

## **FINAL OFFICIAL STATEMENT DATED DECEMBER 3, 2025**

**NEW MONEY ISSUE: Book-Entry-Only**

**RATINGS: S&P Global Ratings: "AA"**

*In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the City with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of the federal alternative minimum tax under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. 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 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.)*



### **City of Norwich, Connecticut** **\$19,000,000** **General Obligation Bonds, Issue of 2025**

**Dated: Date of Delivery**

**Due: Serially, August 1, 2026 – 2055  
as detailed on the inside cover page.**

The \$19,000,000 General Obligation Bonds, Issue of 2025 (the "Bonds") will be general obligations of the City of Norwich, Connecticut (the "City") and the City 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 on August 1, 2026 and semiannually thereafter on February 1 and August 1 in each year until maturity. The Bonds will be issued in book-entry-only form whereby the beneficial owners of the Bonds will not receive physical delivery of bond certificates. Principal of, and interest payments on, the Bonds will be made by the City to The Depository Trust Company, New York, New York ("DTC"), or its nominee as registered owner of the Bonds. DTC will credit its participants in accordance with their respective holdings shown in the records of DTC. It is anticipated that the beneficial owners of the Bonds will receive payment or credit from DTC participants and other nominees of the beneficial owners. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. (See "Book-Entry-Only Transfer System" herein.)

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

The Registrar, Transfer Agent, Paying Agent, and Certifying Agent will be U.S. Bank Trust Company, National Association.

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, Connecticut and certain other conditions. It is expected that delivery of the Bonds in book-entry-only form will be made to DTC on or about December 17, 2025.

### **RAYMOND JAMES & ASSOCIATES, INC.**

This cover page contains information for a quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

**City of Norwich, Connecticut**  
**\$19,000,000**  
**General Obligation Bonds, Issue of 2025**

**Dated: Date of Delivery**

**Due: Serially, August 1, 2026 – 2055**  
**as detailed below:**

<b>Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>	<b>Year</b>	<b>Principal</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>
2026	\$ 650,000	5.000%	2.290%	669402Q44	2041*	\$ 645,000	4.000%	3.350%	669402S34
2027	650,000	5.000%	2.250%	669402Q51	2042*	645,000	4.000%	3.500%	669402S42
2028	650,000	5.000%	2.190%	669402Q69	2043*	645,000	4.000%	3.620%	669402S59
2029	650,000	5.000%	2.170%	669402Q77	2044*	645,000	4.000%	3.800%	669402S67
2030	650,000	5.000%	2.150%	669402Q85	2045*	645,000	4.000%	3.900%	669402S75
2031	650,000	5.000%	2.190%	669402Q93	2046	605,000	4.000%	4.000%	669402S83
2032	650,000	5.000%	2.260%	669402R27	2047	605,000	4.000%	4.030%	669402S91
2033	650,000	5.000%	2.360%	669402R35	2048	605,000	4.000%	4.080%	669402T25
2034*	650,000	5.000%	2.390%	669402R43	2049	605,000	4.000%	4.110%	669402T33
2035*	650,000	5.000%	2.490%	669402R50	2050	605,000	4.000%	4.140%	669402T41
2036*	645,000	4.000%	2.600%	669402R68	2051	605,000	4.000%	4.160%	669402T58
2037*	645,000	4.000%	2.750%	669402R76	2052	605,000	4.000%	4.180%	669402T66
2038*	645,000	4.000%	2.920%	669402R84	2053	605,000	4.000%	4.190%	669402T74
2039*	645,000	4.000%	3.050%	669402R92	2054	605,000	4.125%	4.200%	669402T82
2040*	645,000	4.000%	3.190%	669402S26	2055	605,000	4.125%	4.210%	669402T90

\* Priced assuming redemption on August 1, 2033; however any such redemption is at the option of the City.

**RAYMOND JAMES & ASSOCIATES, INC.**

<sup>1</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc, which is not affiliated with the City and are included solely for the convenience of the holders of the Bonds. The City 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, salesperson or other person has been authorized by the City to give any information or to make any representations not contained in this Official Statement or any supplement, which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the City from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness.

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

The Bonds will not be registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such Act. The Bonds have not been registered or qualified under the securities laws of any state. The Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

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

Other than as to matters expressly set forth herein as its opinion in Appendix B, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

Any references to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, any such websites and the information or links contained therein are not incorporated into, and are not part of, this offering document.

This Official Statement may include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words "may," "believe," "could," "might," "possible," "potential," "project," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate," "approximate," "contemplate," "continue," "target," "goal" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the City up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the City assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the City; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the City; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the City; (viii) the effects of epidemics and pandemics, including economic effects; (ix) foreign hostilities or wars; (x) foreign or domestic terrorism or domestic violent extremism; and (xi) other factors contained in this Official Statement.

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## **Bond Issue Summary**

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

<b>Date of Sale:</b>	Wednesday, December 3, 2025 at 11:30 A.M. (Eastern Time).
<b>Location of Sale:</b>	Office of the City Manager, City Hall, 100 Broadway, Norwich, Connecticut 06360.
<b>Issuer:</b>	City of Norwich, Connecticut (the “City”).
<b>Issue:</b>	\$19,000,000 General Obligation Bonds, Issue of 2025 (the “Bonds”).
<b>Dated Date:</b>	Date of delivery.
<b>Interest Due:</b>	Interest due August 1, 2026 and semiannually thereafter on February 1 and August 1 in each year until maturity, or earlier redemption.
<b>Principal Due:</b>	Principal due serially August 1, 2026 through August 1, 2055 as detailed in this official statement.
<b>Authorization and Purpose:</b>	The Bonds are being issued to permanently finance various general purpose and school projects authorized by certain bond ordinances adopted by the City, and by the voters at referenda. See “Authorization and Purpose” and “Use of Proceeds” herein.
<b>Redemption:</b>	The Bonds are subject to redemption prior to maturity as herein provided. See “Optional Redemption” herein.
<b>Security and Remedies:</b>	The Bonds will be general obligations of the City, and the City will pledge its full faith and credit to the payment of principal and interest on the Bonds when due.
<b>Credit Rating:</b>	The City received a rating of “AA” from S&P Global Ratings (“S&P”) on the Bonds.
<b>Bond Insurance:</b>	The City does not expect to purchase a credit enhancement facility.
<b>Basis of Award:</b>	Lowest True Interest Cost (TIC), as of the dated date.
<b>Tax Exemption:</b>	See “Tax Matters” herein.
<b>Bank Qualification:</b>	The Bonds <u>shall NOT</u> be designated as qualified tax-exempt obligations by the City under the provisions of Section 265(b) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for certain interest expense allocable to the Bonds.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided: (i) annual financial information and operating data, (ii) notices of the occurrence of certain events within ten (10) business days of the occurrence of certain events with respect to the Bonds, and (iii) timely notice of a failure of the City to provide the required annual financial information when due pursuant to a Continuing Disclosure Agreement to be executed by the City substantially in the form set forth in Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent &amp; Paying Agent:</b>	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford, Connecticut 06103.
<b>Legal Opinion:</b>	Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut will act as Bond Counsel.
<b>Municipal Advisor:</b>	Phoenix Advisors, a division of First Security Municipal Advisors, Inc., of Milford, Connecticut will act as Municipal Advisor. Telephone (203) 878-4945.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about December 17, 2025 against payment in Federal Funds.
<b>Issuer Official:</b>	Questions concerning the City, or this Official Statement, should be addressed to Mr. Joshua A. Pothier, Comptroller, City of Norwich, 100 Broadway, Norwich, Connecticut 06360. Telephone (860) 823-3720.

## **I. Bond Information**

### **Introduction**

This Official Statement, including the cover page, inside cover page and appendices, is provided for the purpose of presenting certain information relating to the City of Norwich, Connecticut (the “City”), in connection with the original issuance and sale of the City’s \$19,000,000 General Obligation Bonds, Issue of 2025 (the “Bonds”).

The Bonds are offered for sale at public bidding. A Notice of Sale dated November 25, 2025 has been furnished to prospective bidders. Reference is made to the Notice of Sale, attached hereto as Appendix D, for the terms and conditions of the bidding.

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

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

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

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will agree to provide, or cause to be provided, annual financial information and operating data and timely notice of the occurrence of certain events with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed substantially in the form set forth in Appendix C to this Official Statement.

U.S. Bank Trust Company, National Association will act as the Registrar, Transfer Agent, Paying Agent and Certifying Agent for the Bonds.

### **Public Health Considerations**

Commencing in late 2019, an outbreak of a respiratory disease caused by a new strain of coronavirus (“COVID-19”) resulted in a global public health crisis. The federal and State governments both declared public health emergencies and, along with local governments, took action to limit the spread of the outbreak and reduce the resulting economic impact. The federal and State public health emergency declarations have since been terminated.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the City. However, prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the federal or State governments and that any resurgence of COVID-19 or another infectious disease could have a material adverse effect on the City and its financial and operational performance.

The City received \$28.8 million from the American Rescue Plan Act of 2021 in response to the COVID-19 pandemic (the “COVID-19 Aid”). The City developed a plan for the use of such funds that focused on infrastructure improvements and other initiatives that complied with the program eligibility criteria. No assurance can be given that the City would receive federal aid akin to the COVID-19 Aid if another pandemic or similar public health emergency were to occur.

**Climate Change**

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The City faces certain threats due to climate change, including drought, flooding and damaging wind that could become more severe and frequent. The City cannot predict the timing, extent or severity of climate change and its impact on the City’s operations and finances.

To address climate risks, the City maintains a Hazard Mitigation and Climate Adaptation Plan (the “Plan”) that was developed in coordination with the Southeastern Connecticut Council of Governments and was updated as recently as 2023. The Plan identifies specific hazard concerns of the City including flooding, dam breach/failure, wind (hurricane, tornado, or severe wind event), winter weather, extreme temperatures, sea level rise, drought and wildfire, and earthquakes (the “Hazards”). The Plan includes: (i) an assessment of the risks related to each of the Hazards; (ii) a prioritization of mitigation strategies based on a set of criteria applied to each proposed strategy; and (iii) an action plan through 2028 that includes goals and objectives for each action item noted.

Amongst all the Hazards, flooding and severe weather events require the most significant hazard planning considerations for the City. The City has a variety of natural hazard mitigation capabilities, including local plans, regulations and ordinances, operational protocols and emergency response capabilities that contribute to resilience.

The City’s Plan includes specific mitigation action items related to flooding, including: (i) enhancing the City’s land use regulations designed to protect natural resources and restrict development in flood zones and other hazard-prone areas; (ii) make drainage and culvert improvements; (iii) reduce impervious surfaces for better absorption; (iv) conduct outreach to property owners in repetitive loss areas with recommendations on how to mitigate future flood damage;; and (v) studying and designing replacement of infrastructure in flood-prone areas. The City is in the process of executing various action items set forth in the Plan. It has applied for funding for some of the action items, which applications are pending. Many of the action items will be completed over the course of multiple years and will require the completion of other action items and the City’s ongoing attention.

**Cybersecurity**

The City, like many public and private entities, relies heavily on technology to support its operations. As such, the City and its departments are subject to cyber threats, including hacking, malware, phishing, and other malicious attacks targeting computer networks and digital systems.

Recognizing the increasing complexity of the cyber threat landscape, the City has implemented advanced software solutions for threat detection, endpoint protection, and continuous monitoring of files and servers. In addition, the City has strengthened employee cybersecurity awareness through training programs, deployed 24/7 managed threat protection services, and invested in modern backup and recovery technologies featuring immutability safeguards.

The City also maintains cybersecurity insurance coverage through Tokio Marine, providing \$1,000,000 in limits for both first-party expenses and third-party liability claims. While these measures significantly enhance protection, no assurance can be given that they will fully prevent or mitigate all cyber incidents. A successful attack could disrupt operations, compromise systems, or result in substantial costs to restore affected services and data. There have not been any recent interruptions to the City’s network resulting from cyber attacks.

**Municipal Advisor**

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Milford, Connecticut, has served as Municipal Advisor to the City in connection with the issuance of the Bonds (the “Municipal Advisor”) and has assisted in matters related to the planning, structuring and terms of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

**The Bonds**

The Bonds will be dated the date of delivery, and will mature on August 1 in each of the years as set forth on the inside cover page of this Official Statement. Interest will be payable on August 1, 2026 and semiannually thereafter on August 1 and February 1 in each year until maturity, or earlier redemption, as set forth on the inside cover page of this Official Statement. Interest will be calculated on the basis of twelve 30-day months and a 360-day year. Interest is payable to the registered owner as of the close of business on the fifteenth day of January and July in each year, or the preceding business day if such fifteenth day is not a business day, by check, mailed to the registered owner at the address as shown on the registration books of the City kept for such purpose, or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the City shall agree.

**Optional Redemption**

The Bonds maturing on or before August 1, 2033 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2034 and thereafter are subject to redemption prior to maturity, at the election of the City, on or after August 1, 2033 at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the City may determine, at the following redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Prices</u>
August 1, 2033 and thereafter .....	100%

Notice of redemption shall be given by the City or its agent by mailing a copy of the redemption notice by first-class mail at least thirty (30) days or more than sixty (60) days prior to the date fixed for redemption to the registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

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

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

## **Authorization and Purpose**

The Bonds are authorized and are being issued pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the City, certain bond ordinances adopted by the City Council, and by the voters at referenda.

## **Use of Proceeds**

The proceeds of the Bonds are anticipated to be used for the projects set forth below:

<b>Project</b>	<b>Total</b>	
	<b>Amount of Authorization</b>	<b>This Issue: The Bonds</b>
School Building Program (2022).....	\$ 385,000,000	\$ 18,200,000
Purchase of Downtown Properties.....	800,000	800,000
<b>Totals</b> .....	<b>\$ 385,800,000</b>	<b>\$ 19,000,000</b>

## **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. For the Bonds, one fully-registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity and will be deposited with DTC.

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 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 City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments 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 City or Agent, on the 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 City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the 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 City or the 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 City may decide to discontinue use of the system of book-entry-only 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 City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

### ***DTC Practices***

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

### ***Replacement Bonds***

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

**Security and Remedies**

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

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

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

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

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

Enforcement of a claim for payment of principal of or interest on the Bonds 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 and to provisions of other statutes, if any, 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.

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

**Qualification for Financial Institutions**

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

***THE CITY OF NORWICH HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS***

## ***Availability of Continuing Disclosure Information***

The City prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State of Connecticut, Office of Policy and Management. The City provides, and will continue to provide, to the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access System ("EMMA") ongoing disclosure in the form of the Annual Comprehensive Financial Report, 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, in connection with the issuance of the Bonds, the City will agree to provide or cause to be provided, (i) annual financial information and operating data, (ii) timely notice of certain events with respect to the Bonds, but not in excess of ten (10) business days after the occurrence of the event, and (iii) timely notice of a failure of the City to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement to be executed by the City in substantially the form attached as Appendix C to this Official Statement.

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

## ***Ratings***

The City received a rating of "AA" from S&P Global Ratings ("S&P" or "Rating Agency") on the Bonds. The City furnished to S&P certain information and materials, some of which may not have been included in this Official Statement. Such rating reflect only the views of the Rating Agency and will be subject to revision or withdrawal, which could affect the market price of the Bonds. The Rating Agency should be contacted directly for its rating on the Bonds and the explanation of such rating.

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

## ***Bond Insurance***

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

## ***Tax Matters***

**Federal Taxes.** In the opinion of Bond Counsel, under existing law, (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; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations.

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 City with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986 (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 irrespective of the date on which such noncompliance occurs. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the Bonds, the City 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 the 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 City 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 prices of certain maturities of the Bonds may be less than the stated principal amount (the “OID Bonds”). Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds will constitute original issue discount. The offering prices relating to the yields set forth on the inside cover page of this Official Statement for such OID Bonds are expected to be the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the OID Bonds are sold. Under existing law, original issue discount on the OID 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 OID Bonds is excludable from gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner’s adjusted basis in an OID Bond purchased at an original issue discount, original issue discount is treated as having accrued while the owner holds such OID Bond and will be added to the owner’s basis. 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 an OID Bond.

Prospective purchasers of OID Bonds 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 of OID Bonds purchasing such OID Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

**Original Issue Premium.** The initial public offering prices of certain maturities of the Bonds may be more than their stated principal amounts payable at maturity (the “OIP Bonds”). In general, an owner who purchases an OIP Bond must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the OIP Bond for federal income tax purposes. Prospective purchasers of OIP Bonds at a premium to its principal amount should consult their tax advisors regarding the amortization of premium and its 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. Prospective purchasers of the Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

**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 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.

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

Accrued original issue discount on an OID Bond is also 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 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.

**Changes in Federal and State Tax Law.** Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Bonds should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be adversely affected and the ability of holders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

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

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.

### ***Legal Opinion***

The legal opinion for the Bonds will be rendered by Pullman & Comley, LLC in substantially the form set forth in Appendix B to this Official Statement.

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## II. The Issuer



### **Form of Government**

The City of Norwich (“City” or “Norwich”) operates under a Charter adopted in 1952, which was most recently revised on November 3, 2015. The City operates under a Council/Manager form of government. The City Manager is appointed by the City Council and serves as the Chief Executive Officer. The City Manager serves at the pleasure of the City Council and is responsible to the City Council for the supervision and administration of City departments. The City Council consists of six members and one Mayor, all elected at large. Elections are held during odd calendar years as provided by state statute.

In addition to all powers granted to towns and cities under the Constitution of the State and the Connecticut General Statutes, the City Council also has specific powers to be executed through the enactment and enforcement of ordinances and bylaws which protect or promote the peace, safety, good government and welfare of the City and its inhabitants. The Council also has the power to provide for the organization, conduct, and operation of the departments, agencies and offices of the City; for the number, titles qualifications, powers, duties and compensation of all officers and employees of the City; and for making of rules and regulations necessary for the control, management and operation of all public buildings, grounds, parks, cemeteries or other property of the City.

## **Principal Municipal Officials**

<b>Office</b>	<b>Name</b>	<b>Manner of Selection / Term</b>	<b>Length of Current Service</b>	<b>Total Tenure with City</b>
<b>City Council:</b>				
Mayor	Swaranjit Singh Bhatia	Elected – 4 years	< 1 year	4 years
President Pro Tempore	Joseph A. DeLucia	Elected – 2 years	9 years	9 years
Council Member	Sheila Hayes	Elected – 2 years	2 years	2 years
Council Member	Zato Kadambaya	Elected – 2 years	< 1 year	< 1 year
Council Member	Bill Nash	Elected – 2 years	3 years	3 years
Council Member	Peter A. Nystrom	Elected – 2 years	< 1 year	21 years
Council Member	Jill Zuccardy	Elected – 2 years	< 1 year	< 1 year
City Manager	John Salomone	Appointed – Indefinite	10 years	10 years
Comptroller	Joshua A. Pothier	Appointed – Indefinite	12 years	23 years
Deputy Comptroller	Orla McKiernan	Appointed – Indefinite	3 years	3 years
Treasurer	Robert Buckley	Elected – 2 years	2 years	2 years
Collector of Taxes & Revenues	Karlene Deal	Appointed – Indefinite	10 years	10 years
Assessor	William Lee	Appointed – Indefinite	5 years	11 years
City Clerk	Roseanne Muscarella	Appointed – Indefinite	3 years	24 years
Corporation Counsel	Michael E. Driscoll	Appointed – Indefinite	24 years	24 years
Superintendent of Schools	Susan Lessard	Appointed – Indefinite	3 years	8 years
<b>Board of Education <sup>1</sup></b>				
Board Member	Christine DiStasio	Elected – 2 years	7 years	7 years
Board Member	Heather Fowler	Elected – 2 years	3 years	3 years
Board Member	John Iovino	Elected – 2 years	2 years	2 years
Board Member	Mark Kulos	Elected – 2 years	8 years	8 years
Board Member	Christina Milton	Elected – 2 years	2 years	2 years
Board Member	Ella Myles	Elected – 2 years	2 years	2 years
Board Member	Gregory Perry	Elected – 2 years	3 years	3 years
Board Member	Kevin Saythany	Elected – 2 years	7 years	7 years
Board Member	Dennis Slopak	Elected – 2 years	< 1 year	< 1 year

<sup>1</sup> Following the November 4, 2025 election results, the Chairperson, Vice Chairperson and Secretary of the Board of Education shall be selected at their next organizational meeting, which has not occurred yet.

### **Geography**

The City covers an area of 27.1 square miles located 40 miles southeast of Hartford, surrounded by Montville, Preston, Lisbon, Sprague, Franklin, and Bozrah. The City is about three hours from New York City by rail or highway transportation. Providence, Rhode Island is approximately an hour from the City, and Boston is approximately two hours away. The City is served by interstate, intrastate, and local bus lines. The City is served by Interstate 395 from north to south connecting the City with I-95 and I-90 to Boston and New York. Route 2 links the City with Hartford and I-91. State Route 82 connects downtown Norwich with I-395. Rail transportation and freight service is available to major points, including New York, Boston, Providence, and Montreal. Air service is available at Groton-New London Airport to the south, Green Airport (Providence) to the east, and Bradley Airport to the north. Norwich Harbor provides a 600-foot turning basin connecting with the Thames River and Long Island Sound.

## **Community Profile**

### *History*

The City was founded in 1659 by settlers from Old Saybrook led by Major John Mason and Reverend James Fitch. They purchased the land that would become Norwich from the local Native American Mohegan Tribe. In 1668, a wharf was established at Yantic Cove. Settlement was primarily in the three-mile area around the Norwichtown Green. The 69 founding families soon divided up the land in the Norwichtown vicinity for farms and businesses. By 1694 the public landing built at the head of the Thames River allowed ships to offload goods at the harbor. The distance between the port and Norwichtown was serviced by the East and West Roads, which later became Washington Street and Broadway.

The City merchants were shipping goods directly from England, but the Stamp Act of 1764, forced the City to become more self-sufficient. Soon large mills and factories sprang up along the three rivers which traverse the town, the Yantic, Shetucket, and Thames Rivers. During the American Revolution, the City supported the cause for independence by supplying soldiers, ships, and munitions. One of the most infamous figures of the Revolution, Benedict Arnold, was born in the City. Other Colonial-era noteworthies include Samuel Huntington, Christopher Leffingwell, and Daniel Lathrop.

Regular steamship service between New York and Boston helped the City to prosper as a shipping center through the early part of the 19th century. During the Civil War, the City once again rallied around the cause of freedom and saw the growth of its textile, armaments, and specialty item manufacturing. This was also spurred by the building of the Norwich-Worcester Railroad in 1832, bringing goods and people both in and out of the City.

The City served as a leadership center for Connecticut during the Civil War as Governor William Buckingham was from Norwich and used his home as a de facto office during the war years. Also, State Senator Lafayette Foster later became Acting Vice President after President Abraham Lincoln was assassinated. During this period, Frances M. Caulkins composed her histories of both Norwich and New London.

Through the end of the 19th century and into the early 20th century, the City served as home to many large mills. The population grew and became more diverse with an insurgence of different ethnic groups. These new residents helped to build the City's schools, churches, and social centers.

Today, the City is a thriving city with a stable population, wide range of municipal services, a modern industrial park, its own utility company, and a positive outlook for residential and business growth.

### *Education*

The City school system includes seven elementary schools, two middle schools, and a transition academy for special education students aged 18-22. Four of the seven elementary schools include a total of fifteen preschool classes. Both middle schools are Magnet schools. In addition, the City has three parochial schools, two Montessori schools, a charter school, and a regional adult education program. Norwich Free Academy is a privately-endowed high school and serves as one of the City's designated high schools. Also located in the City are a state regional technical high school, a middle college, and a community college.

### *Healthcare*

Various health facilities, including the 213-bed William H. Backus Hospital (Backus), are located in the City. Backus, which is affiliated with Hartford Healthcare, also has an Outpatient Care Center on Salem Turnpike and the Family Health Center in Norwichtown Commons.

### *Industry*

The City is also home to a modern industrial park operated by the Norwich Community Development Corporation, a private non-profit organization. The industrial park is conveniently located close to Route 2, I-395, and other major highways. The park offers commercial and industrial sites on more than 400 wooded acres currently employing over 2,000 people.

## *Recreation, Entertainment & Culture*

The City has the 350-acre Mohegan Park in the heart of the City. Facilities at Mohegan Park include a beach, hiking trails, rose gardens, picnic areas, and two children's playgrounds. The City has several other parks, playgrounds, and recreation fields, as well as several fishing locations. The City also offers an eighteen-hole public golf course and a public ice skating rink.

The City has a number of historical and cultural attractions, including: Dodd Stadium - home of the Norwich Sea Unicorns baseball team, the Leffingwell House Museum, the Chestnut Street Playhouse, the Norwich Arts Council/ Donald Oat Theater, and the Slater Memorial Museum at Norwich Free Academy.

## ***Municipal Services***

### *Police*

Police protection is provided to the City by a full-service, municipal police agency with 106 employees. The department is responsible for patrolling 223 miles of roads in nearly a 30 square mile area and operating a combined 911 communications center for dispatching police, fire, and EMS services. The department is particularly proud of its community policing efforts, which actively includes the public in solving crime and quality of life problems. The department presently administers several federal and state grants. These grants provide funding to enhance police operations in the areas of drug education and enforcement, safe neighborhood patrols, DUI and traffic enforcement, and technological improvements.

### *Fire*

Fire protection in the City Consolidation District (CCD) is provided by a 60-employee full-time fire department. The outlying areas of the City are not part of the CCD and are protected by five volunteer fire companies.

### *Utilities*

The City owns and operates natural gas, electric, water, and wastewater systems through its Norwich Department of Public Utilities (NPU), which was established in 1904. NPU is governed by Chapter 12 of the City Charter that establishes a five-member Board of Public Utilities' Commissioners who are appointed by the City Council. The General Manager, who is appointed by the Commissioners, is responsible for NPU's management and operations. NPU has 157 employees and serves approximately 21,000 electric customers, 9,600 gas customers, 11,000 water customers, and 7,700 wastewater customers. NPU supports general City activities by contributing 10% of its gross revenues (excluding sewer revenues) to the City. Contributions in fiscal year 2026 are expected to be \$9.3 million, the equivalent of 4.4 mills of taxes. NPU's budget is approved by the Commissioners and is then presented to the City Council for adoption.

### *Water Division*

NPU has been working on a critical, multi-year effort to upgrade and improve private water service lines to individual residences in Norwich that contain lead. In 2025, NPU conducted 150 basement inspections and 400 test pit inspections. These inspections will continue into 2026 as NPU works to have Norwich certified as a 'non-lead community'.

NPU is progressing with projects that will improve the aeration and mixing systems in three water tanks that will improve water quality.

## *Electric Infrastructure*

NPU is among 118 of the nation's more than 2,000 public power utilities that have earned the Reliable Public Power Provider designation from the American Public Power Association (APPA) for providing reliable and safe electrical service. The designation, which is for three years, was most recently awarded to NPU in 2021. This significant achievement recognizes public power utilities that demonstrate proficiency in four disciplines: reliability, safety, workforce development, and system improvements.

NPU has secured approximately \$800,000 from the State of Connecticut for a study to evaluate options for either relocating or strengthening the Bean Hill Substation to prevent the flooding of the facility in the future. In the Winter of 2024, several days of heavy rain lead to flooding along the Yantic River in Norwich which impacted the operation of the substation for several hours.

## *Wastewater*

In November 2023, NPU broke ground on the large-scale upgrade of its wastewater treatment plant. The project, which has a budget of approximately \$200 million, will be the largest construction project in the history of Norwich, and bring critically important infrastructure upgrades to Norwich and the region. NPU has secured more than \$74 million in grant funding from the State of Connecticut for this project. Substantial progress was made in 2025, and the project is approximately 40% complete.

Working with Senators Blumenthal and Murphy, NPU secured \$1.6 million to support the re-lining of older sewer mains in the Greenville section of Norwich. The funding, a federal appropriation through the Environmental Protection Agency (EPA), will allow this critical work to continue and improve water quality in the Shetucket and Thames Rivers and well as Long Island Sound. This work is currently out to bid and NPU anticipates construction to get underway in 2026.

## *Natural Gas*

In April, 2023, NPU was awarded a \$10 million grant by the Pipeline and Hazardous Materials Safety Administration (PHMSA - part of the U.S. Department of Transportation) to modernize a significant portion of its natural gas infrastructure. In April of 2024, NPU was awarded an additional \$10.9 million in grant funds from PHMSA to complete additional upgrades. This will be a multi-year effort that will ultimately improve the safety and efficiency of NPU's system, while also providing environmental benefits to the region by reducing the number of natural gas leaks into the atmosphere.

Work funded by the first grant – installing more than 2.5 miles of new gas main - has been completed with additional service connection and paving work to be completed; work funded by the second grant will begin in 2027.

## *CMEEC and Member Power Sales Contracts*

The City, through NPU, is a member of the Connecticut Municipal Electric Energy Cooperative (CMEEC), a public corporation organized under Connecticut Public Act 75-634, subsequently enacted as Title 7-233, Chapter 101a, of the Connecticut General Statutes, as amended (the "Statutes"). CMEEC is empowered to undertake the planning, financing, acquisition, construction, and operation of facilities for the generation and transmission of electric power and energy for its members and others. The Statutes permit any Connecticut municipality that has an electric utility department to become a CMEEC member. The City is one of seven municipalities that own an electric utility in Connecticut. The City of Norwich, City of Groton, Town of Bozrah, Borough of Jewett City, Second Taxing District of the City of Norwalk, Third Taxing District of the City of Norwalk, and Town of Wallingford are the only Connecticut communities which have municipally-owned electric utilities, all of which, except the Town of Wallingford, are members. CMEEC, on behalf of its members, acts as a single integrated participant to New England Power Pool ("NEPOOL") and the NEPOOL Agreement.

CMEEC has entered into a power supply contract with each of its Members, including the City ("MPSC"). The MPSCs are all-requirements contracts under which each member is obligated to purchase substantially all of its power requirements from CMEEC. Under terms of the MPSCs, each system has been allocated a certain percentage of CMEEC's fixed costs consisting primarily of debt service, on a take or pay basis. These costs are required to be paid annually whether or not the City takes any power under the contract. Pursuant to the MPSC, the City has covenanted to maintain electric rates, which, together with other sources of revenue, will provide sufficient revenues to meet its payment obligation to CMEEC.

All payments due to CMEEC under the MPSC that are agreed to constitute operating expenses of the electric operations and may not be subordinated to any other obligation of the City. In addition, the City has agreed not to execute or adopt any instrument securing or issuing bonds, notes, leases or other evidences of indebtedness which are payable from and secured by liens on the revenues derived from the ownership or operations of its electric system without providing for the payment of operating expenses (including payments to be made under the MPSC) from such revenues ahead of debt service on such bonds, notes, leases or other evidence of indebtedness.

The foregoing discussion of the MPSC is intended to be a summary of such contract and is qualified in its entirety by reference to the contracts themselves, which may be obtained from the City.

#### *The Connecticut Transmission Municipal Electric Energy Cooperative*

NPU is also a member of The Connecticut Transmission Municipal Electric Energy Cooperative ("TRANSCO"), a public body corporate and politic, created pursuant to the Statutes. The members of TRANSCO include the members of CMEEC (the "Members") and the Town of Wallingford. The purpose of TRANSCO is to obtain electric transmission services and facilities at advantageous pricing and terms for its Members and contractual participants. TRANSCO has entered in a "Transmission Financing and Services Agreement" (the "TFSA") with CMEEC, among other agreements between the two entities, whereby TRANSCO provides electric transmission services to CMEEC, which CMEEC then provides to its members and contractual participants. TRANSCO has entered into an agreement with Eversource to acquire certain electric transmission facilities located in the Town of Wallingford, Connecticut (the "Transmission Acquisition"). The participants in the Transmission Acquisition include the CMEEC Members and Bozrah (the "Transmission Participants"). The Transmission Acquisition has been permanently financed by debt issued by CMEEC and TRANSCO supported by the security provisions of agreements between the Transmission Participants and CMEEC that establish the arrangements for the receipt of transmission services from CMEEC (supplied to CMEEC by TRANSCO through the TFSA), the support of the permanent financing costs of the Transmission Acquisition, the satisfaction of the other security requirements of such permanent financing and the flowing of the benefits of participation in the Transmission Acquisition back to the Project's participants, including NPU. These agreements are referred to as the General Transmission Services Agreements ("GTSA"). The terms of the GTSAs have security provisions similar to those of the MPSCs. The GTSAs are structured to authorize the acquisition of additional transmission facilities.

The foregoing discussion of the GTSA is intended to be a summary of such contract and is qualified in its entirety by reference to the contracts themselves, which may be obtained from the City.

#### *Solid Waste*

The City has entered into the Municipal Solid Waste Management Services Contract, as amended (the "Service Contract") with the Southeastern Connecticut Regional Resources Recovery Authority (the "SCRRA", or the "Authority") pursuant to which it participates with ten other central Connecticut municipalities (the eleven constituting the "Contracting Municipalities"), in the Southeastern Connecticut System (the "System"). The System consists of a mass-burn solid waste disposal and electric generation facility operated by American REF-FUEL Company of Southeastern Connecticut (the "Company") and located in the Town of Preston (the "Facility") and various improvements and facilities related thereto, including landfills. Under the Service Contract, the City is required to deliver or cause to be delivered to the System solid waste generated within its boundaries and to pay a uniform per ton Disposal Service Payment (the "Service Payment") for such solid waste. The current fee is \$85 per ton paid by user fees and property taxes. The Service Payment applicable in any contract year is calculated by estimating the Net Cost of Operation, which is the Cost of Operation less Revenues other than Service Payments, as such items are defined in the Service Contract. The sum of all Service Payments and other payments from the Contracting Municipalities are required to be sufficient to pay or provide for the Net Cost of Operations. Service Payments shall be payable so long as the System is accepting solid waste delivered by or on behalf of the City, whether or not such solid waste is processed at the Facility. The City's obligation to pay the Service Payment, so long as the Authority is accepting the City's solid waste, is absolute and unconditional, is not subject to any set-off, counterclaim, recoupment, defense (other than payment itself) or other rights which the City may have against the SCRRA or any person for any reason whatsoever, and shall not be affected by any defect in title, design, fitness for use, loss or destruction of the System. The City has pledged its full faith and credit to the payment of Service Payments and has also agreed to enforce or levy and collect all taxes, cost-sharing, or other assessments or charges and take all such other action as may be necessary to provide for the payment of the Service Payments.

### *Economic Development Activity*

The City pursues economic and physical stabilization and revitalization. The City has maintained the quality of services to its citizens while having the 17th lowest per capita tax burdens in the State at \$2,158 for fiscal year 2022.

The Mayor is responsible and accountable for economic development. The overriding goal for the City is to increase its grand list through activities which enhance community life, attract newcomers to the City, reduce reliance on government agencies, and attract economic development investment from the State of Connecticut. Objectives identified to achieve this goal include revitalizing downtown, adaptively reusing existing structures, increasing availability of viable commercial and industrial properties, maintaining the existing infrastructure and attracting new educational institutions into the City.

The City's economic development activities are assisted by Norwich Community Development Corporation (NCDC), a private not-for-profit corporation established in 1964 to improve the economic well-being of the City. The Mayor works closely with NCDC as an independent non-profit that is neither directly nor indirectly controlled by the City or any other governmental entity, but by Norwich City Council resolution, is the economic development arm of the City. Many activities are underway which support these objectives and will move the community toward the City's primary economic development goals.

