

FIFTEEN ROPE FERRY ROAD
WATERFORD, CT 06385-2886



PHONE: 860-442-0553
www.waterfordct.org

BOARD OF FINANCE
AGENDA

Waterford Town Hall
Regular Meeting

RECEIVED FOR RECORD
WATERFORD CT
April 8, 2026
2026 APR - 7 AM 11:14
ATTEST: *David A. Langston*
TOWN CLERK

1. Establishment of a quorum and call to order.
2. Public Comment
3. Approval and acceptance of the following minutes:
 - a. Budget Hearing Minutes on the dates of March 2, March 4, March 9, March 11, March 16, March 18, March 23 and March 25, 2026
 - b. Regular Meeting Minutes March 11, 2026
4. To consider and act on a request from the Assessor, Paige Walton, for a FY26 appropriation in the amount of \$28,000 from designated line #10140-57639 (Transfers to CAP & NE Funds) to appropriated line #20501-57639 (CNR Revaluation), for Phase I of the revaluations services (restricted appraisal). Action may include forwarding the request to the Representative Town Meeting (RTM) for approval.
5. To consider and act on a request from the Director of Fire Services, Chris Haley, for an Out-Of-Series Transfer in the amount of \$9,000 within the Fire Services budget as indicated on the following extract from the Transfer Request Form. Action may include forwarding the request to the Representative Town Meeting (RTM) for approval.

TOWN OF WATERFORD
TRANSFER REQUEST FORM
Out of Series Transfer Request

FIRE SERVICES 2/18/26
DEPARTMENT

Line No.	Org. Code	Object Code	Object Description	APPROVED Budget Amount	CURRENT Available Budget	ACCOUNT		REVISED Available Budget
						INCREASE	DECREASE	
1	10123	53111	FF Protective Clothing	\$ 35,000	\$ 1,593	\$ 9,000		\$ 10,593
2	10123	52372	Insurance	\$ 160,750	\$ 6,721		\$ (6,000)	\$ 721
3	10123	54226	Equipment	\$ 5,700	\$ 5,700		\$ (3,000)	\$ 2,700
TOTAL						9,000	(9,000)	

Explanation

- 1 Three new firefighters were hired and required protective clothing
- 2 Insurance costs have been reduced by updating coverages.
- 3 Equipment purchased under 53112 were sufficient for FY26

6. **Old Business:**
7. **New Business:**
8. **Liaison Reports:**
9. **Correspondence:**
 - a. Virginia Bielucki, Town Accountant, Periodic Financial Statements FY26 dated March 12, 2026.
 - b. Virginia Bielucki, Town Accountant, Status of General Fund Unassigned Balance dated March 12, 2026.
 - c. Virginia Bielucki, Town Accountant, Status of Contingency FY26 dated March 17, 2026.
 - d. January 2026 Special Revenue Reports
 - e. February 2026 Special Revenue Reports
 - f. Capital Improvement Plan Statement by First Selectman, Rob Brule
 - g. Andrew – Waterford BOF Public Comment
10. **Adjournment**

Glenn Patterson, Chairman

FIFTEEN ROPE FERRY ROAD
WATERFORD, CT 06385-2886



PHONE: 860-442-0553

www.waterfordct.org

RECEIVED FOR RECORD
WATERFORD, CT
2026 MAR 11 AM 9:41
ATTEST: David J. Driscoll
TOWN CLERK
Wednesday, March 11, 2026
Town Hall Auditorium 7:00 p.m.

Board of Finance
Regular Meeting Minutes

Present: Glenn Patterson, Robert Tuneski, Michael Rocchetti, Bill Sheehan, Jerry Fischer, Ann Peabody, Joseph Filippetti

Elected: Rob Brule, First Selectman; Sue Driscoll, RTM Moderator

Staff: Kim Allen, Director of Finance; David Ferland, Lieutenant, Police Department; Rebecca Hall, Administrative Assistant Finance Office/BOF Recording Secretary

1. Establishment of a quorum and call to order

A quorum was established and the Regular Meeting of the Board of Finance was called to order at 7:00p.m., March 11, 2026.

