus passenger transportation is provided by the Greater Bridgeport Transit District. Additional transportation for senior citizens and the homebound is provided by the Town of Monroe Senior Citizens Department.

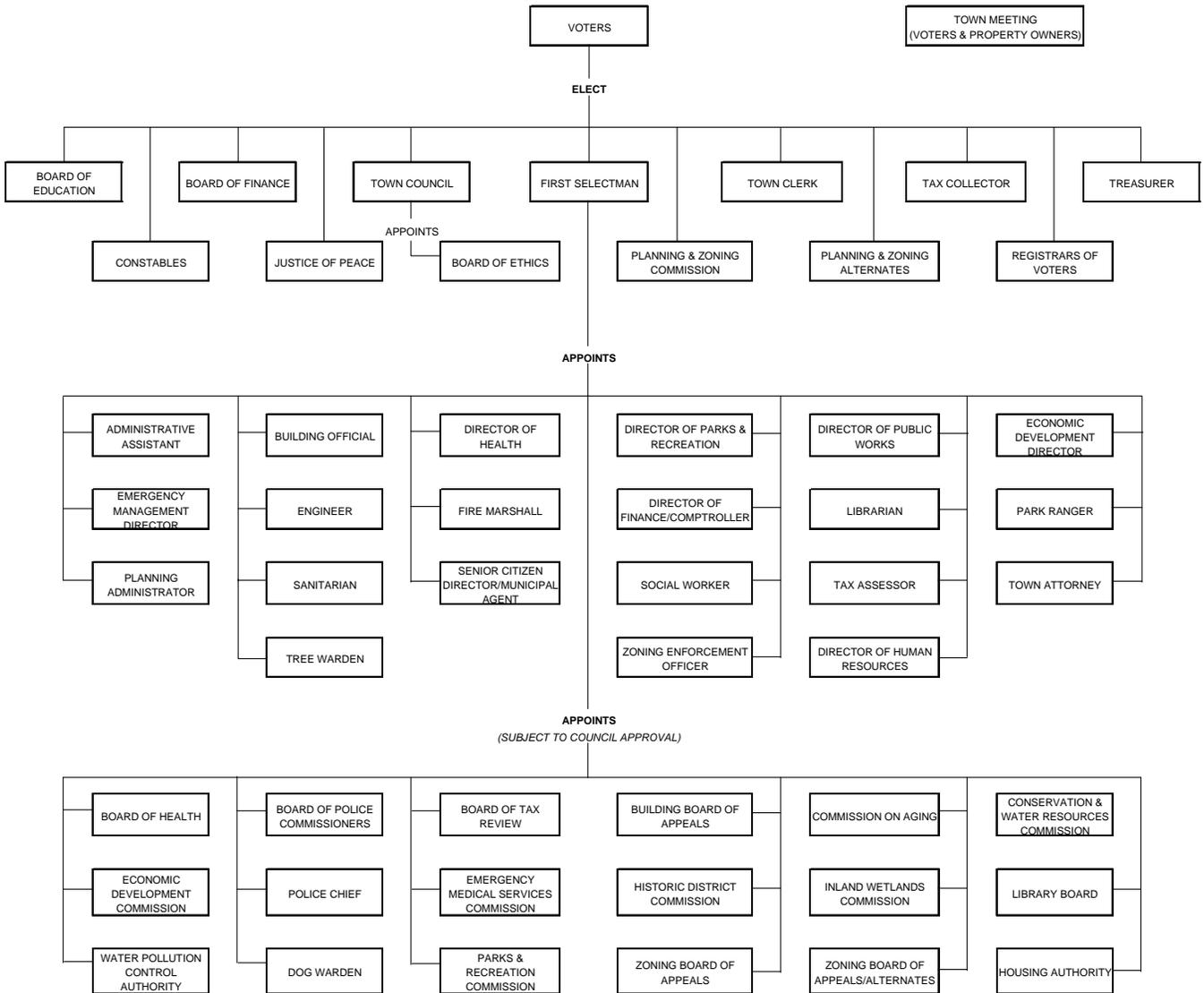
Form of Government

The Town is administered by an elected First Selectman, who acts as the Chief Executive Officer, and a 9-member Town Council that constitute the First Selectman/Council form of government. The First Selectman is responsible for planning, organizing and directing all routine municipal activities, except for education. Other Commissions are either elected or appointed by the First Selectman with approval of the Town Council. The First Selectman manages department heads, sees that law and ordinances governing the Town are enforced, makes recommendations and reports to the Town Council, prepares the annual budget, prepares the annual report, keeps the Town Council advised on the Town's financial condition and performs other duties prescribed by Charter, Ordinance or Town Council resolution.

The Town Council is the legislative body of the Town. Financial matters are the responsibility of the First Selectman and a six member Board of Finance, elected to four-year terms, in conjunction with the Director of Finance and part-time Treasurer. The Finance Department, directed by the Director of Finance who also serves as the Comptroller, manages all financial records and operations of the Town. The Treasurer is elected biannually and is responsible for investing funds of the Town.

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Organization Chart



Municipal Officials

<u>Name</u>	<u>Position</u>	<u>Term</u>	<u>Length of Service</u>
Stephen J. Vavrek, Jr.	First Selectman	11/27/2017	6 years
Ronald J. Bunovsky, Jr.	Director of Finance	Appointed	2 years
Michael Manjos	Chairman, Board of Finance	11/27/2017	6 years
Jim Agostine	Superintendent of Schools	Appointed	4 years
Emanuel Cambra, Jr.	Tax Collector	11/27/2017	18 years
John Salvatore	Chief of Police	Appointed	17 years
Deborah Heim	Town Treasurer	11/27/2017	1 year
John P. Fracassini	Town Attorney	Appointed	6 years
<u>Other Appointments</u>			
Pullman Comley	Bond Counsel	Appointed	5 years
PKF O'Connor Davies LLP Independent Bond and Investment Consultants LLC	Independent Auditors	Appointed	1 year
	Independent Financial Advisors	Appointed	19 years

Source: Town Officials

Town Services

Police: The Monroe Police Department is a Connecticut Police Officer Standards and Training Council fully accredited law enforcement agency, providing 24-hour police protection to the citizens of Monroe. Professional police services include: computer forensic investigation, electronic and digital collection and analysis, crime scene evidence collection and processing, motor vehicle crash reconstruction, a specialized domestic violence victim support team and first response to all types of public safety emergencies. The Monroe Police Department is staffed by 40 full-time sworn officers and 12 full-time non-sworn employees.

Emergency Medical Service (EMS): The Monroe EMS was founded in June 1977 and is staffed by 43 active volunteers plus a contracted daytime staff. Emergency treatment services and transportation to area hospitals is provided on a 24-hour basis, with two fully equipped ambulances. Operations are funded through a self-supporting special revenue fund.

Fire: The Fire Department consists of three volunteer fire departments, carrying a force of approximately 120 active fire fighters in six fire stations. The major equipment includes 29 pieces of fire apparatus distributed among the three companies. The Town employs one full-time Fire Marshal and three part-time deputy Fire Marshals.

Public Works Department: The Public Works Department, which includes Highway, Recycling and the Tree Warden, employs one director, one deputy director, one highway supervisor, two crew leaders and twenty-one other personnel. The Public Works Department is responsible for over 42 pieces of rolling stock in the repair, maintenance, and snow plowing of over 143 miles of town roads. In addition, the Public Works Department manages the Town's bulky waste disposal area; open two days a week, for recycling and the disposal of brush, wood, metal and electronics.

Solid Waste: The Town has entered into a Solid Waste Disposal Agreement (the "Agreement"), with Wheelabrator Bridgeport, L.P. ("Wheelabrator") for the disposal of solid waste through the Greater Bridgeport Regional Solid Waste Interlocal Committee. It is required that the Agreement be executed by contracting communities whose aggregate average generation of acceptable waste for the two (2) year period prior to the date of the Agreement was in excess of 175,000 tons per year. Each municipality which has signed the Agreement, agrees to deliver or cause to be delivered to the system all acceptable waste, as defined therein, generated by it or within its boundaries. Wheelabrator is required to accept from each municipality and dispose of all acceptable waste delivered to the system by or on behalf of each municipality. For fiscal year 2016-17, the cost per ton will be based on the disposal fee of \$61.22, which will be increased yearly for the duration of the contract by 0.75% of the Consumer Price Index ("CPI") as of May 1 in the computation year minus the CPI published May 1, 2014. Both the Greater Bridgeport Regional Solid Waste Interlocal Agreement and the Solid Waste Disposal Agreement are available for review at Town Hall.

Transfer Station: The Town of Monroe is currently operating under a verbal agreement with the Town of Trumbull to utilize its transfer station to deliver all refuse to be transferred to the Facility in Bridgeport. The Town pays the Town of Trumbull a fee to operate the transfer station and transport refuse to the Facility in Bridgeport. For fiscal year 2016-17, the Town has paid a tipping

fee of \$61.22 per ton for solid waste delivery to the facility in Bridgeport. The Town pays additional fees of \$43.25 per ton to the Town of Trumbull for the operation of the transfer station and transportation to the Facility in Bridgeport, for an all-in-cost of \$104.47 per ton. The Town's agreement with the Town of Trumbull for use of the transfer station expired as of December 31, 2014. Currently the Town is studying the cost/benefit of renewing this contract with the Town of Trumbull.

Recycling: Monroe will continue to be a member of the Southwest Connecticut Regional Recycling Operating Committee ("SWEROC"), or similar group of which the number of towns and cities has yet to be finalized. The group will join together to administer the regional recycling program mandated by the State of Connecticut, pursuant to an Inter-Community Agreement, or similar document. Monroe will agree to continue to provide for the pickup and delivery of residential generated recyclables to an Intermediate Processing Center in Stratford, Connecticut.

Health and Welfare: The Health Department consists of a Director of Health, a Sanitarian, a Part-Time Nurse and an Administrative Assistant. The mission of the department is to improve the quality of life of the community through the promotion of health, the prevention of disease and injury, and fostering a healthy environment. It works closely with the state health department and other community partners to develop population based intervention programs that encourage healthy behaviors of the citizens, the preparation and response to disaster events and the provide assistance to the communities recovery process.

Parks and Recreation: Monroe maintains a full-time Parks and Recreation Department under the supervision of a Director of Parks and Recreation. The Department consists of the operation and maintenance of a 309-acre Wolfe Park with swimming pool, hiking trails, tennis courts, soccer fields, basketball courts, ball fields and picnic areas. Summer and evening programs are managed in conjunction with the public schools including Masuk indoor swimming pool. The Department has 9 full-time and non-seasonal part-time employees, including the Director. A varying number of seasonal part-time staff are employed throughout the year depending on demand for programs. Great Hollow Lake, located within Wolfe Park, provides additional activities that include a bathhouse, swimming beaches, a pavilion, fishing and boating areas, a playground and open play area and additional hiking trails. Other recreational facilities available to residents are Lake Zoar, Webb Mountain Park, Lane's Mine Park, and Chalk Hill Nature Trail.