The City along with NCDC have been awarded a Bronze Certification by the Connecticut Economic Development Association (CEDAS) for effective and efficient land use planning and economic development policies and procedures and NCDC was recognized as the CEDAS Economic Development Agency of the Year for 2025. These acknowledgements point to the growth and change manifest in the business development and infrastructure rehabilitation currently occurring in the City. Significant revitalization of infrastructure and small business assistance has boosted our local economy which (according to data published by CT DOL on September 4, 2024) has experienced the greatest post-pandemic growth in the Connecticut Town Economic Indicator of any town or city in the state with a population of over 20,000.

### *Commercial/ Industrial Activity*

#### Business Park North (Occum Industrial Center)

NCDC acquired 384 acres in the Occum section of Norwich in December 2022 for \$3.55 million to be used as a second business park, just north of the existing Stanley Israelite Business Park. The current industrial park hovers at 90% occupied. NCDC was awarded \$11.9 million in State grants in March 2023 to help build out road and utility infrastructure to enable development of the park. Since that time, an approved subdivision has been filed with the City and marketing of parcels is underway, with five current active negotiations including one pending Purchase and Sales agreement for nearly 50% of the available land. Additionally, the road and utility work is on track to commence by the end of 2025. NCDC estimates that at full build-out Occum Industrial Park will attract \$300 million of private investment, more than 1,000 employment opportunities, and nearly \$7 million in net public benefit from personal property taxes, real estate taxes and utility revenues to the City.

#### Marina

Patten Marina Holdings acquired the lease for the downtown marina in October 2023. Since the acquisition, Patten has invested nearly \$300,000 into renovations in addition to over \$1,000,000 that the City was awarded in State and Federal funding for this public-private partnership. As a result, the marina has seen: (1) a reopened onsite restaurant (which has experienced over 40% revenue growth), (2) the demolition and removal of toxic blight from vacant structures, and (3) the reinstallation of an on-site fuel solution for boaters, missing for over a decade. As a result of this progress, in their first two years, marina slip occupancy is up 200%. Over the next three years, significant public-private investment will continue to enhance this strategic municipal asset increasing downtown visitation by local and regional tourists and boaters..

## Crossings at 345

Mattern Construction was selected by RFP to be the developer/owner of the former YMCA building downtown. The City was awarded a \$2 million Connecticut Community Communities Challenge Grant to assist with the redevelopment of the YMCA property from the DECD in April of 2022. The City also received grant and loan assistance from the Capital Region Council of Governments and for brownfield remediation funding. The brownfield remediation was completed in September 2024 and Mattern anticipates completing the rehabilitation and construction of the space in early 2026 with the relocation of Mattern's headquarters into the former YMCA building, as well as, the creation of eight residential units.

## 85 Main Street

In March 2020, the developer received approval from the Commission on the City Plan to renovate a historic contributing building located in the Downtown Norwich National Historic District to include 42 residential units and 10,288-square-foot of commercial tenant space. The City Council approved ARPA funds managed by NCDC which will allow for a \$400,000 loan and a \$400,000 grant to be provided to the owners to make code corrections as part of an \$8.8 million renovation to the property. The developer commenced construction in September 2022, certificates of occupancy for the residential units were issued in February 2025, and residential occupancy is 98%. Two first floor spaces for food service use are under design.

## Thames Plaza

Spectra Construction and Development purchased a former downtown bank and office building and development is underway to convert this 30,000 square foot building on the downtown waterfront into 61 apartments by the end of 2026 at an estimated cost of \$4,750,000.

## Norwich Revitalization Program

The Norwich Revitalization Program is a \$3.5 million American Rescue Plan Act ("ARPA") funded small business effort to rehabilitate unused, vacant space to expand and attract new business and rehabilitate occupied space by funding code corrections and building envelope repair to retain business. As a result, 19 small businesses, more than half of which are MBWE owned-operated, have been retained, attracted, expanded or developed. This effort has secured 116 jobs and revitalized or reactivated 90,528 square feet of previously blighted or unused retail space. This program created an overall investment of \$5,388,745 in the community with \$3,521,766 in private funding being matched by \$1,866,979 in public ARPA funds for an overall public investment of \$20/sq ft in the rehabilitated space and \$16,000 per job created in the Norwich economy.

## Former Hale Mill Property

In June 2018, a New York development firm purchased the 10-acre Hale Mill property in the Yantic section of Norwich for \$826,000. The new owner is a \$34 million destination-themed, Hilton Tapestry branded 151-room hotel operation with a restaurant, banquet space, and a pool in the 1864 former textile mill. The City Council approved a tax abatement ordinance and approved up to \$400,000 in ARPA funding towards the project. The developers began construction in August 2022 and expect to complete the project by August 2026.

## Cannabis Cultivation and Retail

The City was identified as a Disproportionately Impacted Area. As such, two cannabis cultivators, one micro-cultivator, one food & beverage manufacturer, and two retail operators have chosen to locate in the City. Each is a multi-state cannabis cultivation operator and, in the aggregate, will bring nearly 250,000 square-foot of plant manufacturing to the City which represents over 150 new jobs and significant utility usage. The indoor grow operators are locating in the former Mr. Big's department store on Eighth Street in Greeneville, a former manufacturing facility on Forest Drive, and in the future, on a former driving range. Each will require approximately \$20 million investment to reach full operational capability. As for cannabis retail sales, Zen Leaf opened its retail operation in July 2023 and Rejoice Dispensary opened in May 2025. Retail operations are subject to a 3% municipal tax on gross receipts, resulting in approximately \$130,000 a year in revenue to the City.

## 201 Main Street

Heritage Properties, the owners of the Wauregan Hotel, purchased the former Reid & Hughes department store property and invested approximately \$5.5 million to convert it into 17 apartments and first-floor retail space. Current occupancy of the Wauregan is 100% and demand for downtown space is on the rise. NCDC was awarded \$550,000 in brownfield remediation grant funds through the Connecticut Community Investment Fund 2030, and the City used \$300,000 of ARPA funds to assist with this project. Heritage Properties celebrated a ribbon-cutting in July 2025 and expects that the apartments and retail spaces to be filled by the end of 2025 with current occupancy at 50% within one month of opening.

## *Regional Activity*

### Electric Boat

General Dynamics Electric Boat (EB) is the region's largest employer and the nation's largest manufacturer of submarines, servicing the U.S. Navy. EB has sourced contracts that will maintain their production facilities and personnel needs for decades. A component of this work involves a new class of submarine, the Columbia class, for which a new production facility is needed. General Dynamics Electric Boat currently has a workforce of more than 19,500 employees at its three primary locations in Groton and New London, Connecticut, and Quonset Point, Rhode Island and expects to hire 5,000 employees per year for the next several years to meet the demands of its contracts.

The Columbia class program includes 12 ballistic missile submarines to replace the Navy's 14 aging Ohio-class submarines. EB was awarded a \$9.47 billion contract in November 2020 for the first two Columbia class submarines. The first submarine is scheduled for delivery to the Navy in 2027, and the second one in 2029.

### Wind Turbine Assembly Facility

The 184-acre New London Pier is being used as a wind turbine assembly facility. The Connecticut Port Authority worked with terminal operator, Gateway Terminal, and Ørsted and Eversource to redevelop State Pier in New London into a state-of-the-art heavy-lift capable port facility which could bring approximately 400 offshore wind-related jobs to the area. The \$310 million project was completed in 2023. The downstream impact on Norwich is demand for new industrial space. Three offshore wind projects commissioned by Connecticut, New York and Rhode Island – a total of approximately 160 turbines, with an output of 1,760 MW (enough to power over 1 million homes) – are scheduled for assembly and delivery from New London. The first of these projects, the South Fork Wind, was fully operational in March 2024. The two larger projects, Revolution Wind and Sunrise Wind, are expected to be completed by the end of 2025.

## *Housing Market*

The City has 18,722 housing units, including single family homes, apartments, duplexes, condominiums, townhouses and mobile homes. Norwich is the largest municipality in Southeastern Connecticut and is located in New London County. According to the Eastern Connecticut Association of Realtors, , during calendar year 2024, 349 single-family homes, 76 multi-family homes, 30 mobile homes and 86 condos sold in Norwich. The median sales price for a single-family home during this period was \$276,500.

As part of the City's investment to stabilize the housing stock, Norwich has committed federal and state resources towards neighborhood preservation. The Office of Community Development uses Federal Housing & Urban Development funds to rehabilitate approximately 24 units of housing each year. These funds address health, safety and code issues impacting properties. In addition to addressing health and safety issues, rehabilitation aids in increasing property values (approximately 13% average increase in values).

The City was awarded a Lead Based Paint Hazard Control/Healthy Homes grant for \$3.1 million in fall of 2024. These funds will further improve owner occupied and investor housing units.

## *State of Connecticut Projects*

### Route 82 Redesign

The State of Connecticut Department of Transportation (CTDOT) proposed a two-phase reconstruction of Route 82 in August 2015. This project was approved by the Norwich City Council which cleared the way for CTDOT to begin preliminary design work. Field surveying and preliminary engineering has been completed. As a result of input from a June 2022 informational meeting, the preliminary design is being reviewed to explore the possibility of fewer roundabouts. Construction may start by 2027. The preliminary design includes the replacement of several traffic signals with roundabouts and the installation of a median divider. The intent of these changes is to reduce accidents and improve the flow of traffic.

### *Major City Initiatives*

#### Road Improvements

The residents of the City passed \$5 million bond referendum items in November 2013, 2017 and 2019 for infrastructure improvements. Voters most recently approved the \$6 million infrastructure bond referendum item on the November 2023 ballot. In addition to bond funding, the City secured a \$2.1 million Local Transportation and Capital Improvement Program grant for the reconstruction of Dunham Street, a 0.75-mile urban collector road connecting West Main Street to West Thames Street. Construction was completed in the summer of 2022. The City received a \$400,000 Connectivity Grant for constructing a modern roundabout at the intersection of Franklin Street and Main Street. This project was completed in October 2021 and has improved traffic flow and pedestrian movement. Recently, the City and the Town of Montville have secured a \$2.1 million grant for the reconstruction of the southern mile of New London Turnpike.

#### Sherman Street, Sunnyside Street, and Pleasant Street Bridge Rehabilitations

The Public Works Department previously secured approximately \$12 million in Federal and state grant money to pursue rehabilitation projects to all four of these bridges. Construction for the replacement of the Sherman Street bridges started in June of 2022. Both bridges were replaced and a 600-foot section of Asylum Street was also reconstructed to allow raising the bridges by 18-inches, making them less prone to flooding. Construction was completed in the summer of 2025.

#### Uncas Leap

Located along a gorge carved out by the Yantic River, Uncas Leap is a natural resource with a cultural legacy. The neighborhood surrounding the falls is also an important part of the City's industrial heritage. City agencies, the Mohegan Tribe, and numerous stakeholder groups have been working together to improve this resource; to protect it and share it with future generations. In 2018, the Uncas Leap Heritage Area was recognized by the American Planning Association as one of five finalists for the People's Choice designation for Great Places in America.

Over the years, the City has received several grants to further the project. DECD and Federal Environmental Protection Agency (EPA) grants awarded to the City assisted with addressing environmental and structural concerns, and master planning to create a unique heritage park. Additionally, the Norwich City Council approved the use of Federal CDBG funds to demolish a blighted and dangerous on-site brick mill building with the concurrence of the State Historic Preservation Office (SHPO). The City purchased 232 Yantic Street and demolished a blighted residential structure to install an eight-space parking lot for the park. SHPO approved deconstruction of the granite mill building allowed for the a future community gathering space within the existing ruin

The Norwich City Council allocated \$2.8 million dollars of ARPA funds towards the continued design and development of the site into a Heritage Park, including amenities proposed within the Master Plan; such as an amphitheater, bathrooms, walkways, viewing platforms, lighting, and accessible parking. Construction started in August of 2023, and the site dedication ceremony and opening occurred in November 2024; creating a regional tourism draw.

American Rescue Plan

In addition to the funding allocated towards the Uncas Leap project and various economic development initiatives, the Norwich City Council has also allocated ARPA funds to several other initiatives such as recreation facilities improvements and social services programs. The City received a total of \$28.8 million of ARPA funds to be spent by 2026.

*School Initiatives*

Programs

Norwich Public Schools is designated as an Alliance School District, fostering partnerships with the Connecticut Department of Education to drive innovative instruction. While Moriarty and Wequonnoc Elementary Schools, as well as Kelly and Global Middle Schools, previously benefited from Magnet funding, this support has ended. Consequently, magnet school transportation and staffing are no longer available; however, many magnet themes continue to be integrated into the curriculum.

All pre-kindergarten classrooms are in five of the seven elementary schools. The Norwich Transition Academy at Case Street School provides a tailored learning program for students aged 18-22, focusing on smooth transitions to adulthood.

NPS launched the Rose City School Program in FY2025. This therapeutic initiative will be staffed by experienced providers to support students with disabilities who face social-emotional and behavioral challenges. This year, we aim to establish two elementary classrooms, with plans to expand to a middle school program next year. Students will benefit from individualized learning, counseling, and inclusive opportunities. We are also accepting out-of-district referrals for this program.

Additionally, all elementary schools within the district offer full-day kindergarten, and every student in Norwich Public Schools enjoys free breakfast and lunch. Each school features an afterschool program, providing students with access to a complimentary dinner.

***Employee Relations and Collective Bargaining  
Municipal Employees***

	<b>2026</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
General Government.....	291.50	299.50	305.50	305.50	273.40
Board of Education.....	727.10	717.10	791.25	845.85	788.20
Public Utilities.....	165.00	157.00	152.00	151.00	150.00
<b>Total.....</b>	<b>1,183.60</b>	<b>1,173.60</b>	<b>1,248.75</b>	<b>1,302.35</b>	<b>1,211.60</b>

Source: Comptroller's Office, City of Norwich

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## Employee Bargaining Groups

<b>General Government Unions</b>	<b>Positions Covered</b>	<b>Current Contract Expiration Date</b>
United Public Service Employees Union, Local 38.....	10.00	6/30/2028
International Association of Fire Fighters, Local 892.....	57.00	6/30/2028
Norwich City Hall Employees Association, Inc., Connecticut Independent Labor Union (CILU), Local #11.....	52.40	6/30/2028
United Public Service Employees Union, Connecticut Organization for Public Safety Division - Police Officers.....	95.50	6/30/2028
United Public Service Employees Union, Connecticut Organization for Public Safety Division - Public Works.....	46.00	6/30/2028
Public Works Supervisors, American Federation of State, County & Municipal Employees (AFSCME), Local 818, Council 4.....	4.00	6/30/2028
Municipal Employees Union "Independent" (MEUI)-Supervisors.....	11.00	6/30/2026
Organized.....	275.90	
Non-Union.....	15.60	
<b>Sub-Total.....</b>	<b>291.50</b>	
<b>Public Utilities</b>		
Supervisory Employees Association , Inc. AFSCME Local 818, Council 4.....	57.00	6/30/2029
International Brotherhood of Electrical Workers Local 457, Norwich Unit.....	103.00	6/30/2029
United Steelworkers of America AFL-CIO-CLC Local No. 9411-02.....	4.00	6/30/2029
Organized.....	164.00	
Non-Union.....	1.00	
<b>Sub-Total.....</b>	<b>165.00</b>	
<b>Board of Education</b>		
Norwich School Administrators Association.....	25.00	6/30/2028
MEUI Local 506, SEIU, AFL-CIO - Custodians.....	29.00	6/30/2026
MEUI Local 506, SEIU, AFL-CIO - Paraeducators.....	173.00	6/30/2027
New England Health Care Employees Union District 1199, SEIU, AFL-CIO.....	14.00	
Administrative Assistants, AFSCME Local 1303-190, Council 4.....	26.00	6/30/2028
Norwich Teachers League.....	364.36	6/30/2029
Organized.....	631.36	
Non-Union.....	95.74	
<b>Sub-Total.....</b>	<b>727.10</b>	
<b>Total.....</b>	<b>1,183.60</b>	

Source: Finance Department, City of Norwich

Connecticut General Statutes sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of an affected municipality may reject the arbitration panel's decision by a two-thirds majority vote. The State and the employee organization must be advised in writing of the reasons for rejection. The State will then appoint a new panel of 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 shall give priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of contracts, in assessing the financial capability of a municipality, there is an irrefutable presumption that a budget reserve of (i) 5% or less with respect to teacher's contracts, and (ii) 15% or less with respect to municipal employees, is not available for payment of the cost of any item subject to arbitration. In the light of the employer's financial capability, the panel shall consider prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

## **Educational System**

### **School Facilities**

<b>School</b>	<b>Grades</b>	<b>Date of Construction</b>	<b>Number of Classrooms</b>	<b>10/1/2025 Enrollment</b>	<b>Rated Capacity</b>
John B Stanton School.....	K-5	1956	25	372	440
John M Moriarty School.....	PreK-5	1975	33	428	620
Samuel Huntington School.....	PreK-5	1928	18	361	450
Thomas W Mahan School.....	PreK-5	1968	17	232	320
Uncas School.....	K-5	1975	18	227	340
Veterans' Memorial School.....	PreK-5	1968	17	267	320
Wequonnoc School.....	K-5	1962	17	190	340
Teachers' Memorial School.....	6-8	1975	30	397	760
Kelly Middle School.....	6-8	1962/2013	47	654	800
Norwich Transition Academy.....	Ages 18-21	1975	5	34	70
<b>Total.....</b>			<b>227</b>	<b>3,162</b>	<b>4,460</b>

*Source: City of Norwich, Board of Education*

Norwich voters approved a \$385 million bond ordinance by referendum in November 2022. The project includes: 1) the consolidation of the school district's seven elementary schools into four new, larger schools on the sites of the former Greenville Elementary, Stanton Elementary, Moriarty Elementary, and Uncas Elementary schools; 2) replacing Teachers' Memorial Middle School; and 3) renovating Huntington Elementary as the new home for the City's adult education program and the Board of Education administrative offices. The targeted project occupancy dates for each project are August 2026 for Stanton, August 2027 for Greenville, Moriarty and Uncas and August 2028 for Teachers' Memorial and Huntington.

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## School Enrollment

### Norwich Students Enrolled In-District

<b>School Year</b>	<b>PreK-5</b>	<b>6-8</b>	<b>Transition Academy (Ages 18-21)</b>	<b>Total</b>
<b><u>Historical</u></b>				
2020-21	2,248	1,075	22	3,345
2021-22	2,149	1,045	31	3,225
2022-23	2,259	1,011	26	3,296
2023-24	2,161	1,054	37	3,252
2024-25	2,135	1,052	35	3,222
2025-26	2,077	1,051	39	3,167

*Note: Norwich Free Academy (NFA) is a privately-endowed high school located in the City and serves as one of the City's designated high schools.*

*Source: Norwich Public Schools.*

### **Projected**

<b><u>Pre K-8</u></b>	
2026-27	3,194
2027-28	3,193
2028-29	3,189
2029-30	3,169
2030-31	3,166
2031-32	3,150
2032-33	3,167
2033-34	3,237
2034-25	3,247

*Source: Norwich Public Schools.*

### Norwich Students Enrolled Out-of-District

<b>School Year</b>	<b>PreK-8</b>	<b>Norwich Free Academy</b>	<b>Other High Schools</b>	<b>Total</b>
<b><u>Historical</u></b>				
2020-21	545	1,452	424	2,421
2021-22	541	1,430	438	2,409
2022-23	504	1,418	470	2,392
2023-24	504	1,432	477	2,413
2024-25	522	1,463	476	2,461
2025-26	506	1,533	434	2,473

*Note: In many cases, Norwich Public Schools (NPS) pays ancillary costs for students who attend out of district such as occupational therapy, transportation, nurses, psychologists, etc.*

*Source: Norwich Public Schools.*

### III. Economic and Demographic Information Population and Density

Year	Actual		
	Population <sup>1</sup>	% Increase	Density <sup>2</sup>
2023 <sup>3</sup>	39,992	-0.3%	1,476
2020	40,125	-0.9%	1,481
2010	40,493	12.1%	1,494
2000	36,117	-3.4%	1,333
1990	37,391	-1.8%	1,380
1980	38,074	-7.9%	1,405
1970	41,333	--	1,525

<sup>1</sup> U.S. Department of Commerce, Bureau of Census.

<sup>2</sup> Per square mile: 27.1 square miles.

<sup>3</sup> U.S. Department of Commerce, Bureau of Census, American Community Survey, 2019-2023.

#### Age Distribution of the Population

Age	City of Norwich		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years .....	2,038	5.1%	181,240	5.0%
5 to 9 years .....	1,919	4.8	195,390	5.4
10 to 14 years .....	2,592	6.5	217,297	6.0
15 to 19 years .....	2,708	6.8	238,145	6.6
20 to 24 years .....	2,653	6.6	233,423	6.5
25 to 34 years .....	5,787	14.5	449,771	12.5
35 to 44 years .....	5,634	14.1	451,461	12.5
45 to 54 years .....	4,312	10.8	462,543	12.9
55 to 59 years .....	2,679	6.7	260,758	7.2
60 to 64 years .....	2,523	6.3	257,548	7.2
65 to 74 years .....	4,481	11.2	376,023	10.4
75 to 84 years .....	1,800	4.5	187,378	5.2
85 years and over .....	866	2.2	87,371	2.4
<b>Total</b> .....	39,992	100.0%	3,598,348	100.0%
Median Age (Years).....	38.8		41.2	

Source: American Community Survey, 2019-2023.

#### Income Distribution

Income	City of Norwich		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	388	4.0%	22,973	2.5%
\$10,000 to \$14,999.....	413	4.3	12,547	1.4
\$15,000 to \$24,999.....	576	5.9	29,893	3.3
\$25,000 to \$34,999.....	420	4.3	35,598	3.9
\$35,000 to \$49,999.....	987	10.2	61,793	6.7
\$50,000 to \$74,999.....	1,568	16.1	108,046	11.8
\$75,000 to \$99,999.....	1,157	11.9	108,216	11.8
\$100,000 to \$149,999.....	2,187	22.5	185,242	20.2
\$150,000 to \$199,999.....	1,061	10.9	128,574	14.0
\$200,000 or more.....	955	9.8	224,258	24.5
<b>Total</b> .....	9,712	100.0%	917,140	100.0%

Source: American Community Survey, 2019-2023.

### Income Levels

	<b>City of Norwich</b>	<b>State of Connecticut</b>
Per Capita Income, 2023.....	\$ 37,057	\$ 54,409
Median Family Income, 2023.....	\$ 86,698	\$ 120,011
Median Household Income, 2023.....	\$ 64,185	\$ 93,760

*Source: American Community Survey, 2019-2023.*

### Educational Attainment Persons 25 Years and Older

	<b>City of Norwich</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 9th grade.....	1,349	4.8%	101,530	4.0%
9th to 12th grade.....	2,093	7.5	118,019	4.7
High School graduate.....	9,691	34.5	647,094	25.5
Some college, no degree.....	6,351	22.6	410,591	16.2
Associate's degree .....	2,250	8.0	193,216	7.6
Bachelor's degree.....	3,786	13.5	581,935	23.0
Graduate or professional degree.....	2,562	9.1	480,468	19.0
<b>Total.....</b>	<b>28,082</b>	<b>100.0%</b>	<b>2,532,853</b>	<b>100.0%</b>
Total high school graduate or higher (%)...	87.7%		91.3%	
Total bachelor's degree or higher (%).....	22.6%		41.9%	

*Source: American Community Survey, 2019-2023.*

### Employment by Industry

<b>Sector</b>	<b>City of Norwich</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Agriculture, forestry, fishing/hunting & mining ..	51	0.3%	7,261	0.4%
Construction .....	987	5.2	112,821	6.1
Manufacturing .....	2,146	11.2	195,355	10.6
Wholesale trade .....	251	1.3	37,294	2.0
Retail trade .....	1,899	9.9	192,535	10.5
Transportation and warehousing, and utilities ....	971	5.1	84,571	4.6
Information .....	230	1.2	36,631	2.0
Finance, insurance, real estate, rental & leasing ..	659	3.4	162,724	8.9
Professional, scientific, management, administrative, and waste mgmt services .....	1,682	8.8	223,982	12.2
Education, health and social services .....	4,411	23.0	490,839	26.7
Arts, entertainment, recreation, accommodation and food services .....	4,519	23.6	145,445	7.9
Other services (except public administration) .....	810	4.2	78,662	4.3
Public Administration .....	525	2.7	67,335	3.7
<b>Total Labor Force, Employed .....</b>	<b>19,141</b>	<b>100.0%</b>	<b>1,835,455</b>	<b>100.0%</b>

*Source: American Community Survey, 2019-2023.*

**Employment Data  
By Place of Residence**

<b>Period</b>	<b>Percentage Unemployed</b>				
	<b>City of Norwich</b>		<b>Norwich -</b>		
	<b>Employed</b>	<b>Unemployed</b>	<b>City of Norwich</b>	<b>New London Labor Market</b>	<b>State of Connecticut</b>
August 2025	19,473	825	4.1	3.7	3.8
<b>Annual Average</b>					
2024 .....	18,846	795	4.1	3.5	3.5
2023 .....	18,744	832	4.3	3.6	3.7
2022 .....	18,297	968	5.0	4.4	4.1
2021 .....	16,920	1,751	9.4	7.2	6.6
2020 .....	17,782	2,573	6.3	9.2	7.3
2019 .....	19,513	826	4.1	3.6	3.7
2018 .....	19,415	913	4.5	4.0	4.1
2017 .....	19,039	1,288	6.3	5.4	5.3
2016 .....	18,889	1,472	7.2	5.9	5.6
2015 .....	18,869	1,697	8.3	6.9	6.7

*Note: Not seasonally adjusted.*

*Source: State of Connecticut, Department of Labor.*

**Major Employers**

<b>Name</b>	<b>Business</b>	<b>Number of Employees</b>
William W. Backus Hospital.....	Medical Center	1,895
City of Norwich (incl. NPU & BOE).....	Municipality	1,184
State of Connecticut.....	All State Agencies	944
U.S. Food Service.....	Food Distribution	300
United Community & Family Services.....	Healthcare & Community Services	276
Nordson EFD.....	Plastics Products Manufacturing	270
Bob's Discount Furniture.....	Distribution Center	250
Norwich Free Academy.....	Quasi-Private High School	245
The American Group.....	Ambulance Service and Other Operations	219
Shop Rite.....	Grocery	180

*Source: July 2023 Survey conducted by the Norwich Community Development Corporation (NCDC). Not all companies responded with updated information.*

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### Building Permits

Calendar Year Ended	Residential		Commercial		Industrial		Municipal/ Other		Total	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
2025 <sup>1</sup>	1,736	\$ 33,448,144	304	\$ 25,088,709	10	\$ 1,428,459	34	\$ 110,168,630	2,084	\$ 170,133,942
2024	1,990	32,007,786	382	42,248,397	8	2,809,408	41	9,283,945	2,421	86,349,536
2023	1,895	23,985,461	344	22,035,430	9	387,572	16	49,185,949	2,264	95,594,412
2022	1,752	35,555,029	286	42,883,341	9	2,240,765	23	1,446,368	2,070	82,125,503
2021	1,430	22,253,070	259	38,844,304	7	318,695	25	540,421	1,721	61,956,490
2020	1,261	18,463,298	220	18,348,498	4	305,000	32	911,547	1,517	38,028,343
2019	1,376	15,635,636	280	11,615,593	1	1,500	22	2,665,098	1,679	29,917,827
2018	1,143	30,510,842	223	7,430,740	-	-	17	2,714,393	1,383	40,655,975
2017	1,160	29,829,229	232	10,004,902	1	25,922	-	-	1,393	39,860,053
2016	1,212	11,695,513	275	12,934,143	-	-	-	-	1,487	24,629,656

<sup>1</sup> As of October 31, 2025

Source: Building Official, City of Norwich

### Age Distribution of Housing

Year Built	City of Norwich		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	7,322	38.1%	313,434	20.4%
1940 to 1969.....	4,778	24.9	516,528	33.6
1970 to 1979.....	2,036	10.6	210,611	13.7
1980 to 1989.....	2,204	11.5	197,533	12.9
1990 to 1999.....	963	5.0	116,617	7.6
2000 or 2009.....	1,237	6.4	108,430	7.1
2010 or later.....	674	3.5	72,896	4.7
<b>Total Housing Units.....</b>	<b>19,214</b>	<b>100.0%</b>	<b>1,536,049</b>	<b>100.0%</b>

Percent Owner Occupied ..... 54.0% 66.2%

Source: American Community Survey, 2019-2023.

### Housing Inventory

Type	City of Norwich		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	8,366	43.9%	901,187	58.7%
1-unit, attached.....	1,096	5.8	95,202	6.2
2 units.....	2,468	13.0	118,295	7.7
3 or 4 units.....	2,322	12.2	126,755	8.3
5 to 9 units.....	1,623	8.5	76,750	5.0
10 to 19 units.....	948	5.0	55,290	3.6
20 or more units.....	1,700	8.9	150,986	9.8
Mobile home.....	534	2.8	10,967	0.7
Boat, RV, van, etc.....	-	-	617	0.0
<b>Total Inventory.....</b>	<b>19,057</b>	<b>100.0%</b>	<b>1,536,049</b>	<b>100.0%</b>

Source: American Community Survey, 2019-2023.

## Owner-Occupied Housing Values

<b>Specified Owner-Occupied Units</b>	<b>City of Norwich</b>		<b>State of Connecticut</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000.....	538	5.9%	22,174	2.4%
\$50,000 to \$99,999.....	382	4.2	15,116	1.6
\$100,000 to \$149,999.....	916	10.1	38,832	4.1
\$150,000 to \$199,999.....	1,539	16.9	77,152	8.2
\$200,000 to \$299,999.....	3,861	42.4	233,824	24.9
\$300,000 to \$499,999.....	1,470	16.2	319,703	34.0
\$500,000 to \$999,999.....	333	3.7	173,643	18.5
\$1,000,000 or more.....	63	0.7	59,468	6.3
<b>Total.....</b>	<b>9,102</b>	<b>100.0%</b>	<b>939,912</b>	<b>100.0%</b>
<b>Median Sales Price.....</b>	<b>\$231,300</b>		<b>\$343,200</b>	

*Source: American Community Survey, 2019-2023.*

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## **IV. Tax Base Data**

### **Property Tax Assessments**

The City revalued all real property as of October 1, 2023 and will revalue all real property every five years thereafter. The maintenance of an accurate tax base and the location and appraisal of all real and personal property within the City for inclusion in the Grand List are the responsibilities of the Assessor. The Grand List represents the total of assessed value for all taxable real property, motor vehicles and personal property located within the City as of October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments are computed at seventy percent (70%) of market value at the time of the last completed revaluation (Grand List 10/1/23). The next revaluation is expected to take place for the October 1, 2028 Grand List.

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

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

Section 12-71e(a) of the Connecticut General Statutes (the "General Statutes") has been amended whereby the mill rate for motor vehicles shall not exceed 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. Section 12-71e(b) of the Connecticut General Statutes has been amended to state that no district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town, city, consolidated town and city or consolidated town and borough in which such district or borough is located would result in a combined motor vehicle mill rate above 32.46 mills for the assessment year commencing October 1, 2021, and each assessment year thereafter. The City's mill rate for motor vehicles for the assessment year commencing October 1, 2024 (the Fiscal Year June 30, 2026) is 32.46 mills. Section 4-661 of the General Statutes, as amended, diverts a portion of State collected sales tax revenue to provide funding to municipalities to mitigate the revenue loss attributed to the motor vehicle property tax cap.

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

Section 12-124a of the 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. The City has approved the use of this abatement provision.

## Comparative Assessed Valuations

Grand List of 10/1	Residential	Commercial/ Industrial	Personal Property (%)	Motor Vehicle (%)	Gross Taxable Grand List	Less Exemption	Net Taxable Grand List	Percent Growth
	Real Property (%)	Real Property (%)						
2024 <sup>2</sup>	65.5	16.7	10.0	7.8	\$ 3,012,202,198	\$ 100,386,523	\$ 2,911,815,675	0.01
2023 <sup>1</sup>	66.1	16.5	10.4	7.0	3,003,035,206	91,384,785	2,911,650,421	34.08
2022	56.0	19.9	9.7	14.4	2,257,250,606	85,607,239	2,171,643,367	2.09
2021	56.9	20.0	9.4	13.7	2,214,442,184	87,243,992	2,127,198,192	2.25
2020	57.4	20.7	10.0	11.9	2,154,617,561	74,137,706	2,080,479,855	1.68
2019	58.1	21.0	9.9	11.0	2,120,703,696	74,657,458	2,046,046,238	0.94
2018 <sup>1</sup>	58.1	21.1	9.9	10.9	2,103,314,513	76,226,356	2,027,088,157	6.49
2017	58.8	19.2	10.5	11.5	1,987,348,631	83,784,876	1,903,563,755	2.32
2016	60.9	18.7	8.4	12.0	1,898,351,937	37,976,340	1,860,375,597	0.77
2015	61.3	18.7	7.8	12.1	1,880,417,583	34,214,957	1,846,202,626	1.10

<sup>1</sup> Revaluation.

<sup>2</sup> Estimated supplemental motor vehicles and exemptions.

Source: City of Norwich Assessor's Office

## Property Tax Levies and Collections

Collected within the Fiscal Year of the Levy								Total Collections to Date <sup>2</sup>	
Fiscal Grand List of 10/1	Year Ending 6/30	Net Taxable Grand List	Adjusted Tax Levy for Fiscal Year	Mill Rate <sup>1</sup>	Amount	Percentage	Collected in Subsequent Years	Amount	Percentage
<u>General Fund</u>									
2024 <sup>4</sup>	2026	\$ 2,911,815,675	\$ 99,477,830	34.51 / 32.16	\$ 55,123,473	55.4%	N/A	<u>In Collection</u>	
2023 <sup>1</sup>	2025	2,911,650,421	95,298,306	32.99 / 32.20	92,907,605	97.5%	\$ 527,481	\$ 93,435,086	98.0%
2022	2024	2,171,643,367	87,073,457	41.85 / 32.09	84,638,940	97.2%	1,566,151	86,205,090	99.0%
2021	2023	2,127,198,192	85,361,319	41.83 / 32.46	82,943,467	97.2%	1,962,340	84,905,807	99.5%
2020	2022	2,080,479,855	86,329,381	41.98	83,698,370	97.0%	2,607,904	86,306,274	100.0%
2019	2021	2,046,046,238	85,139,496	42.06	82,919,221	97.4%	2,198,076	85,117,297	100.0%
<u>City Consolidation District (CCD) Fire Tax</u>									
2024 <sup>4</sup>	2026	\$ 1,022,660,136	\$ 5,465,801	5.96 / 0.30	\$ 2,836,006	51.9%	N/A	<u>In Collection</u>	
2023 <sup>1</sup>	2025	1,018,862,709	4,731,265	5.21 / 0.26	4,666,380	98.6%	\$ 15,705	\$ 4,682,086	99.0%
2022	2024	727,156,168	4,153,278	6.79 / 0.37	4,074,087	98.1%	67,344	4,141,431	99.7%
2021	2023	704,747,210	3,938,430	6.65 / 0.00	3,848,066	97.7%	87,740	3,935,806	99.9%
2020	2022	678,498,247	4,163,347	6.66 / 3.02	4,006,565	96.2%	154,756	4,161,321	100.0%
2019	2021	660,965,123	3,884,751	6.41 / 2.94	3,766,214	96.9%	116,567	3,882,781	99.9%
<u>Town Consolidation District (TCD) Volunteer Fire Relief Tax</u>									
2024 <sup>4</sup>	2026	\$ 1,889,155,539	\$ 566,773	0.30	\$ 325,419	57.4%	N/A	<u>In Collection</u>	
2023 <sup>1</sup>	2025	1,892,215,768	491,561	0.26	482,141	98.1%	\$ 2,577	\$ 484,718	98.6%
2022	2024	1,444,487,199	532,370	0.37	520,575	97.8%	7,087	527,662	99.1%
2021	2023	1,422,450,982	432,141	0.35 / 0.00	426,420	98.7%	4,007	430,427	99.6%
2020	2022	1,401,981,608	514,514	0.37	512,026	99.5%	2,397	514,424	100.0%
2019	2021	1,385,081,115	435,047	0.32	428,054	98.4%	6,910	434,964	100.0%

<sup>1</sup> Revaluation.