2. Public Comment: none

3. Approval and acceptance of January 14, 2026 Regular Meeting minutes:

Motion by Bill Sheehan and seconded by Michael Rocchetti to approve the minutes of the January 14, 2026 Regular Meeting with the correction of the name "Jerry Porter" to "Jerry Fischer" on items #3 and #14d.

Vote: 7 – 0 – 0

Motion: Passed

4. To consider and act upon a request from the Chief of Police, Marc Balestracci, for an Out-Of-Series Transfer in the amount of \$20,000 to for fuel costs line #10129-53090 (Fuel & Lubricants) and replacement of expired equipment Line #10129-53180 (Police Equipment & Supplies) as indicated on the following extract from the Transfer Request Form. Action may include forwarding the request to the Representative Town Meeting (RTM) for approval.

Motion by Bill Sheehan and seconded by Joseph Filippetti to transfer \$20,000 as follows:

Out of Series Transfer Request

Police
DEPARTMENT

[illegible]

TOTAL	20,000.00	(20,000.00)
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51210 Clerical-Available due to retirement and prolonged vacancy to hire a replacement at a lower salary step.

63090 Fuel & Lubricants-To cover fuel costs till the end of the fiscal year. Budgeted at \$2.1918 per gallon while actual cost is \$2.3916 per gallon.

53100 Police Equipment & Supplies-To cover replacement of items that reached end of life, as well as cost increases on ammunition and ballistic protection.

Motion: Passed

5. Old Business: none
6. New Business: Discussion of the FY27 Projected Revenue Report provided by Kimberly Allen, Director of Finance
7. Liaison Reports: none
8. Correspondence
9. Adjournment

Motion by Bill Sheehan and seconded by Michael Rocchetti to adjourn the Regular Meeting of the Board of Finance at 7:25pm.

Motion: Passed

Respectfully submitted,


John (Bill) W. Sheehan,
Clerk of the Board of Finance


Rebecca L. Hall,
Recording Secretary

Town of Waterford
Assessor's Office
15 Rope Ferry Road
Waterford, CT 06385



Phone: (860) 444-5820
Fax: (860) 444-5819

TO: Robert Brule, First Selectman
Cc: Kimberly Allen, Finance Director
Shea Davy, Purchasing Agent
FROM: Paige Walton, Assessor
RE: Appropriation & Bid Waiver Request -- Federal Appraisal LLC
DATE: March 3, 2026

The Assessor's Office respectfully requests a waiver of competitive bidding for appraisal services specific to the Millstone Nuclear Power Plant, to be conducted for the 2026 state-mandated revaluation.

While the attached quote is over the \$25,000 threshold for bidding, the power plant appraisal services required are very specific and unique in nature. Federal Appraisal LLC has completed similar appraisal work for the Town of Waterford in the past and possesses a very specific level of expertise in the field of power plant valuation. As such, Federal Appraisal LLC is uniquely qualified to conduct the 10/1/2026 appraisal of the Dominion Nuclear Power Station.

The Assessor's Office respectfully requests a fund appropriation in the amount of \$28,000 from Line ~~10404-57639~~ **Transfers to Cap & NRE Funds** for Phase I of the revaluation services (restricted appraisal) provided by Federal Appraisal, LLC to line **20501-57639 CNR Revaluation**.

10140

Thank you for your consideration to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Paige S. Walton", is written over a horizontal line.

Paige S. Walton
Assessor
Town of Waterford

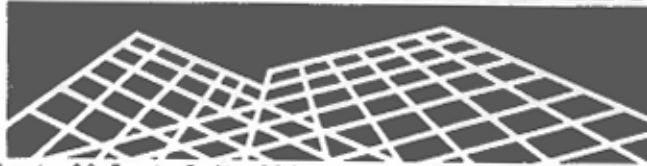
\$ appropriation -

Bos - 3/17/24, approved

Attachment:

Federal Appraisal LLC Quote

FEDERAL APPRAISAL LLC



295 Route 22 East, Suite 204 908.534.3590
Whitehouse Station, New Jersey 08889 908.823.0575 fax
www.federalappraisal.com

Turning words and numbers into meaning and value

March 2, 2026

Paige S. Walton, CCMA II, Assessor, Town of Waterford
15 Rope Ferry Road
Waterford, CT 06385
pwalton@waterfordct.org

RE: Proposal/Engagement to Provide Appraisal and Consulting Services regarding
Millstone Nuclear Power Plant
Waterford,

Dear Mr. Paige S. Walton, CCMA II, Assessor, Town of Waterford:

Federal Appraisal LLC ("Federal") is prepared to provide appraisal and consulting services regarding the above referenced property for you (the "Client") and No other intended users. This proposal letter presents Federal's understanding of the assets being appraised, the Client's appraisal needs, and Federal's qualifications, proposed services, and fees. Please indicate your acceptance of this proposal and engagement by counter signing this letter and returning a signed copy to Federal.