Library: In 2007, the Town completed a \$6.2 million state of the art library adjacent to the Town Hall, which formerly housed the Town library. The new Edith Wheeler Memorial Library is a 30,000 square foot facility consisting of a children's library with young adult section located on the first floor and the main library located on the second floor. The new facility includes classrooms for cultural and programmatic activities as well as a 150 person capacity meeting room with a separate kitchen for social events. Full library services are provided by 7 full-time employees, including the Director, and 32 part-time employees and several volunteer staff. The library offers over 82,000 volumes including works of fiction, nonfiction, and references for both children and adults. In addition, the library also offers music cassettes, audio books, compact disks, video cassettes and framed art, as well as a variety of programs for children, young adults, and adults. The library is fully automated for circulation, acquisitions, and the on-line card catalog which provides access for the public to several on-line databases and CD-ROM products. Additionally, each of the Monroe public schools has a library that is oriented to each school's curriculum.

Planning and Zoning Commission: The Town has a combined Planning and Zoning Commission (the "Commission"), working with the First Selectman, whose duties are to guide, control and approve all design work and site development to conform with the Town and State Codes. The Town most recently completed an update to the Master Plan of Development which was adopted in December 2010.

Economic Development: The Town has an all-volunteer Economic Development Commission consisting of seven members appointed by the First Selectman with approval of the Town Council. The objectives of the Commission are to retain and enhance existing business in Town and to attract new development that is consistent with the Master Plan of Development. The Commission assists in the orderly development of commercial and industrial sectors of the Town thereby broadening the tax base and reducing reliance on residential taxes.

The Commission reviews project proposals and lends guidance and support to prospective business owners. The Commission provides information to potential businesses such as maps, charts, pamphlets, and demographic and economic information. It also works closely with the Monroe Chamber of Commerce and co-sponsor publications such as the Monroe Business Directory.

Currently the Town's commercial and industrial area is over 40% developed with less than 800 acres of existing land left for development. The Town has 1,639 acres of land zoned for business, commercial or industrial development, which is 9.74% of the total area of Town. The balance of the Town is residential zoning consisting of approximately 50% one acre dwelling lots, 42% two and three acre lots and 8% density and planned development.

Financial institutions located in the Town include Bank of America, First Niagara Bank, Hudson City Savings Bank, JPMorgan Chase Bank, Newtown Savings Bank, People's United Bank, Webster Bank and Wells Fargo Bank.

Educational System

The Board of Education is independent from the municipal government in governance and operation of the school system. The Board of Education is required by Town Charter to submit an annual budget to the First Selectman and Director of Finance. The Board of Education budget is included in the Town's operating budget and submitted to the Town Council who cannot alter the education budget but can make recommendations to the Board of Finance on that budget. The total budget is then submitted to the Board of Finance who may adjust only the total amount of the Board of Education budget.

The Town's elementary school system consists of one school in grades Pre K through 5, two schools for pupils in grades K through 5; one school for pupils in grades 6-8 and one high school for pupils in grades 9-12. The schools are governed by a nine-member Board of Education.

Educational Facilities

<u>School</u>	<u>Grades</u>	<u>Date of Construction (Additions, Remodeling)</u>	<u>No. of Classrooms</u>	<u>Enrollment 10/1/2015</u>	<u>Capacity</u>
Monroe	Pre K-5	1935 (1947, 1953, 1957, 1983)	19	354	414
Stepney	K-5	1962 (1989)	30	430	565
Fawn Hollow	K-5	1966 (1989)	34	497	656
Jockey Hollow	6-8	1998	36	555	634
Masuk High School	9-12	1958 (1963, 1977, 2006)	57	1,331 ¹	1,450
Total				<u>3,167</u>	<u>3,719</u>

¹ Includes 225 Jockey Hollow Middle School students participating in a STEM program located at Masuk High School.

Source: Superintendent's office, Town of Monroe.

School Enrollment

<u>School Year</u>	<u>Actual</u>					<u>Total</u>
	<u>PK-4</u>	<u>PK-5</u>	<u>5-8</u>	<u>6-8</u>	<u>9-12</u>	
2006-07	1,566		1,349		1,300	4,215
2007-08	1,350		1,300		1,348	3,998
2008-09	1,340		1,255		1,305	3,900
2009-10	1,338		1,254		1,302	3,894
2010-11 ¹		1,537		930	1,312	3,779
2011-12		1,424		890	1,277	3,591
2012-13		1,396		854	1,231	3,481
2013-14		1,370		814	1,189	3,373
2014-15		1,319		758	1,184	3,261
2015-16		1,281		780	1,106	3,167
	<u>Projections</u>					
2016-17		1,265		770	1,057	3,092
2017-18		1,194		747	1,037	2,978
2018-19		1,185		704	1,002	2,891
2019-20		1,196		704	984	2,884

¹ During school year 2010-11 the Board of Education closed Chalk Hill School and moved 5th grade into the elementary schools and the 6th grade to the Jockey Hollow School.

Source: Superintendent's office, Town of Monroe.

Municipal Employment

<u>Fiscal Year</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Board of Education	470	478	486	485	500
General Government	199	192	208	207	205
Total	<u>669</u>	<u>670</u>	<u>694</u>	<u>692</u>	<u>705</u>

Source: Town Officials

Municipal Employees by Category

<u>Department</u>	<u>Number of Employees</u>
<u>General Government</u>	
Police	52
Library	39
Highway Department	26
Land Use Group	10
Social Services/Senior Center	10
Parks & Recreation	9
Other	<u>53</u>
Total General Government	<u>199</u>
<u>Board of Education</u>	
Administration and Principals	24
Teachers	272
Paraprofessionals	84
Other	<u>90</u>
Total Board of Education	<u>470</u>
Grand Total	<u>669</u>

Source: Town Officials

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Municipal Employees Bargaining Organizations

<u>Employees</u>	<u>Organization</u>	<u>Employees Covered</u>	<u>Contract Expiration</u>
General Government			
Highway / Parks & Rec	Local 44, Connecticut Independent Labor Union	23	6/30/2016 ¹
Clerical	Local 136, International Federation of Professional and Technical Engineers	32	6/30/2017
Police - Uniform Officers	Local 15, AFSCME, AFL-CIO	40	6/30/2016 ¹
Supervisors	Local 818, AFSCME, AFL-CIO	<u>16</u>	6/30/2017
	Sub-total General Government	111	
	Non-Bargaining and part-time	<u>88</u>	
	Total General Government	199	
Board of Education			
Administrators	Monroe Federation of School Administrator's	21	6/30/2018
Teachers	Monroe Education Association	272	6/30/2017
Paraprofessionals	United Public Service Employees Union	84	6/30/2017
Secretaries	United Public Service Employees Union	22	6/30/2017
Custodial	United Public Service Employees Union	27	6/30/2017
School Nurses	United Public Service Employees Union	7	6/30/2018
School Library Employees	Local 136, International Federation of Professional and Technical Engineers, Library Association of Monroe School System	2	6/30/2021
	Sub-total Board of Education	<u>435</u>	
	Non-Bargaining and part-time	<u>35</u>	
	Total Board of Education	<u>470</u>	
	Total Town of Monroe	<u><u>669</u></u>	

¹ In negotiations.

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

SECTION III - ECONOMIC AND DEMOGRAPHIC DATA

Population Trends

<u>Year</u>	<u>Town of Monroe</u>	<u>Fairfield County</u>	<u>State of Connecticut</u>
1980	13,952	807,143	3,107,576
1990	16,896	857,270	3,287,116
2000	19,247	882,567	3,405,565
2014	19,744	934,215	3,592,053

Source: U.S. Bureau of Census.

Age Characteristics of Population

<u>Age</u>	<u>Town of Monroe</u>		<u>Fairfield County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5	810	4.1	55,160	5.9	194,338	5.4
5 - 9	1,285	6.5	62,453	6.7	217,491	6.1
10 - 14	1,905	9.6	66,834	7.2	234,666	6.5
15 - 19	1,650	8.4	66,306	7.1	255,499	7.1
20 - 24	765	3.9	52,937	5.7	234,482	6.5
25 - 34	1,342	6.8	108,966	11.7	433,145	12.1
35 - 44	2,749	13.9	126,509	13.5	459,130	12.8
45 - 54	3,452	17.5	149,979	16.1	563,772	15.7
55 - 59	1,766	8.9	62,942	6.7	253,952	7.1
60 - 64	1,191	6.0	51,854	5.6	214,499	6.0
65 - 74	1,549	7.8	68,211	7.3	280,541	7.8
75 - 84	1,016	5.1	41,333	4.4	162,971	4.5
85 and over	264	1.3	20,731	2.2	87,567	2.4
Total	19,744	100.0	934,215	100.0	3,592,053	100.0

Source: U.S. Bureau of Census, American Community Survey, 2010-14.

Selected Wealth and Income Indicators

	<u>Median Family Income</u>		<u>Per Capita Income</u>	
	<u>(2000)</u>	<u>(2014)</u>	<u>(2000)</u>	<u>(2014)</u>
Town of Monroe	\$ 92,514	\$126,066	\$34,161	\$48,639
Fairfield County	77,690	105,275	38,350	49,688
Connecticut	65,521	88,217	28,766	38,480
United States	49,600	65,443	21,690	28,555

Source: U.S. Bureau of Census, American Community Survey, 2010-14.

Income Distribution

	<u>Town of Monroe</u>		<u>Fairfield County</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
\$ -0- to 9,999	73	1.4	6,792	2.9	30,584	3.4
10,000 to 14,999	38	0.7	3,775	1.6	18,591	2.1
15,000 to 24,999	82	1.5	10,698	4.6	46,537	5.2
25,000 to 34,999	98	1.8	13,458	5.8	56,473	6.3
35,000 to 49,999	431	8.1	18,649	8.0	85,206	9.5
50,000 to 74,999	667	12.5	29,654	12.8	140,776	15.6
75,000 to 99,999	683	12.8	27,334	11.8	129,656	14.4
100,000 to 149,999	1,177	22.0	42,767	18.5	184,327	20.5
150,000 to 199,999	758	14.2	25,374	10.9	93,100	10.3
200,000 or more	1,338	25.0	53,228	23.0	114,307	12.7
	5,345	100.0	231,729	100.0	899,557	100.0

Source: U.S. Bureau of Census, American Community Survey, 2010-14.