<sup>2</sup> As of October 31, 2025

<sup>3</sup> The higher mill rate is for real estate and commercial personal property and the lower mill rate is for motor vehicles.

<sup>4</sup> Grand List and Tax Levy includes estimates for Supplemental Motor Vehicles.

Sources: City of Norwich Tax Office

### Property Tax Receivable

<b>Fiscal Year Ending 6/30</b>	<b>Total Uncollected</b>	<b>Uncollected for Current Year of Levy</b>
2025 <sup>1</sup>	\$4,042,000	\$2,391,000
2024	4,517,000	2,435,000
2023	4,886,000	2,418,000
2022	4,739,000	2,631,011
2021	4,331,000	2,328,000
2020	4,283,000	2,381,000
2019	3,521,000	2,274,000
2018	4,168,000	2,350,000
2017	3,526,000	2,256,000
2016	4,008,000	2,394,000

<sup>1</sup> Subject to audit.

Source: Tax Collector's Report, City's Annual Audited Financial Statements, 2016-2024. 2025 from Finance Department

### Ten Largest Taxpayers

<b>Name</b>	<b>Nature of Business</b>	<b>Taxable Valuation</b>	<b>Percent of Net Taxable Grand List <sup>1</sup></b>
Computer Science Corporation.....	Computer Products & Services	\$ 26,368,020	0.91%
Connecticut Light & Power.....	Energy	23,413,700	0.80%
NorwichTown Commons.....	Shopping Center	20,393,860	0.70%
Bob's Discount Furniture.....	Distribution Center	16,259,050	0.56%
Hills LLC.....	Apartment Complex	14,291,080	0.49%
Elk Thamesview LLC.....	Apartment Complex	13,521,630	0.46%
US Foods.....	Food Distribution	11,781,120	0.40%
Norwich Realty Associates, LLC.....	Real Estate	11,244,360	0.39%
Plaza Enterprises.....	Shopping Center	11,156,470	0.38%
Rose Hill Estate LLC.....	Apartment Complex	10,341,600	0.36%
<b>Total.....</b>		<b>\$ 158,770,890</b>	<b>5.45%</b>

<sup>1</sup> Based on the October 1, 2024 Net Taxable Grand List of \$2,911,815,675.

Source: City of Norwich Assessor's Office

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**V. Debt Summary**  
**Principal Amount of Bonded Indebtedness <sup>1</sup>**  
**(Pro-Forma)**

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Amount of Original Issue</u>	<u>Outstanding</u>	<u>Fiscal Year of Final Maturity</u>
<b><u>Long-Term GO Debt (as of June 30, 2025)</u></b>					
03/03/15	General Purpose, Series A.....	3.00 - 4.00	\$ 5,600,000	\$ 2,500,000	2034
03/01/16	General Purpose, Series A.....	2.00 - 3.00	6,300,000	3,030,000	2035
03/01/16	Taxable Bonds, Series B.....	2.00 - 3.00	2,500,000	250,000	2025
03/10/17	General Purpose, Series A.....	3.00 - 4.00	7,275,000	5,475,000	2037
03/10/17	Taxable Bonds, Series B.....	1.00 - 3.90	1,000,000	600,000	2037
12/06/18	General Purpose.....	3.00 - 5.00	7,425,000	5,460,000	2039
12/06/18	Urban Renewal.....	3.00 - 5.00	545,000	420,000	2039
12/05/19	General Purpose.....	2.00 - 5.00	3,430,000	2,718,000	2040
12/05/19	Urban Renewal.....	2.00 - 5.00	145,000	117,000	2040
10/28/20	General Purpose, Series A.....	2.00 - 3.00	740,000	592,000	2041
10/28/20	Urban Renewal, Series A.....	2.00 - 3.00	465,000	368,000	2041
10/28/20	Refunding Bonds, Series C.....	0.39 - 2.17	15,920,000	9,370,000	2034
02/25/22	Pension Bonds.....	1.348 - 3.641	145,000,000	132,095,000	2047
12/29/22	General Purpose.....	4.00 - 5.00	9,200,000	8,280,000	2043
12/14/23	General Purpose.....	4.00	5,000,000	4,750,000	2044
12/17/24	General Purpose.....	3.125 - 4.00	10,600,000	10,600,000	2050
	<b>Sub-Total.....</b>		<b>\$ 221,145,000</b>	<b>\$ 186,625,000</b>	
<b><u>This Issue</u></b>					
12/17/25	General Purpose.....	4.00 - 5.00	\$ 19,000,000	\$ 19,000,000	2056
	<b>Sub-Total.....</b>		<b>19,000,000</b>	<b>19,000,000</b>	
	<b>Total G.O. Bonds.....</b>		<b>\$ 240,145,000</b>	<b>\$ 205,625,000</b>	
<b><u>Sewer - Revenue Secured Only (as of June 30, 2025)</u></b>					
12/31/12	CWF 625-D (Treatment Plant Design).....	2.00	\$ 1,864,518	\$ 682,953	2032
07/01/13	CWF 495-C (Digester).....	2.00	5,747,554	2,256,168	2032
05/30/15	CWF 625-D-1 (Treatment Plant Design).....	2.00	2,510,422	1,029,879	2031
02/26/21	CWF 707-PD.....	2.00	1,655,000	1,289,521	2041
10/31/23	CWF 743-D.....	2.00	2,060,549	1,854,494	2043
03/31/25	CWF 743-C.....	2.00	29,223,951	28,858,651	2045
	<b>Sub-Total.....</b>		<b>\$ 43,061,994</b>	<b>\$ 35,971,666</b>	
<b><u>Water - Revenue Secured Only (as of June 30, 2025)</u></b>					
06/30/09	Clean Water Act 200801-C - Water.....	2.27	\$ 450,000	\$ 88,125	2029
12/31/10	DWSRF 2010-8005.....	2.06	144,728	32,564	2030
12/31/10	DWSRF 2010-8006.....	2.06	326,250	81,562	2030
04/30/14	Deep River Reservoir Pump / Drive DWSRF 2011-7005.....	2.00	160,284	63,536	2032
04/30/14	Deep River Reservoir Transmission Line / DWSRF 2011-7006.....	2.00	147,989	56,181	2032
06/30/15	DWSRF 2014-7027 Replacement of Stony Brook Contact Clarifier, Mohegan Park Tank, and North and South Transmission Mains.....	2.00	505,762	240,237	2034
05/31/16	DWSRF 2014-7036 Deep River Reservoir Pump, Drive, Tank, Transmission Line.....	2.00	4,051,579	2,110,197	2035
10/12/16	DWSRF 2015-7037 Royal Oaks and Plain Hill Water and Gas System.....	2.00	1,528,016	785,230	2034
02/28/19	DWSRF 2017-7056 Mohegan Park Tank Const.....	2.00	2,695,094	1,774,270	2034
02/26/21	DWSRF 2019-7069-2 Occum Water Storage Tank.....	2.00	2,477,090	1,857,818	2040
08/30/19	DWSRF 2019-7072 AMI Water Meter Replacement...	2.00	1,582,335	1,081,262	2039
11/30/20	DWSRF 2019-7081 Sprague Emergency Interconnection & Stony Brook Transmission Main Rehab Project.....	2.00	2,413,669	1,810,252	2040
09/30/22	DWSRF 2019-7077-2 Stony Brook DAF.....	2.00	5,824,202	4,860,060	2042
03/31/23	DWSRF 2022-7104 Countryside Drive Association Water System Consolidation.....	2.00	130,976	112,967	2043
05/30/25	DWSRF 2024-7130 Caribou Drive and Lawler Lane water main replacement.....	2.00	676,702	676,702	2045
	<b>Sub-Total.....</b>		<b>\$ 23,114,676</b>	<b>\$ 15,630,963</b>	
	<b>Total Revenue Bonds.....</b>		<b>\$ 66,176,670</b>	<b>\$ 51,602,629</b>	

<sup>1</sup> Excludes outstanding Notes, long-term capital leases, and Refunded Bonds.

**Short-Term Debt  
As of December 17, 2025  
(Pro-Forma)**

As of December 17, 2025, the City has no outstanding short-term debt.

**Annual Bonded Debt Maturity Schedule <sup>1</sup>  
As of December 17, 2025  
(Pro-Forma)**

Fiscal Year Ended	Principal	Interest	Total	This Issue:			Total	Cumulative Principal Retired
				Gen. Purpose	Schools	Total		
2026	\$ 9,090,000	\$ 6,029,891	\$ 15,119,891	\$ -	\$ -	\$ -	\$ 9,090,000	4.4%
2027	8,840,000	5,733,821	14,573,821	40,000	610,000	650,000	9,490,000	9.0%
2028	8,915,000	5,490,701	14,405,701	40,000	610,000	650,000	9,565,000	13.7%
2029	9,010,000	5,239,790	14,249,790	40,000	610,000	650,000	9,660,000	18.4%
2030	9,115,000	4,985,905	14,100,905	40,000	610,000	650,000	9,765,000	23.1%
2031	8,660,000	4,733,876	13,393,876	40,000	610,000	650,000	9,310,000	27.7%
2032	8,750,000	4,479,201	13,229,201	40,000	610,000	650,000	9,400,000	32.2%
2033	8,375,000	4,218,946	12,593,946	40,000	610,000	650,000	9,025,000	36.6%
2034	8,520,000	3,957,252	12,477,252	40,000	610,000	650,000	9,170,000	41.1%
2035	8,085,000	3,694,159	11,779,159	40,000	610,000	650,000	8,735,000	45.3%
2036	8,010,000	3,428,980	11,438,980	40,000	610,000	650,000	8,660,000	49.5%
2037	7,950,000	3,161,052	11,111,052	40,000	605,000	645,000	8,595,000	53.7%
2038	7,880,000	2,886,366	10,766,366	40,000	605,000	645,000	8,525,000	57.9%
2039	8,100,000	2,600,895	10,700,895	40,000	605,000	645,000	8,745,000	62.1%
2040	7,910,000	2,313,954	10,223,954	40,000	605,000	645,000	8,555,000	66.3%
2041	7,955,000	2,029,006	9,984,006	40,000	605,000	645,000	8,600,000	70.5%
2042	8,140,000	1,738,549	9,878,549	40,000	605,000	645,000	8,785,000	74.7%
2043	8,395,000	1,436,586	9,831,586	40,000	605,000	645,000	9,040,000	79.1%
2044	8,205,000	1,131,117	9,336,117	40,000	605,000	645,000	8,850,000	83.4%
2045	8,235,000	830,371	9,065,371	40,000	605,000	645,000	8,880,000	87.8%
2046	8,490,000	524,940	9,014,940	40,000	605,000	645,000	9,135,000	92.2%
2047	8,795,000	208,831	9,003,831	-	605,000	605,000	9,400,000	96.8%
2048	400,000	40,000	440,000	-	605,000	605,000	1,005,000	97.3%
2049	400,000	24,000	424,000	-	605,000	605,000	1,005,000	97.7%
2050	400,000	8,000	408,000	-	605,000	605,000	1,005,000	98.2%
2051	-	-	-	-	605,000	605,000	605,000	98.5%
2052	-	-	-	-	605,000	605,000	605,000	98.8%
2053	-	-	-	-	605,000	605,000	605,000	99.1%
2054	-	-	-	-	605,000	605,000	605,000	99.4%
2055	-	-	-	-	605,000	605,000	605,000	99.7%
2056	-	-	-	-	605,000	605,000	605,000	100.0%
<b>Total.....</b>	<b>\$ 186,625,000</b>	<b>\$ 70,926,190</b>	<b>\$ 257,551,190</b>	<b>\$ 800,000</b>	<b>\$ 18,200,000</b>	<b>\$ 19,000,000</b>	<b>\$ 205,625,000</b>	

<sup>1</sup> As of June 30, 2025 and excludes outstanding Notes, long-term capital leases, revenue secured clean and drinking water fund debt and bonds previously refunded.

**Overlapping/Underlying Debt**

As of December 17, 2025, the City does not have any overlapping or underlying debt.

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**Debt Statement**  
**As of December 17, 2025**  
**(Pro-Forma)**

**Long-Term G.O. Debt Outstanding:** <sup>1</sup>

General Purpose (Includes This issue).....	\$ 21,194,615
Schools (Includes This issue).....	40,055,922
Sewers .....	1,351,061
Pension .....	132,095,000
Urban Renewal .....	1,030,000
Gas <sup>2</sup> .....	9,898,402
<b>Total Long-Term Debt</b> .....	<b>221,255,963</b>
<b>Total Short-Term Debt</b> .....	<b>90,110,416</b>
<b>Total Overall Debt</b> .....	<b>311,366,380</b>
Less: Self-Supporting Debt <sup>3</sup> .....	(58,210,204)
<b>Total Overall Net Debt</b> .....	<b>\$ 253,156,176</b>

<sup>1</sup> Excludes capital leases and refunded bonds. Also excludes revenue secured Sewer debt in the amount of \$35,971,667 and Water debt in the amount of \$15,630,963. Outstanding long term bonds are as of June 30, 2025.

<sup>2</sup> While debt issued for gas line purposes is secured by the general obligation of the City, NPU has agreed to pay the City annually an amount equal to the debt service.

<sup>3</sup> Includes Gas Bonds paid by the NPU along with NPU's allocation of the Pension Obligation Bonds.

**Current Debt Ratios**  
**As of December 17, 2025**  
**(Pro-Forma)**

Population (2023) .....	39,992
Net Taxable Grand List (10/1/24) .....	\$ 2,911,815,675
Estimated Full Value .....	\$ 4,159,736,679
Equalized Grand List (10/1/23) <sup>2</sup> .....	\$ 4,090,107,502
Money Income per Capita (2023) <sup>1</sup> .....	\$ 37,057

	<b>Total Overall Debt</b>	<b>Total Overall Net Debt</b>
	<b>\$ 311,366,380</b>	<b>\$ 253,156,176</b>
Per Capita.....	\$7,785.72	\$6,330.17
Ratio to Net Taxable Grand List.....	10.69%	8.69%
Ratio to Estimated Full Value.....	7.49%	6.09%
Ratio to Equalized Grand List.....	7.61%	6.19%
Debt per Capita to Money Income per Capita.....	21.01%	17.08%

<sup>1</sup> U.S. Department of Commerce, Bureau of Census, American Community Survey, 2019-2023.

<sup>2</sup> Office of Policy and Management, State of Connecticut.

## **Bond Authorization**

The City has the power to incur indebtedness by issuing its bonds or notes as authorized by the Connecticut General Statutes subject to statutory debt limitations and the procedural requirements of the City Charter. The issuance of bonds and notes is authorized by the City Council and referenda if the proposed issuance for the project exceeds \$800,000. Revenue secured obligations may be authorized by vote of the City Council. For a detailed description of how the Bonds were authorized, see “Authorization and Purpose” herein.

## **Maturities**

General obligation bonds (serial and term), with the exception of refunding bonds, are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50% or aggregate annual principal and interest payments must be substantially equal. The first installment of any series of bonds shall mature not later than three years from the date of the issue of such series. Pursuant to state law, all bonds issued on or after July 1, 2017, shall be due not later than thirty years from the date of their issuance.

## **Temporary Financing**

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing no later than two years after the original date of issue (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable and the legislative body schedules principal reductions by the end of the third and each subsequent year during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for certain sewer and school projects) of the estimated net project cost (CGS Sec. 7-378a) subject to the exception set forth in C.G.S. Sec. 10. 287f. The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer and school projects, by the amount of time temporary financing has been outstanding.

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

Temporary notes may also be issued for up to 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 issuance of such notes (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment. Temporary notes may be issued in one year maturities for up to 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).

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**Clean Water Fund and Drinking Water State Revolving Programs**

The City of Norwich is a participant in the State of Connecticut's Clean Water Fund and Drinking Water State Revolving Fund Programs (General Statutes Sections 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at a rate of 2% per annum. All participating municipalities receive a grant of 20% and a loan of 80% of total eligible costs (with the exception of combined sewer overflow correction projects which are financed with a 50% grant and a 50% loan).

Loans to a participating municipality are made pursuant to a Project Grant and Project Loan Agreement. Each municipality is obligated to repay only that amount which it draws down for the payment of project costs. Municipalities must permanently finance draws under the Interim Funding Obligations (“IFO”) through the issuance of a Project Loan Obligation (“PLO”).

Amortization of each loan is required to begin one year from the earlier of the project completion date specified in the PLO, or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are payable 1) in equal monthly installments commencing one month after execution of the PLO, or 2) in a single annual installment representing 1/20 of total principal not later than one year from the project completion date specified in the PLO, and thereafter in monthly installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty. Each municipality must deliver to the State an obligation secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

As of December 17, 2025, the City has the following outstanding IFO’s:

<i><b>Project</b></i>	<i><b>Amount</b></i>
CWF 743-C-1: Wastewater Treatment Facility Construction Project.....	\$ 89,121,283
DWSRF 2024-5002-1: Planning of Lead Copper Service Line Replacement Program Project.....	989,133
<b>Total</b> .....	<b>\$ 90,110,416</b>

**Limitation of Indebtedness**

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

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

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

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

**Statement of Statutory Debt Limitation  
As of December 17, 2025  
(Pro Forma)**

**Total Tax Collections** (including interest and lien fees for General Fund and Fire Districts)

Received by the Treasurer for the year ended June 30, 2025 (unaudited) .....	\$ 102,474,817
<b>Base for Debt Limitation Computation</b> .....	<b>\$ 102,474,817</b>

	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Unfunded Pension</b>
<b>Debt Limitation:</b>					
2 1/4 times base.....	\$ 230,568,338	-	-	-	-
4 1/2 times base.....	-	\$ 461,136,676	-	-	-
3 3/4 times base.....	-	-	\$ 384,280,563	-	-
3 1/4 times base.....	-	-	-	\$ 333,043,155	-
3 times base.....	-	-	-	-	\$ 307,424,451
<b>Total Debt Limitation</b> .....	\$ 230,568,338	\$ 461,136,676	\$ 384,280,563	\$ 333,043,155	\$ 307,424,451

**Indebtedness:** <sup>1,2</sup>

Bonds Outstanding.....	\$ 20,394,615	\$ 21,855,922	\$ 37,322,728	\$ 1,030,000	\$ 132,095,000
Bonds – This Issue.....	800,000	18,200,000	-	-	-
Short Term Debt .....	-	-	89,121,283	-	-
Capital Leases.....	-	-	-	-	-
Debt Authorized But Unissued.....	7,281,976	106,800,000	-	-	-
<b>Total Indebtedness</b> .....	28,476,591	146,855,922	126,444,011	1,030,000	132,095,000

Less:

State School Grants Receivable.....	-	-	-	-	-
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<b>Total Net Indebtedness</b> .....	28,476,591	146,855,922	126,444,011	1,030,000	132,095,000
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**DEBT LIMITATION IN EXCESS**

<b>OF OUTSTANDING INDEBTEDNESS...</b>	\$ 202,091,747	\$ 314,280,754	\$ 257,836,552	\$ 332,013,155	\$ 175,329,451
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<sup>1</sup> Gas Line extension bonds outstanding in the amount of \$9,898,402.

<sup>2</sup> Excludes \$15,630,963 of long-term and \$989,113 of short-term self-supporting water debt.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$717,323,718.

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

**Authorized but Unissued Debt  
As of December 17, 2025  
(Pro Forma)**

<b>Project</b>	<b>Total</b>	<b>Bonds</b>	<b>Est. Grants/ Other Sources</b>	<b>This Issue: The Bonds</b>	<b>Authorized but Unissued</b>
	<b>Amount of Authorization</b>	<b>Previously Issued</b>			
Dodd Stadium Capital Improvements (2018)...	\$ 800,000	\$ 450,000	\$ -	\$ -	\$ 350,000
Infrastructure Improvement Program (2019)....	5,000,000	3,526,219	-	-	931,976 <sup>1</sup>
Infrastructure Improvement Program (2023)....	6,000,000	-	-	-	6,000,000
School Building Program (2022).....	385,000,000	20,000,000	240,000,000 <sup>2</sup>	18,200,000	106,800,000
Purchase of Downtown Properties.....	800,000	-	-	800,000	-
<b>Totals.....</b>	<b>\$ 397,600,000</b>	<b>\$ 23,976,219</b>	<b>\$ 240,000,000</b>	<b>\$ 19,000,000</b>	<b>\$ 114,081,976</b>

<sup>1</sup> Amount accounts for a reduction of \$541,805.10 in premium applied to the project.

<sup>2</sup> Estimated full amount. As of November 17, 2025, the City has received \$10,876,944.

**Principal Amount of Outstanding Debt  
Last Five Fiscal Years Ending June 30**

<b>Long-Term Debt</b>	<b>2025<sup>2</sup></b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Government-Type Bonds.....	\$ 186,625,000	\$ 184,750,000	\$ 188,205,000	\$ 187,270,000	\$ 46,395,000
Business-Type Bonds <sup>1</sup> .....	51,602,630	23,934,417	26,108,000	25,816,000	13,432,699
<b>Sub-Total.....</b>	<b>238,227,630</b>	<b>208,684,417</b>	<b>214,313,000</b>	<b>213,086,000</b>	<b>59,827,699</b>
<b>Short-Term Debt</b>					
Bond Anticipation Notes.....	-	-	-	-	-
<b>Grand Total.....</b>	<b>\$ 238,227,630</b>	<b>\$ 208,684,417</b>	<b>\$ 214,313,000</b>	<b>\$ 213,086,000</b>	<b>\$ 59,827,699</b>

<sup>1</sup> Includes golf course bonds, clean water fund loans, and drinking water state revolving fund loans.

<sup>2</sup> Subject to audit.

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

<b>Fiscal Year Ended 6/30</b>	<b>Net Assessed Value (000s)</b>	<b>Net Estimated Full Value<sup>1</sup> (000s)</b>	<b>Net Long-Term Debt<sup>2</sup> (000s)</b>	<b>Ratio of Net Long-Term Debt to</b>		<b>Population<sup>3</sup></b>	<b>Ratio of Net Long-Term Debt per Capita to Income<sup>4</sup> (%)</b>	
				<b>Assessed Value (%)</b>	<b>Estimated Full Value (%)</b>		<b>Net Long-Term Debt per Capita</b>	<b>Per Capita Income (%)</b>
2025 <sup>5</sup>	\$ 2,911,650	\$ 4,159,501	\$ 186,625	6.41%	4.49%	39,992	\$ 4,666.56	12.59%
2024	2,171,643	3,102,348	184,750	8.51%	5.96%	39,992	4,619.67	12.47%
2023	2,127,198	3,038,855	188,205	8.85%	6.19%	39,992	4,706.07	12.70%
2022	2,080,480	2,972,114	187,270	9.00%	6.30%	39,992	4,682.69	12.64%
2021	2,046,046	2,922,923	46,395	2.27%	1.59%	39,992	1,160.11	3.13%

<sup>1</sup> Assessment Ratio, 70%.

<sup>2</sup> Reflects deductions for contractual state school building construction grants receivable over the life of the respective issues. Includes long-term notes payable; does not include outstanding BANs, or authorized but unissued debt.

<sup>3</sup> U.S. Department of Commerce, Bureau of Census, ACS 2019-2023 Estimates.

<sup>4</sup> Money Income per Capita: ACS 2019-2023 Estimates: \$37,057 used for all calculations.

<sup>5</sup> Subject to audit.

Note: Excludes capital leases.

**Ratios of Annual Long-Term General Fund Debt Service Expenditures  
To Total General Fund Expenditures**  
(in thousands)

<b>Fiscal Year Ended 6/30</b>	<b>General Fund Debt Service</b>			<b>General Fund Expenditures <sup>1</sup></b>	<b>Ratio of General Fund Debt Service to Total General Fund Expenditures (%)</b>
	<b>Non-POB</b>	<b>POB</b>	<b>Total</b>		
2026	\$ 5,230	\$ 4,396	\$ 9,626	\$ 176,912	5.44%
2025	4,584	4,402	8,986	165,664	5.42%
2024	4,297	4,395	8,692	172,537	5.04%
2023	3,494	4,397	7,891	160,915	4.90%
2022	3,908	-	3,908	144,748	2.70%
2021	4,062	-	4,062	140,535	2.89%
2020	4,384	-	4,384	137,695	3.18%
2019	4,263	-	4,263	131,761	3.24%
2018	4,469	-	4,469	135,485	3.30%
2017	4,373	-	4,373	131,915	3.32%

<sup>1</sup> GAAP basis of accounting. Includes Transfers out.

Source: Annual Audited Financial Statements: 2017-2024

City of Norwich Finance Department: 2025 & 2026.

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## **VI. Financial Administration**

### ***Fiscal Year***

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

### ***Basis of Accounting and Accounting Policies***

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Please refer to APPENDIX A - FINANCIAL STATEMENTS herein for compliance and implementation details.

### ***Budget Procedure***

In October, the City Manager, through the Comptroller's Office, distributes budget instructions to department heads. On or before a date set by the City Manager, the head of every department, office or agency must submit a written proposed budget for the following year to the City Manager. The City Manager and Comptroller review these proposals and may revise them as deemed advisable, except in the case of the Department of Education and Department of Public Utilities where the City Manager has the authority to revise only the total estimated expenditures. The City Manager and Comptroller compare proposed expenditures to expected revenues and prepare a proposed budget for presentation to the City Council.

As required by City Charter, on or before the first Monday in April, the City Manager submits a balanced annual budget, as well as appropriation and tax levy ordinances to the City Council. Between the presentation of the budget and the first public hearing, department heads are given the opportunity to make presentations in support of their proposed budget. The City Council holds a first public hearing on the budget prior to the third Monday in April, but not sooner than one week after the submission of the budget. This hearing is to listen to citizens' comments on the budget. The Council meets by the second Monday in May to take initial action on the budget. A second public hearing is then held regarding the Council's proposed changes, prior to the third Monday in May.

After the second public hearing, the Council may revise expenditures, except that it may not reduce appropriations for debt service and may revise only the total estimated expenditures for the Department of Education and Department of Public Utilities. The Council adopts the budget, appropriation and tax levy ordinances by the second Monday of June; if it fails to do so, the budget as submitted by the City Manager stands.

Connecticut General Statutes Section 4-661, as amended ("Section 4-661"), creates certain disincentives on increasing adopted budget expenditures for municipalities in Connecticut. Beginning in Fiscal Year 2018, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose increase in its adopted budget expenditures, with certain exceptions, exceeds the previous fiscal year by 2.5% or more of the rate of inflation, whichever is greater (the "expenditure cap"). The reduction to the municipal revenue sharing grant will generally equal 50 cents for every dollar by which the municipality's adopted budget exceeds the expenditure cap. A municipality whose population increased from the previous fiscal year, as determined by OPM, may increase its adopted budget expenditures over the expenditure cap by an amount proportionate to its population growth. Section 4-661 requires each municipality to annually certify to the Secretary of OPM whether the municipality has exceeded the expenditure cap, and if so, the amount by which the expenditure cap was exceeded.

Under Section 4-661, municipal spending does not include expenditures: (i) for debt service, special education, or costs to implement court orders or arbitration awards; (ii) associated with a major disaster or emergency declaration by the President or disaster emergency declaration issued by the Governor under the civil preparedness law; (iii) for any municipal revenue sharing grant the municipality disburses to a district; or (iv) budgeting for an audited deficit, nonrecurring grants, capital expenditures or payments on unfunded pension liabilities.

## Annual Audit

Pursuant to the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the City is obligated to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut Office of Policy and Management ("OPM"), and a copy of said audit report must be filed with OPM. The City is in compliance with said provisions.

For the fiscal year ended June 30, 2024, the financial statements of the various funds of the City were audited by Clifton Larsen Allen LLP, Certified Public Accountants, West Hartford, Connecticut. The financial statement audit for the fiscal year ended June 30, 2025 is currently underway.

## Risk Management

The City is exposed to various risks of loss related to public official liability, police professional liability, theft or impairment of assets, errors and omissions, injury to employees, natural disasters and owners and contractors protective liability.

It is the policy of the City to self-insure for employee health insurance programs. To this end, the City created an internal service fund to which the various City funds "pay premiums" and from which employee medical claims are paid. Claims are accrued as incurred. The City also purchased "stop loss" insurance to limit its losses to \$175 per person in Fiscal Year 2026 for hospitalization with a maximum aggregate for all claims of approximately \$27,400.

The City self-insures for workers' compensation benefits. The City purchases commercial insurance for claims in excess of coverage provided by the workers' compensation account with an individual claim maximum of \$600 and a \$10,000 aggregate maximum per year.

The workers' compensation costs are funded by the General Fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors.

For more information, see "Risk Management" in Appendix A herein.

## Capital Improvement Plan

Uses	Fiscal Year						Total	
	2025	2026	2027	2028	2029	2030		2031
School Construction.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Police.....	800,000	-	51,000,000	-	-	-	-	51,800,000
Fire.....	954,469	143,148	2,650,000	200,000	1,200,000	-	-	5,147,617
Public Works.....	1,034,379	957,814	957,814	957,814	6,957,814	957,814	957,814	12,781,263
Parks & Recreation.....	-	-	-	-	-	-	-	-
Parks.....	-	-	-	-	-	-	-	-
<b>Total.....</b>	<b>\$ 2,788,848</b>	<b>\$ 1,100,962</b>	<b>\$ 54,607,814</b>	<b>\$ 1,157,814</b>	<b>\$ 8,157,814</b>	<b>\$ 957,814</b>	<b>\$ 957,814</b>	<b>\$ 69,728,880</b>
<b>Sources</b>								
Bonds.....	\$ 800,000	\$ -	\$ 53,650,000	\$ -	\$ 7,200,000	\$ -	\$ -	\$ 61,650,000
CT School Construction Grants.....	-	-	-	-	-	-	-	-
Capital Budget.....	826,565	583,148	440,000	640,000	440,000	440,000	440,000	3,809,713
Federal American Rescue Plan Act....	644,469	-	-	-	-	-	-	644,469
CT Local Capital Impr. Program.....	517,814	517,814	517,814	517,814	517,814	517,814	517,814	3,624,698
Other Grants / Private Fundraising....	-	-	-	-	-	-	-	-
<b>Total.....</b>	<b>\$ 2,788,848</b>	<b>\$ 1,100,962</b>	<b>\$ 54,607,814</b>	<b>\$ 1,157,814</b>	<b>\$ 8,157,814</b>	<b>\$ 957,814</b>	<b>\$ 957,814</b>	<b>\$ 69,728,880</b>

## Pension Programs

### City Retirement System

The City is the administrator of the City's Consolidated Pension Plan, a single-employer contributory defined benefit public employee retirement system established and administered by the City to provide pension benefits to all full-time non-certified employees. The Plan is part of the City's financial reporting entity and is included in the City's financial reports as a pension trust fund. The plan does not issue a stand-alone report.

The contribution requirements of plan members and the City are established and may be amended by the City Council. Benefits and contributions are established by the City and may be amended only by the City Charter and union negotiation. City and Police employees are required to contribute 8.5%. Firefighter participants are required to contribute 9.5%. The City's funding policy provides for periodic employer contributions at actuarially determined rates. In connection with the pension obligation bond initiative and in consultation with the City's investment advisors and actuary, the City reduced the assumed rate of return to 6.25% and changed the amortization to a closed 25-year period with its July 1, 2021 actuarial valuation.

The table below shows the City's contributions compared to the actuarially determined contribution (in thousands).

Fiscal Year Ended	Actuarially Determined		Actual Contribution (000's)	% of ADC Contributed
	Contribution (000's)	Contribution (000's)		
6/30/2026 <sup>1,2</sup>	\$ 6,223	\$ 6,223		100.0%
6/30/2025 <sup>2</sup>	5,933	6,007		101.2%
6/30/2024	5,254	5,275		100.4%
6/30/2023	4,411	4,411		100.0%
6/30/2022 <sup>3</sup>	13,684	144,718		1057.6%
6/30/2021	12,759	12,774		100.1%
6/30/2020	12,073	12,073		100.0%
6/30/2019	12,010	11,432		95.2%
6/30/2018	10,820	10,103		93.4%
6/30/2017	10,732	8,711		81.2%

<sup>1</sup> Budgeted amounts.

<sup>2</sup> Subject to audit.

<sup>3</sup> The increase in actual contribution is due to pension obligation bonds issued by the City in February 2022.

The Pension Plan's actuarial valuation report as of July 1, 2024 was completed in October 2024. As of July 1, 2024, the Pension Plan had an unfunded actuarial accrued liability of \$25,707,728 which amount reflects an interest rate assumption of 6.25%.

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*Volunteer Firefighters' Relief Plan*

The City is also the administrator of a Volunteer Firefighters' Relief Plan which was established to provide pension benefits to volunteers. The Relief Plan is part of the City's financial reporting entity and is included in the City's financial reports as a pension trust fund. The plan does not issue a stand-alone report. The City is committed to funding 100% of the ADC for the Relief Plan.

The table below shows the City's contributions compared to the actuarially determined contribution (in thousands).

<b>Fiscal Year Ended</b>	<b>Actuarially Determined Contribution (000's)</b>	<b>Actual Contribution (000's)</b>	<b>% of ADC Contributed</b>
6/30/2026 <sup>1, 2</sup>	\$ 354	\$ 372	105.1%
6/30/2025 <sup>2</sup>	333	333	100.0%
6/30/2024	329	329	100.0%
6/30/2023	310	310	100.0%
6/30/2022	357	357	100.0%
6/30/2021	335	335	100.0%
6/30/2020	365	365	100.0%
6/30/2019	365	365	100.0%
6/30/2018	373	373	100.0%
6/30/2017	373	373	100.0%

<sup>1</sup> Budgeted amounts.

<sup>2</sup> Subject to audit.

The Relief Plan's actuarial valuation report as of January 1, 2024 was completed in June 2024. As of January 1, 2024, the Relief Plan had an unfunded actuarial accrued liability of \$2,816,944 which amount reflects an interest rate assumption of 6.25%.

*Teachers' Retirement Board*

Teachers within the City's school system participate in a retirement plan administered by the Connecticut State Teachers' Retirement Board. The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. The State of Connecticut makes the employer contribution into the plan. The City does not contribute to the plan.

*Total Net Pension Liabilities*

The following presents the net pension liability of the City as of June 30, 2025.

	<b>City</b>	<b>Volunteer Firefighters'</b>
Total Pension Liability .....	\$ 401,093,348	\$7,545,698
Plan Fiduciary Net Position .....	399,038,371	4,231,493
Total Net Pension Liability .....	<u>\$ 2,054,977</u>	<u>\$ 3,314,205</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability .....	99.49%	56.08%

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability of the City as of June 30, 2025, calculated using the current discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>1% Decrease (5.25%)</b>	<b>Current Discount Rate (6.25%)</b>	<b>1% Increase (7.25%)</b>
City Net Pension Liability .....	\$ 51,557,903	\$ 2,054,977	\$ (39,091,651)

  

	<b>1% Decrease (5.25%)</b>	<b>Current Discount Rate (6.25%)</b>	<b>1% Increase (7.25%)</b>
Volunteer Firefighters' Net Pension Liability .....	\$ 4,220,768	\$ 3,314,205	\$ 2,565,366

For further details on the plans, please refer to APPENDIX A - FINANCIAL STATEMENTS herein.