A table of contents for this proposal is located in section 13.

Federal Appraisal is uniquely qualified to provide appraisal and consulting services regarding the referenced asset (the "Property" or "Subject") described herein based on the facts that:

- Federal has previously appraised the Millstone Nuclear Power Plant multiple times over multiple years for property tax purposes.
- Federal has appraised and reviewed appraisals on hundreds of power plants, including dozens of nuclear power plants, across the country for property tax assessment purposes; See attached partial list of nuclear power plant appraisals.
- Federal's appraisers are nationally recognized experts in the appraisal of utility properties, specifically power plants. See our award-winning article, "*The Appraisal of Power Plants*". Our other articles can be found on our website, FederalAppraisal.com.
- Federal appraisers have attained the highest levels of education and professional accreditation, including MAI's (Designated Members of the Appraisal Institute), ASA's (Accredited Senior Appraisers with the American Society of Appraisers, in business valuation), and are SCGREAs (State Certified General Real Estate Appraisers)
- Federal Appraisal LLC has been serving for over 20 Years and Mark Pomykacz has been appraising for 40 years, and has completed appraisals on all types of complex assets and issues throughout the United States, for all types of clients and contexts.
- Mark Pomykacz regularly testifies to his complex appraisals, including many utility property appraisals, and has been accepted as an expert witness in multiple states and jurisdictions, including on power generation properties like the Subject, including the state where the Subject is located.
- Mark Pomykacz is designated as an MAI and an appraisal review specialist, AI-GRS, from the Appraisal Institute. Mark Pomykacz is designated as a business appraiser, as an ASA in Business Valuation from

the American Society of Appraisers. Mark Pomykacz is designated as a commercial real estate appraiser in multiple states including the state where the Subject is located.

- Our reports and services fully comply with the Uniform Standards of Professional Appraisal Practice the standards of the Appraisal Institute, the American Society of Appraisers and the International Valuation Standards, GAAP, IRS and other governmental appraisal standards.

1. Purpose, Use and Scope of the Appraisal Review and Consulting Services

The purpose of this Appraisal is to determine the following Standard of Value. The Standard of Value will be The Standard of Value for this Appraisal is market value/fair market value ("Value"). The purpose of this engagement may include additional consulting services ("Consulting Services"), as needed. Federal will provide the Client with an Appraisal Report (the "Report"). Federal understands the Client will use the Report to assist with the Subject's property tax assessment. Federal shall prepare the Report and provide the Consulting Services for this purpose and use.

Federal agrees to provide the Client with the following scope of work, analysis, and reporting, delivered in phase:

1.1. Phase I –Restricted Appraisal Services, for Tax Assessment Purposes

- Provide information request documents and support
- Assist in gathering Subject data and market data from the Client and the property owner
- Gather Subject data and market data from within the public domain
- Conduct site inspection of the Subject, if practical and necessary
- Provide periodic verbal reports on the status of our work and on the findings of preliminary analyses
- Research and analyze the appraisal problem, including researching and analyzing the proper scope of work, appraisal context and definitions, appraisal assumptions and conditions, market data, economic data, Subject physical, legal, and financial details, and highest and best use analysis
- Develop an estimate of the value of the Subject, including consideration of the appropriate leading approaches to value and other requisite and appropriate appraisal considerations and analyses
- When necessary for the Appraisal purpose and use, Federal will also complete various allocations of value between taxable and tax-exempt property and between real and personal property and intangibles
- Deliver a Restricted Appraisal Reporting Services which may be limited to oral reporting or summary written documentation that will include summary schedules supporting the conclusions contained in the Report and as described herein, that are sufficient for the Client's purpose and use in Phase I, for case management and planning, and negotiations.