Educational Attainment
Years of School Completed, Age 25 & Over

<u>Educational Attainment Group</u>	<u>Town of Monroe</u>		<u>Fairfield County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade	324	2.4	33,374	5.3	106,784	4.3
9th to 12th grade	434	3.3	34,812	5.5	150,227	6.1
High School graduate	2,857	21.4	142,082	22.5	677,887	27.6
Some college, no degree	2,159	16.2	97,284	15.4	431,807	17.6
Associates degree	884	6.6	36,551	5.8	180,321	7.3
Bachelor's degree	4,078	30.6	160,572	25.5	506,662	20.6
Graduate or professional degree	2,593	19.5	125,850	20.0	401,889	16.4
Total	13,329	100.0	630,525	100.0	2,455,577	100.0

Percent of High School Graduates	94.3%	89.1%	89.5%
Percent of College Graduates	50.0%	45.4%	37.0%

Source: U.S. Bureau of Census, American Community Survey, 2010-14.

Employment by Industry

<u>Employment Sector</u>	<u>Town of Monroe</u>		<u>Fairfield County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Agriculture, Forestry, Fishing, Hunting & Mining	12	0.1	1,178	0.3	7,413	0.4
Construction	550	5.5	29,210	6.4	97,974	5.5
Manufacturing	1,038	10.4	38,520	8.5	191,057	10.8
Wholesale Trade	205	2.0	10,850	2.4	44,195	2.5
Retail Trade	1,081	10.8	48,583	10.7	191,267	10.8
Transportation, Warehousing & Utilities	192	1.9	14,251	3.1	65,068	3.7
Information	222	2.2	13,153	2.9	41,905	2.4
Finance, Insurance & Real Estate	1,186	11.8	55,651	12.2	161,926	9.2
Professional, Scientific & Management	1,809	18.1	71,029	15.6	197,880	11.2
Educational Services & Health Care	2,334	23.3	100,357	22.0	467,574	26.5
Arts, Entertainment, Recreation & Food Services	716	7.1	37,532	8.2	154,005	8.7
Other Service (including nonprofit)	286	2.9	24,432	5.4	80,179	4.5
Public Administration	384	3.8	10,769	2.4	66,491	3.8
Total	10,015	100.0	455,515	100.0	1,766,934	100.0

Source: U.S. Bureau of Census, American Community Survey, 2010-14.

Major Employers

<u>Name of Employer</u>	<u>Nature of Entity</u>	<u>Number of Employees</u>
Town of Monroe	Government and education	669
Big Y	Supermarket	159
Swiss Army Brands	Headquarters/Distribution	147
Really Good Stuff	Classroom supplies	126
Stop & Shop	Supermarket	126
Northeast Laser Engraving	Engraving/Laser cutting/Electropolish services	103
M Cubed Technologies	Ceramic Component Manufacturing	95
Waterview LLC	Property Management /Catering	75
Aquarion Water	Regulated Water Utility	69
Edgerton Inc.	HVAC Service & Installation	60
Seymour Sheridan Inc.	Bellows & Float Manufacturing	60
		<u>1,689</u>

Source: Town officials.

Unemployment Rate Statistics ¹

<u>Yearly Average</u>	<u>Town of Monroe</u>	<u>Bridgeport Labor Market</u>	<u>State of Connecticut</u>	<u>United States</u>
2006	3.4 %	3.9 %	4.3 %	4.6 %
2007	3.7 %	4.1 %	4.6 %	4.6 %
2008	4.7 %	5.3 %	5.8 %	5.8 %
2009	7.0 %	7.6 %	8.0 %	9.3 %
2010	7.9 %	8.4 %	9.0 %	9.6 %
2011	7.8 %	8.2 %	8.8 %	9.0 %
2012	7.2 %	7.8 %	8.3 %	8.1 %
2013	6.4 %	7.3 %	7.9 %	7.4 %
2014	5.7 %	6.2 %	6.7 %	6.2 %
2015	5.0 %	5.5 %	5.6 %	5.3 %
<u>2016 Monthly</u>				
January	5.1 %	6.5 %	6.8 %	6.1 %
February	5.2 %	6.7 %	6.9 %	5.8 %
March	5.3 %	6.3 %	6.5 %	5.6 %
April	5.0 %	5.4 %	5.6 %	5.7 %
May	4.7 %	5.2 %	5.4 %	4.5 %
June	5.2 %	5.7 %	5.9 %	5.1 %
July	5.1 %	5.4 %	5.6 %	5.1 %
August	4.9 %	5.4 %	5.6 %	5.0 %

¹ Non-seasonally adjusted.

Source: State of Connecticut, Department of Labor; United States Department of Labor, Bureau of Labor Statistics.

Monroe Housing Inventory

<u>Type</u>	<u>Units</u>	<u>Percent</u>
1-unit detached	5,920	85.9
1-unit attached	563	8.2
2 to 4 units	182	2.6
5 to 9 units	225	3.3
10 or more units	-	-
Mobile home, trailer, other	-	-
Total Inventory	6,890	100.0

Source: U.S. Bureau of Census, American Community Survey, 2010-14.

Characteristics of Housing Units (Owner Occupied)

<u>Value of Owner Occupied Units</u>	<u>Town of Monroe</u>		<u>Fairfield County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
\$ 0 to \$ 50,000	84	1.4	4,664	2.0	24,122	2.6
50,000 to 99,999	17	0.3	4,247	1.9	26,438	2.9
100,000 to 149,999	127	2.1	7,431	3.3	72,756	8.0
150,000 to 199,999	168	2.7	14,232	6.2	137,797	15.1
200,000 to 299,999	1,073	17.4	35,819	15.7	257,364	28.2
300,000 to 499,999	3,162	51.2	69,761	30.6	243,882	26.7
500,000 to 999,999	1,465	23.7	60,739	26.6	109,918	12.0
1,000,000 and over	80	1.3	31,438	13.8	40,766	4.5
Total	6,176	100.0	228,331	100.0	913,043	100.0
Median Value	\$390,700		\$422,400		\$274,500	

Source: U.S. Bureau of Census, American Community Survey, 2010-14.

Age Distribution of Housing

<u>Year Structure Built</u>	<u>Town of Monroe</u>		<u>Fairfield County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
1939 or earlier	600	8.7	2,833	0.8	7,423	0.5
1940 to 1949	251	3.6	24,846	6.9	104,093	7.0
1950 to 1959	820	11.9	24,607	6.8	113,875	7.6
1960 to 1969	1,285	18.7	41,461	11.4	193,794	13.0
1970 to 1979	1,156	16.8	49,147	13.6	200,288	13.4
1980 to 1989	1,588	23.0	52,575	14.5	199,413	13.4
1990 to 1999	986	14.3	62,069	17.1	232,682	15.6
2000 to 2009	204	3.0	27,396	7.6	104,523	7.0
2010 or later	0	0.0	77,682	21.4	334,290	22.4
Total housing units	6,890	100.0	362,616	100.0	1,490,381	100.0

Source: U.S. Bureau of Census, American Community Survey, 2010-14.

Dwelling Units

<u>2014</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>	<u>% Increase 2000-2014</u>	<u>% Increase 1980-2014</u>
6,890	6,601	5,596	4,131	4.4%	66.8%

Building Permits

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial/ Industrial</u>	<u>All Other</u>	<u>Total</u>
2016 ¹	\$ 5,449,022	\$ 7,591,430	\$ 1,911,608	\$ 14,952,060
2015	6,032,500	1,428,979	1,306,606	8,768,085
2014	5,133,252	859,599	6,433,557	12,426,408
2013	5,787,045	2,653,020	5,812,035	14,252,100
2012	4,040,641	3,023,417	3,981,792	11,045,850
2011	6,766,753	4,296,938	3,657,556	14,721,247
2010	5,820,353	779,995	1,856,156	8,456,504
2009	7,067,408	6,354,629	7,207,179	20,629,216
2008	9,644,811	11,954,127	7,088,757	28,687,695
2007	12,529,990	5,513,034	9,905,857	27,948,881

¹ As of June 30, 2016.

Source: Town of Monroe building officials.

Land Use Summary

<u>Land Use Category</u>	<u>Total Acreage by Zoning</u>	<u>Percent of Total Land</u>
Residential and Farming	6,532	38.8
Residential and Farming	4,466	26.5
Residential and Farming	2,741	16.3
Age Restricted District	85	0.5
Multifamily Residence District	580	3.4
Recreational Residence	754	4.5
Housing Opportunity District	25	0.1
Business District 1	258	1.5
Business District 2	181	1.1
Limited Office Retail District	71	0.4
Industrial District 1	115	0.7
Industrial District 2	807	4.8
Industrial District 3	207	1.2
	<u>16,822</u>	<u>100.0</u>

Source: Town Officials

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SECTION IV - INDEBTEDNESS

Computation of Statutory Debt Limit

As of November 1, 2016 (Pro Forma)

Total fiscal year 2016 tax collections (including interest and lien fees)(unaudited estimate)	\$ 73,879,312
State Reimbursement for Revenue Loss on Tax Relief for the Elderly	<u>174,970</u>
Base for Establishing Debt Limit	<u><u>\$ 74,054,282</u></u>

Debt Limitation ¹	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	Total Debt
(2.25 times base)	\$166,622,135					
(4.50 times base)		\$333,244,269				
(3.75 times base)			\$277,703,558			
(3.25 times base)				\$240,676,417		
(3.00 times base)					\$222,162,846	
(7.00 times base)						\$518,379,974
Indebtedness (Including <i>This Issue</i>)						
Bonds Payable	\$ 20,694,000	\$ 20,481,000	\$ -	\$ -	\$ -	\$ 41,175,000
Refunded Bonds	(6,970,000)	(780,000)	-	-	-	(7,750,000)
The Bonds (<i>This Issue</i>)	6,490,000	730,000	-	-	-	7,220,000
Authorized but Unissued Debt	5,228,000	271,466	-	-	-	5,499,466
Gross Direct Debt	<u>25,442,000</u>	<u>20,702,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,144,466</u>
School grants receivable ²	-	(596,973)	-	-	-	(596,973)
Net Direct Debt	<u>25,442,000</u>	<u>20,105,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,547,493</u>
Excess of Limit Over Outstanding and Authorized Debt	<u>\$141,180,135</u>	<u>\$313,138,776</u>	<u>\$277,703,558</u>	<u>\$240,676,417</u>	<u>\$222,162,846</u>	<u>\$472,832,481</u>

¹ Under Connecticut General Statutes, Town debt cannot exceed \$518,379,974 or seven times the debt limit base.

² The Town also receives school construction subsidy grants which are paid over the life of the outstanding school bonds issued for projects approved prior to July 1, 1996. The grants representing the principal portion of the outstanding bonds are estimated to be \$596,973. See "School Projects" herein.