**Other Post Employment Benefits (OPEB)**

The City and the Board of Education provide post-employment benefits for retirees who meet certain requirements regarding age and years of service. This benefit is provided based on union agreements and is fully funded by the City. The City is required to provide health, medical and life insurance to 472 retired City and Board of Education employees. An OPEB Trust account was established by the City in 2008.

The City reduced the assumed rate of return to 6.25% and changed the amortization to a closed 26-year period with its July 1, 2021 actuarial valuation.

The table below shows the City's contributions compared to the actuarially determined contribution (in thousands).

*Total Net OPEB Liability*

Total OPEB Liability .....	\$ 74,725,957
Plan Fiduciary Net Position .....	43,957,848
Total Net OPEB Liability .....	<u>\$ 30,768,109</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability .....	58.83%

*Schedule of Contributions*

<b>Fiscal Year Ended</b>	<b>Actuarially Determined Contribution (000's)</b>	<b>Actual Contribution (000's)</b>	<b>% of ARC Contributed</b>
6/30/2026 <sup>1,2</sup>	\$ 4,033	\$ 3,829	94.9%
6/30/2025 <sup>1,2</sup>	3,796	3,644	96.0%
6/30/2024	3,441	3,441	100.0%
6/30/2023	3,239	3,239	100.0%
6/30/2022	4,684	4,684	100.0%
6/30/2021	4,367	4,367	100.0%
6/30/2020	5,522	5,339	96.7%
6/30/2019	5,485	5,240	95.5%
6/30/2018	5,542	5,548	100.1%
6/30/2017	5,492	5,492	100.0%

<sup>1</sup> Subject to Audit.

<sup>2</sup> Budgeted amounts.

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following presents the net OPEB liability of the City as of June 30, 2025 at the current discount rate, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(5.25%)</b>	<b>Discount Rate</b>	<b>(7.25%)</b>
		<b>(6.25%)</b>	
Net OPEB Liability.....	\$ 36,658,251	\$ 30,768,109	\$ 25,579,524

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate*

The following presents the net OPEB liability of the City as of June 30, 2025 at the current healthcare trend rate, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost</b>	<b>1% Increase</b>
		<b>Trend Rates <sup>1</sup></b>	
Net OPEB Liability.....	\$ 24,115,692	\$ 30,768,109	\$ 38,461,170

<sup>1</sup> Pre-Medicare Retirees: 6.20% - 4.10% over 54 years; Post-Medicare Retirees: 4.20% - 4.10% over 54 years

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## **General Fund Unassigned Fund Balance Policy**

The City Council adopted by ordinance a formal General Fund Unassigned Fund Balance (“UFB”) policy in December 2014. This policy identifies a target fund balance range of 12% to 17% of annual General Fund expenditures and operating transfers. As of June 30, 2025, the UFB ratio is 13.9%.

The UFB may be used for absorbing operating deficits at any time. If UFB goes over 17%, the Council may appropriate the excess to:

- fund capital improvements beyond the level required by the Charter
- transfer funds to the bonded projects fund to finance authorized, but unissued projects
- retire existing debt early
- make extra contributions into the Pension or OPEB funds

In June 2021, the City Council voted to add a policy for a nonlapsing account for unexpended education funds. This policy allows the BOE to request that an unexpended General Fund appropriation be deposited into the nonlapsing account. The funds may be later used to offset future BOE operating deficits, or pay for improvements to school facilities, equipment, or programs which would not increase ongoing operating costs.

## **Investment Practices**

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

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

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

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**General Fund Balance Sheet**  
**Four Year Summary of Actual Assets, Liabilities, and General Fund Equity**  
**And Estimated Actual**  
**(in thousands)**

	<i>Estimated</i>				
	<i>Actual</i> <sup>1</sup>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
	<b>6/30/2025</b>	<b>6/30/2024</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>
<b>Assets:</b>					
Cash and Cash Equivalents .....	\$ 58,366	\$ 13,360	\$ 25,032	\$ 36,982	\$ 25,190
Investments .....	19,901	57,208	51,214	40,467	31,480
Receivables, net.....	3,997	4,793	7,587	7,250	6,621
Lease Receivable.....	4,795	1,163	-	1,723	-
Due from Other Funds .....	1,243	5,421	6,430	4,799	7,312
Other .....	-	-	-	-	-
<b>Total Assets .....</b>	<b>88,302</b>	<b>81,945</b>	<b>90,263</b>	<b>91,221</b>	<b>70,603</b>
<b>Liabilities, Equity, &amp; Other Credits:</b>					
<b><u>Current Liabilities</u></b>					
Accounts and Other Payables.....	7,410	9,511	8,933	6,901	8,958
Deferred Revenues .....	-	-	-	-	-
Due to Other Funds .....	50,252	47,239	53,579	58,529	38,679
Unearned Revenues .....	-	151	176	306	511
<b>Total Liabilities .....</b>	<b>57,662</b>	<b>56,901</b>	<b>62,688</b>	<b>65,736</b>	<b>48,148</b>
<b><u>Deferred Inflow of Resources</u></b>					
Unavailable Revenue - Property Taxes .....	2,548	2,859	3,678	3,490	4,081
Unavailable Revenue - Leases .....	4,805	1,178	1,163	1,723	-
Unavailable Revenue - Loans Receivable .....	246	-	800	-	-
Unavailable Revenue - Special Assessments .....	684	799	966	1,157	1,358
<b>Total Deferred Inflow of Resources .....</b>	<b>8,283</b>	<b>4,836</b>	<b>6,607</b>	<b>6,370</b>	<b>5,439</b>
<b><u>Equity &amp; Other Credits</u></b>					
Nonspendable .....	-	-	-	-	-
Committed .....	-	-	-	-	-
Assigned .....	67	136	231	-	-
Unassigned.....	22,290	20,072	20,737	17,392	17,016
<b>Total Equity &amp; Other Credits .....</b>	<b>22,357</b>	<b>20,208</b>	<b>20,968</b>	<b>17,392</b>	<b>17,016</b>
<b>Total Liabilities, Equity &amp; Other Credits ...</b>	<b>\$ 88,302</b>	<b>\$ 81,945</b>	<b>\$ 90,263</b>	<b>\$ 89,498</b>	<b>\$ 70,603</b>

<sup>1</sup> Subject to audit.

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**General Fund Revenues and Expenditures**  
**Four Year Summary of Audited Revenues and Expenditures (GAAP Basis) and**  
**Estimated Actual and Adopted Budget (Budgetary Basis)**  
*(in thousands)*

	<i>Adopted</i> <b>Budget <sup>1</sup></b>	<i>Estimated</i> <b>Actual <sup>1</sup></b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>6/30/2026</b>	<b>6/30/2025</b>	<b>6/30/2024</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>
<b>Revenues:</b>						
Property Taxes .....	\$ 101,444	\$ 96,980	\$ 88,311	\$ 86,579	\$ 86,156	\$ 85,977
Intergovernmental Revenue .....	50,064	55,622	57,191	54,128	48,907	46,942
Charges for services .....	2,425	3,640	3,173	3,395	3,226	2,848
Licenses, permits and fees .....	1,364	1,224	1,128	1,183	886	643
Investment income .....	2,600	2,857	2,779	1,699	159	213
Other .....	1,103	308	380	299	287	226
<b>Total.....</b>	<b>\$ 159,000</b>	<b>\$ 160,631</b>	<b>\$ 152,962</b>	<b>\$ 147,283</b>	<b>\$ 139,621</b>	<b>\$ 136,849</b>
<b>Expenditures:</b>						
General Government .....	\$ 7,445	\$ 5,994	\$ 5,603	\$ 6,578	\$ 6,110	\$ 5,754
Public Safety .....	23,301	20,284	19,570	18,890	21,053	20,118
Social Services .....	2,061	2,243	1,968	1,894	2,187	2,044
Public Works .....	13,275	13,129	12,699	12,153	11,279	10,597
Education .....	107,638	108,423	106,406	97,747	93,157	90,696
Other .....	3,398	2,987	2,966	2,857	2,738	2,766
Capital Outlay .....	-	283	-	-	-	-
Debt Service.....	-	-	-	-	-	140
<b>Total.....</b>	<b>\$ 157,118</b>	<b>\$ 153,343</b>	<b>\$ 149,212</b>	<b>\$ 140,119</b>	<b>\$ 136,524</b>	<b>\$ 132,115</b>
<b>Excess (Deficiency) of Revenues</b>						
<b>Over Expenditures.....</b>	<b>\$ 1,882</b>	<b>\$ 7,288</b>	<b>\$ 3,750</b>	<b>\$ 7,164</b>	<b>\$ 3,097</b>	<b>\$ 4,734</b>
<b>Other Financing Sources (Uses):</b>						
Operating transfers in.....	6,421	7,182	7,324	5,717	5,501	6,169
Operating transfers out.....	(8,303)	(12,321)	(11,834)	(9,305)	(8,222)	(8,420)
Issuance of Refunding Bonds .....	-	-	-	-	-	15,920
Payment to Refunding Bonds Escrow Agent...	-	-	-	-	-	(15,780)
Other .....	-	-	-	-	-	-
<b>Net Other Financing Sources (Uses).....</b>	<b>\$ (1,882)</b>	<b>\$ (5,139)</b>	<b>\$ (4,510)</b>	<b>\$ (3,588)</b>	<b>\$ (2,721)</b>	<b>\$ (2,111)</b>
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures and Other Financing Uses.....	-	2,149	(760)	3,576	376	2,623
<b>Fund Equity, Beginning of Year.....</b>	<b>22,357</b>	<b>20,208</b>	<b>20,968</b>	<b>17,392</b>	<b>17,016</b>	<b>14,393</b>
Residual Equity Transfer.....	-	-	-	-	-	-
<b>Fund Equity, End of Year.....</b>	<b>N/A</b>	<b>\$ 22,357</b>	<b>\$ 20,208</b>	<b>\$ 20,968</b>	<b>\$ 17,392</b>	<b>\$ 17,016</b>

<sup>1</sup> Budgetary basis of accounting; subject to audit.

**Analysis of General Fund Equity**

	<i>Adopted</i> <b>Budget <sup>1</sup></b>	<i>Estimated</i> <b>Actual <sup>1</sup></b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>6/30/2026</b>	<b>6/30/2025</b>	<b>6/30/2024</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>
Nonspendable.....	N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Committed.....	N/A	-	-	-	-	-
Assigned.....	N/A	67	136	-	-	-
Unassigned.....	N/A	22,290	20,072	21,044	17,392	17,016
<b>Total Fund Equity.....</b>	<b>N/A</b>	<b>\$ 22,357</b>	<b>\$ 20,208</b>	<b>\$ 21,044</b>	<b>\$ 17,392</b>	<b>\$ 17,016</b>

<sup>1</sup> Budgetary Basis of accounting. Subject to audit. No assurances can be given that subsequent projections and the final result of operations will not change.

## **VII. Legal and Other Information**

### **Legal Matters**

Pullman & Comley, LLC is serving as Bond Counsel with respect to the authorization and issuance of the Bonds and will render its opinions in substantially the form attached hereto as Appendix B.

### **Litigation**

The City, 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 Corporation Counsel'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 City which would have a material adverse effect on the City's financial position.

### **Transcript and Closing Documents**

Upon delivery of the Bonds, the winning purchaser will be furnished 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 City, signed by the City Manager and the Comptroller, which will be dated the date of delivery, and which will certify, to the best of said officials' knowledge and belief, at the time bids were accepted on the Bonds, the description and statements in the Preliminary Official Statement relating to the City and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the City from that set forth in or contemplated by the Preliminary Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The Approving Opinion of Pullman & Comley, LLC, Bond Counsel in substantially the form attached hereto as Appendix B.
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C.

The City of Norwich has prepared this Official Statement for the Bonds, which is dated December 3, 2025. The City deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(1), but it is subject to revision or amendment. The City will make available to the winning purchaser of the Bonds a reasonable number of copies of the Official Statement at the City's expense. The copies of the Official Statement will be made available to the winning purchaser within seven business days of the bid opening. If the City's Municipal Advisor, Phoenix Advisors, is provided with the necessary information from the winning purchaser by noon of the day following the day bids on the Bonds are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or reoffering prices, and the name of the managing underwriter. The winning purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement to the winning purchaser. Additional copies of the Official Statement may be obtained by the winning purchaser at its own expense by arrangement with the printer.

A transcript of the proceedings taken by the City with respect to the Bonds will be kept on file at the offices of U.S. Bank Trust Company, National Association and will be available for examination upon reasonable notice.

**Concluding Statement**

To the extent that any statements made in this Official Statement involve matters of opinion or estimates such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the City from official and other sources and is believed by the City to be reliable, but such information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

Any questions concerning this Official Statement should be directed to Mr. Joshua A. Pothier, Comptroller, City of Norwich, 100 Broadway, Norwich, Connecticut 06360, telephone number (860) 823-3720. This Official Statement has been duly prepared and delivered by the City, and executed for and on behalf of the City by the following officials:

**CITY OF NORWICH, CONNECTICUT**

*By: /s/ John L. Salomone*  
\_\_\_\_\_  
John L. Salomone, *City Manager*

*By: /s/ Joshua A. Pothier*  
\_\_\_\_\_  
Joshua A. Pothier, *Comptroller*

Dated as of December 3, 2025

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## ***Appendix A***

### ***2024 General Purpose Financial Statements***

The following includes excerpts from the Annual Comprehensive Financial Report of the City of Norwich, Connecticut for the fiscal year ended June 30, 2024. The supplemental data which was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, Connecticut 06460. Telephone (203) 878-4945.

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwich, Connecticut, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Norwich, Connecticut's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Norwich, Connecticut, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Norwich, Connecticut and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Norwich, Connecticut's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Norwich, Connecticut's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Norwich, Connecticut's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Norwich, Connecticut's basic financial statements. The combining and individual fund statements and schedules and the supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024, on our consideration of the City of Norwich, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Norwich, Connecticut's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Norwich, Connecticut's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

West Hartford, Connecticut  
December 9, 2024

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

This discussion and analysis of the City of Norwich, Connecticut's (the City) financial performance is offered by management to provide an overview of the City's financial activities for the fiscal year ended June 30, 2024. Please read this MD&A in conjunction with the transmittal letter and the City's financial statements, Exhibits I to IX.

**FINANCIAL HIGHLIGHTS**

- On a government-wide basis, the assets and deferred outflows of resources (\$551.5 million) of the City exceeded its liabilities and deferred inflows of resources (\$371.0 million), resulting in total net position at the close of the fiscal year of \$180.5 million. Total net position for governmental activities at fiscal year-end was \$35.2 million, and total net position for business-type activities was \$145.2 million. Total unrestricted net *deficit* at June 30, 2024 was \$66.2 million.
- On a government-wide basis, during the year, the City's net position increased by \$10.0 million from \$170.5 million to \$180.5 million. Governmental activities net position decreased by \$3.2 million and net position increased by \$13.2 million for business-type activities. Governmental activities expenses were \$221.1 million, while total revenues including transfers were \$217.9 million.
- At the close of the year, the City's governmental funds reported, on a current financial resource basis, combined ending fund balances of \$118.2 million, a decrease of \$4.0 million from the prior fiscal year. Of the total fund balance as of June 30, 2024, \$112.2 million represents the combined unrestricted fund balance in the General, Special Revenue, Debt Service and Capital Projects funds.
- At the end of the current fiscal year, the total fund balance for the General Fund was \$20.2 million, a decrease of \$0.8 million from the prior fiscal year. As of June 30, 2024, \$20.1 of the \$20.2 million fund balance is unassigned, representing 13.6% of total General Fund actual expenditures and operating transfers on a budgetary basis.
- The City's governmental activities total bonded debt decreased by \$3.4 million during the current fiscal year because of the issuance of \$5.3 million in new bonds and the paydown of \$8.7 million of existing bonds.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

**Government-Wide Financial Statements**

The analysis of the City as a whole begins with Exhibits I and II. The statement of net position and the statement of activities report information about the City as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

These two statements report the City's net position and changes in them. The City's net position, the difference between assets and liabilities, is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position is one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's capital assets, to assess the overall health of the City.

In the statement of net position and the statement of activities, the City is divided into two types of activities:

- *Governmental Activities* - Most of the City's basic services are reported here, including education, public safety, sanitation, social services, public works and general administration. Property taxes, charges for services and state and federal grants finance most of these activities.
- *Business-Type Activities* - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's Department of Public Utilities ("DPU"), Golf Course Authority, Stadium Authority and Ice Rink Authority are reported here.

***Fund Financial Statements***

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by Charter. However, the City establishes many other funds to help control and manage financial activities for particular purposes (like the capital projects funds) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State of Connecticut's Department of Education). The City's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.
- *Proprietary Funds (Exhibits V, VI and VII)* - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

*Fiduciary Funds (Exhibits VIII and IX)* - The City is the trustee, or fiduciary, for its employees' pension and other benefit plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The City's combined net position increased from a year ago from \$170.5 million to \$180.4 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

**Table 1  
NET POSITION  
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets:</b>						
Current and Other Assets	\$ 158,819	\$ 172,022	\$ 25,647	\$ 18,478	\$ 184,466	\$ 190,500
Capital Assets	140,405	133,108	195,277	167,655	335,682	300,763
Total Assets	<u>299,224</u>	<u>305,130</u>	<u>220,924</u>	<u>186,133</u>	<u>520,148</u>	<u>491,263</u>
<b>Deferred Outflows of Resources</b>	22,301	34,922	9,022	17,084	31,323	52,006
<b>Liabilities:</b>						
Long-Term Debt Outstanding	244,323	259,971	57,746	55,463	302,069	315,434
Unearned Revenue	9,886	18,919	349	743	10,235	19,662
Other Liabilities	15,229	13,692	21,437	12,988	36,666	26,680
Total Liabilities	<u>269,438</u>	<u>292,582</u>	<u>79,532</u>	<u>69,194</u>	<u>348,970</u>	<u>361,776</u>
<b>Deferred Inflows of Resources</b>	<u>16,825</u>	<u>9,054</u>	<u>5,199</u>	<u>1,959</u>	<u>22,024</u>	<u>11,013</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	89,257	88,076	151,169	140,816	240,426	228,892
Restricted	5,989	2,533	251	358	6,240	2,891
Unrestricted	(59,984)	(52,193)	(6,205)	(9,110)	(66,189)	(61,303)
Total Net Position	<u>\$ 35,262</u>	<u>\$ 38,416</u>	<u>\$ 145,215</u>	<u>\$ 132,064</u>	<u>\$ 180,477</u>	<u>\$ 170,480</u>

Net position of the City's governmental activities decreased by \$3.2 million to \$35.3 million. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased from (\$52.2) million at June 30, 2023 to (\$60.0) million at the end of this year. The unrestricted net position of business-type activities decreased from (\$9.1) million compared to (\$15.4) million in 2024.

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**Table 2  
CHANGES IN NET POSITION  
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 6,195	\$ 6,730	\$ 104,360	\$ 112,486	\$ 110,555	\$ 119,216
Operating Grants and Contributions	78,188	86,846	-	-	78,188	86,846
Capital Grants and Contributions	15,487	15,679	11,525	1,227	27,012	16,906
General Revenues:						
Property Taxes	92,190	91,207	-	-	92,190	91,207
Grants and Contributions not Restricted to Specific Purposes	10,296	9,163	-	-	10,296	9,163
Unrestricted Investment Earnings	3,794	2,303	-	-	3,794	2,303
Other General Revenues	2,637	5,154	1,441	616	4,078	5,770
<b>Total Revenues</b>	<b>208,787</b>	<b>217,082</b>	<b>117,326</b>	<b>114,329</b>	<b>326,113</b>	<b>331,411</b>
<b>Program Expenses:</b>						
General Government	9,534	10,728	-	-	9,534	10,728
Public Safety	42,142	42,179	-	-	42,142	42,179
Social Services	4,738	4,881	-	-	4,738	4,881
Public Works	18,330	13,756	-	-	18,330	13,756
Education	140,232	140,633	-	-	140,232	140,633
Interest on Long-Term Debt	6,103	5,364	-	-	6,103	5,364
Department of Public Utilities	-	-	93,113	105,515	93,113	105,515
Other Enterprise Funds	-	-	1,924	1,782	1,924	1,782
<b>Total Program Expenses</b>	<b>221,079</b>	<b>217,541</b>	<b>95,037</b>	<b>107,297</b>	<b>316,116</b>	<b>324,838</b>
<b>Excess (Deficiency) Before Transfers</b>	<b>(12,292)</b>	<b>(459)</b>	<b>22,289</b>	<b>7,032</b>	<b>9,997</b>	<b>6,573</b>
Transfers	9,138	8,706	(9,138)	(8,706)	-	-
Increase (Decrease) In Net Position	(3,154)	8,247	13,151	(1,674)	9,997	6,573
Net Position - Beginning of Year	38,416	30,169	132,064	133,738	170,480	163,907
<b>Net Position - End of Year</b>	<b>\$ 35,262</b>	<b>\$ 38,416</b>	<b>\$ 145,215</b>	<b>\$ 132,064</b>	<b>\$ 180,477</b>	<b>\$ 170,480</b>

The City's total revenues were \$326.1 million. The total cost of all programs and services was \$316.1 million. Our analysis below separately considers the operations of governmental and business-type activities.

**Governmental Activities**

Governmental activities decreased the City's net position by \$3.2 million during the year. Total revenues of \$208.8 million and \$9.1 million in transfers from the City's business-type activities provided funding for the City's \$221.1 million of governmental program expenses incurred during the year.

The City's revenues decreased \$8.3 million (\$217.1 million compared to \$208.8 million) which was primarily caused by the decrease in education grants.

Total program expenses were \$221.1 million as compared with \$217.5 million reported last year. The large decrease is primarily attributable to public works expenses.

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

Table 3 presents the cost of each of the City's five largest programs - general government, public safety, social services, public works and education - as well as each program's net cost (total cost minus revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

**Table 3  
GOVERNMENTAL ACTIVITIES  
(In Thousands)**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
General Government	\$ 9,534	\$ 10,728	\$ 1,520	\$ 7,282
Public Safety	42,142	42,179	31,151	31,200
Social Services	4,738	4,881	2,794	2,220
Public Works	18,330	13,756	10,987	4,135
Education	140,232	140,633	68,654	58,085
All Others	6,103	5,364	6,103	5,364
Totals	\$ 221,079	\$ 217,541	\$ 121,209	\$ 108,286

***Business-Type Activities***

Revenues of the City's business-type activities (see Table 2) increased by \$3.0 million during the year (\$117.3 million in 2024 compared to \$114.3 million in 2023) and expenses decreased by \$12.2 million. Overall net position increased \$13.2 million in 2024. For the DPU, revenues in 2024 increased primarily because of capital grants for the Wastewater Treatment Plan project. DPU expenses in 2024 decreased with the decline in costs to purchase power and gas.

**CITY FUNDS FINANCIAL ANALYSIS**

***Governmental Funds***

As the City completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$118.2 million, which is a decrease of \$4.0 million from last year's total of \$122.2 million. Included in this year's total change in fund balance is a decrease of \$0.8 million in the City's General Fund. The primary reasons for the General Fund's increase are higher than anticipated special education and student transportation costs. Please see the general fund activities analysis in RSI-1 and RSI-2 for further detail.

The Debt Service Fund reported a fund balance of \$60.9 million at June 30, 2024. The fund balance decreased by \$2.7 million during the year due to paydown of a long-term interfund receivable from DPU for its portion of the Gas Line Extension Bonds and Pension Obligation Bond debt.

The Education Grants Fund's fund balance \$0.1 million was essentially unchanged from the previous year.

The General Government Grants & Programs fund, in which the City records activity for the American Rescue Plan Act grant in addition to other grants, had a fund deficit of (\$337.0), a \$317 decrease from the prior year.

The other nonmajor governmental funds have a total fund balance of \$37.4 million - a \$0.2 million decrease from last year.

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

***Proprietary Funds***

Net position of the DPU was \$137.6 million, as compared to \$124.6 million in the prior year, and City's other nonmajor enterprise funds' net position increased by \$0.3 million to \$7.7 million.

Unrestricted net deficit of the DPU was (\$4.4) million, and a deficit of (\$1.8) million for the other nonmajor enterprise funds. The DPU had operating revenues of \$102.3 million from user fees, and other enterprise funds had \$2.0 million. The total increase in net position for the fiscal year ended June 30, 2024 was \$12.9 million. The change in the DPU net position is largely attributable to the capital grants for the Wastewater Treatment Plan project.

***General Fund Budgetary Highlights***

During the year, actual revenues and other financing sources on a budgetary basis were \$146.5 million, which was \$1.8 million higher than budgetary estimates. The variance was caused primarily by higher than anticipated delinquent property tax collections, conveyance taxes, interest income and building permit revenues. Please see the general fund activities analysis in RSI-1 for further detail.

Actual expenditures on a budgetary basis and other financing uses totaled \$147.2 million, which were higher than actual revenues and other financing sources on a budgetary basis by \$0.7 million and higher than the original appropriation by \$2.5 million. The budget variance, approved by an additional appropriation by the City Council in September 2024, was primarily due to higher than anticipated special education and student transportation costs.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

***Capital Assets***

At June 30, 2024, the City had \$335.7 million invested in a broad range of capital assets, including land, building and system improvements, machinery and equipment, park facilities, roads, software, sewers and bridges - Table 4. This amount represents a net increase (including additions, deductions and depreciation) of \$35.0 million, or 11.61%, compared to last year. The largest cause of the increase was the construction in progress for the Wastewater Treatment Plant.

**Table 4  
CAPITAL ASSETS AT YEAR-END (Net of Depreciation)  
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 28,508	\$ 28,508	\$ 3,365	\$ 3,285	\$ 31,873	\$ 31,793
Buildings and Improvements	50,702	53,259	32,815	33,130	83,517	86,389
Vehicles, Machinery, Equipment, Pumping and Distributions Systems Technology Upgrade and Road Infrastructure	12,327	9,419	116,989	115,693	129,316	125,112
Construction in Progress	25,570	21,585	-	-	25,570	21,585
Right-To-Use Lease Assets	23,038	20,337	41,380	14,438	64,418	34,775
SBITA Assets	260	-	374	641	634	641
Totals	<u>\$ 140,405</u>	<u>\$ 133,108</u>	<u>\$ 195,277</u>	<u>\$ 167,655</u>	<u>\$ 335,682</u>	<u>\$ 300,763</u>

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

This year's major capital asset additions included the following (in thousands):

NPU Fleet Vehicles	\$ 1,535
NPU State of CT - DOT - Utility Relocations - Sherman St Bridge	1,328
NPU Gas Service Installations	1,560
NPU Electric Transformers & Distribution Devices	695
NPU Rose Alley Wastewater Force Main	1,965
Howard T. Brown Park Docks	1,344
Radio system improvements	3,175
Dunham Street reconstruction	1,693
Sunnyside Street Bridge	1,676
	<hr/>
Total	<u>\$ 14,971</u>

The City's fiscal-year 2025 capital budget calls for spending \$2.9 million for road overlays, public works vehicles, police vehicles, fire equipment and other projects. More detailed information about the City's capital assets is presented in Note 8 to the financial statements.

**Long-Term Debt**

At June 30, 2024, the City had total bonds, notes, leases, and subscription-based information technology arrangements (SBITA) outstanding of \$222.3 million. The general obligation bond debt is backed by the full faith and credit of the City. The City's outstanding long-term debt had a net increase of \$4.9 million during fiscal 2024 primarily because of the new Clean Water Fund notes issued for the Wastewater Treatment Plan project.

**Table 5  
OUTSTANDING DEBT, AT YEAR-END  
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 187,151	\$ 190,570	\$ -	\$ -	\$ 187,151	\$ 190,570
Notes Payable	-	-	67	346	67	346
Serial Notes Payable	-	-	34,334	25,762	34,334	25,762
Lease Liability	260	-	406	574	666	574
SBITA Liability	-	-	127	157	127	157
Total	<u>\$ 187,411</u>	<u>\$ 190,570</u>	<u>\$ 34,934</u>	<u>\$ 26,839</u>	<u>\$ 222,345</u>	<u>\$ 217,409</u>

In November 2024, Standard & Poor's assigned an AA rating on Norwich's \$10.6 million general obligation bond issue and affirmed this rating on the rest of Norwich's debt outstanding as of that date. In March 2024, Moody's affirmed Norwich's rating of Aa3.

State statutes limit the amount of general obligation debt a governmental entity may issue to up to seven times its annual receipts from taxation. The current debt limitation for the City of Norwich is \$637 million. The City's outstanding general obligation debt is at 49.72% of this limitation. Table 9 presents more detailed information about the debt limitation.

Other obligations include net OPEB obligation, accrued vacation pay and sick leave, and risk management claims. More detailed information about the City's long-term liabilities is presented in Note 9 to the financial statements.

**CITY OF NORWICH, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

As of October 2024, the unemployment rate for the Norwich was 2.9%, down from 3.8% in the prior year. Connecticut's overall unemployment rate stood at 2.5%, compared with 3.4% for the same time last year. Until recently the State of Connecticut's education and noneducation formula grants had not kept pace with inflation for many years. State legislators have been working on increasing non-property tax revenue streams to municipalities like Norwich; such as increases to the City's Mashantucket-Pequot/ Mohegan and PILOT grants as well as local shares of cannabis sales tax. The City has not lost sight of controlling costs as it continues to negotiate lower cost long-term employee benefits and seek efficiencies. As an example, the City sold \$145 million of pension obligation bonds in February 2022 which could potentially save City taxpayers and NPU ratepayers several millions of dollars over the next 25 years. Other initiatives are noted in the transmittal letter. Additionally, voters approved a \$385 million bond referendum in November 2022 to consolidate its seven elementary schools into four new buildings, renovate-as-new or replace Teachers' Memorial Middle School, and repurpose a school as the home of Norwich Public Schools' administrative offices. The conservative estimated net cost of these projects of \$153 million compares favorably to the estimated cost of \$225 million to repair all of the existing schools.

The fiscal year 2025 General Fund budget calls for \$153.6 million in revenues and expenditures, a 6.16% increase in over fiscal year 2024. Noneducation expenditures increased by 4.94% and education expenditures increased by 6.94%. On the revenue side, because of the October 2023 revaluation, the fiscal year 2025 General Fund mill rate decreased 8.86 mills, or 21.17%, from 41.85 to 32.99. No unrestricted fund balance was used to balance the budget.