1.2. Phase II –Narrative Appraisal Report, for Litigation

- Provide information request documents and support
- Assist in gathering Subject data and market data from the Client and the property owner
- Gather Subject data and market data from within the public domain
- Conduct site inspection of the Subject, if practical and necessary
- Provide periodic verbal reports on the status of our work and on the findings of preliminary analyses
- Research and analyze the appraisal problem, including researching and analyzing the proper scope of work, appraisal context and definitions, appraisal assumptions and conditions, market data, economic data, Subject physical, legal, and financial details, and highest and best use analysis
- Develop an estimate of the value of the Subject, including consideration of all appropriate approaches to value and other requisite and appropriate appraisal considerations and analyses
- When necessary for the Appraisal purpose and use, Federal will also complete various allocations of value between taxable and tax-exempt property and between real and personal property and intangibles
- Deliver a full narrative Appraisal Report which will include schedules supporting the conclusions contained in the Report and as described herein, that are sufficient for the Client's purpose and use, for litigation.

1.3. Phase III – Consulting Services

- Additional appraisal, appraisal review, consultation, meetings, negotiations, depositions, or testimony services not addressed in Phases I to the extent mutually agreed upon by the Client and Federal prior to commencing work

The Client may terminate the engagement before the commencement of or during any phase.

The Appraisal and Consulting Services will comply with the Uniform Standards of Professional Appraisal Practice ("USPAP"), and with the standards of the Appraisal Institute, and the American Society of Appraisers. Where necessary the Appraisal and Consulting Services will comply with the Uniform Appraisal Standards for Federal Land Acquisition ("Yellowbook"), GAAP, IRS and other governmental standards. The Appraisal services will comply with the statutes and administrative rules of the state of where the assets are located. Mark Pomykacz will personally conduct and certify the Appraisal as a Member of the Appraisal Institute ("MAI"), an Accredited Senior Appraiser ("ASA") in Business Valuation with the American Society of Appraisers, a General Review Specialist with the Appraisal Institute ("AI-GRS"), and a State Certified General Real Estate Appraiser, when appropriate or required by law.

1.4. Hypothetical Conditions

We shall employ the following hypothetical conditions or extraordinary assumptions in the Appraisal:

No hypothetical conditions or extraordinary assumptions were made in this Appraisal.

2. Dates of Value

Federal understands that the Appraisal and Consulting Services shall have an effective (appraisal) date October 1, 2026.

3. The Subject

The Subject improvements are summarized as follows:

Millstone is located at a former quarry site in Waterford, Connecticut. The site covers about 500 acres. The Millstone complex was built by a consortium of utilities. Millstone 1 was initially shut down in November 1995, before being permanently closed in July 1998. Units 2 and 3 continue to operate.

The units are operated by Dominion Generation. Dominion Resources, Inc., owns 100 percent of units 1 and 2 and is majority owner of unit 3. Besides Dominion (93.5 percent owner), the owners of unit 3 include Massachusetts Municipal Wholesale Electric Company (4.8 percent), and the Central Vermont Public Service Corporation (1.7 percent).

Note that while Unit 1 is now permanently closed, the remaining physical and legal assets may have value or may represent a liability. As part of this appraisal, Federal will fully analyze and report on the value, if any, of the remaining assets at Unit 1.

In recent years, a dry cask storage facility has been developed on the site for the intermediate term storage of nuclear waste. Federal shall include these assets in its appraisal.

There has been recent news that data center potentially being developed on site. If valuation services are needed for this additional asset, it would fall under Phase III for consulting.

These details will be confirmed and accounted for by Federal during the course of completing the Appraisal.

3.1. Site Inspection

Federal intends to inspect the Subject as part of this Appraisal, if practical and necessary.

4. Valuation Definitions and Assumptions

Federal will work with the Client to ensure that the various appraisal and valuation definitions and assumptions employed in the Appraisal Report are appropriate for the Client's purpose and use. For example, Federal will work with the Client to ensure the Appraisal assumes proper definitions of value for the Client's purposes. Examples of general definitions are shown in the following sections.

4.1. Market Value Concepts

Below are definitions taken from The Dictionary of Real Estate Appraisal, sixth edition, published by the Appraisal Institute. This value is often but not always equivalent to taxing jurisdiction's definition of the taxable value.