Source: Town Officials.

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Calculation of Net Direct Debt

As of November 1, 2016 (Pro Forma)

Bonded Debt ¹	
The Bonds (<i>This Issue</i>)	\$ 7,220,000
Refunded Bonds	(7,750,000)
General Improvement	20,694,000
Schools	20,481,000
Total Bonded Debt	<u>40,645,000</u>
Short-Term Debt	
Bond Anticipation Notes	<u>-</u>
Total Short-Term Debt	<u>-</u>
Total Direct Debt	<u>40,645,000</u>
Exclusions: (State School Construction Aid) ²	<u>(596,973)</u>
Net Direct Debt	<u><u>\$ 40,048,027</u></u>

¹ Does not include authorized but unissued debt of \$5,499,466.

² The Town receives State of Connecticut school construction subsidy grants which are paid over the life of the outstanding school bonds issued for projects approved prior to July 1, 1996. The grants representing the principal portion of the outstanding bonds are estimated to be \$596,973.

Current Debt Ratios

As of November 1, 2016 (Pro Forma)

Total Direct Indebtedness	\$ 40,645,000
Net Direct Indebtedness	\$ 40,048,027
Population ¹	19,744
Net Taxable Grand List (10/1/15)	\$ 2,153,311,392
Estimated Full Value	\$ 3,076,159,131
Equalized Net Taxable Grand List (2014) ²	\$ 3,066,526,011
Per Capita Income (2014) ¹	\$ 48,639
Total Direct Debt:	
Per Capita	\$2,058.60
To Net Taxable Grand List	1.89%
To Estimated Full Value	1.32%
To Equalized Net Taxable Grand List	1.33%
Per Capita to Per Capita Income	4.23%
Net Direct Debt:	
Per Capita	\$2,028.36
To Net Taxable Grand List	1.86%
To Estimated Full Value	1.30%
To Equalized Net Taxable Grand List	1.31%
Per Capita to Per Capita Income	4.17%

¹ U.S. Bureau of Census, American Community Survey, 2010-2014.

² Office of Policy and Management, State of Connecticut

Historical Debt Statement

	<u>2015-16¹</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
Population ²	19,744	19,744	19,744	19,631	19,441
Net taxable grand list	\$2,146,058,206	\$2,312,089,496	\$2,308,576,322	\$2,296,715,433	\$2,290,492,353
Estimated full value	\$3,065,797,437	\$3,302,984,994	\$3,297,966,174	\$3,281,022,047	\$3,272,131,933
Equalized net taxable grand list ³	\$3,118,165,181	\$3,118,165,181	\$3,207,048,912	\$3,098,919,583	\$3,271,578,057
Per capita income ²	\$ 48,639	\$ 48,639	\$ 48,639	\$ 48,118	\$ 48,380
Short-term debt	\$ -	\$ -	\$ 2,950,000	\$ -	\$ -
Long-term debt	\$ 38,965,000	\$ 43,550,000	\$ 41,455,000	\$ 42,195,000	\$ 45,885,000
Total Direct Indebtedness	\$ 38,965,000	\$ 43,550,000	\$ 44,405,000	\$ 42,195,000	\$ 45,885,000
Net Direct Indebtedness	\$ 38,368,027	\$ 42,562,828	\$ 43,022,534	\$ 40,412,146	\$ 43,694,963

¹ Unaudited estimate.

² U.S. Bureau of Census, American Community Survey, 2010-14.

³ Office of Policy and Management, State of Connecticut.

Historical Debt Ratios

Total Direct Indebtedness:	<u>2015-16¹</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
Per capita	\$1,973.51	\$2,205.73	\$2,249.04	\$2,149.41	\$2,360.22
To net taxable grand list	1.82%	1.88%	1.92%	1.84%	2.00%
To estimated full value	1.27%	1.32%	1.35%	1.29%	1.40%
To equalized net taxable grand list	1.25%	1.40%	1.38%	1.36%	1.40%
Debt per capita to per capita income	4.06%	4.53%	4.62%	4.47%	4.88%
Net Direct Indebtedness:					
Per capita	\$1,943.28	\$2,155.73	\$2,179.02	\$2,058.59	\$2,247.57
To net taxable grand list	1.79%	1.84%	1.86%	1.76%	1.91%
To estimated full value	1.25%	1.29%	1.30%	1.23%	1.34%
To equalized net taxable grand list	1.23%	1.36%	1.34%	1.30%	1.34%
Debt per capita to per capita income	4.00%	4.43%	4.48%	4.28%	4.65%

¹ Unaudited estimate.

Outstanding Short-Term Indebtedness

The Town currently has no outstanding short-term indebtedness.

Overlapping and Underlying Indebtedness

Apart from the Town, there are no other political subdivisions with power to issue debt or cause taxes to be levied on taxable property in the Town.

Capital Leases

The Town has entered into multi-year capital lease agreements for the purchase of various capital items including energy conservation improvements, public works equipment, vehicles and computer hardware and software. The present value of future minimum lease payments as of June 30, 2016 was \$2,101,957. These payments are not included in outstanding bonded debt.

In July 2013, the Town entered into a Guaranteed Energy Performance Contract ("EPC") with Honeywell International Inc. ("Honeywell") under which various equipment and improvements intended to reduce energy consumption were undertaken at Board of Education buildings. The total costs of the improvements was \$3,803,204 and the improvements were in part financed by the issuance of a 10 year tax-exempt municipal lease in the amount of \$2,697,019 and a \$1,106,185 in energy rebates and an interest free loan from Eversource, formerly the Connecticut Light & Power Company. Under the terms of the EPC, if energy savings in any year are not sufficient to substantially cover the cost of the debt service on the improvements, Honeywell will cover the differential.

Legal Requirements for Approval of Borrowing

Under Chapter IX, Section 1 of the Town Charter, bonds are authorized by a majority of qualified voters present at a Town Meeting. Action on any borrowing shall become effective only after it has been first approved by the Town Council and then approved by the Board of Finance and referred to a Town Meeting. Town Meetings shall be called by the Council in the manner provided for by the Connecticut General Statutes. No Town Meeting shall increase the borrowing or bond issue above the amount recommended by the Council. Refunding bonds may be authorized by resolution adopted by the Town Council in accordance with the Connecticut General Statutes.

Temporary Financing

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

Temporary notes must be funded beyond ten years from their initial borrowing if written commitment exists for state and/or federal grants, for 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 15 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 following the original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15th of the total amount of the notes issued by funds derived from sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 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).

School Projects

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. State grants will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its bonds only for the net share of project costs.

Debt service reimbursement will continue under the prior reimbursement program for all projects approved prior to July 1, 1996 (the "Prior Program"). Under the Prior Program, a municipality issued Bonds for the entire amount of the school construction project and the State of Connecticut reimburses the municipality for principal and interest costs for eligible school construction projects over the life of outstanding school Bonds and the subsequent bond issues necessary to completely fund the approved school project.

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Authorized but Unissued Debt

<u>Projects</u>	<u>Total Bond Authorization</u>	<u>Prior Debt/Paydowns</u>	<u>Grants Received</u>	<u>Authorized But Unissued</u>
Police Department Facility, Phase I	\$ 1,130,000	\$ 1,117,000	\$ -	\$ 13,000 ¹
Schools carpet replacement/asbestos abatement and pool filter system	1,527,000	1,100,000	313,080	113,920 ¹
Masuk High School Renovation	38,407,000	25,020,000	13,229,454	157,546 ¹
Edith Wheeler Memorial Library	6,290,000	4,875,000	1,250,000	165,000 ¹
Town Hall/Police Station Renovations	4,105,000	3,605,000	500,000	-
Pepper Street Improvements	5,050,000	-	-	5,050,000
Masuk High School Track and Field Reconstruction Project	1,700,000	1,700,000	-	-
Public Works Vehicles & Equipment	810,000	810,000	-	-
Stepney Elementary School Oil Tank Remc	100,000	100,000	-	-
	<u>\$59,119,000</u>	<u>\$38,327,000</u>	<u>\$15,292,534</u>	<u>\$ 5,499,466</u>

¹ The Town does not expect any future borrowing for these projects.

Capital Improvement Program

	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>Total</u>
<u>Summary of Programs</u>						
Board of Education	\$ 2,359,560	\$ 1,749,000	\$ 326,910	\$ 11,000	\$ -	\$ 4,446,470
EMS	-	3,700,000	-	-	200,000	3,900,000
Engineering/Land Use/WPCA	1,935,000	5,057,000	1,560,000	1,495,000	1,530,000	11,577,000
Fire	1,051,300	4,880,000	200,000	252,100	3,318,000	9,701,400
Information Technology	37,183	37,182	37,183	37,182	-	148,730
Parks & Recreation	1,099,645	300,000	22,000	-	-	1,421,645
Police	112,800	650,000	148,000	150,000	152,000	1,212,800
Public Works	4,131,000	543,000	4,795,000	5,195,000	1,910,000	16,574,000
Social Services	521,000	365,000	-	-	-	886,000
Total	<u>\$11,247,488</u>	<u>\$17,281,182</u>	<u>\$ 7,089,093</u>	<u>\$ 7,140,282</u>	<u>\$ 7,110,000</u>	<u>\$49,868,045</u>
<u>Source of Funding</u>						
Gift from Lillian Wilton Estate	\$ 424,645	\$ -	\$ -	\$ -	\$ -	\$ 424,645
Capital Financing Fund	37,183	37,182	37,183	37,182	-	148,730
Capital Reserve Funds	125,000	200,000	-	-	200,000	525,000
Fire Department Funds	215,000	100,000	-	-	-	315,000
General Obligation Bonds ¹	5,359,560	6,800,000	4,500,000	4,500,000	4,558,000	25,717,560
LOCIP	242,300	-	-	-	-	242,300
Operating Budget	697,800	776,000	693,000	661,000	652,000	3,479,800
Parks & Rec Special Revenue Fund	125,000	-	-	-	-	125,000
STEAP Grants	500,000	500,000	-	-	-	1,000,000
STP Regional Grant Funding	1,350,000	2,700,000	450,000	-	-	4,500,000
To Be Determined ²	1,901,000	5,888,000	1,408,910	1,942,100	1,700,000	12,840,010
Town Road Grant Funds	270,000	280,000	-	-	-	550,000
Total	<u>\$11,247,488</u>	<u>\$17,281,182</u>	<u>\$ 7,089,093</u>	<u>\$ 7,140,282</u>	<u>\$ 7,110,000</u>	<u>\$49,868,045</u>

¹ Includes proceeds from the Bonds and proceeds from prior bond proceeds.

² The prioritization and sources of funding for certain proposed projects has yet to be determined. This will be determined at joint Town Council and Board of Finance meetings to be held in the summer and fall of calendar year 2016.