In the City's business-type activities, the Norwich Public Utilities projects a 3.14% decrease in revenues from fiscal year 2024 to 2025 from \$112.2 million to \$108.7 million. This decrease is based on projected normalized sales and includes Board approved rate decreases in the gas and electric divisions. Norwich Public Utilities budgeted \$108.5 million in capital improvements including \$82.3 million towards the wastewater treatment plant improvements.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the Comptroller, 100 Broadway, Norwich, Connecticut 06360-4431.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF NORWICH, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 15,671	\$ 65,089	\$ 80,760
Investments	59,431	-	59,431
Receivables, Net	22,182	18,252	40,434
Internal Balances	61,535	(61,535)	-
Supplies	-	2,838	2,838
Other Assets	-	1,003	1,003
Capital Assets:			
Assets Not Being Depreciated	51,546	44,745	96,291
Assets Being Depreciated, Net	88,859	150,532	239,391
Total Assets	<u>299,224</u>	<u>220,924</u>	<u>520,148</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows - Pensions	12,990	6,650	19,640
Deferred Outflows - OPEB	8,419	2,372	10,791
Deferred Charge on Refunding	892	-	892
Total Deferred Outflows of Resources	<u>22,301</u>	<u>9,022</u>	<u>31,323</u>
<b>LIABILITIES</b>			
Accounts and Other Payables	15,229	21,437	36,666
Unearned Revenue	9,886	349	10,235
Noncurrent Liabilities:			
Due Within One Year	13,144	4,528	17,672
Due in More Than One Year	231,179	53,218	284,397
Total Liabilities	<u>269,438</u>	<u>79,532</u>	<u>348,970</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - Leases	1,494	364	1,858
Deferred Inflows - Pensions	5,630	3,097	8,727
Deferred Inflows - OPEB	9,701	1,738	11,439
Total Deferred Inflows of Resources	<u>16,825</u>	<u>5,199</u>	<u>22,024</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	89,257	151,169	240,426
Restricted for:			
Permanent Trust Purposes - Expendable	2,245	-	2,245
Permanent Trust Purposes - Nonexpendable	33	-	33
Capital Improvements	1,287	-	1,287
Bond Expenditures	1,773	-	1,773
Other	651	-	651
Energy Conservation	-	251	251
Unrestricted	(59,984)	(6,205)	(66,189)
Total Net Position	<u>\$ 35,262</u>	<u>\$ 145,215</u>	<u>\$ 180,477</u>

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
General Government	\$ 9,534	\$ 2,601	\$ 5,385	\$ 28	\$ (1,520)	\$ -	\$ (1,520)
Public Safety	42,142	281	834	9,876	(31,151)	-	(31,151)
Social Services	4,738	552	1,392	-	(2,794)	-	(2,794)
Public Works	18,330	1,756	4	5,583	(10,987)	-	(10,987)
Education	140,232	1,005	70,573	-	(68,654)	-	(68,654)
Interest on Long-Term Debt	6,103	-	-	-	(6,103)	-	(6,103)
Total Governmental Activities	221,079	6,195	78,188	15,487	(121,209)	-	(121,209)
<b>BUSINESS-TYPE ACTIVITIES</b>							
Department of Public Utilities	93,113	102,316	-	11,401	-	20,604	20,604
Nonmajor Enterprise Funds:							
Golf Course Authority	1,442	1,680	-	124	-	362	362
Stadium Authority	363	117	-	-	-	(246)	(246)
Ice Rink Authority	119	247	-	-	-	128	128
Total Business-Type Activities	95,037	104,360	-	11,525	-	20,848	20,848
Total	\$ 316,116	\$ 110,555	\$ 78,188	\$ 27,012	(121,209)	20,848	(100,361)
<b>GENERAL REVENUES AND TRANSFERS</b>							
Property Taxes					92,190	-	92,190
Grants and Contributions not Restricted to Specific Programs					10,296	-	10,296
Unrestricted Investment Earnings					3,794	-	3,794
Miscellaneous					2,637	1,441	4,078
Transfers					9,138	(9,138)	-
Total General Revenues and Transfers					118,055	(7,697)	110,358
<b>CHANGE IN NET POSITION</b>							
					(3,154)	13,151	9,997
Net Position - Beginning of Year					38,416	132,064	170,480
<b>NET POSITION - END OF YEAR</b>							
					\$ 35,262	\$ 145,215	\$ 180,477

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

<b>ASSETS</b>	General	Debt Service	Education Grants	General Government Grants and Programs	Nonmajor Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 13,360	\$ -	\$ -	\$ -	\$ 2,311	\$ 15,671
Investments	57,208	-	-	-	2,223	59,431
Receivables, Net	5,956	-	4,899	552	9,963	21,370
Due from Other Funds	5,421	60,890	2,075	9,190	30,410	107,986
<b>Total Assets</b>	<b>\$ 81,945</b>	<b>\$ 60,890</b>	<b>\$ 6,974</b>	<b>\$ 9,742</b>	<b>\$ 44,907</b>	<b>\$ 204,458</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts and Other Payables	\$ 9,511	\$ -	\$ 2,140	\$ 1,389	\$ 1,691	\$ 14,731
Due to Other Funds	47,239	-	4,239	-	317	51,795
Unearned Revenue	151	-	481	8,690	566	9,888
<b>Total Liabilities</b>	<b>56,901</b>	<b>-</b>	<b>6,860</b>	<b>10,079</b>	<b>2,574</b>	<b>76,414</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Property Taxes	2,859	-	-	-	139	2,998
Unavailable Revenue - Special Assessments	799	-	-	-	87	886
Unavailable Revenue - Loans Receivable	-	-	-	-	4,411	4,411
Unavailable Revenue - Grants Receivable	-	-	28	-	15	43
Unavailable Revenue - Other	-	-	-	-	13	13
Unavailable Revenue - Leases	1,178	-	-	-	316	1,494
<b>Total Deferred Inflows of Resources</b>	<b>4,836</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>4,981</b>	<b>9,845</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	33	33
Restricted	-	-	-	-	5,956	5,956
Committed	-	60,890	86	-	21,316	82,292
Assigned	136	-	-	-	10,269	10,405
Unassigned	20,072	-	-	(337)	(222)	19,513
<b>Total Fund Balances</b>	<b>20,208</b>	<b>60,890</b>	<b>86</b>	<b>(337)</b>	<b>37,352</b>	<b>118,199</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 81,945</b>	<b>\$ 60,890</b>	<b>\$ 6,974</b>	<b>\$ 9,742</b>	<b>\$ 44,907</b>	<b>\$ 204,458</b>

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2024  
(IN THOUSANDS)**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Fund Balances - Total Governmental Funds	\$	118,199
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Amounts reported for governmental activities in the Statement of Net Position (Exhibit I) are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental Capital Assets		259,247
Less Accumulated Depreciation and amortization		(118,842)
Net Capital Assets		140,405

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

Property Tax Receivables Greater than 60 Days		2,999
Loans Receivable		4,386
Accounts and Other Receivables		1,766
Deferred Outflows:		
Deferred Outflow of Resources Related to Pensions		12,990
Deferred Outflow of Resources Related to OPEB		8,419
Deferred Charge on Refunding		892

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

(826)

Long-term liabilities, including bonds payable and deferred outflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and Notes Payable		(184,750)
Unamortized Bond Premium		(2,401)
Interest Payable on Bonds and Notes		(478)
Lease Obligations		(260)
Compensated Absences		(3,264)
Landfill Closure		(153)
Net Pension Liability		(21,867)
Net OPEB Liability		(25,464)
Deferred Inflow of Resources Related to Pensions		(5,630)
Deferred Inflow of Resources Related to OPEB		(9,701)

Net Position of Governmental Activities (Exhibit I)	\$	35,262
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**CITY OF NORWICH, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

	General	Debt Service	Education Grants	General Government Grants and Programs	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property Taxes, Interest, and Liens	\$ 88,311	\$ -	\$ -	\$ -	\$ 4,791	\$ 93,102
Intergovernmental Revenues	57,191	-	26,035	10,492	10,923	104,641
Charges for Services	3,173	-	82	-	1,994	5,249
Licenses, Permits, and Fees	1,128	-	-	-	-	1,128
Investment Income	2,779	-	-	-	984	3,763
Other	380	1,870	52	82	688	3,072
Total Revenues	<u>152,962</u>	<u>1,870</u>	<u>26,169</u>	<u>10,574</u>	<u>19,380</u>	<u>210,955</u>
<b>EXPENDITURES</b>						
Current:						
General Government	5,603	-	-	169	503	6,275
Public Safety	19,570	-	-	8,201	8,354	36,125
Social Services	1,968	-	-	234	2,559	4,761
Public Works	12,699	-	-	1,261	881	14,841
Education	106,406	-	26,183	-	6,039	138,628
Other	2,966	-	-	-	-	2,966
Capital Outlay	-	-	-	-	11,729	11,729
Debt Service						
Principal	-	8,455	-	-	-	8,455
Interest	-	5,791	-	-	-	5,791
Total Expenditures	<u>149,212</u>	<u>14,246</u>	<u>26,183</u>	<u>9,865</u>	<u>30,065</u>	<u>229,571</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	3,750	(12,376)	(14)	709	(10,685)	(18,616)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	7,324	9,716	-	-	7,468	24,508
Transfers Out	(11,834)	-	-	(1,026)	(2,510)	(15,370)
Issuance of General Obligation Bonds	-	-	-	-	5,000	5,000
Issuance of Leases	-	-	-	-	264	264
Bond Premiums	-	-	-	-	262	262
Total Other Financing Sources (Uses)	<u>(4,510)</u>	<u>9,716</u>	<u>-</u>	<u>(1,026)</u>	<u>10,484</u>	<u>14,664</u>
<b>NET CHANGE IN FUND BALANCES</b>	(760)	(2,660)	(14)	(317)	(201)	(3,952)
Fund Balances - Beginning of Year	20,968	63,550	100	(20)	37,553	122,151
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 20,208</u>	<u>\$ 60,890</u>	<u>\$ 86</u>	<u>\$ (337)</u>	<u>\$ 37,352</u>	<u>\$ 118,199</u>

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Total Governmental Funds (Exhibit IV) \$ (3,952)

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

Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense:

Capital Outlay	15,687
Depreciation and Amortization Expense	(8,390)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Property Tax Receivable - Accrual Basis Change	(915)
Loan Repayments	(589)
Accounts and Other Receivables - Accrual Basis Change	(110)

Change in Deferred Outflows:

Deferred Outflow of Resources Related to Pensions	(15,046)
Deferred Outflow of Resources Related to OPEB	2,551

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

Issuance of Bonds	(5,000)
Premium on Bonds	(262)
Bond Principal Payments	8,455
Amortization of Deferred Charge on Refunding	(126)
Amortization of Premiums	226
Capital Lease Issuances	(264)
Capital Lease Principal Payments	4

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated Absences	161
Accrued Interest	(409)
Landfill Postclosure Care	(53)
Change in Net Pension Liability	11,970
Change in Net OPEB Liability	909
Change in Deferred Inflows:	
Deferred Inflow of Resources Related to Pensions	(5,149)
Deferred Inflow of Resources Related to OPEB	(2,590)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

(262)

Change in Net Position of Governmental Activities (Exhibit II) \$ (3,154)

**CITY OF NORWICH, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

	Business-Type Activities			Governmental
	Department of Public Utilities	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 65,089	\$ -	\$ 65,089	\$ -
Receivables, Net	17,939	19	17,958	12
Due from Other Funds		171	171	5,344
Supplies	2,838	-	2,838	-
Other Assets	1,003	-	1,003	-
Total Current Assets	<u>86,869</u>	<u>190</u>	<u>87,059</u>	<u>5,356</u>
Noncurrent Assets:				
Lease Receivable	294	-	294	-
Capital Assets, Net	185,784	9,493	195,277	-
Total Noncurrent Assets	<u>186,078</u>	<u>9,493</u>	<u>195,571</u>	<u>-</u>
Total Assets	<u>272,947</u>	<u>9,683</u>	<u>282,630</u>	<u>5,356</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Outflows - Pensions	6,650	-	6,650	-
Deferred Outflows - OPEB	2,372	-	2,372	-
Total Deferred Outflows of Resources	<u>9,022</u>	<u>-</u>	<u>9,022</u>	<u>-</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	16,222	879	17,101	6
Notes Payable	1,934	-	1,934	-
Compensated Absences	2,224	-	2,224	-
Risk Management Claims	209	-	209	2,502
Lease Liability	65	16	81	-
SBITA Liability	80	-	80	-
Cash Advances from Other Funds	2,679	-	2,679	-
Due to Other Funds	33	784	817	-
Due to Other Governments	-	3	3	-
Unearned Revenue	-	349	349	12
Total Current Liabilities	<u>23,446</u>	<u>2,031</u>	<u>25,477</u>	<u>2,520</u>
Noncurrent Liabilities:				
Customer Deposits	4,333	-	4,333	-
Notes Payable	32,467	-	32,467	-
Compensated Absences	3,351	-	3,351	-
Risk Management Claims	669	-	669	3,662
Lease Liability	325	-	325	-
SBITA Liability	47	-	47	-
Cash Advances from Other Funds	58,210	-	58,210	-
Net Pension Liability	8,245	-	8,245	-
Net OPEB Liability	8,114	-	8,114	-
Total Noncurrent Liabilities	<u>115,761</u>	<u>-</u>	<u>115,761</u>	<u>3,662</u>
Total Liabilities	<u>139,207</u>	<u>2,031</u>	<u>141,238</u>	<u>6,182</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflows - Leases	364	-	364	-
Deferred Inflows - Pensions	3,097	-	3,097	-
Deferred Inflows - OPEB	1,738	-	1,738	-
Total Deferred Outflows of Resources	<u>5,199</u>	<u>-</u>	<u>5,199</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	141,692	9,477	151,169	-
Restricted for Energy Conservation	251	-	251	-
Unrestricted	<u>(4,380)</u>	<u>(1,825)</u>	<u>(6,205)</u>	<u>(826)</u>
Total Net Position	<u>\$ 137,563</u>	<u>\$ 7,652</u>	<u>\$ 145,215</u>	<u>\$ (826)</u>

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

	Business-Type Activities			Governmental
	Department of Public Utilities	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 100,880	\$ 1,581	\$ 102,461	\$ 21,822
Use of Property	402	-	402	-
Other Services	1,034	99	1,133	-
Rent	-	364	364	-
Total Operating Revenues	<u>102,316</u>	<u>2,044</u>	<u>104,360</u>	<u>21,822</u>
<b>OPERATING EXPENSES</b>				
Purchased Gas and Electric	29,974	-	29,974	-
Operations and Maintenance	20,146	1,438	21,584	-
General and Administrative	16,911	-	16,911	-
Depreciation and Amortization	9,991	479	10,470	-
Pension Expense	6,581	-	6,581	-
Customer Accounts	3,477	-	3,477	-
Gross Revenue and Property Taxes	2,221	-	2,221	-
OPEB Expense	1,194	-	1,194	-
Claims	-	-	-	18,575
Premiums and Administrative Charges	-	-	-	3,509
Total Operating Expenses	<u>90,495</u>	<u>1,917</u>	<u>92,412</u>	<u>22,084</u>
<b>OPERATING INCOME (LOSS)</b>	11,821	127	11,948	(262)
<b>NONOPERATING INCOME (EXPENSE)</b>				
Interest Income	928	7	935	-
Interest Expense	(2,618)	(7)	(2,625)	-
Gain on Disposal of Capital Assets	37	-	37	-
Other Nonoperating Revenue	469	-	469	-
Total Nonoperating Income (Expense)	<u>(1,184)</u>	<u>-</u>	<u>(1,184)</u>	<u>-</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	10,637	127	10,764	(262)
Capital Contributions	11,401	124	11,525	-
Transfers In	-	100	100	-
Transfers Out	(9,114)	(124)	(9,238)	-
<b>CHANGE IN NET POSITION</b>	12,924	227	13,151	(262)
Net Position - Beginning of Year	<u>124,639</u>	<u>7,425</u>	<u>132,064</u>	<u>(564)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 137,563</u>	<u>\$ 7,652</u>	<u>\$ 145,215</u>	<u>\$ (826)</u>

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

	Business-Type Activities			Governmental
	Department of Public Utilities	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Charges for Services	\$ 98,289	\$ 1,646	\$ 99,935	\$ 8,618
Cash Receipts for Interfund Services Provided	-	-	-	12,962
Cash Paid to Vendors	(51,606)	(975)	(52,581)	(21,580)
Cash Paid to Employees for Services	(24,466)	(541)	(25,007)	-
Cash Received from Other Nonoperating Revenues	469	-	469	-
Net Cash Provided (Used) by Operating Activities	<u>22,686</u>	<u>130</u>	<u>22,816</u>	<u>-</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Transfers to Other Funds	(9,114)	-	(9,114)	-
Customer Deposits	442	-	442	-
Transfers from (to) Other Funds	(101)	(24)	(125)	-
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>(8,773)</u>	<u>(24)</u>	<u>(8,797)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital Contributions	11,400	-	11,400	-
Purchases of Capital Assets	(28,700)	(58)	(28,758)	-
Proceeds from Sale of Capital Assets	158	-	158	-
Lease Payments Received	155	-	155	-
Proceeds from Notes Payable	10,435	-	10,435	-
Principal Payment on Notes Payable	(2,142)	-	(2,142)	-
Payments on Leases	(145)	(47)	(192)	-
Payments on SBITAs	(161)	-	(161)	-
Interest Payment on Debt	(2,618)	(2)	(2,620)	-
Interest Payments on Leases	-	(6)	(6)	-
Capital Advances (Repayments) from Other Funds	(2,661)	-	(2,661)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(14,279)</u>	<u>(113)</u>	<u>(14,392)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Income on Investments	928	7	935	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	562	-	562	-
Cash and Cash Equivalents - Beginning of Year	64,527	-	64,527	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 65,089</u>	<u>\$ -</u>	<u>\$ 65,089</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(IN THOUSANDS)**

	Business-Type Activities			Governmental
	Department of Public Utilities	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 11,821	\$ 127	\$ 11,948	\$ (262)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation/Amortization Expense	9,991	479	10,470	-
Other Nonoperating Revenues	469	-	469	-
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:				
Change in Deferred Outflow of Resources Related to Pensions	9,009	-	9,009	-
Change in Deferred Outflow of Resources Related to OPEB	(946)	-	(946)	-
Change in Net Pension Liability	(6,964)	-	(6,964)	-
Change in Net OPEB Liability	1,074	-	1,074	-
Change in Deferred Inflow of Resources Related to Leases	(172)	-	(172)	-
Change in Deferred Inflow of Resources Related to Pensions	3,097	-	3,097	-
Change in Deferred Inflow of Resources Related to OPEB	315	-	315	-
(Increase) Decrease in Receivables	(3,856)	(3)	(3,859)	1
(Increase) Decrease in Inventories and Other Assets	(41)	-	(41)	-
(Increase) Decrease in Due from Other Funds	-	(42)	(42)	(249)
Increase (Decrease) in Due to Other Funds	-	(57)	(57)	-
Increase (Decrease) in Unearned Revenues	-	(394)	(394)	6
Increase (Decrease) in Accounts Payable and Accrued Expenses	(1,111)	20	(1,091)	504
Total Adjustments	<u>10,865</u>	<u>3</u>	<u>10,868</u>	<u>262</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 22,686</u>	<u>\$ 130</u>	<u>\$ 22,816</u>	<u>\$ -</u>
<b>NONCASH CAPITAL AND FINANCING ACTIVITIES</b>				
Capital Asset Contributions	\$ 11,401	\$ 124	\$ -	\$ -
Leases	46	-	-	-
Subscription-Based Information Technology Arrangements	144	-	-	-
Total Noncash Capital and Financing Activities	<u>\$ 11,591</u>	<u>\$ 124</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

	Pension and Other Employee Benefit Trust Funds
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 4,873
Investments:	
U.S. Government Securities	31,002
U.S. Government Agencies	10,580
Corporate Bonds	26,733
Mutual Funds	257,526
Common Stock	71,005
Real Estate	8,657
Accounts Receivable	5
Total Assets	410,381
<b>LIABILITIES</b>	
Accounts and Other Payables	489
<b>NET POSITION</b>	
Restricted for OPEB Benefits	38,467
Restricted for Pension Benefits	371,425
Total Net Position	\$ 409,892

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2024**  
**(IN THOUSANDS)**

	Pension and Other Employee Benefit Trust Funds
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 9,045
Plan Members	5,894
Total Contributions	14,939
Investment Income:	
Net Change in Fair Value of Investments	35,785
Interest and Dividends	10,657
Total Investment Income	46,442
Less Investment Expense	(1,034)
Net Investment Income	45,408
Total Additions	60,347
<b>DEDUCTIONS</b>	
Benefits	27,024
Administration	644
Lump Sum Distributions and Withdrawals	1,025
Total Deductions	28,693
<b>CHANGE IN NET POSITION</b>	31,654
Net Position - Beginning of Year	378,238
<b>NET POSITION - END OF YEAR</b>	\$ 409,892

See accompanying Notes to Financial Statements.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The City was incorporated in May 1784. The City and Town consolidated on January 1, 1952. The City covers an area of 27.1 square miles and is located 40 miles southeast of Hartford. The City operates under a Council/Manager form of government. The City Manager is appointed by the Council and serves as the Chief Executive Officer.

**B. Government-Wide and Fund Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of grant revenues which are considered available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

**General Fund**

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

**Debt Service Fund**

The Debt Service Fund accounts for financial resources transferred in from other funds to fund debt service obligations.

**Education Grants Fund**

The Education Grants Fund accounts for all the educational grants administered by the Board of Education.

**General Government Grants and Programs**

The General Government Grants and Programs Fund accounts for various other grants administered by the City.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

The City reports the following major proprietary fund:

**Department of Public Utilities**

The Department of Public Utilities accounts for the operation of the City's water, sewer, electric and gas divisions. It is independent in terms of its relationship to other City functions. Its operations are financed from direct charges to the users of the service for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Additionally, the City reports the following fund types:

**Internal Service Fund**

The Internal Service Fund accounts for employee health insurance provided to other departments of the City and the City's self-insured workers' compensation program.

**Pension and Other Employee Benefit Trust Funds**

The Pension and Other Employee Benefit Trust Funds account for the activities of the City's two defined benefit pension plans, which accumulate resources for pension benefit payments to qualified retired employees and also the activities of the City's other postemployment benefit plan, which accumulate resources for medical and life insurance benefits provided to qualified retired employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain City functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

**D. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments for the City are reported at fair value.

**E. Receivables and Payables**

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

Property taxes on all property are assessed as of October 1 prior to the beginning of the fiscal year and become legally due and payable on the following July 1 and January 1. If taxes are unpaid as of June 30 following the payable date, a lien is placed on the real property. Property assessments are made at 70% of the market value. Property taxes receivable are recorded on the due date. Taxes not paid within 30 days of the due date are subject to an interest charge of one and one-half percent per month. The City is not a part of any overlapping government which assesses separate property taxes.

**F. Supplies and Prepaid Items**

All supplies are valued at cost using the first-in/first-out (FIFO) method. Supplies of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure, assets (e. g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of a year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Other property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 to 50 Years
Building Improvements	20 Years
Infrastructure, Public Doman Infrastructure, and Distribution and Collection Systems	20 to 50 Years
Machinery and Equipment	5 to 20 Years
Right-of-Use Lease Asset	2 to 10 Years
Subscription-Based Information Technology Arrangement Assets	2 to 5 Years

**H. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension and OPEB can result from differences between expected and actual experience, changes in assumptions, projected versus actual investment earnings or other inputs. With the exception of differences between projected and actual earnings, which are required to be recognized over a five-year period, these amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (participating active employees and vested former employees).

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports a deferred inflow of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB can result from differences between expected and actual experience, changes in assumptions, projected versus actual investment earnings, or other inputs. With the exception of differences between projected and actual earnings, which are required to be recognized over a five-year period, these amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (participating active employees and vested former employees). The City also reports deferred inflow(s) of resources related to leases in the government-wide statement of net position and in the governmental funds. Also, for governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes, interest on property taxes, loans and other receivables. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

**I. Compensated Absences**

Employees are paid by a prescribed formula for absences due to vacation or sickness. The obligation for vacation pay vests when earned. Unused sick leave may be accumulated for future absences in accordance with employee contracts and employment policies. Upon retirement, vested sick leave is payable to employees subject to union contract payment provisions. Sick leave and vacation leave expenditures are recognized in the governmental fund financial statements in the current year to the extent they are due (matured). The liability for the remainder of the accrued vacation earned and not due is reported in the government-wide and proprietary fund financial statements.

**J. Net Pension Liability**

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plans' fiduciary net position. The pension plans' fiduciary net position is determined using the same valuation methods that are used by the pension plans for purposes of preparing their statements of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Net OPEB Liability**

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

**L. Long-Term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**M. Fund Balance and Net Position**

In the government-wide financial statements and in proprietary fund types, net position is classified in the following categories:

*Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation/amortization and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

*Restricted Net Position* – This category represents the net position of the City, which is restricted by externally imposed constraints placed on net position by grantors, contributors or laws and regulations of other governments.

*Unrestricted Net Position* – This category represents the net position of the City, which is not restricted for any project or other purpose.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Fund Balance and Net Position (Continued)**

In the fund financial statements, fund balances of governmental funds are classified in five separate categories. The five categories, and their general meanings, are as follows:

*Nonspendable Fund Balance* – This represents amounts that cannot be spent due to form (e. g. , inventories and prepaid amounts).

*Restricted Fund Balance* – This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

*Committed Fund Balance* – This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (City Council). A fund balance commitment is established, modified and/or rescinded by ordinance.

*Assigned Fund Balance* – This balance represents the resources to be used to liquidate encumbered purchase orders and amounts appropriated for subsequent budget years. Encumbrances are authorized by an approval process, which includes the department head, the purchasing agent, and the comptroller. Appropriations for subsequent budget years are approved by ordinance by the City Council.

*Unassigned Fund Balance* – This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

The City Council adopted by ordinance a formal General Fund Unassigned Fund Balance (UFB) policy in December 2014. This policy identifies a target fund balance range of 12% to 17% of annual General Fund expenditures and transfers out.

The UFB may be used for absorbing operating deficits at any time. If UFB goes over 17%, the Council may appropriate the excess to:

- fund capital improvements beyond the level required by the Charter
- transfer funds to the bonded projects fund to finance authorized, but unissued projects
- retire existing debt early
- make extra contributions into the Pension or OPEB funds

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Fund Balance and Net Position (Continued)**

In June 2021, the City Council voted to add a policy for a nonlapsing account for unexpended education funds. This policy allows the BOE to request that an unexpended General Fund appropriation be deposited into the nonlapsing account which the City is treating as a Special Revenue Fund. The funds may be later used to offset future BOE operating deficits, or pay for improvements to school facilities, equipment, or programs which would not increase ongoing operating costs.

The City is assumed to use restricted resources first if both restricted and unrestricted resources are to be used for the same purpose.

**N. Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows and deferred inflows including disclosures of contingent assets and liabilities and reported revenues expenditures/expenses during the fiscal year.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

In October, the City Manager, through the Comptroller's Office, distributes budget instructions to department heads. On or before a date set by the City Manager, the head of every department, office or agency must submit a written proposed budget for the following year to the City Manager. The City Manager and Comptroller review these proposals and may revise them as deemed advisable, except in the case of the Department of Education where the City Manager has the authority to revise only the total estimated expenditures. The City Manager and Comptroller compare proposed expenditures to expected revenues and prepare a proposed budget for presentation to the City Council.

As required by City Charter, on or before the first Monday in April, the City Manager submits a balanced annual budget, as well as appropriation and tax levy ordinances to the City Council. Between the presentation of the budget and the first public hearing, department heads are given the opportunity to make presentations in support of their proposed budget. The City Council holds a first public hearing on the budget prior to the third Monday in April, but not sooner than one week after the submission of the budget. This hearing is to listen to citizens' comments on the budget. The Council meets by the second Monday in May to take initial action on the budget. A second public hearing is then held regarding the Council's proposed changes, prior to the third Monday in May.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

After the second public hearing, the Council may revise expenditures, except that it may not reduce appropriations for debt service and may revise only the total estimated expenditures for the Department of Education. The Council adopts the budget, appropriation, and tax levy ordinances by the second Monday of June; if it fails to do so, the budget as submitted by the City Manager stands.

The General Fund and the Fire Districts nonmajor governmental fund have legally adopted budgets.

Except for encumbrance accounting, the on-behalf contributions from the State of Connecticut into the TRB Pension and OPEB plans as well as some intergovernmental grant revenues, the budget is prepared on the modified accrual basis of accounting. The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.

The City Manager may transfer unexpended balances within a department, office, or agency; the Council may transfer unexpended balances between departments at the City Manager's request within the last three months of the fiscal year. The Comptroller oversees revenues and expenditures according to the budget established by the City Council. The Board of Education may transfer unexpended balances between accounts within its total line appropriation. Additional appropriations may be made upon the City Manager's recommendation, provided the Comptroller certifies the availability of a sufficient General Fund surplus.

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures of the current year. If an appropriation is not encumbered, it lapses at year end and may not be used by the department.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**B. Deficit Fund Balance**

Certain individual funds had fund balance/net position deficits at June 30, 2024 as follows:

Major Governmental Funds:	
General Government Grants and Programs	\$ 337 *
Nonmajor Governmental Funds:	
Dog License	126 *
Economic Development	3 *
Community Development Fund	6 *
Fire Grants and Programs	1 *
Property Rehabilitation	85 *
Internal Service Funds:	
Workers' Compensation	2,480 *

\* Deficit will be reduced by future operating surpluses or, if necessary, future contributions from the General Fund adopted as part of the budget process.

**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

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

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

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

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

**A. Deposits**

Deposit Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposit will not be returned. The City has a formal investment policy. Under this policy, the Treasurer shall mitigate concentration of credit risk on deposits by spreading deposits among different financial institutions. Because the benefits of lower fees and higher rates of return often outweigh the attendant risks of carrying large balances with a few financial institutions, the Treasurer will use their judgment rather than target percentages to guide their deposit strategy. For other investments, no more than 10% of the funds covered under this policy may be invested in securities from any one federal, state, or local political subdivision or agency. Deposits may be placed with any qualified public depository that has its main place of business in the state of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$99,713 of the City’s bank balance of \$133,295 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$	89,521
Uninsured and Collateral Held by the Pledging Bank's Trust Department, not in the City's Name		10,192
Total Amount Subject to Custodial Credit Risk	\$	99,713

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)**

**B. Cash Equivalents**

At June 30, 2024, the City's cash equivalents amounted to \$8,003. The following table provides a summary of the City's cash equivalents (excluding U.S. Government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	Standard & Poor's
State Short-Term Investment Fund (STIF)	AAA/m
Dime Bank	AAA/m

**NOTE 4 INVESTMENTS**

As of June 30, 2024, the City had the following investments:

	Fair Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More Than 10
Interest-Bearing Investments:				
Certificate of Deposit	\$ 53,179	\$ 48,874	\$ 4,305	\$ -
U.S. Government Securities	35,301	5,538	26,310	3,453
U.S. Government Agencies	10,600	280	81	10,239
Corporate Bonds	27,278	3,100	21,086	3,092
Total	126,358	\$ 57,792	\$ 51,782	\$ 16,784
Other Investments:				
Mutual Funds	257,735			
Common Stock	72,183			
Private Equity - Real Estate	8,658			
Total Investments	\$ 464,934			

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 INVESTMENTS (CONTINUED)**

Presented below is the rating of investments for each debt investment type:

Average Rating	Corporate Bonds	U.S. Government Securities	U.S. Government Agencies	Certificate of Deposit
Aaa	\$ 14	\$ 35,108	\$ -	\$ -
Aa1	161	44	-	-
Aa2	6	-	-	-
Aa3	303	43	-	-
A1	3,771	-	-	-
A2	2,699	-	-	-
A3	347	30	-	-
Baa1	2,886	-	-	-
Baa2	5,203	-	-	-
Baa3	8,833	-	-	-
Ba1	2,064	-	-	-
Ba2	167	-	-	-
Ba3	323	-	-	-
B1	419	-	-	-
B2	73	-	-	-
Unrated	9	76	10,600	53,179
Totals	<u>\$ 27,278</u>	<u>\$ 35,301</u>	<u>\$ 10,600</u>	<u>\$ 53,179</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2024:

	June 30, 2024	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Debt Securities:				
U.S. Government Securities	\$ 35,301	\$ 35,301	\$ -	\$ -
U.S. Government Agencies	10,600	10,600	-	-
Corporate Bonds	27,278	27,278	-	-
Equity Securities:				
Common Stock	72,183	72,183	-	-
Mutual Funds	257,735	257,735	-	-
Total Investments by Fair Value Level	403,097	<u>\$ 403,097</u>	<u>\$ -</u>	<u>\$ -</u>
Investments Recorded at Amortized Cost:				
Certificate of Deposit	53,179			
Investments Recorded at Net Asset Value				
Private Equity - Real Estate	8,658			
Total Investments	<u>\$ 464,934</u>			

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 4 INVESTMENTS (CONTINUED)**

**Interest Rate Risk**

The Employees' Pension Plan formal investment policy states that for fixed income investments, no issues may be purchased with a maturity that exceeds the maximum maturity in the applicable benchmark index. Maturity duration is managed to remain within plus or minus 25% of the applicable benchmark index. The City does not further limit its other investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

**Credit Risk – Investments**

As indicated above, State Statutes limit the investment options of cities and towns. The Employees' Pension Plan formal investment policy does not allow for investment in any company that has filed for bankruptcy without prior Personnel and Pension Board approval. For domestic equities, investments must be with companies that meet a specified minimum capitalization threshold at the date of purchase. For fixed income instruments, the average quality of the portfolio must exceed minimum rating levels at all times as defined in the investment policy and must meet or exceed a credit rating of BBB-/Baa3. The City's investment policy governing other investments limits holdings to highly rated fixed income instruments, mutual funds, and government investment pools.

**Concentration of Credit Risk**

The Employees' Pension Plan formal investment policy includes provisions for domestic equities stating that the cost of an individual security in a portfolio at the date of purchase may not exceed 5% of the total market value of that portfolio. Fixed income instruments with a single issuer (excluding U. S. Government and Government Agencies) may not exceed 5% of the market value of that portfolio. The City's investment policy governing other investments does not permit direct equity or fixed income investments in private-sector companies.

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 4 INVESTMENTS (CONTINUED)**

**Custodial Credit Risk**

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the City or that sells investments to or buys them for the City), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has a formal investment policy. Under this policy, the Treasurer shall mitigate concentration of credit risk on deposits by spreading deposits among different financial institutions. Because the benefits of lower fees and higher rates of return often outweigh the attendant risks of carrying large balances with a few financial institutions, the Treasurer will use their judgment rather than target percentages to guide their deposit strategy. For other investments, no more than 10% of the funds covered under this policy may be invested in securities from any one federal, state, or local political subdivision or agency. The City's individual investments in U. S. government obligations, equities and corporate bonds are uninsured and unregistered securities held by a counterparty, or by its trust department or agent that are not in the City's name. The City's investments are held in open-end mutual funds which, because they are pooled investments rather than separate identifiable securities, are not subject to custodial risk determination. The City will only deposit funds in institutions rated within one of the top three rating categories of any nationally recognized rating service. Financial institutions in which the City deposits funds shall be accepted by City Council resolution. For financial institutions which have not been ranked by a nationally recognized rating service, the Treasurer shall assess the financial capacity and creditworthiness of the institution before recommending it to the City Council for approval.

**NOTE 5 RECEIVABLES**

Receivables as of year-end for the City's individual major funds and nonmajor, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Education Grants	Department of Public Utilities	General Government Grants and Programs	Nonmajor and Other Funds	Total
Receivables:						
Taxes	\$ 4,517	\$ -	\$ -	\$ -	\$ 203	\$ 4,720
Intergovernmental	-	4,899	3,773	552	4,845	14,069
User Charges	-	-	17,779	-	19	17,798
Leases	1,163	-	389	-	314	1,866
Assessments	799	-	-	-	-	799
Loans	-	-	-	-	4,449	4,449
Accounts and Other	587	-	-	-	384	971
Gross Receivables	<u>7,066</u>	<u>4,899</u>	<u>21,941</u>	<u>552</u>	<u>10,214</u>	<u>44,672</u>
Less Allowance for Uncollectibles:						
Taxes	(1,110)	-	-	-	(27)	(1,137)
User Charges	-	-	(3,708)	-	-	(3,708)
Accounts and Other	-	-	-	-	(193)	(193)
Total Allowance	<u>(1,110)</u>	<u>-</u>	<u>(3,708)</u>	<u>-</u>	<u>(220)</u>	<u>(5,038)</u>
Net Total Receivables	<u>\$ 5,956</u>	<u>\$ 4,899</u>	<u>\$ 18,233</u>	<u>\$ 552</u>	<u>\$ 9,994</u>	<u>\$ 39,634</u>

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. The City also operates a cash pool in the General Fund, and there are bonded projects in one fund that benefit another fund.

A summary of interfund balances as of June 30, 2024 is presented below.

	Due from Other Funds	Due to Other Funds
General Fund	\$ 5,421	\$ 47,239
Debt Service Fund	60,890	-
Education Grants	2,075	4,239
General Government Grants and Programs	9,190	-
Nonmajor Governmental	30,410	317
Department of Public Utilities	-	60,922
Nonmajor Enterprise	171	784
Internal Service Funds	5,344	-
Total	<u>\$ 113,501</u>	<u>\$ 113,501</u>

Included within the balances above are \$60,890 of long-term interfund advances receivable by the Debt Service Fund from the Department of Public Utilities. These advances are primarily for the construction of gas-related infrastructure and the Department's portion of the pension obligation bonds and are to be repaid over the term of the corresponding debt.

A summary of interfund transfers is presented below:

	Transfers In				Total
	General	Debt Service Expenditure	Nonmajor Governmental	Nonmajor Enterprise	
Transfers Out:					
General Fund	\$ -	\$ 8,691	\$ 3,043	\$ 100	\$ 11,834
General Government Grants and Programs	-	-	1,026	-	1,026
Department of Public Utilities	5,814	-	3,300	-	9,114
Nonmajor Governmental	1,485	1,025	-	-	2,510
Nonmajor Enterprise	25	-	99	-	124
Total	<u>\$ 7,324</u>	<u>\$ 9,716</u>	<u>\$ 7,468</u>	<u>\$ 100</u>	<u>\$ 24,608</u>

Transfers from the General Fund to other nonmajor governmental funds are in support of the City's capital improvement program, debt service and other special revenue programs accounted for outside of the General Fund. Transfers from nonmajor governmental funds to the General Fund are derived primarily from net income generated from private duty police services accounted for outside of the General Fund. Transfers from nonmajor governmental funds to the bond expenditure fund are for debt service payments. The Department of Public Utilities annually transfers 10% of gross revenues derived from gas, electric and water sales to the General Fund and the Fire Districts Fund.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7 LEASES**

**A. Lessor**

The City, acting as lessor, leases various property under long-term, non-cancelable lease agreements. The leases expire at various dates through 2036. During the year ended June 30, 2024, the City recognized \$103 in lease revenue pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	Governmental Activities	
	Principal	Interest
2025	\$ 140	\$ 11
2026	139	15
2027	329	53
2028	131	21
2029	129	25
Thereafter	608	173
Total	\$ 1,476	\$ 298

The Department of Public Utilities, acting as lessor, leases space on and/or adjacent to two water tanks for the purpose of the tenants' transmission and reception of communications signals under long-term, noncancelable lease agreements. The leases expire at various dates through June 30, 2036, inclusive of renewal options ranging from ten to fifteen years from transition date of July 1, 2021. During the year ended June 30, 2024, the Department of Public Utilities recognized \$119 in lease revenue pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	Business-Type Activities	
	Principal	Interest
2025	\$ 95	\$ 10
2026	64	7
2027	20	7
2028	21	6
2029	21	5
Thereafter	168	17
Total	\$ 389	\$ 52

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 7 LEASES (CONTINUED)**

**B. Lessee**

The City, Department of Public Utilities, and Golf Course Authority leases equipment, land, and office equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through June 30, 2059 and provide for renewal options ranging from two to five years.

Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Total future minimum lease payments under lease agreements are as follows:

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 14	\$ -	\$ 81	\$ 15
2026	14	1	67	12
2027	13	2	68	9
2028	12	2	70	6
2029	12	3	68	3
Thereafter	195	240	52	2
Total	<u>\$ 260</u>	<u>\$ 248</u>	<u>\$ 406</u>	<u>\$ 47</u>

Right-to-use lease assets acquired through outstanding contracts are shown below:

Right-to-Use Lease Assets:	
Land	\$ 500
Equipment	256
Less: Accumulated Amortization	<u>(382)</u>
Total	<u>\$ 374</u>

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 28,508	\$ -	\$ -	\$ -	\$ 28,508
Construction in Progress	20,337	11,574	-	(8,873)	23,038
Total Capital Assets Not Being Depreciated	48,845	11,574	-	(8,873)	51,546
Capital Assets Being Depreciated:					
Buildings and Improvements	108,166	309	-	514	108,989
Vehicles, Machinery, and Equipment	34,788	2,259	(1,023)	3,579	39,603
Technology Upgrade and Infrastructure	52,784	1,281	-	4,780	58,845
Total Capital Assets Being Depreciated	195,738	3,849	(1,023)	8,873	207,437
Less Accumulated Depreciation for:					
Buildings and Improvements	(54,907)	(3,380)	-	-	(58,287)
Vehicles, Machinery, and Equipment	(25,369)	(2,930)	1,023	-	(27,276)
Technology Upgrade and Infrastructure	(31,199)	(2,076)	-	-	(33,275)
Total Accumulated Depreciation	(111,475)	(8,386)	1,023	-	(118,838)
Right to Use - Lease Asset:					
Land	-	264	-	-	264
Less Accumulated Amortization:					
Land	-	(4)	-	-	(4)
Total Capital Assets Being Depreciated, Net	84,263	(4,277)	-	8,873	88,859
Governmental Activities Capital Assets, Net	\$ 133,108	\$ 7,297	\$ -	\$ -	\$ 140,405

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 CAPITAL ASSETS (CONTINUED)**

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 3,285	\$ -	\$ -	\$ 80	\$ 3,365
Construction in Progress	14,438	38,120	-	(11,178)	41,380
Total Capital Assets Not Being Depreciated	17,723	38,120	-	(11,098)	44,745
Capital Assets Being Depreciated:					
Structures and Improvements	69,559	-	(53)	1,275	70,781
Intangible Plant	4,319	-	-	-	4,319
Machinery, Equipment, Pumping, and Distribution Systems	277,883	58	(2,710)	9,823	285,054
Total Capital Assets Being Depreciated	351,761	58	(2,763)	11,098	360,154
Less Accumulated Depreciation for:					
Structures and Improvements	(36,429)	(1,573)	36	-	(37,966)
Intangible Plant	(216)	(216)	-	-	(432)
Machinery, Equipment, Pumping, and Distribution Systems	(166,293)	(8,288)	2,629	-	(171,952)
Total Accumulated Depreciation	(202,938)	(10,077)	2,665	-	(210,350)
Right to Use - Lease Asset:					
Land	582	-	(82)	-	500
Equipment	408	27	(179)	-	256
Total Right to Use - Lease Asset	990	27	(261)	-	756
Less Accumulated Amortization:					
Land	(118)	(59)	6	-	(171)
Equipment	(231)	(89)	109	-	(211)
Total Accumulated Amortization	(349)	(148)	115	-	(382)
Subscription Based Information Technology Arrangement (SBITA)					
Assets:					
SBITA	641	131	(211)	-	561
Less Accumulated Amortization:					
SBITA	(173)	(245)	211	-	(207)
Total Capital Assets Being Depreciated, Net	149,932	(10,254)	(244)	11,098	150,532
Business-Type Activities Capital Assets, Net	\$ 167,655	\$ 27,866	\$ (244)	\$ -	\$ 195,277

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 CAPITAL ASSETS (CONTINUED)**

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

Governmental Activities:

General Government	\$	307
Public Safety		2,317
Social Services		3,934
Public Works		120
Education		1,712
Total Depreciation and Amortization Expense - Governmental Activities	\$	8,390

Business-Type Activities:

Department of Public Utilities	\$	9,991
Golf Course Authority		189
Stadium Authority		187
Ice Rink Authority		103
Total Depreciation and Amortization Expense - Business-Type Activities	\$	10,470

**Construction Commitments**

The City has active construction projects as of June 30, 2024. At year-end, the City's commitments with contractors on active authorizations are as follows:

Project	Cumulative Authorization	Current Expenditures	Cumulative Expenditures	Balance June 30, 2024
PHMSA Grant - Gas Distribution Replacement Phase I *	\$ 10,000	\$ 84	\$ 84	\$ 9,916
Primary Electric Distribution Circuit Upgrades *	1,800	554	1,383	417
DEEP Grant - Bean Hill Substation Floodproofing	650	3	3	647
Groton Water Main Interconnect *	850	564	603	247
Industrial Park Water Tank Upgrade *	1,800	2	3	1,797
Richard Brown Water Tank Upgrade *	1,800	2	3	1,797
Caribou/Nemczuk Water Distribution System *	3,350	1,068	1,107	2,243
Lead Service Water Line Replacement *	2,500	401	539	1,961
Norwichtown Well PFAS Treatment System *	4,500	28	28	4,472
Yantic Water Tank Upgrade *	2,400	72	76	2,324
South Thames/Cove St Wastewater Force Main *	6,750	254	1,701	5,049
Greenville CIPP Sewer Main Replacement *	750	358	629	121
Wastewater Treatment Plant Construction *	200,000	24,604	34,197	165,803
Sherman Street Bridge	12,703	2,760	11,460	1,243
Armstrong Tennis Courts	861	343	830	31
Uncas Leap Heritage Park	2,800	1,387	1,565	1,235
Motorola CAD RMS Project	4,100	1,072	3,819	281
Total	\$ 257,614	\$ 33,555	\$ 58,030	\$ 199,584

\* As an enterprise fund, the Department of Public Utilities does not encumber project spending, instead annual project spending is approved through the budget process. Due to the timing of spending and projects, the same work can be approved in multiple year(s)/budget(s) as capital project budgets are not cumulative. Due to this significant difference in budgeting/project approval, the Department of Public Utilities has provided Estimated Project Costs in place of "Cumulative Authorization."

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 LONG-TERM DEBT**

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 188,205	\$ 5,000	\$ 8,455	\$ 184,750	\$ 8,725
Add Unamortized Premiums	2,365	262	226	2,401	193
Total Bonds Payable	<u>190,570</u>	<u>5,262</u>	<u>8,681</u>	<u>187,151</u>	<u>8,918</u>
Compensated Absences	3,425	1,618	1,779	3,264	1,687
Lease Liability	-	264	4	260	14
Landfill Closure	100	53	-	153	23
Net Pension Liability	33,837	-	11,970	21,867	-
Net OPEB Liability	26,373	-	909	25,464	-
Risk Management Claims	5,666	18,575	18,077	6,164	2,502
	<u>5,666</u>	<u>18,575</u>	<u>18,077</u>	<u>6,164</u>	<u>2,502</u>
 Total Governmental Activities Long-Term Liabilities	 <u>\$ 259,971</u>	 <u>\$ 25,772</u>	 <u>\$ 41,420</u>	 <u>\$ 244,323</u>	 <u>\$ 13,144</u>
 <b>Business-Type Activities:</b>					
Notes Payable - Direct Borrowing:					
Notes Payable	\$ 346	\$ -	\$ 279	\$ 67	\$ 67
State of Connecticut - Serial Notes	25,762	10,434	1,862	34,334	1,867
Total Notes Payable	<u>26,108</u>	<u>10,434</u>	<u>2,141</u>	<u>34,401</u>	<u>1,934</u>
Compensated Absences	5,207	2,610	2,242	5,575	2,224
Lease Liability	574	46	214	406	81
SBITA Liability	157	144	174	127	80
Workers' Compensation	1,167	-	289	878	209
Net Pension Liability	15,209	-	6,964	8,245	-
Net OPEB Liability	7,041	1,073	-	8,114	-
	<u>7,041</u>	<u>1,073</u>	<u>-</u>	<u>8,114</u>	<u>-</u>
 Total Business-Type Activities Long-Term Liabilities	 <u>\$ 55,463</u>	 <u>\$ 14,307</u>	 <u>\$ 12,024</u>	 <u>\$ 57,746</u>	 <u>\$ 4,528</u>

The governmental activities net pension liability and the net OPEB liability have primarily been liquidated with General Fund resources.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 LONG-TERM DEBT (CONTINUED)**

A schedule of bonds outstanding at June 30, 2024 is presented below:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2024
Governmental Activities:					
General Purpose Bonds Payable:					
General Purpose - Series A	3/3/2015	8/1/2034	3.0-4.0	\$ 5,600	\$ 2,775
General Purpose - Series B	3/3/2015	8/1/2024	2.0-3.0	1,140	110
General Purpose - Series A	3/1/2016	8/1/2035	2.0-2.6	6,300	3,390
General Purpose - Series B	3/1/2016	8/1/2025	2.0-3.0	2,500	500
Refunding - (Partial 12/02/2009 Series A) Bonds - Series C	10/12/2016	8/1/2024	1.8-4.0	2,925	585
General Purpose - Series A	3/1/2017	8/1/2036	3.0-4.0	4,450	2,875
Refunding - (Partial 12/02/2009 Series A) Bonds - Series A	3/1/2017	8/1/2036	3.0-4.0	2,825	2,825
General Purpose - Series B	3/1/2017	8/1/2036	1.0-3.9	1,000	650
General Purpose - Series A	12/6/2018	8/1/2038	3.0-5.0	7,970	6,300
General Purpose - Series A	12/5/2019	8/1/2039	2.0-5.0	3,575	3,020
General Purpose - Series A	10/28/2020	8/1/2040	3.0-5.0	1,205	1,020
General Purpose - Series B	10/28/2020	8/1/2040	2.0-5.1	15,920	10,590
Pension Obligation Bonds	2/25/2022	8/1/2046	1.4-3.3	145,000	136,370
General Purpose - Series A	12/29/2022	8/1/2043	4.0-5.0	9,200	8,740
General Purpose - Series A	12/14/2023	8/1/2044	4.0	5,000	5,000
Total					<u>\$ 184,750</u>
Business-Type Activities:					
Notes Payable:					
Equipment Financing Loan	7/1/2020	10/31/2024	3.05	\$ 344	\$ 67
State of Connecticut Serial Notes Payable:					
Clean Water Act 625-D	12/31/2012	12/31/2031	2.00	1,865	780
Clean Water Act 495-C	5/31/2013	6/1/2032	2.00	5,748	2,528
Clean Water Act 625-D1	5/31/2015	12/31/2031	2.00	2,510	1,177
Clean Water Act 707-Pd	2/26/2021	1/31/2041	2.00	1,655	1,372
Clean Water Act 743-D	10/31/2023	9/30/2043	2.00	2,061	1,957
Clean Water Act 743-D	*	*	*	*	10,425
Drinking Water State Revolving Fund 200801-C	7/1/2009	7/1/2029	2.27	450	111
Drinking Water State Revolving Fund 2010-8005	3/31/2010	12/31/2029	2.06	145	40
Drinking Water State Revolving Fund 2010-8006	3/31/2010	6/30/2030	2.06	326	98
Drinking Water State Revolving Fund 2010-7005	4/30/2014	10/31/2032	2.00	160	72
Drinking Water State Revolving Fund 2010-7006	4/30/2014	4/30/2032	2.00	148	64
Drinking Water State Revolving Fund 2014-7027	6/30/2015	12/31/2034	2.27	506	266
Drinking Water State Revolving Fund 2014-7036	5/31/2016	11/30/2036	2.00	4,052	2,313
Drinking Water State Revolving Fund 2015-7037	10/12/2016	9/30/2034	2.00	1,528	870
Drinking Water State Revolving Fund 2017-7056	2/28/2019	6/30/2028	2.00	2,695	1,909
Drinking Water State Revolving Fund 2019-7069	12/31/2020	6/30/2040	2.00	2,477	1,982
Drinking Water State Revolving Fund 2019-7072	8/31/2019	2/28/2039	2.00	1,582	1,160
Drinking Water State Revolving Fund 2019-7081	11/30/2020	6/30/2040	2.00	2,414	1,931
Drinking Water State Revolving Fund 2019-7077	9/30/2022	9/30/2041	2.00	5,824	5,159
Drinking Water State Revolving Fund 2022-7104	3/31/2023	9/30/2042	2.00	131	120
Total					<u>\$ 34,401</u>

\* Loan is not permanently financed at this time.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 LONG-TERM DEBT (CONTINUED)**

The annual debt service requirements of the governmental activities bonded indebtedness is as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 8,725	\$ 5,777	\$ 14,502
2026	8,660	5,532	14,192
2027	8,410	5,313	13,723
2028	8,485	5,091	13,576
2029	8,580	4,861	13,441
2030 - 2034	41,270	20,804	62,074
2035 - 2039	37,875	14,658	52,533
2040 - 2044	38,455	7,953	46,408
2045 - 2048	24,290	1,348	25,638
Total	<u>\$ 184,750</u>	<u>\$ 71,337</u>	<u>\$ 256,087</u>

The annual debt service requirements of the City's bond and notes payable of business-type activities are as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,934	\$ 462	\$ 2,396
2026	1,878	424	2,302
2027	1,889	387	2,276
2028	1,901	349	2,250
2029	1,910	311	2,221
2030 - 2034	8,054	1,013	9,067
2035 - 2039	4,931	343	5,274
2040 - 2044	1,479	77	1,556
Subtotal	<u>23,976</u>	<u>3,366</u>	<u>27,342</u>
State of Connecticut - Serial Notes not Permanently Financed as of June 30, 2024	<u>10,425</u>	<u>-</u>	<u>10,425</u>
Total	<u>\$ 34,401</u>	<u>\$ 3,366</u>	<u>\$ 37,767</u>

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 LONG-TERM DEBT (CONTINUED)**

**Compensated Absences – Governmental Activity**

Employees can accumulate additional amounts of unused vacation and sick leave (as determined by individual union contracts) payable upon termination of their employment. Compensated absences' liabilities are generally liquidated by the General Fund. The following vested and nonvested estimated liabilities are summarized as follows:

Vested:			
Sick		\$	775
Vacation			815
Other			261
Nonvested:			
Sick			1,413 *
Total		<u>\$</u>	<u>3,264</u>

\* Based on estimated percentage of total nonvested obligation that potentially will vest in future years

**Compensated Absences – Business-Type Activity**

Department of Public Utilities employees can accumulate additional amounts of unused vacation and sick leave (as determined by individual union contracts) payable upon termination of their employment. Compensated absences' liabilities are generally liquidated by the Department of Public Utilities Fund. The following vested estimated liabilities are summarized as follows:

Sick		\$	4,110
Vacation			1,465
Total		<u>\$</u>	<u>5,575</u>

**Landfill Closure and Postclosure Care Cost – Governmental Activity**

State and federal laws and regulations require that the City place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The current estimated total cost of the landfill closure and postclosure care of \$153 is based on the amount estimated to be paid for all equipment, facilities and services required to close, monitor and maintain the complete landfill site as of June 30, 2024. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. The Landfill Closure fund has been used to liquidate landfill closure and postclosure liabilities, but the General Fund will be used to pay for future monitoring costs.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 LONG-TERM DEBT (CONTINUED)**

**Subscription-Based Information Technology Arrangements**

The City has entered into subscription based-information technology arrangements (SBITAs) for various items under long-term, noncancelable SBITA agreements. The SBITAs expire at various dates through 2026 and provide for renewal options.

Total future minimum payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 80	\$ 8
2026	47	-
Total	<u>\$ 127</u>	<u>\$ 8</u>

Subscription based information technology arrangement assets acquired through outstanding contracts are shown below.

Subscription Based Information Technology Arrangements	\$ 561
Less: Accumulated Amortization	<u>(207)</u>
Total	<u>\$ 354</u>

**Bonds Authorized/Unissued**

Bonds authorized/unissued with outstanding debt at June 30, 2024 are as follows:

<u>Description</u>	<u>Authorized</u>	<u>Bonded</u>	<u>Grants</u>	<u>Authorized Unissued</u>
Dodd Stadium Capital Improvements (2018)	\$ 800	\$ 450	\$ -	\$ 350
Infrastructure Improvement Program (2019)	5,000	3,188	-	1,812
School Construction Program (2022)	385,000	10,000	240,000	135,000
Infrastructure Improvement Program (2023)	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
Total	<u>\$ 396,800</u>	<u>\$ 13,638</u>	<u>\$ 240,000</u>	<u>\$ 143,162</u>

**Debt Limitations**

The City's indebtedness does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General Purpose	\$ 204,878	\$ 29,899	\$ 174,979
Schools	409,757	147,808	261,949
Sewers	341,464	1,541	339,923
Urban Renewal	295,935	1,280	294,655
Pension Deficit	273,171	136,370	136,801

The total of the City's net statutory indebtedness of \$316.9 million does not exceed the legal debt limitation of \$637.4 million (seven times the base for debt limitation computation).

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 10 FUND BALANCE**

**A. Fund Balance**

The components of fund balance at June 30, 2024 are as follows:

	General Fund	Bond Expenditure Fund	Education Grants	General Government Grants and Programs	Nonmajor Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Trust	\$ -	\$ -	\$ -	\$ -	\$ 33	\$ 33
Restricted for:						
Trust:						
Cemetery Trusts	-	-	-	-	2,227	2,227
Parks and Gardens Trusts	-	-	-	-	17	17
Fred Abbot Summer Concert	-	-	-	-	1	1
Fire Districts	-	-	-	-	232	232
Student Activities	-	-	-	-	56	56
Opioid Remediation	-	-	-	-	238	238
Cannabis	-	-	-	-	98	98
Youth Services	-	-	-	-	2	2
Lead Paint Abatement	-	-	-	-	25	25
Capital Improvements	-	-	-	-	1,287	1,287
Bond Expenditure	-	-	-	-	1,773	1,773
Committed to:						
Public Safety:						
Police Grants and Programs	-	-	-	-	200	200
Public Works:						
Public Parking	-	-	-	-	239	239
Other	-	-	-	-	437	437
Social Services:						
Recreation	-	-	-	-	932	932
Human Services	-	-	-	-	44	44
Senior Center	-	-	-	-	63	63
General Government:						
Downtown Revitalization	-	-	-	-	-	-
Revolving Loan	-	-	-	-	301	301
Pension Reserve Fund	-	-	-	-	15,400	15,400
Other	-	-	-	-	986	986
Education:						
School Lunch	-	-	-	-	2,644	2,644
Adult Education	-	-	-	-	33	33
Other	-	-	86	-	37	123
Debt Service	-	60,890	-	-	-	60,890
Assigned to:						
Encumbrances:						
General Government	87	-	-	-	-	87
Public Safety	22	-	-	-	-	22
Public Works	27	-	-	-	-	27
Capital Projects	-	-	-	-	10,269	10,269
Unassigned	20,072	-	-	(337)	(222)	19,513
Total Fund Balances	<u>\$ 20,208</u>	<u>\$ 60,890</u>	<u>\$ 86</u>	<u>\$ (337)</u>	<u>\$ 37,352</u>	<u>\$ 118,199</u>

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 FUND BALANCE (CONTINUED)**

**B. Department of Public Utilities – Restricted Net Position**

Connecticut Municipal Electric Energy Cooperative (CMEEC) administers a Municipal Energy and Load Conservation Fund (the Fund) on behalf of its cooperative members, including the Norwich Department of Public Utilities (the Department). The Fund was established to comply with provisions of House Bill 7501, Public Act No. 05-1 requiring CMEEC to establish and administer the Fund. CMEEC includes a charge of 2.5 mills per kilowatt hour in the monthly purchase power costs of wholesale electricity sold to the Department for deposit into the Fund. Disbursements from the Fund are required to be made pursuant to a comprehensive electric conservation and load management plan. Funds held by CMEEC as of June 30, 2024 on behalf of the Department were \$250. Investment income that is earned on the Department's deposits along with the Fund's authorized expenses is recorded in the Department's statement of activities. The funds held by CMEEC on behalf of the Department are recorded as an asset on the Department's statement of net position and have been restricted.

**C. Encumbrances**

As discussed in Note 2. A., budgetary information, under the budgetary basis of accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were \$136 within the General Fund for various reasons and \$10,269 within the Nonmajor Governmental Funds for capital projects.

**NOTE 11 TAX ABATEMENTS**

As of June 30, 2024, the City provides tax abatements through multiple programs:

- Connecticut Enterprise Zone Program
- Uniform Tax Deferral Process
- Wauregan Hotel Development Tax Abatement Agreement
- Housing Development Zone Program
- Distressed Municipalities

The Connecticut Enterprise Zone (EZ) Program provides real property tax abatements to encourage economic development in designated areas within a Targeted Investment Community of which the City has been designated, under Connecticut General Statutes Section 32-71 and City of Norwich Ordinance 7-91 and 7-94. Eligible businesses include manufacturers, warehouse distributors and certain designated service-related business. An EZ business applicant must complete a preliminary application to determine if all eligibility criteria will be met. After the request of the preliminary application has been met, the business applicant is required to submit a formal application to the Department of Economic and Community Development.

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 11 TAX ABATEMENTS (CONTINUED)**

A seven-year abatement ranging from 100% to 0% (phased in over the abatement) of local property taxes on qualifying real and personal property, is subject to the property being new to the grand list of the municipality as a direct result of a business expansion or renovation project or, in the case of an existing building, having met the vacancy requirement. The property tax abatement is for a full seven-year period and takes effect with the start of the first full assessment year following the issuance of a "Certificate of Eligibility." For the fiscal year ended June 30, 2024, taxes abated through this program total \$18. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program.

The Uniform Tax Deferral Process provides real property tax abatements on certain commercial property development in the City under Connecticut General Statutes Section 12-65c through 12-65e and the City of Norwich Ordinance 7-22. Abatements are obtained pursuant to a contract between the City and the owner of any such property. The contract shall provide the terms of such abatement, the moneys equal to the amount of such abatement and the criteria by which the property is required to be used for to receive the abatement. For the fiscal year ended June 30, 2024, taxes abated through this program total \$302. The contract includes provisions for cease and potential recapture of abatements if property is used for a purpose other than the one specified in the agreement. No other commitments have been made by the City to the abatement recipients under this program.

The Wauregan Hotel Development (WHD) tax abatement agreement was created to provide real property tax abatements for the rehabilitation of certain deteriorated property within the City pursuant of Connecticut General Statutes Section 8-215 and City of Norwich Ordinance 7-21. Under the terms of the agreement the rehabilitated property is to be used for low-income housing and abatement obtained pursuant to a contract between the City and the owner of the property. The property owner will receive an abatement of all taxes but is responsible for paying the City a payment in lieu of taxes equal to 20% of net operating income on the property. Continuation of the agreement is conditioned upon continued compliance with the provisions of the agreement and is terminated upon sale or transfer of the property for any other purpose unless the City has consented thereto. For the fiscal year ended June 30, 2024, taxes abated through this program total \$128. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program.

The Housing Development Zone tax abatement agreements provide real property tax abatements for improvements to commercial and residential real estate in Housing Development Zones pursuant of Connecticut General Statutes Section 8-380. Under the terms of the agreements, qualifying developments in Housing Development zones provide an abatement over an eleven-year period where the assessment is increased incrementally from 0% to 100%. For the fiscal year ended June 30, 2024, taxes abated through this program total \$433. There are no provisions to recapture abated taxes under this program. No other commitments have been made by the City to the abatement recipients under this program.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 TAX ABATEMENTS (CONTINUED)**

The Distressed Municipalities tax abatement program provides real and personal property tax abatements to encourage investment in manufacturing. To be eligible, 30% of new employees must be residents of the Enterprise Zone or residents of the municipality in which the plant is located and eligible under the Workforce Investment Act. The program includes five-year 80% abatement of local property taxes on all qualifying real and personal property. For the fiscal year ended June 30, 2024, taxes abated through this program total \$178. No other commitments have been made by the City to the abatement recipients under this program.

**NOTE 12 RISK MANAGEMENT**

The City is exposed to various risks of loss related to public official liability, police professional liability, theft or impairment of assets, errors and omissions, injury to employees, natural disasters and owners and contractors protective liability.

It is the policy of the City to self-insure for employee health insurance programs. To this end, the City created an internal service fund to which the various City funds “pay premiums” and from which employee medical claims are paid. Claims are accrued as incurred. The City also purchased “stop loss” insurance to limit its losses to \$175 per person in 2024 for hospitalization and prescriptions with a maximum aggregate for all claims of approximately \$21,030.

The City self-insures for workers’ compensation benefits. The City purchases commercial insurance for claims in excess of coverage provided by the workers’ compensation account with an individual claim maximum of \$600 and a \$10,000 aggregate maximum per year.

The workers’ compensation costs are funded by the General Fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors.

Changes in the balances of claim liabilities during the past two years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
Medical:				
2023 - 2024	\$ 1,107	\$ 16,403	\$ 16,169	\$ 1,341
2022 - 2023	1,682	16,728	17,303	1,107
Workers’ Compensation:				
2023 - 2024	4,559	2,172	1,908	4,823
2022 - 2023	4,760	2,404	2,605	4,559

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 12 RISK MANAGEMENT (CONTINUED)**

The City purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded coverage in any of the past three years.

The Department of Public Utilities accounts for the self-insured component of workers' compensation benefits for the Department's employees within the Department of Public Utilities Enterprise Fund. The Department has accrued \$878 for estimated unpaid accrued losses on reported claims as of June 30, 2024.

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**City of Norwich Retirement System**

**A. Plan Description and Benefits Provided**

The City is the administrator of the City's Consolidated Pension Plan, a single-employer contributory defined benefit public employee retirement system (PERS) established and administered by the City to provide pension benefits to all full-time noncertified employees. The Plan is considered to be part of the City's financial reporting entity and is included in the City's financial reports as a pension trust fund. The plan does not issue a stand-alone report.

Management of the plans rest with the Personnel and Pension Board, which consists of five members (two members elected by plan members and three appointed by City Council). The City Treasurer shall have the care and custody of all pension funds and, with the approval of the Personnel and Pension Board, shall have the power to invest and reinvest the same in securities legal for investment of trust funds under the general statutes. The City Treasurer, with the approval of the Personnel and Pension Board, may designate and appoint a corporate trustee or trustees to manage the pension funds.

The City provides all retirement, death and disability benefits through a single employer, contributory defined benefit plan. Under the plan, all full-time salaried City employees, noncertified employees of the Board of Education and all full-time uniformed and investigatory employees classified as Police Officers and Firefighters are eligible after a probationary period.

**B. Union Coalition**

**2018 Agreement**

The members of the City Hall Employees, City Hall Supervisors, Public Works Employees, Public Works Supervisors, 911 Dispatchers, City nonunion and elected employees, Public Utilities Supervisory and Professional Employees, Public Utilities Technical and Clerical Employees, Public Utilities Water Distribution Employees, Public Schools Para-educators, Public Schools Custodians/ Maintainers, Public Schools Administrative Assistants, and Public Schools Nurses joined the 2018 coalition agreement for pension benefits.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Retirement System (Continued)**

**B. Union Coalition (Continued)**

2018 Agreement (Continued)

Under this agreement, employees are 100% vested in a pension to begin at age 60 if they terminate employment after 10 years of continuous service or after 25 years of service and attainment of age 55 or after 34 years of service regardless of age. Also, any employee terminating employment after age 50 with 25 years of service is eligible for a pension at a reduced percentage. Employees hired prior to January 1, 2018 receive a retirement benefit of 2.2% of average final earnings during the highest three years out of the last 10 consecutive year period with a maximum of 74.8% of average earnings. Employees hired on or after January 1, 2018 receive a retirement benefit of 1.95% of average final earnings during the highest three years out of the last 10 consecutive year period with a maximum of 66.3% of average earnings.

Employees contribute 8.5% of their wages to the plan.

**C. Police**

Employees hired on or before July 1, 2014 may retire after 20 years of service, regardless of age. Employees shall be paid 50% of the average compensation received of the highest three years of their last 10 years of service. Employees shall receive an additional 2.20% for each year after 20 years for a maximum of 30 years or 72% of their average compensation received of the highest three years of their last 10 years of service, which additional years of service over 20 years shall be at the employee's option.

Employees hired after July 1, 2014 may retire after 25 years of service, regardless of age. Employees shall be paid 50% of the average compensation received of the highest three years of their last 10 years of service. Employees shall receive an additional 2.50% for each year after 25 years for a maximum of 30 years or 62.5%.

Employees contribute 8.5% of their wages to the plan.

**D. Firefighters**

Employees hired prior to July 1, 2013 may retire after 20 years of service, regardless of age. Employees shall be paid 48% of their average pay received of the highest three years of their last 10 years of service. Employees shall receive an additional 2.20% for each year after 20 years for a maximum of 30 years or 70%.

Employees hired on or after July 1, 2013 may retire after 25 years of service, regardless of age. Employees shall be paid 59% of their average pay received of the highest three years of their last 10 years of service. Employees shall receive an additional 2.20% for each year after 25 years for a maximum of 30 years or 70%.

Employees generally contribute 9.5% of their wages to the plan.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Retirement System (Continued)**

**E. Plan Membership**

At July 1, 2023, the plan members consisted of (table not in thousands):

Retirees and Beneficiaries Currently Receiving Benefits	541
Terminated Employees Not Yet Receiving Benefits	50
Active Plan Members	693
Total	1,284

**F. Summary of Significant Accounting Policies, Plan Changes, and Plan Asset Matters**

**Basis of Accounting**

Financial statements are prepared using the accrual basis of accounting for the defined benefit pension plan. Plan member contributions are recognized in the period in which they are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments**

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

**Funding Policy**

The contribution requirements of plan members and the City are established and may be amended by the City legislature. Benefits and contributions are established by the City and may be amended only by the City Charter and union negotiation. The City’s funding policy provides for periodic employer contributions at actuarially determined rates. The City’s current contribution percentage is 11.69% of covered payroll.

Administrative costs of the plan are financed through investment earnings.

**G. Investments**

**Investment Policy**

The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the Personnel and Pension Board by a majority vote of its members. It is the policy of the Personnel and Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Retirement System (Continued)**

**G. Investments (Continued)**

Investment Policy (Continued)

The following was the Board's adopted asset allocation policy as of June 30, 2024.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
U.S. Core Fixed Income	30.00 %	1.93 %
U.S. Large Caps	35.00	3.87
U.S. Small & Mid Caps	14.00	4.06
Foreign Developed Equity	17.00	5.07
Private Real Estate Property	4.00	3.82
Total	100.00 %	

\* Long-Term Returns are geometric means.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.04%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**H. Net Pension Liability of the City**

The components of the net pension liability of the City at June 30, 2024 were as follows:

Total Pension Liability	\$ 394,243
Plan Fiduciary Net Position	(367,516)
Net Pension Liability	\$ 26,727

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.22%
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**I. Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	Based on Age
Investment Rate of Return	6.25%, Net of Investment-Related Expenses

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Retirement System (Continued)**

**I. Actuarial Assumptions (Continued)**

Mortality rates were based on the Pub-2010 table with generational projection per MP-2021 Ultimate Scale.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included along with the pension plan's long-term target asset allocation. Since the term rates shown above are geometric averages, the impact of asset allocation and rebalancing is not reflected in the expected return. An expected rate of return of 6.25% was used.

**J. Discount Rate**

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**K. Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2023	\$ 386,274	\$ 340,816	\$ 45,458
Changes for the Year:			
Service Cost	8,199	-	8,199
Interest on Total Pension Liability	23,940	-	23,940
Differences Between Expected and Actual Experience	561	-	561
Changes in Assumptions	(1,523)	-	(1,523)
Employer Contributions	-	5,275	(5,275)
Member Contributions	-	4,283	(4,283)
Net Investment Income	-	40,424	(40,424)
Benefit Payments, Including Refund of Employee Contributions	(23,208)	(23,208)	-
Administrative Expenses	-	(74)	74
Net Changes	7,969	26,700	(18,731)
Balances as of June 30, 2024	<u>\$ 394,243</u>	<u>\$ 367,516</u>	<u>\$ 26,727</u>

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Retirement System (Continued)**

**L. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

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

	1% Decrease in Discount Rate (5.25%)	Current Discount Rate (6.25%)	1% Increase in Discount Rate (7.25%)
Net Pension Liability	\$ 75,604	\$ 26,727	\$ (13,876)

**M. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, the City recognized pension expense of \$18,774. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Governmental Activities	Business-Type Activities Department of Public Utilities	Total
Deferred Outflows of Resources:			
Differences Between Expected and Actual Experience	\$ 2,211	\$ 1,141	\$ 3,352
Changes of Assumptions	10,530	5,509	16,039
Total	\$ 12,741	\$ 6,650	\$ 19,391
Deferred Inflows of Resources:			
Differences Between Expected and Actual Experience	\$ 206	\$ 143	\$ 349
Changes of Assumptions	799	413	1,212
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,331	2,541	6,872
Total	\$ 5,336	\$ 3,097	\$ 8,433

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Governmental Activities	Business-Type Activities Department of Public Utilities	Total
<u>Year Ended June 30,</u>			
2025	\$ 5,284	\$ 2,950	\$ 8,234
2026	7,992	3,925	11,917
2027	(3,263)	(1,840)	(5,103)
2028	(2,608)	(1,482)	(4,090)
Total	\$ 7,405	\$ 3,553	\$ 10,958

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters’ Relief Plan**

**A. Plan Description and Benefits Provided**

The City is the administrator of a Volunteer Firefighters Relief Plan (Plan), a single-employer benefit plan established and administered by the City to provide pension benefits to volunteers. The Plan is considered to be a part of the City’s financial reporting entity and is included in the financial reports as a Pension Trust Fund. Stand-alone reports are not available for this plan.

Management of the plans rest with the Volunteer Firefighters’ Relief Fund Committee (VFFRF Committee), which consists of twelve members. Five members are appointed by the City Council, one is appointed by the Personnel and Pension Board, and one is the immediate past President of the VFFRF Committee. The City Treasurer shall have the care and custody of all pension funds and with the approval of the Committee, shall have the power to invest and reinvest the same in securities legal for investment of trust funds under the general statutes. The City Treasurer, with the approval of the Committee, may designate and appoint a corporate trustee or trustees to manage the pension funds.

Volunteers will begin receiving benefits when they are at least 55 years old and have at least 20 years of credited service. A plan member may purchase a year of credited service if he/she has responded to at least the lesser of 20% of all emergency calls or 150 calls as well as attending the lesser of 20% of his/her department’s training sessions and drills or 20 hours of training or drills during the plan year. “Retirees” from the plan receive a monthly benefit of \$24 (not in thousands) multiplied by the years of credited service to a maximum of 40 years and a maximum monthly benefit of \$960 (not in thousands).

The contribution requirements of plan members and the City are established and may be amended by the City Council. Members are required to contribute \$288 (not in thousands) for each calendar year of credited service.

At January 1, 2024, the plan members consisted of (table not in thousands):

Inactive Plan Members or Beneficiaries Currently	
Receiving Benefits	54
Inactive Plan Members Entitled to but Not Yet	
Receiving Benefits	78
Active Plan Members	59
Total	191

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters' Relief Plan (Continued)**

**B. Summary of Significant Accounting Policies, Plan Changes and Plan Asset Matters**

**Basis of Accounting**

Financial statements are prepared using the accrual basis of accounting for the defined benefit pension plan. Plan member contributions are recognized in the period in which they are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments**

The plan reports investments at fair value. Investment income is recognized as earned.

**Plan Expenses**

Expenses of administering the plan are paid for by the City's annual contribution to the plan.