Market Value:

1. The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.
2. Definition from USPAP¹. A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.
3. Federal Register². The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
 - a. Buyer and seller are typically motivated;
 - b. Both parties are well informed or well advised, and acting in what they consider their best interests;
 - c. A reasonable time is allowed for exposure in the open market;
 - d. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 - e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

There are various concepts that often interrelated to the type of value appraised, and that depend on the context of appraisal. The concepts include highest and best use and fee simple and leased fee estates.

Highest and Best Use:

1. The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.³

5. Methodology

Federal will complete the Appraisal and Consulting Services through consideration of the three traditional approaches to value: Cost Approach, Sales Comparison Approach, and Income Approach. Federal will consider the appraisal methodologies with legal counsel to ensure that the Appraisal is consistent with local law and regulations, and any court precedents on the matter.

5.1. Sales Comparison Approach

Federal will attempt to estimate the market value of the Subject utilizing the Sales Comparison Approach. It involves the comparison of sales (or offerings) of properties similar to the Subject. If the comparable sales are not exactly like the subject, adjustments are made to the sale price of the comparable sales (or offerings). When adequate data on sales allows the completion of the adjustment process, the Sales Comparison Approach is a reliable method to determine value.

5.2. Income Approach

The Income Approach will also be considered in the Appraisal. The underlying principle in this approach is that buyers invest in properties like the Subject for the satisfaction of receiving the anticipated future income. Federal will

¹ (USPAP, 2018 ed.).

² (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994).

³ The Dictionary of Real Estate Appraisal, 5th ed. Chicago, Appraisal Institute.

attempt to replicate the analysis buyers and sellers would make on the expected income and any inherent risk. Specifically, Federal shall consider a discounted future cash flow ("DCF") method of the income approach. The DCF approach estimates the value of the Facility by considering the prospective operational results and the financial positions of the Subject, over multiple years.

Federal will also attempt to evaluate the Facility using direct capitalization techniques. In this technique, income for a single year is converted directly into an indication of value. This technique is useful because it is mathematically the simplest income approach to complete; however, if it proves to be unsound as an independent appraisal technique, Federal may attempt to utilize it as cross-checking technique and "range of value" indicator.

5.2.1. Electricity Price and Fuel Price Forecaster

Federal will utilize any appropriate forecast of electricity and fuel prices ("forecast") supplied by an independent forecaster engaged and paid for by the Client. Federal assumes that the Client will engage a qualified forecasting firm and that the forecast will be sound. Federal will work with the forecasting firm to ensure that the forecast can be coordinated with and utilized in Federal's appraisal. Federal expects that the Client will ensure that the forecasting firm will work with Federal to similarly ensure that the forecast can be utilized in Federal's appraisal. To the extent professionally capable, Federal will conduct an independent review of the forecast. The Federal review of the forecast will include a review of the qualifications of the writers of the forecast report, the certification and general assumptions and limiting conditions of the report, and the purpose, use, and scope of the report. To the extent professionally capable, Federal will review the various analysis assumptions and methodologies. Even if the Client engages a forecaster, Federal may still complete its own forecast of electricity and fuel prices.

If the Client does not wish to engage an electricity price forecaster, Federal will complete its own forecast of electricity prices in order to complete the Appraisal using data from SNL and S&P Global Market Intelligence, which is a subscription data service providing market data in the energy and utility industries.

5.2.2. Major Agreements

Federal will consider the impact of major agreements or contracts (such as leases, power purchase agreements, wholesale power contracts, fuel supply agreements, major supply or offtake agreements) that are relevant as of the valuation date and as permissible under the applicable law and market terms, if required by applicable law. Federal will work with the Client and their counsel to ensure proper appraisal and legal assumptions concerning major contracts for our Appraisals.

5.2.3. Cost Approach

The Cost Approach is based upon the premise that an informed purchaser would pay no more for an asset than the cost of constructing a substitute asset with the same utility as the subject asset. Also, cost approach techniques may be utilized to determine the value of parts of the Subject, such as personal property, intangibles, and exempt property. Among the three traditional approaches, the cost approach has the distinct advantage of usually including in its value indication only those assets explicitly included in its analysis. Further, given the cost approach's ability to isolate specific assets that roll up to comprise overall value, the cost approach is commonly employed, in conjunction with sales and/or income approaches, to complete residual and allocation techniques. The income and/or the sales approaches are used to determine the overall value, and the cost approach is used to determine the value of component assets to be excluded. The difference between the reconciled income or the sales approaches and the cost approach yields the value of the residual asset.