Combined Schedule of Long Term Debt through Maturity

As of November 1, 2016 (Pro Forma)

Fiscal Year	Existing Indebtedness			Refunded Principal	The Bonds Principal	ALL ISSUES Total Principal
	Principal Payments	Interest Payments	Total Debt Service			
2016-17 ¹	\$ 5,045,000	\$ 1,244,613	\$ 6,289,613	\$ -	\$ 40,000	\$ 5,085,000
2017-18	4,710,000	1,116,976	5,826,976	(700,000)	625,000	4,635,000
2018-19	4,565,000	951,601	5,516,601	(700,000)	625,000	4,490,000
2019-20	4,330,000	785,926	5,115,926	(750,000)	685,000	4,265,000
2020-21	4,325,000	640,364	4,965,364	(750,000)	695,000	4,270,000
2021-22	4,185,000	499,095	4,684,095	(750,000)	705,000	4,140,000
2022-23	3,385,000	376,864	3,761,864	(745,000)	690,000	3,330,000
2023-24	3,415,000	283,911	3,698,911	(755,000)	700,000	3,360,000
2024-25	2,675,000	194,545	2,869,545	(805,000)	750,000	2,620,000
2025-26	1,930,000	123,676	2,053,676	(805,000)	765,000	1,890,000
2026-27	1,255,000	76,520	1,331,520	(555,000)	535,000	1,235,000
2027-28	660,000	47,370	707,370	(220,000)	205,000	645,000
2028-29	655,000	29,770	684,770	(215,000)	200,000	640,000
2029-30	440,000	11,880	451,880	-	-	440,000
Total	\$41,575,000	\$ 6,383,111	\$47,958,111	\$(7,750,000)	\$ 7,220,000	\$ 41,045,000

¹ Includes \$400,000 in principal and \$477,010 in interest payments made as of November 1, 2016.

Source: Town annual audit reports.

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SECTION V - FINANCIAL DATA

Accounting Policies

The Town's accounting policies are summarized in Note 1 "Summary of Significant Account Policies" in the Notes to the General Purpose Financial Statements in Appendix A.

Basis of Accounting

See Note 1 of "Notes to the General Purpose Financial Statements" in Appendix A.

Audit

Pursuant to the provisions of the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes) and the Town of Monroe Charter, the Town is obligated to undergo an annual examination by an independent certified public accountant. The independent auditors are required to conduct their examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, who receives a copy of said Audit Report when completed. Currently, the Town retains O'Connor Davies, LLP of Wethersfield, Connecticut as outside independent auditors.

The most recent annual audit covers the fiscal year ended June 30, 2015, a copy of which is included in this document and made a part hereof as Appendix A. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Budgetary Procedure

Monroe Town Charter defines the Town's budgetary policy. Department heads, chairpersons of boards or commissions or any agency submit departmental requests to the First Selectman as scheduled. The First Selectman's Budget is delivered to the Town Council by February 8th. The Town Council shall hold one public hearing prior to forwarding the Budget to the Board of Finance by February 28th. The Board of Finance must hold one public hearing prior to submitting the budget to the First Selectman no later than March 21st. A Budget summary is published in the newspaper 5 days prior to the referendum and Public Input Session. A Budget referendum is held on April 6th, the 1st Tuesday in April.

- Upon request by the First Selectman, the Board of Finance may transfer appropriations from one department to another within the fiscal year.
- Upon request by the First Selectman, the Town Council may transfer line items within department budgets within the fiscal year.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- Except for encumbrance accounting, the budget is prepared on the modified accrual basis of accounting.
- No constraints or limitations exist under the charter establishing minimum or maximum increases or decreases relating to the budgetary procedure or adoption of the mill rate.

All unencumbered appropriations lapse at year end, except those for the Capital Projects Fund and certain specific revenue funds. Appropriations for Capital Projects are continued until completion, even when projects extend beyond one or more fiscal years.

Section 207 of Public Act No. 15-244 (Jan. 2015 Reg. Sess.), as amended by Section 42 of Public Act No. 16-2 (May 2016 Spec. Sess.) and Section 189(h) of Public Act No. 16-3 (May 2016 Spec. Sess.), of the Connecticut General Assembly (the "Act") created a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including, but not limited to, debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the Act. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase to the municipality's population from the previous fiscal year. The reduction is generally equal to

50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the Act and if so the amount by which the cap was exceeded. For the fiscal year ending June 30, 2018, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 32 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 32 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year commencing October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for said assessment year was 32 mills.

The Act requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the spending cap and if so, the amount over the cap.

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 special taxing 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 2017 disbursements, or 29.63 mills, for fiscal year 2018 disbursements and thereafter.

Employee Pension Systems

The Town has two contributory defined benefit retirement pension plans (the "Plans") which cover substantially all Town and Board of Education employees except police department employees who participate in the Connecticut Municipal Employees' Retirement System Fund B (MERS), a cost-sharing, multiple-employer, contributory defined benefit plan established under Chapter 113 of the Connecticut General Statutes and administered by the Connecticut State Employees Retirement Commission, and teachers, who also participate in a contributory plan administered by the Connecticut State Teachers Retirement Board. The Town plans are administered by a life insurance company.

The Town has implemented Government Accounting Standards Board's (GASB) Statement No. 67. Net position is based on fair market value as of June 30, 2015 and the Total Pension Liability is based on the actuarial assumptions as of the prior valuation date updated to June 30, 2015. In accordance with GASB Statement No. 67, the components of the net pension liability of the Town of June 30, 2015 were as follows:

	Town Employees'	Board of Education Employees'	Total
Total pension liability	\$11,711,997	\$12,500,967	\$24,212,964
Plan fiduciary net position	<u>10,202,608</u>	<u>10,323,455</u>	<u>20,526,063</u>
Net pension liability	<u>\$ 1,509,389</u>	<u>\$ 2,177,512</u>	<u>\$ 3,686,901</u>
Plan fiduciary net position as a % of total pension liability	87.11%	82.58%	84.77%

The following represents the net pension liability of the Town, calculated using the discount rate of 7.5%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Town Employees'			
Net Pension Liability	\$ 2,905,858	\$ 1,509,389	\$ 325,249
Board of Education Employees'			
Net Pension Liability	\$ 3,691,552	\$ 2,177,512	\$ 898,010

The following represents historic trend information of the Town's Plans:

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Overfunded (Unfunded) AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
<i>Town Employee's Plan</i>						
07/01/14	\$8,904,632	\$11,047,132	\$(2,142,500)	80.6%	\$3,439,025	-62.3%
07/01/12	7,486,638	9,598,303	(2,111,665)	78.0%	3,044,942	-69.3%
01/01/10	7,124,118	8,784,914	(1,660,796)	81.1%	3,205,710	-51.8%
01/01/08	8,221,381	7,967,922	253,459	103.2%	2,938,871	8.6%
01/01/06	7,590,537	6,963,392	627,145	109.0%	2,855,405	22.0%
<i>Board of Education Employee's Plan</i>						
07/01/14	\$10,015,497	\$11,741,546	\$(1,726,049)	85.3%	\$4,264,439	-40.5%
07/01/12	8,994,081	10,626,487	(1,632,406)	84.6%	4,268,569	-38.2%
01/01/11	8,502,820	9,675,631	(1,172,811)	87.9%	3,839,606	-30.5%
01/01/09	7,735,096	8,601,200	(866,104)	89.9%	3,828,126	-22.6%
01/01/07	7,241,315	7,743,658	(502,343)	93.5%	3,140,757	-16.0%

Schedule of Employer Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Percentage Contributed
<i>Town Employee's Plan</i>			
2017 ¹	\$389,752	\$389,752	100.0%
2016 ²	382,281	382,281	100.0%
2015	394,666	391,857	99.3%
2014	388,045	341,866	88.1%
2013	381,679	301,267	78.9%
<i>Board of Education Employee's Plan</i>			
2017 ¹	\$385,429	\$398,000	103.3%
2016 ²	376,663	376,663	100.0%
2015	376,663	367,541	97.6%
2014	349,519	349,519	100.0%
2013	357,276	357,276	100.0%

¹ Adopted budget.

² Unaudited estimate.

For further details on the plans, see "Appendix A, - Audited Financial Statements".

Other Post-Employment Benefits

The Town administers two single-employer defined benefit plans for employee postemployment benefits. The first is the Police Post-employment Benefit program which provides post-employment medical coverage for those officers who retire from employment with the Town. Under the program, the retiree is provided medical coverage at a cost equal to twenty-five percent of the annual premium and is provided coverage from retirement up to the qualification for Medicare benefits. Benefit provisions are established by the Town and the union representing the police officers. The Town has established a trust for Town employees to hold plan assets and the Town began pre-funding the benefits for Police employees and retirees in the fiscal year 2015-16 budget.

The second plan is the Board of Education Post-employment Welfare Benefit program, which provides medical, prescription drug and dental benefits for eligible employees and their spouses and life insurance benefits for retirees only. Benefit provisions are established by the Town and the Connecticut General Statutes. The plan is funded on a pay-as-you-go basis and at this time Board of Education employees and retirees are not yet covered under the recently established trust for the Police employees.

The Town was required to comply with the reporting requirements of GASB 45 beginning with the 2008-09 fiscal year. The most recent actuarial valuation of the OPEB liability for the Police Postemployment Benefit program was as of July 1, 2014 and for the Board of Education Postemployment Welfare Benefit program was as of June 30, 2014. Results of those valuations are as follow:

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Overfunded (Unfunded) AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
<i>Town</i>						
7/1/2014	\$ -	\$ 766,000	\$ (766,000)	0.0%	\$ 3,129,570	-24.48%
7/1/2012	-	1,702,216	(1,702,216)	0.0%	2,732,999	-62.28%
7/1/2010	-	1,568,829	(1,568,829)	0.0%	2,702,454	-58.05%
7/1/2008	-	884,014	(884,014)	0.0%	2,567,152	-34.44%
<i>Board of Education</i>						
6/30/2014	\$ -	\$ 10,703,353	\$(10,703,353)	0.0%	\$29,387,000	-36.42%
6/30/2012	-	9,652,132	(9,652,132)	0.0%	N/A	N/A
6/30/2010	-	10,403,104	(10,403,104)	0.0%	N/A	N/A
6/30/2009	-	15,112,705	(15,112,705)	0.0%	N/A	N/A

Schedule of Employer Contributions

Fiscal	Actuarial Required Contribution	Actual Contribution	Percentage Contribute
<i>Town</i>			
2016 ¹	\$ 106,000	\$ 30,000	28.3%
2015	179,057	27,390	15.3%
2014	175,750	31,212	17.8%
2013	162,881	46,500	28.5%
2012	159,926	42,515	26.6%
<i>Board of Education</i>			
2016 ¹	\$ 722,572	\$ 588,000	81.4%
2015	708,282	769,750	108.7%
2014	567,391	387,594	68.3%
2013	545,568	466,832	85.6%
2012	545,568	498,525	91.4%

¹ Adopted budget.