**Funding Policy**

The contribution requirements of plan members and the City are established and may be amended by the City legislature. Members are required to contribute \$288 (not in thousands) for each calendar year of credited service.

**C. Investments**

**Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the VFFRF Committee by a majority vote of its members. It is the policy of the VFFRF Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the VFFRF Committee's adopted asset allocation policy as of June 30, 2024.

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters' Relief Plan (Continued)**

**C. Investments (Continued)**

Investment Policy (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
U.S. Government Bonds	12.00 %	1.23 %
U.S. Credit Bonds	15.00	2.44
U.S. High Yield Bonds	3.00	3.45
U.S. Large Caps	35.00	3.87
U.S. Mid Caps	8.00	3.95
U.S. Small Caps	6.00	4.54
Foreign Developed Equity	13.60	5.07
Emerging Markets Equity	3.40	6.18
Private Real Estate Property	4.00	3.82
Total Portfolio	<u>100.00 %</u>	

\* Long-Term Returns are geometric means.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.51%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**D. Net Pension Liability of the City**

The components of the net pension liability of the City at June 30, 2024 were as follows:

Total Pension Liability	\$ 7,294
Plan Fiduciary Net Position	<u>(3,909)</u>
Net Pension Liability	<u>\$ 3,385</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.59%
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**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters' Relief Plan (Continued)**

**E. Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary Increases	Based on Age
Investment Rate of Return	6.25%, Net of Investment-Related Expenses

Mortality rates were based on PubS-2010 Mortality Table with generational projection per the MP-2021 Ultimate Scale.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included along with the pension plan's long-term target asset allocation. Since the term rates shown above are geometric averages, the impact of asset allocation and rebalancing is not reflected in the expected return. An expected rate of return of 6.25% was used.

**F. Discount Rate**

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters' Relief Plan (Continued)**

**G. Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2023	\$ 7,179	\$ 3,591	\$ 3,588
Changes for the Year:			
Service Cost	75	-	75
Interest on Total Pension Liability	440	-	440
Differences Between Expected and Actual Experience	81	-	81
Changes in Assumptions	(46)	-	(46)
Employer Contributions	-	329	(329)
Member Contributions	-	14	(14)
Net Investment Income	-	424	(424)
Benefit Payments, Including Refund of Employee Contributions	(435)	(435)	-
Administrative Expenses	-	(14)	14
Net Changes	<u>115</u>	<u>318</u>	<u>(203)</u>
Balances as of June 30, 2024	<u>\$ 7,294</u>	<u>\$ 3,909</u>	<u>\$ 3,385</u>

**H. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

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

	1% Decrease in Discount Rate (5.25%)	Current Discount Rate (6.25%)	1% Increase in Discount Rate (7.25%)
Net Pension Liability	\$ 4,219	\$ 3,385	\$ 2,695

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters' Relief Plan (Continued)**

**I. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, the City recognized pension expense of \$195. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 82	\$ 209
Changes of Assumptions	167	49
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	36
Total	\$ 249	\$ 294

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	Governmental Activities
2025	\$ (107)
2026	143
2027	(42)
2028	(39)
Total	\$ (45)

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters' Relief Plan (Continued)**

**J. Schedule of Plan Net Position – June 30, 2024**

	City Employee Pension Trust Fund	Volunteer Fire Pension Trust Fund	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,017	\$ 59	\$ 4,076
Investments:			
U.S. Government Securities	26,395	-	26,395
U.S. Government Agencies	8,705	-	8,705
Corporate Bonds	22,337	-	22,337
Mutual Funds	237,314	3,846	241,160
Common Stock	60,471	-	60,471
Real Estate	8,544	-	8,544
Accounts Receivable		5	5
Total Assets	<u>367,783</u>	<u>3,910</u>	<u>371,693</u>
<b>LIABILITIES</b>			
Accounts and Other Payables	<u>267</u>	<u>1</u>	<u>268</u>
<b>NET POSITION</b>			
Restricted for Pensions	<u>\$ 367,516</u>	<u>\$ 3,909</u>	<u>\$ 371,425</u>

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**City of Norwich Volunteer Firefighters' Relief Plan (Continued)**

**K. Schedule of Changes in Plan Net Position for the Year Ended June 30, 2024**

	City Employee Pension Trust Fund	Volunteer Fire Pension Trust Fund	Total
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 5,275	\$ 329	\$ 5,604
Plan Members	4,283	14	4,297
Total Contributions	<u>9,558</u>	<u>343</u>	<u>9,901</u>
Investment Income:			
Net Appreciation in Fair Value of Investments	31,778	326	32,104
Interest and Dividends	9,570	119	9,689
Total Investment Income	<u>41,348</u>	<u>445</u>	<u>41,793</u>
Less: Investment Expense	(924)	(21)	(945)
Net Investment Income	<u>40,424</u>	<u>424</u>	<u>40,848</u>
Total Additions	49,982	767	50,749
<b>DEDUCTIONS</b>			
Benefits	22,187	431	22,618
Administration	74	14	88
Lump Sum Distributions and Withdrawals	1,021	4	1,025
Total Deductions	<u>23,282</u>	<u>449</u>	<u>23,731</u>
<b>NET INCREASE (DECREASE)</b>	26,700	318	27,018
Net Position Restricted for Pensions - Beginning of Year	<u>340,816</u>	<u>3,591</u>	<u>344,407</u>
<b>NET POSITION RESTRICTED FOR PENSIONS - END OF YEAR</b>	<u>\$ 367,516</u>	<u>\$ 3,909</u>	<u>\$ 371,425</u>

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension**

**A. Plan Description**

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov).

**B. Benefit Provisions**

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

**Normal Retirement**

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

**Early Retirement**

Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service with reduced benefit amounts.

**Disability Retirement**

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

**C. Contributions**

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the state of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**C. Contributions (Continued)**

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the state of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the state was \$11,336 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of pensionable salary for the pension benefit.

Effective January 1, 2018, the required contribution increased to 7% of pensionable salary.

**D. Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2024, the City reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the City were as follows:

City's Proportionate Share of the Net Pension Liability	\$	-
State's Proportionate Share of the Net Pension		
Liability Associated with the City		122,179
Total	\$	122,179

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. At June 30, 2024, the City has no proportionate share of the net pension liability.

For the year ended June 30, 2024, the City recognized pension expense and revenue of \$11,698 in Exhibit II.

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**E. Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.50%
Salary Increase:	3.00-6.50%, Including Inflation
Investment Rate of Return:	6.90%, Net of Pension Plan Investment Expense, Including Inflation

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study ending – June 30, 2019.

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- There were no changes in benefit provisions that affected the measurement of the TPL since the prior measurement date.

**Cost-of-Living Allowance**

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007 and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**E. Actuarial Assumptions (Continued)**

Cost-of-Living Allowance (Continued)

For teachers who were members of the Teachers’ Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and the target asset allocation as provided by the State of Connecticut Treasurer’s Office are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00 %	6.80 %
Public Credit	2.00	2.90
Core Fixed Income	13.00	0.40
Liquidity Fund	1.00	(0.40)
Risk Mitigation	5.00	0.10
Private Equity	15.00	11.20
Private Credit	10.00	6.10
Real Estate	10.00	6.20
Infrastructure and Natural Resources	7.00	7.70
Total	100.00 %	
Total		

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Connecticut Teachers Retirement System – Pension (Continued)**

**F. Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that state contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The City's proportionate share of the net pension liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the state of Connecticut.

**H. Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at [www.ct.gov](http://www.ct.gov).

**I. Other Information**

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the City has no obligation to contribute to the plan.

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)**

**Aggregated Pension Information**

The City recognized the following amounts related to pension plans as of and for the year ended June 30, 2024:

	Deferred Outflow of Resources Related to Pensions	Net Pension Liability	Deferred Inflow of Resources Related to Pensions	Pension Expense
City of Norwich Retirement System:				
Governmental Activities	\$ 12,741	\$ 18,482	\$ 5,336	\$ 12,193
Business-Type Activities	6,650	8,245	3,097	6,581
Total City of Norwich Retirement System	19,391	26,727	8,433	18,774
Volunteer Firefighters' Relief Plan:				
Governmental Activities	249	3,385	294	195
Connecticut Teachers Retirement System:				
Governmental Activities	-	-	-	11,698
<b>Totals</b>	<b>\$ 19,640</b>	<b>\$ 30,112</b>	<b>\$ 8,727</b>	<b>\$ 30,667</b>
Governmental Activities	\$ 12,990	\$ 21,867	\$ 5,630	\$ 24,086
Business-Type Activities	6,650	8,245	3,097	6,581
<b>Totals</b>	<b>\$ 19,640</b>	<b>\$ 30,112</b>	<b>\$ 8,727</b>	<b>\$ 30,667</b>

**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS**

**City of Norwich, Retiree Health Plan**

**A. Plan Description and Benefits Provided**

The City, in accordance with various collective bargaining agreements, is committed to provide health and other benefits to eligible retirees and their spouses. The Retiree Health Plan (RHP) is considered to be part of the City's financial reporting entity and is included in the City's financial report as the Other Postemployment Benefits Trust Fund. The plan does not issue a stand-alone financial report. The RHP is a single-employer defined benefit healthcare plan administered by the City. Management of the RHP is vested with the Human Resources Director and Comptroller with policy oversight provided by the Personnel and Pension Board. The RHP provides medical, dental and life insurance benefits to eligible retirees and their spouses. All employees of the City are eligible to participate in the plan. Benefit provisions are established through negotiations between the City and the various unions representing the employees. The General Fund, the Fire Districts Fund and Department of Public Utilities are used to liquidate net other postemployment benefit obligations.

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**A. Plan Description and Benefits Provided (Continued)**

At July 1, 2023, plan membership consisted of the following:

Active Plan Members	904
Retired Plan Members	472
Spouses of Retirees	49
Beneficiaries	9
Total Participants	1,434

**B. Summary of Significant Accounting Policies**

**Basis of Accounting**

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

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

**Plan Expenses**

Expenses of administering the plan are paid for by the plan from contributions.

**C. Funding Policy**

The City adopted the same funding policy for OPEB as it had for the Retirement System in 2014. In June 2018, the Norwich City Council temporarily suspended the funding requirement described above for the OPEB fund until 2022.

The City pays the full cost of life insurance premiums. The percentage contribution of plan members and the City for medical benefits are negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified percentages towards the cost of receiving benefits under the City’s self-insured medical benefits program as follows:

**City Retirees**

City Retirees are comprised of five separate bargaining units (City Hall Employees, City Hall Supervisors, Dispatchers, Public Works Employees and Public Works Supervisors) and nonunion employees, and OPEB benefits for these groups have been bargained for individually.

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**C. Funding Policy (Continued)**

City Retirees (Continued)

For most current City Retirees, the City funds the full cost of insurance for the retiree. The retiree must pay 50% of the cost for a participating spouse. Participation in the plan ends at age 65 for both the retiree and the retiree's spouse.

Generally, City employees hired after 2013 are not eligible for postretirement medical benefits through the City.

Police Retirees

For most current retirees, the City funds full cost of insurance for the retiree. The retiree must pay 50% of the cost for a participating spouse. Participation in the plan ends at age 65 for both the retiree and the retiree's spouse.

Police hired after June 2014 may elect to either waive postretirement medical coverage or contribute 1% of their earnings to the OPEB fund.

Police who are hired on or after January 1, 2018 are not eligible for postretirement medical benefits through the City.

Fire Retirees

For firefighters who retire on or after October 2013, the City funds full cost of insurance for the retiree. The retiree must pay 50% of the cost for a participating spouse. Participation in the plan ends at age 65 for both the retiree and the retiree's spouse.

Firefighters hired after June 2013 contribute 1% of their earnings to the OPEB fund for the first five years of employment.

Firefighters hired after July 1, 2021 are not eligible for postretirement medical benefits through the City.

Retired Board of Education Teachers and Administrators

For most current retirees, the City funds full cost of insurance for the retiree and spouse up to age 70. The level of retiree and spouse benefits was scaled back incrementally through negotiations from 1995 through 2004. Teachers and Administrators hired after June 2004 pay the full cost of postretirement medical benefits through the City.

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**C. Funding Policy (Continued)**

Retired Board of Education Custodians and Maintainers

The City funds full cost of insurance for the retiree and spouse hired before July 1997 and 50% of the cost if retiree was hired between 1997 and 2007. Coverage ends at age 65.

Custodians and Maintainers hired after June 2007 are not eligible for postretirement medical benefits through the City.

Retired Board of Education Nurses

The City funds full cost of insurance for the retiree and spouse hired before July 1994 until age 70 and 50% of the cost of retiree insurance for those hired between 1994 and 2009 until age 65.

Nurses hired after June 2009 are not eligible for postretirement medical benefits through the City.

Retired Board of Education Secretaries and Paraeducators

For most current retirees, the City funds full cost of insurance for the retiree and spouse up to age 70.

The level of retiree and spouse benefits was scaled back incrementally through negotiations from 1995 through 2004. Secretaries and Paraeducators hired after June 2004 are not eligible for postretirement medical benefits through the City.

Norwich Public Utilities' (NPU) Retirees

NPU retirees are comprised of three separate bargaining units (Water Distribution, Supervisory & Professional, and Technical & Clerical) and nonunion employees, and OPEB benefits for these groups have been bargained for individually.

For most current NPU retirees, the City funds the full cost of insurance for the retiree. The retiree must pay 100% of the cost for a participating spouse. Participation in the plan ends at age 65 for both the retiree and the retiree's spouse.

The level of the City's contribution was scaled back from 100% to 95% through negotiations with the three bargaining units from 1995 through 1997.

For the year ended June 30, 2024, plan members and the Teacher Retirement Board contributed \$1,597. The City is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the City in order to prefund benefits.

Employer contributions to the plan for the year ended June 30, 2024 totaled \$3,441.

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**D. Investments**

Investment Policy

OPEB Benefits Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Personnel and Pension Board. It is the policy of the City to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The City’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 12.76%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**E. Net OPEB Liability of the City**

The City’s net OPEB liability was measured as of June 30, 2024. The components of the net OPEB liability of the City at June 30, 2024 were as follows:

Total OPEB Liability	\$	72,045
Plan Fiduciary Net Position		38,467
Net OPEB Liability	\$	33,578

Plan Fiduciary Net Position as a	
Percentage of the Total OPEB Liability	53.39%

**F. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	3%
Salary Increases:	Varies by age, service and employee group
Investment Rate of Return:	6.25%
Healthcare Cost Trend Rates:	Pre-Medicare: 6.6% - 4.0% over 52 years; Post-Medicare: 6.3% - 4.0% over 52 years

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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**F. Actuarial Assumptions (Continued)**

Mortality rates for BOE certified employees were based on the PubT-2010 Mortality Table for Employees and Healthy Annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP-2021 Ultimate scale. The PubT-2010 Contingent Survivor Table projected generationally per the MP-2021 Ultimate scale and set forward 1 year for both males and females is used for survivors and beneficiaries. This assumption includes a margin for improvements in longevity beyond the valuation date.

Mortality rates for all other employees were based on Pub-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvements in longevity per the MP-2021 Ultimate Scale. For Police and Fire Employees, the PubS-2010 Mortality Table was used instead of the Pub-2010 Mortality Table. This assumption includes a margin for future improvements in longevity.

The actuarial assumptions used in the valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. A full actuarial experience study has not been completed.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
U.S. Core Fixed Income	30.00%	1.93%
U.S. Large Caps	37.00%	3.87%
U.S. Small & Mid Caps	15.00%	4.06%
Foreign Developed Equity	18.00%	5.07%
Total	<u>100.00%</u>	

\* Long-Term Returns are geometric means.

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**G. Discount Rate**

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**H. Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a)-(b)
Balances as of July 1, 2023	\$ 67,245	\$ 33,831	\$ 33,414
Changes for the Year:			
Service Cost	1,569	-	1,569
Interest	4,199	-	4,199
Change in Benefit Terms		-	-
Differences Between Expected and Actual Experience	7,760	-	7,760
Changes in Assumptions	(5,415)	-	(5,415)
Contributions - Employer	-	3,441	(3,441)
Contributions - Member	-	12	(12)
Net Investment Income	-	4,528	(4,528)
Benefit Payments	(3,313)	(3,313)	-
Administrative Expenses	-	(32)	32
Net Changes	<u>4,800</u>	<u>4,636</u>	<u>164</u>
Balances as of June 30, 2024	<u>\$ 72,045</u>	<u>\$ 38,467</u>	<u>\$ 33,578</u>

**I. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the City at the current discount rate, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liability	\$ 39,545	\$ 33,578	\$ 28,323

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**J. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability of the City at the current healthcare cost trend rate, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (Pre-Medicare: 5.6% - 3.0% Post-Medicare 5.3% - 3.0%)	Current Trend Rate (Pre-Medicare: 6.6% - 4.0% Post-Medicare 6.3% - 4.0%)	1% Increase (Pre-Medicare: 7.6% - 5.0% Post-Medicare 7.3% - 5.0%)
Net OPEB Liability	\$ 27,523	\$ 33,578	\$ 40,565

**K. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the City recognized OPEB expense of \$3,013. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities	Business-Type Activities Department of Public Utilities	Total
<b>Deferred Outflows of Resources:</b>			
Differences Between Expected and Actual Experience	\$ 4,758	\$ 1,750	\$ 6,508
Changes of Assumptions	3,661	622	4,283
Total	\$ 8,419	\$ 2,372	\$ 10,791
<b>Deferred Inflows of Resources:</b>			
Differences Between Expected and Actual Experience	\$ (4,936)	\$ (1,084)	\$ (6,020)
Changes of Assumptions	(3,981)	(561)	(4,542)
Net Difference Between Projected and Actual Earnings on Pension	(784)	(93)	(877)
Total	\$ (9,701)	\$ (1,738)	\$ (11,439)

**CITY OF NORWICH, CONNECTICUT**  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**K. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	Governmental Activities	Business-Type Activities	Total
		Department of Public Utilities	
2025	\$ (784)	\$ 218	\$ (566)
2026	369	46	415
2027	(860)	(17)	(877)
2028	(222)	148	(74)
2029	180	199	379
Thereafter	35	40	75
Total	<u>\$ (1,282)</u>	<u>\$ 634</u>	<u>\$ (648)</u>

**L. Schedule of Plan Net Position – June 30, 2024**

	Other Postemployment Benefit Trust Fund
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 797
Investments:	
U.S. Government Securities	4,607
U.S. Government Agencies	1,875
Corporate Bonds	4,396
Mutual Funds	16,366
Common Stock	10,534
Real Estate	113
Total Assets	<u>38,688</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>221</u>
Total Liabilities	<u>221</u>
<b>NET POSITION</b>	
Restricted for OPEB Benefits	<u>\$ 38,467</u>

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**City of Norwich, Retiree Health Plan (Continued)**

**M. Schedule of Changes in Plan Net Position for the Year Ended June 30, 2024**

	Other Postemployment Benefit Trust Fund
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 3,441
Plan Members	1,597
Total Contributions	5,038
Investment Income:	
Net Appreciation in Fair Value of Investments	3,681
Interest and Dividends	968
Total Investment Income	4,649
Less Investment Expense	(89)
Net Investment Income	4,560
Total Additions	9,598
<b>DEDUCTIONS</b>	
Benefits	4,406
Administration	556
Total Deductions	4,962
<b>NET INCREASE</b>	4,636
Net Position Restricted for OPEB Benefits - Beginning of Year	33,831
<b>NET POSITION RESTRICTED FOR OPEB BENEFITS - END OF YEAR</b>	<b>\$ 38,467</b>

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan**

**A. Plan Description**

Teachers, principals, superintendents, or supervisors engaged in service of public schools plus professional employees at state schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other postemployment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**A. Plan Description (Continued)**

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at [www.ct.gov/trb](http://www.ct.gov/trb).

**B. Benefit Provisions**

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

Any member who is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, and any remaining portion is used to offset the district's cost. The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the System added a Medicare Advantage Plan option. Active members, retirees and the state pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB sponsored health care coverage option must wait two years to re-enroll.

**CITY OF NORWICH, CONNECTICUT  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**C. Survivor Health Care Coverage (Amounts Not Rounded)**

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

**D. Eligibility**

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

**Credited Service**

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, state employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

**Normal Retirement**

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

**Early Retirement**

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

**Proratable Retirement**

Age 60 with 10 years of Credited Service.

**Disability Retirement**

No service requirement if incurred in the performance of duty, and five years of Credited Service in Connecticut if not incurred in the performance of duty.

**Termination of Employment**

Ten or more years of Credited Service.

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NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**E. Contributions**

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the state of Connecticut are approved, amended, and certified by the State Teachers’ Retirement Board and appropriated by the General Assembly. The state contributions are not currently actuarially funded. The state appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the state will pay for any long-term shortfall arising from insufficient active member contributions.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

For the year ended June 30, 2024, the amount of “on-behalf” contributions made by the state was \$154 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers’ pay for one-third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

**F. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2024, the City reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the City as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the City was as follows:

City's Proportionate Share of the Net OPEB Liability	\$	-
State's Proportionate Share of the Net OPEB Liability		
Associated with the City		11,446
Total	\$	11,446

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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**F. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to OPEB (Continued)**

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. At June 30, 2024, the City has no proportionate share of the net OPEB liability.

For the year ended June 30, 2024, the City recognized OPEB expense and revenue of (\$1,348) in Exhibit II.

**G. Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.50%
Healthcare Costs Trend Rate:	Known Increases Until Calendar Year 2024 then General Trend Decreasing to an Ultimate Rate of 4.50% by 2031
Salary Increases:	3.00-6.50%, Including Inflation
Investment Rate of Return:	3.64%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position will be Depleted	2028

Mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105% for males and 103% for females at ages 82 and above), projected generationally with MP-2019 for the period after service retirement.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Discount rate changed from 3.53% to 3.64%;
- Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience;

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan**  
**(Continued)**

**G. Actuarial Assumptions (Continued)**

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U. S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.77%).

**H. Discount Rate**

The discount rate used to measure the total OPEB liability was 3.64%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2023.

In addition to the actuarial methods and assumptions of the June 30, 2023, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2028 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(IN THOUSANDS)**

**NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefit – Connecticut State Teachers Retirement Plan  
(Continued)**

**I. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate**

The City's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the state of Connecticut.

**J. OPEB Plan Fiduciary Net Position**

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at [www.ct.gov](http://www.ct.gov).

**K. Other Information**

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the City has no obligation to contribute to the plan.

**Aggregated OPEB Information**

The City recognized the following amounts related to OPEB plans as of and for the year ended June 30, 2024:

	Deferred Outflow of Resources Related to OPEB	Net OPEB Liability	Deferred Inflow of Resources Related to OPEB	OPEB Expense
City of Norwich Retiree Health Plan:				
Governmental Activities	\$ 8,419	\$ 25,464	\$ 9,701	\$ 1,819
Business-Type Activities	2,372	8,114	1,738	1,194
Connecticut Teachers Retirement System:				
Governmental Activities	-	-	-	(1,348)
Total	<u>\$ 10,791</u>	<u>\$ 33,578</u>	<u>\$ 11,439</u>	<u>\$ 1,665</u>
Governmental Activities	\$ 8,419	\$ 25,464	\$ 9,701	\$ 471
Business-Type Activities	2,372	8,114	1,738	1,194
Total	<u>\$ 10,791</u>	<u>\$ 33,578</u>	<u>\$ 11,439</u>	<u>\$ 1,665</u>

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 15 JOINTLY GOVERNED AND RELATED ORGANIZATIONS**

**Connecticut Municipal Electric Energy Cooperative (CMEEC)**

CMEEC is a public corporation organized in 1976 under Connecticut Public Act 75-634, subsequently enacted as Title 7-233, Chapter 101a of the General Statutes of Connecticut, as amended. It is empowered to undertake the planning, financing, acquisition, construction and operation of facilities for the generation, and transmission of electric power and energy for its member utilities, including the City of Norwich, Department of Public Utilities (the Department), and others. CMEEC may issue bonds in its own name. Under the bylaws of CMEEC, a Board of Directors comprised of representatives from the participating members was established. CMEEC's Board is comprised of twenty representatives and officers. The governing board consists of representatives appointed by each of the participating members and assumes all the management decisions. Two representatives from the City of Norwich, Department of Public Utilities serve on the Board. The CMEEC Board acts as a regulatory body in that it reviews and approves recovery of costs in rates on an annual basis.

CMEEC has entered into power sales contracts with each of the members including the City of Norwich Department of Public Utilities. Under the contracts, each of the member utilities have agreed to purchase essentially all of its electric power required for resale from CMEEC, with CMEEC's electric revenues to consist of billings for resale of power. The contracts obligate each member utility to pay for their share of CMEEC's fixed costs, which consist primarily of debt service and CMEEC administrative and general costs on a take or pay basis. The member utilities maintain this fixed cost obligation whether or not they take any power from CMEEC. The amount of power purchased from CMEEC for the fiscal year ended June 30, 2024 was \$27,860.

During the 2012 fiscal year, CMEEC and its members became participants in the Regional Greenhouse Gas Initiative Fund (RGGI), which is an initiative that implements the carbon dioxide cap and trading program as proposed by the RGGI in Connecticut. During the 2024 fiscal year, the share of contributions to the fund received by the Department totaled \$442, with drawdowns of \$345, and interest on the fund of \$2. The balance of the Department funds held by CMEEC for the RGGI was \$224 for the year ended June 30, 2024.

**Purchased Gas Contracts**

The Department of Public Utilities participates in forward contracts for the purchase of gas capacity for storage and transmission. Under the terms of the contracts, the Department is obligated to make payments for set capacities that will be charged at variable and fixed rates until the end of the respective terms. As of June 30, 2024, the Department has obligations in place through 2031. Expense under the contracts totaled \$6,031 during the year ended June 30, 2024.

**CITY OF NORWICH, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024  
(IN THOUSANDS)**

**NOTE 16 COMMITMENTS AND CONTINGENCIES**

**Power Sales Contract – Norwich Department of Public Utilities (Department)**

CMEEC supplies power to the Department under a Power Sales Contract that became effective April 25, 2013. The contract obligates the Department to pay a percentage of CMEEC’s fixed costs obligations, including debt service and administrative and general costs. Under the power sales agreement, the Department is required to pay its percentage of CMEEC’s fixed cost obligations whether or not they purchase power from CMEEC. The contract will remain in effect until the date when all of the indebtedness and fixed cost obligations of CMEEC have been paid in full and thereafter until terminated by either party following not less than three years prior written notice to the other party of its intention to terminate, provided, however, CMEEC shall not incur or issue any indebtedness with a maturity date later than December 31, 2052.

The Department has rate stabilization funds held by CMEEC that were previously collected in conjunction with the purchase of energy to stabilize the price of energy. The Department’s current rate structure to purchase power from CMEEC includes a rate stabilization component. Under the rate stabilization premise, the principal repayment of debt service is deferred and amortized over the life of the related debt and recoverable from future billings. Under this premise, the shortfall between the current rate stabilization funds held by CMEEC and the percentage of unfunded CMEEC debt allocated to the Department represents an unfunded debt obligation recoverable by future billings.

The Department’s net deferred debt fixed cost obligation to CMEEC as of June 30, 2024 is summarized as follows:

CMEEC - Debt Service Fixed Cost Obligation	\$	13,494
Department - Rate Stabilization Funds on Deposit with CMEEC		(11,308)
Net Deferred Fixed Cost Obligation	\$	2,186

The rate stabilization funds held by CMEEC and the allocated percentage of CMEEC’s debt obligation are not reported on the Department’s statement of net position. The fixed cost obligation paid by the Department to CMEEC included in the cost to purchase power for the current year was \$2,127.

All payments due to CMEEC under the Power Sales Contract may not be subordinated to any other obligation of the City.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 16 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Combined Sewer Overflows**

Under various consent decrees issued by the United States Environmental Protection Agency and State of Connecticut Department of Environmental Protection (consent decrees), the Department is/was required to submit a Collection System Bypass Summary, develop and implement an Emergency Response Plan, submit a CMOM Program Self-Assessment, submit a CMOM and CSO Corrective Action Plan, submit a recurring CMOM & CSO Annual Report, and submit an updated CMOM Program Self-Assessment Checklist.

As of June 30, 2024, capital investment by the Department, if any, is not known and compliance with the consent decrees does not materially affect the financial position of the Department.

**Municipal Solid Waste Management Services Contract**

The City has entered into the municipal solid waste management services contract, as amended (the service contract) with the Southeastern Connecticut Regional Resources Recovery Authority (the Authority) pursuant to which it participates with 10 other Connecticut Municipalities (the eleven constituting the Contracting Municipalities), in the Southeastern Connecticut System (the System). The System consists of a mass-burn solid waste disposal and electric generation facility located in the Town of Preston (the Facility) and various improvements and facilities related thereto, including landfills. The Facility is complete and presently receiving waste from Contracting Municipalities.

Under the service contract, the City is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries up to its minimum commitment of 23 thousand tons per year and to pay a uniform per ton disposal service payment (the service payment). The aggregate minimum commitment of the 11 Contracting Municipalities is approximately 154 thousand tons per year.

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

Service payments shall be payable so long as the system is accepting solid waste delivered by or on behalf of the City, whether or not such solid waste is processed at the facility. The City has pledged its full faith and credit to the payment of service payments and has also agreed to enforce or levy and collect all taxes, cost sharing or other assessments or charges and take all such other action as may be necessary to provide for the payment of the service payments.

**CITY OF NORWICH, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**  
**(IN THOUSANDS)**

**NOTE 17 LITIGATION**

There are several lawsuits pending against the City. The outcome and eventual liability of the City, if any, in these cases is not known at this time. Based upon consultation with legal counsel, the City's management estimates that potential claims against the City, not covered by insurance, resulting from such litigation would not have a material adverse effect on the financial position of the City.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF NORWICH, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2024  
(NON-GAAP BUDGETARY BASIS)  
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>General Property Taxes:</b>				
Current Tax Levy	\$ 75,639	\$ 75,639	\$ 76,127	\$ 488
Motor Vehicle Supplement	9,087	9,087	8,727	(360)
Prior Years Levy	1,710	1,710	2,162	452
Interest and Liens	1,146	1,146	1,295	149
Total	87,582	87,582	88,311	729
<b>Other Taxes:</b>				
Conveyance Tax	981	981	943	(38)
Telecommunications Tax	82	82	125	43
Total	1,063	1,063	1,068	5
<b>Intergovernmental Revenues:</b>				
Payment in Lieu of Taxes	3,154	3,154	3,140	(14)
City Housing	167	167	179	12
Mashantucket-Pequot Mohegan	2,360	2,360	2,360	-
Youth Service Bureau	72	72	72	-
Town Aid Road	497	497	495	(2)
Municipal Revenue Sharing	4,310	4,310	4,616	306
EMPG			33	33
Education Cost Sharing	32,317	32,317	32,282	(35)
Health Services	91	91	61	(30)
Enhanced 911 Telecommunication Fund	190	190	170	(20)
Total	43,158	43,158	43,408	250
<b>Charges for Services:</b>				
Senior Citizens Center	7	7	10	3
Landfill	93	93	60	(33)
Direct Hauler Fees	782	782	867	85
Backyard Rollout Fee	8	8	6	(2)
Recording Fees	215	215	172	(43)
Planning and Zoning Fees	19	19	26	7
Printing and Duplication Fees	57	57	56	(1)
Notary Public Fees	1	1	2	1
Vital Statistics	120	120	112	(8)
Total	1,302	1,302	1,311	9
<b>Licenses and Permits:</b>				
Public Safety Permits	22	22	20	(2)
Building Permits	856	856	1,101	245
Road Opening Permits	3	3	3	-
Marriage Licenses	4	4	4	-
Animal Licenses	2	2	-	(2)
Total	887	887	1,128	241

**CITY OF NORWICH, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(NON-GAAP BUDGETARY BASIS)  
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>Fines and Assessments:</b>				
Traffic Violations	\$ 6	\$ 6	\$ 5	\$ (1)
Blight Citations	27	27	61	34
Sewer Assessments	260	260	211	(49)
Total	<u>293</u>	<u>293</u>	<u>277</u>	<u>(16)</u>
<b>Rents and Royalties:</b>				
Building Rent Revenue	392	392	293	(99)
Property Rent	106	106	100	(6)
Cell Tower Rent	95	95	91	(4)
Facilities Rent	25	25	33	8
Total	<u>618</u>	<u>618</u>	<u>517</u>	<u>(101)</u>
<b>Investment Income:</b>				
Interest on Investments	2,400	2,400	2,779	379
<b>Other Revenues:</b>				
Financial Services	119	119	117	(2)
Human Resources Services	60	60	67	7
Publics Works Services	41	41	41	-
Sale of City Assets	163	163	93	(70)
Miscellaneous Revenue	40	40	62	22
Total	<u>423</u>	<u>423</u>	<u>380</u>	<u>(43)</u>
Total Revenues	137,726	137,726	139,179	1,448
<b>Other Financing Sources:</b>				
Transfers in:				
Cemetery Trust	78	78	81	3
Department of Public Utilities	5,814	5,814	5,838	24
Police	173	173	77	(96)
School Construction	896	900	1,303	403
Golf Course Authority	25	25	25	-
Total Other Financing Sources	<u>6,986</u>	<u>6,990</u>	<u>7,324</u>	<u>334</u>
Total Revenues and Other Financing Sources	<u>\$ 144,712</u>	<u>\$ 144,716</u>	146,503	<u>\$ 1,782</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut State Teachers' Retirement System on-behalf pension contributions for City teachers is not budgeted. 11,336

State of Connecticut State Teachers' Retirement System on-behalf OPEB contributions for City teachers is not budgeted. 154

The Board of Education does not budget for intergovernmental grants, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes. 2,293

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds - Exhibit IV

\$ 160,286

**CITY OF NORWICH, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2024  
(NON-GAAP BUDGETARY BASIS)  
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		
<b>General Government:</b>				
City Council	\$ 481	\$ 481	\$ 462	\$ 19
City Manager	463	463	454	9
Finance	2,052	2,071	2,037	34
Assessor	577	582	551	31
City Treasurer	383	383	378	5
Law	439	439	384	55
Human Resources	737	737	702	35
City Clerk	563	563	547	16
Planning and Neighborhood Services	1,413	1,433	1,417	16
Election	195	195	161	34
Total General Government	7,303	7,347	7,093	254
<b>Public Safety:</b>				
Police	19,216	19,261	19,139	122
<b>Fire:</b>				
Fire General	2,533	2,538	2,330	208
Emergency Management	77	77	59	18
East Great Plain	174	174	161	13
Laurel Hill	92	92	89	3
Occum	112	112	95	17
Taftville	178	178	177	1
Yantic	190	190	191	(1)
Total Public Safety	22,572	22,622	22,241	381
<b>Social Services:</b>				
Senior Citizens Center	817	822	805	17
Youth and Family Services	696	699	662	37
Human Services	536	537	503	34
Total Social Services	2,049	2,058	1,970	88
<b>Public Works:</b>				
Street Maintenance	5,102	5,041	4,970	71
Engineering and Administration	1,048	1,052	1,040	12
Street Lighting	364	364	365	(1)
Fleet Maintenance	1,700	1,760	1,705	55
Refuse and Recycling	3,092	3,092	3,046	46
Building Maintenance	1,491	1,492	1,465	27
Parking Maintenance	108	108	108	-
Total Public Works	12,905	12,909	12,699	210
Board of Education	89,474	93,097	93,097 *	-

**CITY OF NORWICH, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (CONTINUED)  
YEAR ENDED JUNE 30, 2024  
(NON-GAAP BUDGETARY BASIS)  
(IN THOUSANDS)**