5.3. Residual and Allocation Valuation Techniques

When the appraisal assignment calls for it, various techniques such as allocations, residuals, or summations may be made to, or with, the various elements or components of the concluded values from the three traditional approaches in order to determine overall asset values or parts of an overall value. When necessary, Federal will consult with legal, accounting and engineering experts in order to determine proper residual and allocation execution.

6. Legal, Accounting, and Engineering Services

Federal is not a legal, accounting, or an engineering services provider. Federal will either work with attorneys, accountants, or engineers contracted or employed by the Client, or will contract for such services and bill the Client for the expense. These services may or may not be needed. The Client recognizes that such assistance to Federal may be necessary in order to complete the appraisal process.

7. Client Furnished Data and Access

In order to complete our analyses in a timely manner, the Client must provide certain information. This information should include but not be limited to the data included with Information Request, which is attached to this proposal.

We understand certain information may not be available and we will work with the Client to obtain this information, or to develop alternative appraisal methodologies. Throughout the project we reserve the right to request additional data that we may deem as appropriate to complete our appraisals.

Our appraisal information request list is attached hereto in Information Request, Section 16, page 23.

8. Qualifications

Federal Appraisal, LLC is an appraisal and advisory company that provides appraisals, valuation-consulting, and litigation support services to clients worldwide. Our valuation practice includes 8 professionals comprised of designated appraisers who have developed expertise in the appraisal of complex property types and complex appraisal issues.

Federal provides valuation advisory services to support all major industries including general commercial and investment real estate, public utilities (electric power generation, transmission, and distribution), water and sewer, petroleum refining, storage, and pipelines, natural gas pipelines and storage, biofuels facilities (ethanol and biodiesel plants), telecommunications assets, railroads, mining, high technology facilities, and aerospace assets. Our services are utilized by big and small businesses, accountants and attorneys, governments, lenders, manufacturers, healthcare providers, and other industries.

8.1. Mr. Mark Pomykacz, MAI, ASA, AI-GRS, SCGRE

This project will be managed under the direct supervision of Mr. Mark Pomykacz.

Mark Pomykacz has over 40 years of experience in real estate and business appraisal services and has developed nationally recognized expertise with complex and non-traditional asset types and issues. Mr. Pomykacz is the founder and Managing Member of Federal Appraisal, LLC. His full resume is appended hereto. References are available upon request.

9. Deliverables and Appraisal Delivery Date

Federal will work with the Client to establish a delivery schedule suitable for their needs. Generally, we expect that it will take 4 to 6 weeks to complete and deliver the Phase I Appraisal Report. Expedited services are available upon request. The Report deliverables include electronic copies of the Reports. Federal agrees to provide hard copies of the deliverables to the Client, at the Client's expense.

Any delivery dates are contingent upon the Client authorizing Federal to begin work, and upon the Client and the property/asset owner providing any needed information and access in a timely manner. The Client understands and accepts that other factors that are not under the control of Federal may delay the delivery of Federal's status in completing oral and written deliverables and reports.

10. Professional Fees and Expenses

The professional fees are based on the estimated time required to complete the service and on the level of expertise required. The fees and expenses are described as follows.

Professional Fee Schedule

Phase I: Restricted Appraisal Services Restricted Appraisal Services, as discussed in Sections 1 through 9 concerning Phase I services of this proposal. This fee excludes reimbursable expenses.	\$28,000 plus expenses
Phase II: Full Appraisal Services One Full Narrative Appraisal Report, as discussed in Sections 1 through 9 concerning Phase I services of this proposal. This fee excludes reimbursable expenses.	\$17,000 plus expenses
Phase III: Additional Consulting, Meetings, Negotiations, Preparation, Testimony, and/or Deposition Additional consultation on matters not addressed in Phases I as agreed on by the parties, including but not limited to appraisal review, consulting services, meetings, negotiations, preparation for deposition and trial, or providing testimony at deposition and trial, etc. This fee excludes reimbursable expenses.	Billed hourly, at rates below, plus expenses