Per the July 1, 2014 OPEB valuation for the Police Postemployment Benefit program, the Actuarially Required Contributions for FY 2016-17 is \$129,000. In the adopted budget for FY 2016-17, the Board of Finance has increased the Town's contribution to \$109,000 to pre-fund OPEB above the pay-as-you-go amount. For further details on the OPEB plans, see "Appendix A, - Audited Financial Statements".

Investment Policies and Procedures

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

The Town's investment practices have been to invest only in money market accounts, certificates of deposit, repurchase agreements, the State of Connecticut Short-Term Investment Fund (STIF), and obligation of the United States. The Town has followed these investment practices and the Town's operating funds and capital funds are currently invested in the following short-term investments: (1) various money market accounts with Connecticut banks; (2) the State of Connecticut Short-Term Investment fund; and (3) Federal Home Loan Mortgage Corporation and Federal National Mortgage Association Bond Funds.

Property Tax Assessment

Section 12-62 et. seq. of the Connecticut General Statutes govern real property assessments and establish the revaluation cycle for Connecticut municipalities of a revaluation every five years and, generally, a physical inspection every ten years. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. However, the statute 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 by locating and appraising all real and personal property within the Town for inclusion on the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total assessed values for all taxable and tax exempt real estate, taxable personal property, and motor vehicles located within the Town as of October 1. Assessments for real and personal property are computed at seventy percent (70%) of the market value at the time of last revaluation, and at 70% of the annual approval of Motor Vehicles by the Office of Policy and Management. Grand List information is used by municipalities to set the mill rate which in turn becomes the basis for the Towns' annual tax levy. Any property owner may seek to appeal its assessment by filing a written appeal to a Town's Board of Assessment Appeals. The Board of Assessment Appeals elects to hear such appeals and determines whether adjustments to the Assessor's list relating to assessments under appeal are warranted. Under Connecticut law, taxpayers who are dissatisfied with a decision by a Town's Board of Assessment Appeals may appeal the decision to the Connecticut Superior Court. Pending the appeal, 75 to 90 percent of the taxes due must be paid, depending on the value of the assessed property. The Town recently performed a revaluation on October 1, 2014 which was effective for fiscal year 2015-16.

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

Motor vehicle lists are furnished to municipalities by the State of Connecticut Department of Motor Vehicles and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the Connecticut Association of Assessing Officials and as recommended by the State Office of Policy and Management. Section 12-71b of The Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date are subject to property tax as follows: 1) vehicles registered subsequent to November 1 but prior to the following August 1, are subject to a prorated tax based on the period of time from the date of registration until the following October 1; 2) vehicles purchased in August and September are not taxed until the next October 1 Grand List. With respect to replacement vehicles (as compared to additional vehicles) Section 12-71b provides for similar prorating of taxes on the new vehicle and a credit with respect to taxes due on the replaced vehicle during the assessment year.

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

Section 12-124a of the Connecticut General 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 No. 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.

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 and personal property taxes are generally payable in two installments on July 1 and January 1, except that real and personal property taxes under \$100 are payable in one installment on July 1. Motor vehicle tax bills are payable in July and motor vehicle supplemental bills are payable in January. Personal property taxes of \$100.00 or less are payable in July. A margin against delinquencies, legal reductions, and Grand List adjustments, such as Assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. An estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed at least four times a year with interest charged at the rate of one and one-half percent per month with a minimum charge of \$2. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle, real estate, and personal property tax accounts are transferred to a suspense account when collection appears unlikely at which time they cease to be carried as receivables. Tax accounts are transferred to suspense accounts no later than fifteen years after the due date in accordance with state statutes.

Historic Property Tax Levies and Collections

Fiscal Year Ending 30-Jun	Net Taxable Grand List	Tax Rate (In Mills)	Total Adjusted Tax Levy	% Collected End of Each FY	Uncollected End of Each FY	Uncollected As of 6/30/2016¹
2017 ²	\$2,153,311,392	35.00	\$74,080,457	In process	In process	In process
2016 ^{1,3}	2,146,058,206	34.35	73,717,099	99.00 %	\$ 693,058	\$ 693,058
2015	2,312,089,496	31.01	71,651,461	98.80	847,627	348,072
2014	2,308,576,322	30.41	70,203,806	98.90	765,134	49,741
2013	2,296,715,433	29.26	67,210,084	99.01	665,685	8,185
2012	2,290,492,353	28.79	65,702,612	98.80	779,332	4,005
2011 ³	2,286,815,228	28.26	64,320,324	98.54	936,551	-
2010	2,117,900,075	29.50	62,457,178	98.60	866,701	-
2009	2,116,304,857	28.68	60,656,250	99.00	601,302	-
2008	2,095,924,088	27.42	57,583,055	99.20	588,841	-

¹ Unaudited estimate.

² Adopted budget.

³ Revaluation.

Source: Town Officials.

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Taxable Grand List

Grand List Dated	Real Property	Motor Vehicle Property	Personal Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
10/1/15	\$ 1,912,908,449	\$167,301,230	\$90,398,935	\$2,170,608,614	\$17,297,222	\$2,153,311,392
10/1/14 ¹	1,912,977,836	163,282,414	86,481,284	2,162,741,534	16,683,328	2,146,058,206
10/1/13	2,086,251,624	162,453,620	84,094,567	2,332,799,811	20,710,315	2,312,089,496
10/1/12	2,084,679,376	156,954,517	83,513,266	2,325,147,159	16,570,837	2,308,576,322
10/1/11	2,079,868,452	156,689,468	80,346,311	2,316,904,231	20,188,798	2,296,715,433
10/1/10	2,078,952,184	150,522,125	80,587,807	2,310,062,116	19,569,763	2,290,492,353
10/1/09 ¹	2,078,951,846	144,510,773	85,468,422	2,308,931,041	22,115,813	2,286,815,228
10/1/08	1,914,130,100	144,037,577	82,022,355	2,140,190,032	22,289,957	2,117,900,075
10/1/07	1,901,467,199	157,545,290	79,680,836	2,138,693,325	22,388,468	2,116,304,857
10/1/06	1,876,527,749	156,136,365	76,424,263	2,109,088,377	13,164,289	2,095,924,088

¹ Revaluation.

Source: Town Officials.

Grand List Dated	Residential Property	Commercial/Industrial Property	Public Utility & Vacant Property	Sub-Total Real Property
10/1/15	\$1,638,902,050	\$209,050,936	\$ 64,955,463	\$ 1,912,908,449
10/1/14 ¹	1,637,414,190	209,092,916	66,470,730	1,912,977,836
10/1/13	1,789,149,043	210,679,153	86,423,428	2,086,251,624
10/1/12	1,786,281,115	211,331,213	87,067,048	2,084,679,376
10/1/11	1,784,313,791	208,533,493	87,021,168	2,079,868,452
10/1/10	1,781,704,626	209,685,430	87,562,128	2,078,952,184
10/1/09 ¹	1,781,417,088	211,395,000	86,139,758	2,078,951,846
10/1/08	1,678,449,336	174,542,600	61,138,164	1,914,130,100
10/1/07	1,672,037,365	170,000,130	59,429,704	1,901,467,199
10/1/06	1,658,832,885	153,453,595	64,241,269	1,876,527,749

¹ Revaluation.

Source: Town Officials.

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Largest Taxpayers

The following table sets forth the ten largest taxpayers in the Town per the Grand List dated October 1, 2015:

<u>Business-Name</u>	<u>Nature of Business</u>	<u>Total Estimated Assessment</u>	<u>% of Net Taxable Grand List</u>
FirstLight Hydro Generating Co	Hydro Electric Generation	\$ 34,706,490	1.6%
Sippin Properties	Retail/Industrial/Oil Distribution	24,516,190	1.1%
Northeast Utilities	Electric & Gas Utility	23,095,430	1.1%
Tartaglia Properties	Retail Property Lease & Mgmt	15,677,340	0.7%
Aquarion Water Company	Corporate HQ & Distribution	12,795,250	0.6%
Victorinox Swiss Army Inc.	Corporate HQ & Distribution	11,868,770	0.6%
Steiner Properties	Retail & Residential Property	6,835,600	0.3%
SB Real Estate LLC / Really Good Stuff Inc.	Classroom Supplies	6,740,070	0.3%
Lake Zoar Properties LLC	Banquet Facility	6,065,400	0.3%
Kimball Properties	Commercial & Industrial Property	5,386,200	0.3%
	Total	\$147,686,740	6.9%

Source: Town Officials

Revenues

The Town derives its revenues from a direct tax levy on property, state and federal aid, various fees and charges, and certain miscellaneous sources. Town revenues are summarized for fiscal years ended 2011-2015 in "Statements Revenues, Expenditures and Changes in Fund Balance - General Fund" herein. The prior year's appropriated surplus is also available to support current operating expenditures.

Property Tax Revenues

<u>Fiscal Year</u>	<u>General Fund Revenues</u>	<u>Property Tax Revenues</u>	<u>Property Taxes as a Percentage of General Fund Revenues</u>
2017 ¹	\$ 82,909,407	\$74,120,218	89.4 %
2016 ²	82,559,413	73,833,706	89.4
2015	85,974,331	71,871,017	83.6
2014	85,898,253	70,058,508	81.6
2013	82,904,323	67,784,322	81.8
2012	80,421,379	66,287,184	82.4
2011	77,582,095	64,441,364	83.1
2010	75,598,496	62,534,910	82.7
2009	75,101,535	60,629,712	80.7
2008 ³	86,152,981	57,756,527	67.0

¹ Adopted Budget, budgetary basis of accounting, excludes on behalf payments to Connecticut State Teachers' Retirement System.

² Unaudited estimate.

³ Includes \$18,002,147 on behalf of payments to Connecticut State Teachers' Retirement System. Amount is significantly higher than prior years due to State of Connecticut issuing Pension Obligation Bonds to fund the plan in fiscal year 2007-08.

Source: Audited financial statements; fiscal year 2015-16 unaudited estimate and 2016-17 adopted budget.

Intergovernmental Revenues

<u>Fiscal Year</u>	<u>General Fund Revenues</u>	<u>Federal & State Aid</u>	<u>Aid As a Percentage Of General Fund Revenues</u>
2017 ¹	\$ 82,909,407	\$ 7,480,189	9.0 %
2016 ²	82,559,413	7,298,437	8.8
2015	85,974,331	12,698,512	14.8
2014	85,898,253	14,609,179	17.0
2013	82,904,323	13,856,850	16.7
2012	80,421,379	12,747,056	15.9
2011	77,582,095	11,739,302	15.1
2010	75,598,496	11,597,967	15.3
2009	75,101,535	11,609,447	15.5
2008	86,152,981	25,538,538 ³	29.6

¹ Adopted Budget, budgetary basis of accounting, excludes on behalf payments to Connecticut State Teachers' Retirement System.