	Budgeted Amounts		Actual	Variance
	Original	Final		
Other	\$ 3,244	\$ 3,137	\$ 2,965	\$ 172
Transfers Out	7,169	7,169	7,169	-
Total	<u>\$ 144,716</u>	<u>\$ 148,339</u>	147,234	<u>\$ 1,105</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut State Teachers' Retirement System on-behalf pension contributions for City teachers is not budgeted. 11,336

State of Connecticut State Teachers' Retirement System on-behalf OPEB contributions for City teachers is not budgeted. 154

The Board of Education does not budget for intergovernmental grants, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes. 2,293

Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes. (136)

Encumbrances for purchases and commitments ordered in the previous year that were received and liquidated in the current year are reported for financial statement reporting purposes. 165

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds - Exhibit IV \$ 161,046

**CITY OF NORWICH, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**CITY EMPLOYEES**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	\$ 8,199	\$ 7,994	\$ 6,252	\$ 6,691	\$ 5,973	\$ 5,881	\$ 5,769	\$ 5,656	\$ 5,890	\$ 5,498
Interest	23,940	23,173	23,279	22,662	21,529	20,905	20,965	20,281	18,659	17,981
Differences Between Expected and Actual Experience	561	3,515	1,939	-	795	-	(295)	-	3,337	-
Changes of Benefit Terms	-	-	(1,206)	-	212	-	(4,568)	-	634	-
Changes of Assumptions	(1,523)	-	39,068	-	15,732	-	4,117	-	8,811	-
Benefit Payments, Including Refunds of Member Contributions	(23,208)	(22,037)	(20,722)	(20,092)	(18,792)	(18,326)	(17,496)	(16,927)	(15,426)	(14,836)
Net Change in Total Pension Liability	7,969	12,645	48,610	9,261	25,449	8,460	8,492	9,010	21,905	8,643
Total Pension Liability - Beginning	386,274	373,629	325,019	315,758	290,309	281,849	273,357	264,347	242,442	233,799
Total Pension Liability - Ending	394,243	386,274	373,629	325,019	315,758	290,309	281,849	273,357	264,347	242,442
Plan Fiduciary Net Position:										
Contributions - Employer	5,275	4,411	144,718	12,774	12,107	11,432	10,103	8,711	7,581	6,718
Contributions - Member	4,283	4,223	4,062	3,937	3,917	3,896	3,664	3,386	3,358	3,247
Net Investment Income (Loss)	40,424	28,424	(26,532)	40,742	7,176	12,528	12,097	18,213	(2,851)	4,681
Benefit Payments, Including Refunds of Member Contributions	(23,208)	(22,038)	(20,722)	(20,092)	(18,792)	(18,326)	(17,496)	(16,927)	(15,426)	(14,836)
Administrative Expense	(74)	(73)	(352)	(106)	(74)	(7)	(44)	(5)	(42)	(4)
Net Change in Plan Fiduciary Net Position	26,700	14,947	101,174	37,255	4,334	9,523	8,324	13,378	(7,380)	(194)
Plan Fiduciary Net Position - Beginning	340,816	325,869	224,695	187,440	183,106	173,583	165,259	151,881	159,261	159,455
Plan Fiduciary Net Position - Ending	367,516	340,816	325,869	224,695	187,440	183,106	173,583	165,259	151,881	159,261
Net Pension Liability - Ending	\$ 26,727	\$ 45,458	\$ 47,760	\$ 100,324	\$ 128,318	\$ 107,203	\$ 108,266	\$ 108,098	\$ 112,466	\$ 83,181
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.22%	88.23%	87.22%	69.13%	59.36%	63.07%	61.59%	60.46%	57.46%	65.69%
Covered Payroll	\$ 45,121	\$ 43,591	\$ 43,693	\$ 43,693	\$ 43,693	\$ 43,693	\$ 43,095	\$ 41,638	\$ 42,011	\$ 40,590
Net Pension Liability as a Percentage of Covered Payroll	59.23%	104.28%	109.31%	229.61%	293.68%	245.36%	251.23%	259.61%	267.71%	204.93%

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
CITY EMPLOYEES  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 5,254	\$ 4,411	\$ 13,684	\$ 12,759	\$ 12,073	\$ 12,010	\$ 10,820	\$ 10,732	\$ 9,740	\$ 9,651
Contributions in Relation to the Actuarially Determined Contribution	5,275	4,411	144,718	12,774	12,107	11,432	10,103	8,711	7,581	6,718
Contribution Deficiency (Excess)	\$ (21)	\$ -	\$ (131,034)	\$ (15)	\$ (34)	\$ 578	\$ 717	\$ 2,021	\$ 2,159	\$ 2,933
Covered Payroll	\$ 45,121	\$ 43,591	\$ 43,693	\$ 43,693	\$ 43,693	\$ 43,095	\$ 41,638	\$ 42,011	\$ 40,590	\$ 39,262
Contributions as a Percentage of Covered Payroll	11.69%	10.12%	331.22%	29.24%	27.71%	26.53%	24.26%	20.74%	18.68%	17.11%

Notes to Schedule:

Valuation Date: July 1, 2023  
 Measurement Date: June 30, 2024  
 Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:

- Actuarial Cost Method: Entry age normal
- Amortization Method: Level percent
- Remaining Amortization Period: 24 years
- Asset Valuation Method: As of July 1, 2021 the Actuarial Value of Assets has been reset to the Market Value of Assets. In subsequent years, the Actuarial Value of Assets will be determined by recognizing market gains and losses non-asymptotically over a five year period.
- Inflation: 2.60%
- Salary Increases: Aged based
- Investment Rate of Return: 6.25%
- Retirement Age - City and Public Utility Employees: The earliest of age 55 with 25 years of service, age 60 with 10 years of service, or any age with 34 years of service.
- Retirement Age - Board of Education Employees: The earliest of age 55 with 25 years of service, age 60 with 10 years of service, or any age with 34 years of service.
- Retirement Age - Police Officers and Firefighters: Police hired on or before 7/1/2014: any age with 20 years of service. Police hired after 7/1/2014: any age with 25 years of service. Fire hired before 7/1/2013: any age with 20 years of service. Fire hired on or after 7/1/2013: any age with 25 years of service.
- Mortality: Pub-2010 Mortality Table for Employees, Healthy Annuitants, and Disabled Annuitants with generational projection of future improvements in longevity per the MP-2021 (prior: MP-2019) Ultimate Scale. For Police, Fire, Public Works, Board of Education Custodians, and NPU Field Employees, the PubS-2010 Mortality Table was used instead of the Pub-2010 Mortality Table. This assumption includes a margin for future improvements in longevity.

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
CITY EMPLOYEES  
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.04%	8.86%	-9.54%	21.27%	3.95%	7.29%	7.40%	12.17%	-1.81%	2.98%

**CITY OF NORWICH, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**VOLUNTEER FIRE**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	\$ 75	\$ 89	\$ 71	\$ 58	\$ 82	\$ 65	\$ 63	\$ 63	\$ 59	\$ 59
Interest	440	433	467	456	445	434	421	411	361	351
Differences Between Expected and Actual Experience	81	-	(904)	8	(2)	-	97	-	(230)	-
Changes of Benefit Terms	-	-	408	-	-	-	-	-	706	-
Changes of Assumptions	(46)	-	364	-	249	-	(78)	-	144	-
Benefit Payments, Including Refunds of Member Contributions	(435)	(388)	(400)	(355)	(347)	(339)	(333)	(322)	(301)	(277)
Net Change in Total Pension Liability	115	134	6	167	427	160	170	152	739	133
Total Pension Liability - Beginning	7,179	7,045	7,039	6,872	6,445	6,285	6,115	5,963	5,224	5,091
Total Pension Liability - Ending	7,294	7,179	7,045	7,039	6,872	6,445	6,285	6,115	5,963	5,224
Plan Fiduciary Net Position:										
Contributions - Employer	329	310	357	335	365	365	373	373	351	333
Contributions - Member	14	16	14	10	10	11	14	14	16	16
Net Investment Income (Loss)	424	339	(575)	839	84	175	192	265	(9)	16
Benefit Payments, Including Refunds of Member Contributions	(435)	(388)	(400)	(355)	(347)	(339)	(333)	(322)	(301)	(277)
Administrative Expense	(14)	(4)	(10)	(6)	(9)	(1)	(9)	(2)	(9)	(4)
Net Change in Plan Fiduciary Net Position	318	273	(614)	823	103	211	237	328	48	84
Plan Fiduciary Net Position - Beginning	3,591	3,318	3,932	3,109	3,006	2,795	2,558	2,230	2,182	2,098
Plan Fiduciary Net Position - Ending	3,909	3,591	3,318	3,932	3,109	3,006	2,795	2,558	2,230	2,182
Net Pension Liability - Ending	\$ 3,385	\$ 3,588	\$ 3,727	\$ 3,107	\$ 3,763	\$ 3,439	\$ 3,490	\$ 3,557	\$ 3,733	\$ 3,042
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.59%	50.02%	47.10%	55.86%	45.24%	46.64%	44.47%	41.83%	37.40%	41.77%
Covered Payroll*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Pension Liability as a Percentage of Covered Payroll	N/A									

\* Covered payroll is not included in the above schedule as the persons covered are volunteers.

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
VOLUNTEER FIRE  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 329	\$ 310	\$ 357	\$ 335	\$ 365	\$ 365	\$ 373	\$ 373	\$ 304	\$ 304
Contributions in Relation to the Actuarially Determined Contribution	329	310	357	335	365	365	369	187	373	366
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 186	\$ (69)	\$ (62)
Covered-Employee Payroll*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	N/A	N/A								

\* Covered payroll is not included in the above schedule as the persons covered are volunteers.

Notes to Schedule:

Valuation Date: January 1, 2024

Measurement Date: June 30, 2024

Actuarially determined contribution rates are calculated as of January 1, one and a half years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine

Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percent
Remaining Amortization Period	20 years
Asset Valuation Method	Market value of assets
Inflation	2.60%
Investment Rate of Return	6.25%
Retirement Age	Varies by age, service and date of hire
Mortality	PubS-2010 Mortality Table with generational projection per the MP-2021 (prior: MP-2019) Ultimate Scale

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
VOLUNTEER FIRE  
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.51%	10.01%	-14.13%	25.73%	2.73%	6.06%	7.25%	10.91%	-0.37%	0.70%

**CITY OF NORWICH, CONNECTICUT**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS RETIREMENT PLAN**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the City	122,179	113,479	85,110	107,461	82,027	63,248	76,431	80,635	57,271	52,936
Total	<u>\$ 122,179</u>	<u>\$ 113,479</u>	<u>\$ 85,110</u>	<u>\$ 107,461</u>	<u>\$ 82,027</u>	<u>\$ 63,248</u>	<u>\$ 76,431</u>	<u>\$ 80,635</u>	<u>\$ 57,271</u>	<u>\$ 52,936</u>
City's Covered Payroll	\$ 33,341	\$ 34,156	\$ 29,338	\$ 26,335	\$ 20,294	\$ 24,148	\$ 22,652	\$ 24,204	\$ 24,594	\$ 28,303
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule:

Changes in Benefit Terms  
 Changes of Assumptions

None  
 None

Actuarial Cost Method  
 Amortization Method  
 Remaining Amortization Period  
 Asset Valuation Method  
 Inflation  
 Salary Increase  
 Investment Rate of Return

Entry Age  
 Level Percent of Pay, Closed, Grading to a Level Dollar Amortization Method for the June 30, 2024 Valuation  
 27.8 Years  
 4-Year Smoothed Market  
 2.50%  
 3.00%-6.50%, Including Inflation  
 6.90%, Net of Investment-Related Expense

- The measurement date is one year earlier than the employer's reporting date.

**CITY OF NORWICH, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
**OPEB**  
**LAST NINE FISCAL YEARS\***  
**(IN THOUSANDS)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability:									
Service Cost	\$ 1,569	\$ 1,383	\$ 1,096	\$ 1,288	\$ 1,200	\$ 1,644	\$ 1,699	\$ 1,658	\$ 1,610
Interest	4,199	3,929	4,704	4,519	4,650	4,437	4,687	4,552	4,416
Change of Benefit Terms	-	-	-	-	-	-	(645)	-	-
Differences Between Expected and Actual Experience	7,760	-	(10,937)	-	(4,127)	-	(951)	138	1,010
Changes of Assumptions	(5,415)	1,812	5,832	-	1,182	-	(2,129)	-	-
Benefit Payments	(3,313)	(2,690)	(3,274)	(2,872)	(2,450)	(3,175)	(4,572)	(4,624)	(5,164)
Net Change in Total OPEB Liability	4,800	4,434	(2,579)	2,935	455	2,906	(1,911)	1,724	1,872
Total OPEB Liability - Beginning	67,245	62,811	65,390	62,455	62,000	59,094	61,005	59,281	57,409
Total OPEB Liability - Ending	72,045	67,245	62,811	65,390	62,455	62,000	59,094	61,005	59,281
Plan Fiduciary Net Position:									
Contributions - Employer	3,441	3,239	4,684	4,367	5,340	5,240	5,548	5,492	5,566
Contributions - Member	12	13	10	11	10	15	200	177	291
Net Investment Income (Loss)	4,528	3,260	(4,043)	5,494	856	1,534	1,035	1,420	(562)
Benefit Payments, Including Refunds of Member Contributions	(3,313)	(2,691)	(3,274)	(2,872)	(2,450)	(3,175)	(4,572)	(4,624)	(5,164)
Administrative Expense	(32)	(9)	(30)	(9)	(28)	(10)	(22)	(2)	(20)
Net Change in Plan Fiduciary Net Position	4,636	3,812	(2,653)	6,991	3,728	3,604	2,189	2,463	111
Plan Fiduciary Net Position - Beginning	33,831	30,019	32,672	25,681	21,953	18,349	16,160	13,697	13,586
Plan Fiduciary Net Position - Ending	38,467	33,831	30,019	32,672	25,681	21,953	18,349	16,160	13,697
Net OPEB Liability - Ending	\$ 33,578	\$ 33,414	\$ 32,792	\$ 32,718	\$ 36,774	\$ 40,047	\$ 40,745	\$ 44,845	\$ 45,584
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	53.39%	50.31%	47.79%	49.96%	41.12%	35.41%	31.05%	26.49%	23.11%
Covered-Employee Payroll	\$ 61,617	\$ 61,617	\$ 61,617	\$ 68,379	\$ 65,850	\$ 63,623	\$ 59,548	\$ 57,814	\$ 56,130
Net OPEB Liability as a Percentage of Covered-Employee Payroll	54.49%	54.23%	53.22%	47.85%	55.85%	62.94%	68.42%	77.57%	81.21%

\*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OPEB  
LAST TEN FISCAL YEARS  
(IN THOUSANDS)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution (1)	\$ 3,441	\$ 3,239	\$ 4,684	\$ 4,367	\$ 5,522	\$ 5,485	\$ 5,542	\$ 5,492	\$ 5,566	\$ 5,431
Contributions in Relation to the Actuarially Determined Contribution	3,441	3,239	4,684	4,367	5,340	5,240	5,548	5,492	5,566	5,446
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ 182	\$ 245	\$ (6)	\$ -	\$ -	\$ (15)
Covered-Employee Payroll	\$ 61,617	\$ 61,617	\$ 61,617	\$ 68,379	\$ 68,379	\$ 65,850	\$ 63,623	\$ 59,548	\$ 57,814	\$ 56,130
Contributions as a Percentage of Covered-Employee Payroll	5.58%	5.26%	7.60%	6.39%	7.81%	7.96%	8.72%	9.22%	9.63%	9.70%

(1) Actuarial determined contributions prior to fiscal year ended June 30, 2017 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45.

Notes to Schedule:

Valuation Date: July 1, 2023  
 Measurement Date: June 30, 2024

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percent
Amortization Period	24 Years
Asset Valuation Method	Market value
Inflation	2.6%
Healthcare Cost Trend Rates	Pre-Medicare: 6.6% - 4.0% over 52 years; Post-Medicare: 6.3% - 4.0% over 52 years
Salary Increases	Varies by age, service and employee group
Investment Rate of Return	6.25%
Retirement Age - City and Public Utilities Employees	Age 55 with 25 years of service or age 60 with 5 years of service
Retirement Age - Board of Education Certified Employees	Normal retirement for teachers is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early Retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.
Retirement Age - Board of Education Non-Certified Employees	Any age with 25 years of service or age 60 with 10 years of service.
Retirement Age - Police Officers	Hired before 7/1/14 - any age with 20 years of service. Hired on or after 7/1/14 - any age with 25 years of service.
Retirement Age - Firefighters	Hired before 7/1/13 - any age with 20 years of service. Hired on or after 7/1/13 - any age with 25 years of service.
Healthy Mortality	BOE Certified#: Current: PubT-2010 Mortality Table for Employees and Healthy Annuitants (adjusted 105% for males and 103% for females at ages 82 and above) with generational projection of future improvements per the MP-2021 (prior: MP-2019) Ultimate scale. The PubT-2010 Contingent Survivor Table projected generationally per the MP-2021 (prior: MP-2019) Ultimate scale and set forward 1 year for both males and females is used for survivors and beneficiaries. This assumption includes a margin for improvements in longevity beyond the valuation date. All Others: Pub-2010 Mortality Table for Employees and Healthy Annuitants with generational projection of future improvements in longevity per the MP 2021 (prior: MP-2019) Ultimate Scale. For Police and Fire Employees, the PubS- 2010 Mortality Table was used instead of the Pub-2010 Mortality Table. This assumption includes a margin for future improvements in longevity.
Disabled Mortality	BOE Certified #: Current: PubT-2010 Disabled Mortality Table for males and females with generational projection of future improvements per the MP-2021 (prior: MP-2019) Ultimate scale. This assumption includes a margin for mortality improvement beyond the valuation date. All Others: Pub-2010 Mortality Table for Disabled Annuitants with generational projection of future improvements in longevity per the MP 2021 (prior: MP-2019) Ultimate Scale. For Police and Fire Employees, the PubS-2010 Mortality Table was used instead of the Pub-2010 Mortality Table. This assumption includes a margin for future improvements in longevity.

**CITY OF NORWICH, CONNECTICUT  
SCHEDULE OF INVESTMENT RETURNS  
OPEB  
LAST EIGHT FISCAL YEARS\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.76%	10.27%	-11.30%	18.78%	3.67%	7.82%	6.19%	9.18%

\*Note - This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**CITY OF NORWICH, CONNECTICUT  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
 TEACHERS RETIREMENT PLAN  
 LAST SEVEN FISCAL YEARS\*  
 (IN THOUSANDS)**

	2024	2023	2022	2021	2020	2019	2018
City's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the City	11,446	9,938	9,273	16,028	12,793	12,644	19,672
Total	<u>\$ 11,446</u>	<u>\$ 9,938</u>	<u>\$ 9,273</u>	<u>\$ 16,028</u>	<u>\$ 12,793</u>	<u>\$ 12,644</u>	<u>\$ 19,672</u>
City's Covered Payroll	\$ 33,341	\$ 34,156	\$ 29,338	\$ 26,335	\$ 20,294	\$ 24,148	\$ 22,652
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule:

Changes in Benefit Terms	There were no changes to benefit terms since the prior Measurement Date
Changes of Assumptions	Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2023 was updated to equal the SEIR of 3.64% as of June 30, 2023.
Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll over an open period
Remaining Amortization Period	30 years
Asset Valuation Method	Market value of assets
Investment Rate of Return	3.00%, net of investment related expense including price inflation
Price Inflation	2.5%

\*Notes - This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.  
 - The measurement date is one year earlier than the employer's reporting date

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***Appendix B***

***Form of Opinion of Bond Counsel***

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**FORM OF OPINION OF BOND COUNSEL  
CITY OF NORWICH, CONNECTICUT  
\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, ISSUE OF 2025**

December \_\_, 2025

City of Norwich  
City Hall  
100 Broadway  
Norwich, Connecticut 06360

We have acted as Bond Counsel to the City of Norwich, Connecticut (the “City”) in connection with the issuance by the City of its \$ \_\_\_\_\_ General Obligation Bonds, Issue of 2025 (the “Bonds”) dated December \_\_, 2025. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents (including, but not limited to, a Tax Regulatory Agreement of the City dated the date hereof (the “Agreement”)) as we have deemed necessary to give the opinions below.

Regarding questions of fact material to the opinions below, we have relied on the certified proceedings and other certifications of representatives of the City and certifications of others furnished to us without undertaking to verify them by independent investigation.

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

The Internal Revenue Code of 1986 (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 excluded from gross income under Section 103 of the Code. In the Agreement, the City has made covenants and representations designed to assure compliance with such requirements of the Code. The City 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 City with the covenants set forth in the Agreement as to such tax matters.

Based on the foregoing, we are of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences caused by ownership or disposition of, or receipt of interest on 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 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. We express no opinion regarding other state and other State of Connecticut tax consequences caused by ownership or disposition of, or receipt of interest on the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

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

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances or changes in law that may come later to our attention or occur.

Respectfully,

PULLMAN & COMLEY, LLC

## ***Appendix C***

### ***Form of Continuing Disclosure Agreement***

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**FORM OF CONTINUING DISCLOSURE AGREEMENT FOR BONDS  
BY THE CITY OF NORWICH, CONNECTICUT**

**In Connection With The Issuance and Sale of  
City of Norwich, Connecticut  
\$19,000,000 General Obligation Bonds, Issue of 2025**

**Dated December \_\_, 2025**

**WHEREAS**, the City of Norwich, Connecticut (the “Issuer”) has heretofore authorized the issuance of \$19,000,000 in aggregate principal amount of its General Obligation Bonds, Issue of 2025 (the “Bonds”) to be dated December \_\_, 2025 and to mature in the principal amounts and on the dates set forth in the Issuer’s Official Statement describing the Bonds (the “Official Statement”); and

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

**WHEREAS**, the Issuer is authorized pursuant to Connecticut General Statutes §3-20e enacted by the Connecticut General Assembly to make representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

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

**NOW, THEREFORE, THE ISSUER HEREBY REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:**

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

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 2 and 3 of this Continuing Disclosure Agreement.

“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.

**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 Continuing Disclosure Agreement, the following annual financial information and operating data regarding the Issuer:

(i) Audited financial statements as of and for the year ending on its Fiscal Year End for the general fund, capital projects funds and special revenue funds, 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; and

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

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

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

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

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

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

(F) the total direct debt 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;  
and

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

(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 or filed with the SEC. The information will be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

(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 subsequent to the date of issuance of the Bonds, provided, however, that if such financial information and data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Final Official Statement for the Bonds or has not otherwise been previously provided, the Issuer shall provide such information and data no later than eight months after the close of such preceding Fiscal Year End. 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) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, 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;
- (vii) modification to rights of security holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the securities, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Issuer;

(xiii) the 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, if material;

(xiv) the appointment of a successor or additional trustee, or the change in the name of the trustee;

(xv) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority right, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

*Note to clauses (a)(xv) and (a)(xvi): For purposes of the events identified in clauses(a)(xv) and (xvi), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.*

**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 Continuing Disclosure Agreement as so amended would have complied with the requirements of the Rule as of the date of the Continuing Disclosure Agreement, taking in 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. Indemnification.** The Issuer agrees to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any such liabilities due to any such person's malicious, wanton, or willful act. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

**Section 11. 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. 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 Continuing Disclosure Agreement constitute default of the Issuer with respect to the Bonds.

**Section 12. Governing Law.** This Continuing Disclosure Agreement shall be governed by the laws of the State of Connecticut.

**Section 13. Method of Filing.** To the extent filings are required to be made to the MSRB under this Continuing Disclosure 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.

**CITY OF NORWICH, CONNECTICUT**

By: \_\_\_\_\_  
John L. Salomone, City Manager

By: \_\_\_\_\_  
Joshua A. Pothier, Comptroller

***Appendix D***

***Notice of Sale***

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## NOTICE OF SALE

**CITY OF NORWICH, CONNECTICUT**  
**\$19,000,000 GENERAL OBLIGATION BONDS, ISSUE OF 2025**  
**BOOK-ENTRY-ONLY**

NOTICE IS GIVEN that ELECTRONIC BIDS *solely* via *PARITY*® will be received by the CITY OF NORWICH, CONNECTICUT (the “Issuer”), until 11:30 A.M. (E.T.) on WEDNESDAY,

DECEMBER 3, 2025

(the “Sale Date”) for the purchase, when issued, of all (but not less than all) of the Issuer’s \$19,000,000 General Obligation Bonds, Issue of 2025, dated December 17, 2025 (the “Bonds”), at no less than par and accrued interest from the date of the Bonds to the date of delivery, if any, maturing on August 1 in the principal amounts and in each of the years as follows:

<u>Maturity</u>	<u>Amount (\$)</u>	<u>Maturity</u>	<u>Amount (\$)</u>
2026	650,000	2041	645,000
2027	650,000	2042	645,000
2028	650,000	2043	645,000
2029	650,000	2044	645,000
2030	650,000	2045	645,000
2031	650,000	2046	605,000
2032	650,000	2047	605,000
2033	650,000	2048	605,000
2034	650,000	2049	605,000
2035	650,000	2050	605,000
2036	645,000	2051	605,000
2037	645,000	2052	605,000
2038	645,000	2053	605,000
2039	645,000	2054	605,000
2040	645,000	2055	605,000

The Bonds will bear interest commencing August 1, 2026 and semiannually thereafter on February 1 and August 1 in each year until maturity, as further described in the Preliminary Official Statement (as hereinafter defined), at the rate or rates per annum specified by the winning bidder.

## Optional Redemption

The Bonds maturing on or before August 1, 2033 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2034 and thereafter are subject to redemption prior to maturity, at the election of the Issuer, on or after August 1, 2033 at any time in whole or in part and by lot within a maturity, in such order of maturity and amount as the Issuer may determine, at the redemption price or prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
August 1, 2033 and thereafter	100.0%

## Nature of Obligation

The Bonds will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. Unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit 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 provisions of the Connecticut General Statutes, as amended.

## Bank Qualification

The Bonds SHALL NOT be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986 for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

## Registration

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records

maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Bonds directly to DTC so long as DTC or its nominee, Cede & Co, is the bondholder.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds and the Issuer fails to identify another qualified securities depository to replace DTC, or (b) the Issuer determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Issuer will authenticate and deliver replacement Bonds in the form of fully registered certificates. Any such replacement Bonds will provide that interest will be payable by check mailed by the Paying Agent to the registered owner whose name appears on the registration books of the Issuer as of the close of business on the record date preceding each interest payment date.

### **Record Date**

The record dates for the Bonds will be the fifteenth day of January and July, or the preceding business day if such fifteenth day is not a business day, in each year.

### **Proposals**

Each bid must be for the entire \$19,000,000 of the Bonds. Each proposal must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of one-twentieth of one percent (1/20 of 1%) or one-eighth of one percent (1/8 of 1%) the rate or rates of interest per annum which the Bonds are to bear, provided that such proposal shall not state (a) more than one interest rate for any Bonds having a like maturity or (b) any interest rate for any Bonds of one maturity which exceeds the interest rate stated in such proposal for Bonds of a different maturity by more than two (2) percentage points. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to the interest on the Bonds accrued to the date of delivery. For the purpose of the bidding process, the time as maintained on *PARITY*® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost (“TIC”) to the Issuer, as described under “Basis of Award” below, represented by the rate or rates of interest and the bid price specified in their respective bids. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. No proposal for less than par and accrued interest to the date of delivery will be considered.

### **Basis of Award; Right to Reject Proposals; Waiver; Right to Cancel; Postponement; Change of Terms**

Unless all bids are rejected, as between proposals which comply with this Notice of Sale, the Bonds will be awarded to the bidder whose bid proposes the lowest true interest cost (“TIC”) to the Issuer. The TIC will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one bidder making said offer at the same lowest TIC, the Bonds will be sold to the bidder whose proposal is selected by the Issuer by lot from among all such proposals. It is

requested that each proposal be accompanied by a statement of the percentage of TIC computed and rounded to six decimal places. Such statement shall not be considered as part of the proposal. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Issuer further reserves the right to cancel or postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a cancellation or postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Bonds in accordance with the provisions of this Notice of Sale.

### **CUSIP Numbers**

The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of Phoenix Advisors, a division of First Security Municipal Advisors, Inc. (“Phoenix Advisors”), to obtain CUSIP numbers for the Bonds prior to delivery, and Phoenix Advisors, will provide the CUSIP Service Bureau with the final details of the sale, including the identity of the winning bidder. The Issuer will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of Phoenix Advisors to obtain such numbers and to supply them to the Issuer in a timely manner. Neither the failure to print such CUSIP number on any bond, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

### **Electronic Proposals Bidding Procedure**

Electronic bids for the purchase of the Bonds must be submitted through the facilities of **PARITY**®. Any prospective bidder must be a subscriber of the BiDCOMP competitive bidding system. Further information about **PARITY**®, including any fee charged, may be obtained from **PARITY**®, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 or (212) 849-5023 – email notice: [munis@spglobal.com](mailto:munis@spglobal.com) or [parity@i-deal.com](mailto:parity@i-deal.com)). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of **PARITY**® is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds via **PARITY**®, the bidder represents and warrants to the Issuer that such bidder’s bid for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that

acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of *PARITY*®, or the inaccuracies of any information, including bid information or worksheets supplied by *PARITY*®, the use of *PARITY*® facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

***Disclaimer.*** Each *PARITY*® prospective electronic bidder shall be solely responsible to make necessary arrangements to access *PARITY*® for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer nor *PARITY*® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer or *PARITY*® shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*®. The Issuer is using *PARITY*® as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds. The Issuer is not bound by any advice and determination of *PARITY*® to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via *PARITY*® are the sole responsibility of the bidders; and the Issuer is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone *PARITY*® at (212) 849-5021 or (212) 849-5023. If any provision of this Notice shall conflict with information provided by *PARITY*®, this Notice shall control.

For the purpose of the electronic bidding process, the time as maintained on *PARITY*® shall constitute the official time.

### **Certifying Agent, Registrar, Paying Agent and Transfer Agent**

The Bonds will be authenticated by U.S. Bank Trust Company, National Association, Hartford, Connecticut. U.S. Bank Trust Company, National Association will also act as Registrar, Paying Agent and Transfer Agent.

### **Delivery, Payment and Closing Requirements**

At or prior to the delivery of the Bonds the purchaser shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel ("Bond Counsel") (see "Bond Counsel Opinion" below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Bonds, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Bonds or the power of the Issuer to levy and collect taxes to pay them; (c) a signed copy of the Official Statement prepared for this bond issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Bonds.

The Bonds will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer (“FAST”) on or about December 17, 2025 (the “Closing Date”).

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer’s costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Bonds for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

### **Bond Counsel Opinion**

The legality of the issue will be passed upon by Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will state that the Bonds are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as defined below in the “Establishment of Issue Price” section) is met, Bond Counsel will require as a precondition to release of its opinion that the purchaser of such Bonds deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Bonds awarded to such bidder, as described below under “Establishment of Issue Price”.

### **Establishment of Issue Price**

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986 (the “Code”), relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Bonds, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Michael J. Andreana, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (203) 330-2235, E-mail: mandreana@pullcom.com and (2) the Municipal Advisor at Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds such as the Bonds, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Bonds, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

***Notification of Contact Information of Winning Bidder.*** Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

***Competitive Sale Rule.*** The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Rule”) because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost (“TIC”), as set forth in this Notice of Sale.

**Competitive Sale Rule Met.** The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. Within two (2) hours of award (or such other time as agreed to by Bond Counsel), the winning bidder shall provide Bond Counsel and the Municipal Advisor, via e-mail, a completed “ISSUE PRICE CERTIFICATE” in the form attached hereto as Attachment A.

**Competitive Sale Rule Not Met.** In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Bonds (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Bonds as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity of Bonds has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel; i.e., those Maturities of the Bonds that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Bonds shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Bonds subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Bonds (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Bonds to the Public on or before the date of award at the Initial Offering Prices and (ii) agree, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell unsold Bonds of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires,

contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Bonds of that Maturity or all Bonds of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

***Definitions.*** For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

## **Official Statement**

For more information regarding the Bonds or the Issuer, reference is made to the Preliminary Official Statement dated November 25, 2025 (the “Official Statement”) describing the Bonds and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at <https://munihub.com>, and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Matthew Spoerndle, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: [mspoerndle@muniadvisors.com](mailto:mspoerndle@muniadvisors.com). The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser a reasonable number of copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Bonds or by the seventh (7th) business day after the day bids on the Bonds are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Bonds, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

## **Continuing Disclosure Agreement**

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide annual financial information and operating data including audited financial statements, notice of the occurrence of certain events with respect to the Bonds within ten (10) business days of such event, and timely notice of any failure by the Issuer to provide annual reports on or before the date specified in the Agreement. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to delivery of the Bonds, an executed Agreement.

CITY OF NORWICH, CONNECTICUT  
JOHN L. SALOMONE  
City Manager

JOSHUA A. POTHIER  
Comptroller

November 25, 2025

**ATTACHMENT A**

**ISSUE PRICE CERTIFICATE**

*(If Competitive Sale Rule Met)*

CITY OF NORWICH, CONNECTICUT  
\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, ISSUE OF 2025  
Dated December 17, 2025

The undersigned, on behalf of [UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Due Authorization.*** The undersigned is a duly authorized representative of [SHORT NAME OF UNDERWRITER], the purchaser of the Bonds.

2. ***Purchase Price.*** The CITY OF NORWICH, CONNECTICUT (the “Issuer”) sold to [SHORT NAME OF UNDERWRITER], for delivery on or about December 17, 2025, the Bonds at a price of par (\$ \_\_\_\_\_), plus an aggregate net premium of \$ \_\_\_\_\_ and less an underwriter’s discount of \$ \_\_\_\_\_, resulting in an aggregate net purchase price of \$ \_\_\_\_\_.

3. ***Reasonably Expected Initial Offering Price.***

(a) As of December 3, 2025 (the “Sale Date”), the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in **Schedule A** (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as **Schedule B** is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

4. ***Defined Terms.***

(a) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than fifty percent (50%) common ownership, directly or indirectly.

(c) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of the selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

5. ***Representations and Information.*** The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder (collectively, the “Code”). The undersigned understands that the foregoing information will be relied upon by the Issuer in making its certification as to issue price of the Bonds under the Code and with respect to compliance with the federal income tax rules affecting the Bonds. Pullman & Comley, LLC, bond counsel, may rely on the foregoing representations in rendering its opinion on the exclusion from federal gross income of the interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer relating to the Bonds. Except as set forth above, no third party may rely on the foregoing certifications, and no party may rely hereon for any other purpose.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of December 3, 2025.

[UNDERWRITER]

By: \_\_\_\_\_

Name:

Title:

**Schedule A to Issue Price Certificate**

<u>Maturity, August 1</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Price (\$, not Yield)</u>
2026	650,000		
2027	650,000		
2028	650,000		
2029	650,000		
2030	650,000		
2031	650,000		
2032	650,000		
2033	650,000		
2034	650,000		
2035	650,000		
2036	645,000		
2037	645,000		
2038	645,000		
2039	645,000		
2040	645,000		
2041	645,000		
2042	645,000		
2043	645,000		
2044	645,000		
2045	645,000		
2046	605,000		
2047	605,000		
2048	605,000		
2049	605,000		
2050	605,000		
2051	605,000		
2052	605,000		
2053	605,000		
2054	605,000		
2055	605,000		

**Schedule B to Issue Price Certificate**