Hourly Rates Schedule for Phase III

Testimony and Depositions An hourly rate based on the number of hours testifying or being deposed, plus reimbursable expenses.	Partner / Director \$ 550.00
Other Appraisal or Consulting Services An hourly rate based on the number of hours providing other valuation consulting services, such as appraisal review services, litigation support, forensic consulting, meetings, research and analysis, trial preparation, plus reimbursable expenses.	Partner / Director \$ 425.00 Manager \$ 350.00 Consultant \$ 225.00 Administrative Support \$ 90.00

All quoted hourly and daily professional fee rates apply to the 2026 calendar year. These rates are subject to an annual escalation rate of 5.0 percent beginning January 1, 2027.

This fee proposal is valid for 90 days from the date of this document. However, please note that any delays in authorizing us to start work may result in delays to the scheduled delivery date of our appraisal work.

10.1. Setup Cost Payment

Federal requires an initial setup cost payment of 50% for Phase I, payable upon Client's authorization for Federal to commence work on that phase.

10.2. Billing Frequency

Federal will submit monthly invoices for professional fees and reimbursable expenses incurred to date.

10.3. Expenses

The Fees proposed do not include reimbursable expenses, which the Client agrees to pay. Reimbursable expenses shall include, but shall not be limited to: all travel, research data, express mail, data collection charges, and report

and document processing expenses incurred by Federal. Reimbursable expenses shall also include a fee for data subscription services providing market data, including electricity, capacity and fuel price forecasts, demographics, market surveys and comparable sales data and documentation. Reimbursable expenses shall also include all governmental charges and costs to Federal arising due to this contract, including costs to Federal for business and appraisal licenses, permits, fees and registrations, applications, tax clearances, and certifications of authority, and foreign registered agents and certificates of insurance.

Travel expenses shall include any expenses associated with travel to/from the Subject or meetings related to the project. Federal will obtain the approval of the Client prior to planning reimbursable travel. The Client recognizes and accepts that the scope of the Appraisal may change based on the Client's decision to authorize or not authorize reimbursable travel and other reimbursable expenses. Federal will notify the Client immediately should the Appraisal necessitate travel, without which could result in a substantial change to the scope and Fee of the Appraisals.

10.4. Cancellations and Terminations

The Client may terminate the engagement at any time, and the Client will pay for Federal's time and expenses to date.

Federal will charge a \$450 fee per day, plus any out-of-pocket expenses, for any cancelled appearances. Appearances shall include hearings, testimony, or depositions, whether in person, by telephone or by internet video, or any meetings or other appearances that require travel out of state, that are scheduled in advance and intended to last more than 3 hours per day, or any meetings or other appearances that require travel out of state.

10.5. Banking Fees and Transaction Charges

The Client hereby acknowledges and agrees that it shall be solely responsible for all banking fees, transaction costs, and related charges incurred in connection with the use of a credit card or other electronic payment method. In the event the Client elects to remit payment by credit card, a processing fee equal to four percent (4%) of the total invoiced amount shall be added to the invoice. In the event the Client elects to remit payment through the QuickBooks payment link, a flat transaction fee of twenty five dollars (\$25.00) shall be applied to such payment.

11. Reference to General Terms and Conditions

This proposal and engagement is subject to the attached general terms and conditions. See Section 14, page 11.

Paige S. Walton, CCMA II, Assessor, Town of Waterford

RE: Proposal/Engagement to Provide Appraisal and Consulting Services regarding
Millstone Nuclear Power Plant

12. Engagement Acceptance and Signatures

Please indicate your acceptance of this proposal and engagement by signing this letter below and returning a signed copy to Federal.

It has been my pleasure to provide this proposal to you, and I hope to have the pleasure of working with you soon. In the meantime, please feel free to contact me with any appraisal questions or concerns.

Very Truly Yours



Mark Pomykacz, MAI, ASA, AI-GRS
Managing Partner
March 2, 2026

Accepted and agreed to by:

Signature: _____

Name: _____

Title: _____

Company: _____

Date: _____

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14. General Terms and Conditions

This Contract and the services proposed are subject to the following general assumptions, disclaimers, and limiting conditions.