² Unaudited estimate.

³ Includes \$18,002,147 on behalf of payments to Connecticut State Teachers' Retirement System. Amount is significantly higher than prior years due to State of Connecticut issuing Pension Obligation Bonds to fund the plan in fiscal year 2007-08.

Source: Audited financial statements; fiscal year 2015-16 unaudited estimate and 2016-17 adopted budget.

Motor Vehicle Property Tax Rate

Section 206 of Public Act No. 15-244 (Jan. 2015 Reg. Sess.), as amended by Section 187 of Public Act No. 16-3 (May 2016 Spec. Sess.), of the Connecticut General Assembly (the "Act") created a cap on the local property tax mill rate for motor vehicles for the assessment year commencing October 1, 2015, and each assessment year thereafter. Notwithstanding any mill rate for motor vehicles set by a municipality before the effective date of the Act, for the assessment year commencing October 1, 2015, the mill rate for motor vehicles shall not exceed 37 mills, except in the case of a municipality that set a mill rate before the effective date of the Act for motor vehicles of 32 mills for the assessment year commencing October 1, 2015, the mill rate for motor vehicles shall be the lesser of 37 mills, the mill rate set before the effective date of the Act for real property and personal property other than motor vehicles for such municipality for the assessment year commencing October 1, 2015, or a mill rate for motor vehicles set by a municipality after the effective date of the Act that is less than 37 mills. For the assessment year commencing October 1, 2016, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32 mills. Any municipality or special tax district may establish a mill rate for motor vehicles that is different from its mill rate for real property to comply with the provisions of the Act. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate (1) above 37 mills for the assessment year commencing October 1, 2015, provided in the case of a district or borough that set a mill rate before the effective date of the Act for motor vehicles that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located resulted in a combined motor vehicle mill rate of 32 mills for the assessment year commencing October 1, 2015, the mill rate on motor vehicles for any such district or borough for such assessment year shall be the lesser of (A) a mill rate for motor vehicles that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate of 37, (B) the mill rate set before the effective date of the Act for the assessment year commencing October 1, 2015, on real property and personal property other than motor vehicles for such borough or district, or (C) a mill rate for motor vehicles set by a borough or district after the effective date of the Act that is less than 37 mills when combined with the motor vehicle mill rate of the municipality in which such district or borough is located, or (2) above 32 mills for the assessment year commencing October 1, 2016, and each assessment year thereafter. The Town's mill rate for motor vehicles for the assessment year commencing October 1, 2015 (the fiscal year ending June 30, 2017) is 35.00 mills.

Expenditures

<u>Fiscal Year</u>	<u>Education</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Debt Service</u>	<u>Public Works</u>
2017 ¹	65.9 %	11.2 %	8.7 %	7.2 %	4.1 %
2016 ²	66.7	10.7	8.5	7.4	4.1
2015	67.9	10.0	4.2	7.0	4.2
2014	65.4	9.4	7.4	6.8	3.9
2013	68.9	9.3	7.6	6.6	3.1
2012	70.6	9.0	7.1	6.6	3.7
2011	71.1	8.0	7.3	6.9	4.1
2010	71.5	7.6	7.2	6.6	3.9
2009	69.0	7.9	7.2	7.7	3.9
2008	74.0 ³	6.7	5.7	6.3	3.0

¹ Adopted Budget, budgetary basis of accounting, excludes on behalf payments to Connecticut State Teachers' Retirement System.

² Unaudited estimate.

³ Includes \$18,002,147 on behalf of payments to Connecticut State Teachers' Retirement System. Amount is significantly higher than prior years due to State of Connecticut issuing Pension Obligation Bonds to fund the plan in fiscal year 2007-08.

Source: Audited financial statements; fiscal year 2015-16 unaudited estimate and 2016-17 adopted budget.

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Comparative General Fund Operation Statement
 Budget and Actual (Budgetary Basis)

	<u>Fiscal Year 2014-15</u>			Fiscal Year	Fiscal Year
	Revised	Actual	Variance	2015-16	2016-17
	Budget	Operations	Favorable	Unaudited	Adopted
			(Unfavorable)	Estimate	Budget
REVENUES					
Property taxes, interest and liens	\$71,258,789	\$71,805,335	\$ 546,546	\$73,833,706	\$74,120,218
Licenses, fees and permits	598,700	619,293	20,593	651,310	715,500
Intergovernmental revenue	7,426,456	7,406,574	(19,882)	7,298,437	7,480,189
Charges for services	362,250	241,739	(120,511)	289,852	361,500
Investment Income	140,583	170,992	30,409	199,463	157,000
Other revenues	60,000	191,884	131,884	286,645	75,000
TOTAL REVENUES	\$79,846,778	80,435,817	589,039	82,559,413	\$82,909,407
EXPENDITURES					
Current:					
General government	\$ 8,540,080	8,319,358	220,722	8,631,244	9,287,857
Public safety	6,740,132	6,569,254	170,878	6,832,658	7,203,123
Public works	3,782,130	3,782,126	4	3,342,748	3,433,600
Health and welfare	260,071	259,121	950	214,004	258,372
Culture and recreation	1,550,781	1,550,706	75	1,644,811	1,724,305
Education	52,932,987	52,814,456	118,531	53,808,755	54,641,767
Capital outlay	188,956	187,101	1,855	203,038	203,500
Debt Service	5,676,641	5,635,013	41,628	5,993,056	5,961,883
TOTAL EXPENDITURES	79,671,778	79,117,135	554,643	80,670,314	82,714,407
Excess (deficiency) of revenues over expenditures	<u>175,000</u>	<u>1,318,682</u>	<u>1,143,682</u>	<u>1,889,099</u>	<u>195,000</u>
Other financing sources (uses):					
Operating transfers in	-	-	-	409,137	-
Operating transfers out	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>	<u>(598,645)</u>	<u>(195,000)</u>
Total Other financing sources (uses)	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>	<u>(189,508)</u>	<u>(195,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>1,143,682</u>	<u>\$ 1,143,682</u>	<u>\$ 1,699,591</u>	<u>\$ -</u>

Source: Audited financial statements; fiscal year 2015-16 unaudited estimate and 2016-17 adopted budget.

Comparative Balance Sheet – General Fund

Fiscal Year Ended:	2011	2012	2013	2014	2015
ASSETS					
Cash and cash equivalents	\$ 8,238,049	\$ 9,288,216	\$ 5,379,830	\$13,980,946	\$12,868,086
Investments	3,721,758	3,540,384	3,756,145	3,003,955	3,986,302
Property taxes receivable	1,262,560	1,215,039	824,290	1,095,746	1,198,613
Intergovernmental receivables	2,649,333	2,190,037	2,277,512	1,382,466	987,172
Other receivables	27,901	148,576	127,243	412,773	315,245
Prepaid items	88,057	76,893	328,814	34,269	-
Due from other funds	1,643,209	567,639	2,563,364	1,065,713	1,186,793
Total Assets	\$17,630,867	\$17,026,784	\$15,257,198	\$20,975,868	\$20,542,211
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 2,453,169	\$ 3,089,338	\$ 4,455,860	\$ 5,086,329	\$ 2,239,249
Due to other funds	5,106,472	5,936,895	2,250,213	6,710,247	8,154,316
Unearned revenues			96,440	88,574	96,468
Deferred inflows of resources	5,737,608	3,377,581	2,702,135	-	-
Total Liabilities	13,297,249	12,403,814	9,504,648	11,885,150	10,490,033
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	1,035,980	2,011,100
Unavailable revenue - grants	-	-	-	1,382,466	-
Total Deferred Inflows of Resources	-	-	-	2,418,446	2,011,100
FUND BALANCES					
Nonspendable	88,057	76,893	328,814	34,269	219,005
Restricted	-	-	-	-	801,126
Committed	-	-	-	-	-
Assigned	982,162	555,927	735,552	692,998	810,881
Unassigned	3,263,399	3,990,150	4,688,184	5,945,005	6,210,066
Total Fund Balances	4,333,618	4,622,970	5,752,550	6,672,272	8,041,078
Total Liabilities, deferred inflows of Resources and fund balances	\$17,630,867	\$17,026,784	\$15,257,198	\$20,975,868	\$20,542,211

Source: Annual audited financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund

Fiscal Year Ended:	2011	2012	2013	2014	2015
REVENUES					
Property taxes	\$64,441,364	\$66,287,184	\$67,784,322	\$70,058,508	\$71,851,017
Intergovernmental revenue	11,739,302	12,747,056	13,856,850	14,609,179	12,698,512
Licenses, permits and fines	547,600	521,210	643,720	577,616	619,293
Charges for services	334,795	334,991	299,516	259,965	241,739
Investment income	399,705	261,453	64,143	120,855	(57,786)
Miscellaneous revenues	20,958	107,106	220,772	214,265	212,156
TOTAL REVENUES	77,483,724	80,259,000	82,869,323	85,840,388	85,564,931
EXPENDITURES					
Current:					
General government	6,221,711	7,212,104	7,583,687	8,359,920	8,538,034
Public safety	5,709,668	5,722,467	6,244,359	6,592,973	6,426,696
Public Works	3,225,919	2,936,293	2,496,482	3,442,507	3,605,026
Health and welfare	173,658	188,797	199,762	232,826	259,413
Culture and recreation	1,407,510	1,463,535	1,458,186	1,457,543	1,550,706
Education	55,364,249	56,657,002	56,376,507	58,266,029	58,009,142
Capital outlays	252,703	533,774	1,069,737	4,262,062	78,645
Debt service	5,400,842	5,260,045	5,437,360	6,052,772	5,978,541
TOTAL EXPENDITURES	77,756,260	79,974,017	80,866,080	88,666,632	84,446,203
Excess (deficiency) of revenues over expenditures	(272,536)	284,983	2,003,243	(2,826,244)	1,118,728
Other financing sources (uses):					
Unspent Encumbrances prior year					
Operating transfers in	98,371	162,379	35,000	57,865	409,400
Operating transfers out	(120,926)	(285,996)	(908,663)	(426,545)	(926,987)
Proceeds of loan/debt	10,805,000	8,785,000	-	3,097,019	-
Retirement of debt	(11,105,918)	(9,082,302)	-	(3,803,204)	-
Premium on refunded bonds issued	423,261	425,288	-	-	-
Proceeds from energy rebate	-	-	-	706,185	-
Capital Lease Financing	-	-	-	4,114,646	-
Total other financing sources (uses)	99,788	4,369	(873,663)	3,745,966	(517,587)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(172,748)	289,352	1,129,580	919,722	601,141
Fund Balance - July 1	4,506,366 ¹	4,333,618	4,622,970	5,752,550	7,439,937 ¹
Fund Balance - June 30	<u>\$ 4,333,618</u>	<u>\$ 4,622,970</u>	<u>\$ 5,752,550</u>	<u>\$ 6,672,272</u>	<u>\$ 8,041,078</u>

¹ Restatement of period beginning balances made by the Town's new auditing firm. For more detail see footnote No. 2 on page 37 of the Town's fiscal year ending June 30, 2015 financial statements included herein in Appendix A.

Source: Annual audited financial statements.

SECTION VI - ADDITIONAL INFORMATION

Litigation

The Town of Monroe, its officers, employees, boards and commissions are named defendants in a number of lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. It is the Town Attorney's opinion that such pending litigation will not be finally determined, individually or in the aggregate, so as to result in final judgments against the Town which would have a material adverse effect on the Town's financial position.

Availability of Continuing Disclosure Information

The Town prepares, in accordance with state law, annual audited financial statements and files such annual audits with the State Office of Policy and Management on an annual basis. The Town provides, and will continue to provide, to the rating agencies ongoing disclosure in the form of the annual financial reports, recommended and 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 with respect to the Bonds, (ii) notice of the occurrence of certain events with respect to the Bonds 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 with respect to the Bonds on or before the date specified in the Continuing Disclosure Agreement for the Bonds. The Underwriter's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds the form of which is set forth in Appendix C herein.

The Town has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and notices of certain events pursuant to Rule 15c2-12(b)(5). In accordance with the Securities and Exchange Commission's interpretive letter dated June 23, 1995 to the National Association of Bond Lawyers regarding Rule 15c2-12 and the Town's previous continuing disclosure agreements, as to the filings for the fiscal year ending June 30, 2012, since audited financial statements and financial/operating data were not available by eight months after the close of the fiscal year, the Town filed unaudited financial statements and financial/operating data on February 28, 2013 and subsequently filed audited financial statements on March 6, 2013 when such audited financial statements were available. Aside from the aforementioned, within the last five fiscal years, the Town has not failed to meet in any material respect any of its undertakings under such agreements.

Financial Advisor

The Town has retained Independent Bond and Investment Consultants LLC of Madison, Connecticut, as financial advisor in connection with the issuance and sale of the Bonds. Although Independent Bond and Investment Consultants LLC has assisted in the preparation of the Official Statement, Independent Bond and Investment Consultants LLC is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. Independent Bond and Investment Consultants LLC is an SEC and MSRB registered municipal advisor and is not engaged in the business of providing investment advice, underwriting, trading or distributing municipal securities or other public securities.

Documents Accompanying Delivery of the Bonds

Upon the delivery of the Bonds, the Underwriter will be furnished with the following:

1. A Signature and No Litigation certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them;
2. A certificate on behalf of the Town, signed by the First Selectman, Town Treasurer and Director of Finance and Comptroller, which will be dated the date of delivery and attached to a conformed copy of the Official Statement, and which will certify that, to the best of said officials' knowledge and belief, as of the date of the signatures on the Bond Purchase Contract, the descriptions and statements in the Official Statement relating to the Town of Monroe and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the 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 Pullman & Comley, LLC, of Hartford, Connecticut;

5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached to the Official Statement as Appendix C; and
6. Any other documents required by the Bond Purchase Contract.

The Town of Monroe has prepared an Official Statement for the Bonds which is dated October 18, 2016. The Town deems such Official Statement final as of its date for the purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. Within seven business days of the signing of the Bond Purchase Contract, the Town will provide the underwriter with a reasonable number of copies of the Official Statement, as prepared for this issue at the Town's expense.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the office of the U.S. Bank National Association of Hartford, Connecticut and will be available for examination upon reasonable request.

Concluding Statement

Additional information may be obtained upon request from the Office of the Director of Finance at (203) 452-2802 or from Independent Bond and Investment Consultants LLC at (203) 245-9603.

This Official Statement is submitted only in connection with the sale of the Bonds by the Town and may not be reproduced or used in whole or part for any other purpose.

Independent Bond and Investment Consultants LLC, the Town's financial advisor, has assisted the Town in the preparation of this Official Statement from documents supplied by Town officials and other sources. Independent Bond and Investment Consultants LLC does not assume responsibility for the adequacy or accuracy of statements made herein and makes no representation that it has independently verified the accuracy of supporting documents supplied by the Town.

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 representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be constructed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds.

TOWN OF MONROE, CONNECTICUT

/s/ STEPHEN J. VAVREK, JR.
By: STEPHEN J. VAVREK, JR.
First Selectman

/s/ DEBORAH HEIM
By: DEBORAH HEIM
Treasurer

/s/ RONALD J. BUNOVSKY, JR.
By: RONALD J. BUNOVSKY, JR.
Director of Finance and Comptroller

Dated: October 18, 2016

APPENDIX A – AUDITED FINANCIAL STATEMENTS

TOWN OF MONROE, CONNECTICUT

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JUNE 30, 2015

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APPENDIX B - FORM OF OPINION OF BOND COUNSEL

November __, 2016

Town of Monroe, Connecticut
7 Fan Hill Road
Monroe, Connecticut 06468

Ladies and Gentlemen:

We have acted as Bond Counsel to the Town of Monroe, Connecticut (the "Town") in connection with the issuance by the Town of its \$7,220,000 General Obligation Refunding Bonds, Issue of 2016 dated November 1, 2016 (the "Bonds"). In such capacity, we have examined records of proceedings of the Town authorizing the Bonds, a Tax Compliance Agreement of the Town dated November 1, 2016 (the "Agreement"), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Bonds are duly certified by U.S. Bank National Association, the Bonds will be valid and legally binding general bonds of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be excludable from gross income. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to ensure that interest on the Bonds shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds.

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

In our opinion, under existing statutes and court decisions, (i) interest on the Bonds is excludable from gross income for federal income tax purposes; and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to certain corporations (as defined for federal income tax purposes) subject to the federal alternative minimum tax, such interest may be taken into account in computing the federal alternative minimum tax. We express no opinion regarding other Federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

The Town has designated the Bonds as "qualified tax exempt obligations" within the meaning of Code Section 265(b)(3) for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

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

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated October 18, 2016 and other offering material relating to the Bonds.

We have not undertaken to advise whether any events after the date of issuance of the Bonds, including the adoption of Federal tax legislation, may affect the tax status of the Bonds.

Although we have rendered an opinion that interest on the Bonds is not includable in gross income for federal income tax purposes, federal income tax liability may otherwise be affected by the ownership or disposition of the Bonds. We express no opinion regarding any tax consequence caused by ownership or disposition of, or receipt of interest income on, the Bonds not specifically described herein.

Respectfully,

PULLMAN & COMLEY, LLC

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APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

**In Connection With The Issuance and Sale of
\$7,220,000 General Obligation Refunding Bonds, Issue of 2016**

This Continuing Disclosure Agreement (“Agreement”) is executed and delivered as of November 1, 2016, by the Town of Monroe, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$7,220,000 General Obligation Refunding Bonds, Issue of 2016 dated November 1, 2016 (the “Bonds”).

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

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Section 2 of this Continuing Disclosure Agreement.

“EMMA” means the Electronic Municipal Market Access System as described in the 1934 Act Release #59062 and maintained by the Municipal Securities Rulemaking Board for the purposes of the Rule and as further described in Section 13 hereof.

“Final Official Statement” means the official statement of the Issuer dated October 18, 2016, prepared in connection with the issuance of the Bonds.

“Fiscal Year End” shall mean the last day of the Issuer’s fiscal year, currently June 30.

“Listed Events” shall mean any of the events listed in Section 4 of this Continuing Disclosure Agreement.

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

“Rule” means rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Reports.

(a) The Issuer shall provide or cause to be provided to the MSRB, in accordance with the provisions of the Rule and of this Agreement, the following annual financial information and operating data regarding the Issuer (commencing with the information and data for the fiscal year ending June 30, 2016):

(i) Audited financial statements of the Issuer as of and for the year ending on its Fiscal Year End prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Issuer is required to prepare audited financial statements of its various funds and accounts.

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

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

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

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

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

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

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

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

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

(I) the funding status of the Issuer's pension benefit obligations; and

(J) the funding status of the Issuer's OPEB obligation.

(b) The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's audited financial statements. The information may be provided in whole or in part by cross-reference to other documents provided to the MSRB, including official statements of the Issuer which will be available from the MSRB's internet web site or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report or the annual adopted budget.

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

Section 3. Timing. The Issuer shall provide the information and data referenced in Section 2(a) not later than eight months after each Fiscal Year End for which such information is being provided. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information when available.

Section 4. Event Notices.

(a) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event:

- (i) principal and interest payment delinquencies;
- (ii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) substitution of credit or liquidity providers, or their failure to perform;

(v) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;

(vi) tender offers;

(vii) bankruptcy, insolvency, receivership, or a similar proceeding by the Issuer;

(viii) Bond defeasances; and

(ix) rating changes.

(b) The Issuer agrees to provide or cause to be provided to the MSRB, within ten (10) business days of the occurrence of any of the following events with respect to the Bonds, notice of the occurrence of such event, if material:

(i) non-payment related defaults;

(ii) modifications to rights of Bond holders;

(iii) Bond calls;

(iv) release, substitution, or sale of property securing repayment of the Bonds;

(v) consummation of a merger, consolidation, acquisition involving the Issuer, other than the ordinary course of business, or the sale of all or substantially all the assets of the Issuer, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms; and

(vi) appointment of a successor or additional trustee, or the change in the name of the trustee.

Section 5. Notice of Failure. The Issuer agrees to provide or cause to be provided, in a timely manner to the MSRB, notice of any failure by the Issuer to provide the annual financial information described in Section 2(a) of this Continuing Disclosure Agreement on or before the date set forth in Section 3 hereof.

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

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

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

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communications, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the Issuer shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. The present address of the Issuer is Town of Monroe, 7 Fan Hill Road, Monroe, CT 06468, Attn: First Selectman. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Bonds.

Section 11. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

Section 12. Method of Filing. To the extent filings are required to be made to the MSRB under this Agreement, the Issuer shall transmit such filings or notices in an electronic format to the continuing disclosure service portal provided through MSRB's EMMA as provided at <http://emma.msrb.org/> or any similar system that is acceptable to the SEC.

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

TOWN OF MONROE, CONNECTICUT

By: _____
Stephen J. Vavrek Jr.
First Selectman