In this section, the term Proposed Services can mean proposed services, study, appraisal, research, analysis, consulting, any report or work product, services or deliverable about the proposed services, study, appraisal, research, consulting, services, or analysis. Further, the term "Federal" means Federal Appraisal LLC and its employees(s), consultant(s), appraiser(s), and service provider(s).

1. **Fees, Expenses, Travel and Testimony.** The fees listed in the proposal, engagement letter, or contract to which these terms are appended or referred to, including the exhibits, include Federal's best estimates of fees, travel, and other expenses as Federal currently foresees them. The current engagement plan includes allowances for the elements and conditions that Federal expects to encounter during the assignment. In the event that Federal encounters situations that require a revision or modification in the fees, Federal will discuss with the Client the causes and likely effects of the required modification, both in terms of deliverables, delivery schedule, and fees. The Client will approve the modifications or will terminate the engagement and pay Federal a fee based on the time and expenses incurred through the termination date. The fees listed in the proposal, engagement letter, and contract do not include fees for appearance in court, hearings, or preparation time for such appearances, unless such fees are explicitly listed in the proposal, engagement letter, or contract.
2. **Payment of Invoices.** Invoices for which payment is not received within sixty (60) days of the invoice date shall accrue a late charge of the lesser of (i) 1% per month or (ii) the highest rate allowable by law, in each case compounded monthly, beginning from the invoice date. Without limiting its rights or remedies, Federal shall have the right to halt or terminate entirely its Proposed Services until payment is received on past due invoices.
3. **Term.** Unless terminated sooner in accordance with its terms, this engagement shall terminate on the completion of Federal's Proposed Services. The Client or Federal may cancel this Agreement at any time, with or without cause, upon written notice to the other party. If at any point during the engagement the decision is made to discontinue Federal Proposed Services, Federal fees will be based upon the time and expenses incurred through that date. In that event, Federal invoices will be due and payable immediately. Regardless of the date of termination, Federal shall be entitled to their fees to the date of termination based on the fee determination criteria.
4. **Survival.** The provisions of the Proposal and this General Contract Assumptions and Limiting Conditions shall survive the expiration or termination of this engagement.
5. **Time Limitation on Actions.** Unless the time frame is shorter under applicable law, any legal action or claim relating to Federal's services shall be filed in court (or in the applicable arbitration tribunal, if the parties to the dispute have executed an arbitration agreement) within one (1) year from the date of delivery to Client of the appraisal report to which the claims or causes of action relate or, in the case of acts or conduct after delivery of the report, two (2) years from the date of the alleged acts or conduct. The time frame stated in this section shall not be extended by any delay in the discovery or accrual of the underlying claims, causes of action, or damages. The time frame stated in this section shall apply to all non-criminal claims or causes of action of any type.
6. **Force Majeure.** Federal shall not be liable for any delays in the delivery of Proposed Services resulting from circumstances or causes beyond its reasonable control, including, without limitation, the actions or inaction of others which Federal is dependent on to complete the Proposed Services, the action of others which causes Federal delays, fire or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order, or requirement of any governmental agency or authority.
7. **Entire Agreement.** These General Contract Assumptions and Limiting Conditions, along with the proposal, engagement letter, or contract to which these terms are appended, possibly including the exhibits and other appendix, constitutes the entire agreement between Federal and Client with respect to the subject matter hereof and supersedes all other oral and written representations, understandings, or agreements relating to the subject matter hereof.
8. **Assignment.** Except as provided below, neither party may assign, transfer, or delegate any of the rights or obligations hereunder without the prior written consent of the other party. Federal may assign or subcontract portions of its rights and obligations hereunder to any affiliate of Federal, without the consent of Client, for the purpose of completing the Proposed Services.
9. **Governing Law and Severability.** These terms, and the proposal, engagement letter, or contract to which these terms are appended, including the exhibits, shall be governed by and construed in accordance with, the laws of the State of New Jersey (without giving effect to the choice of law principles thereof). The venue for any legal proceedings by the Client against Federal shall be the Superior Court of New Jersey of Hunterdon County. Client also waives the right to a trial by jury in any legal proceeding against Federal. If any provision of these terms is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed

modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth herein.

10. **Arbitration.** Any controversy or claim arising out of or relating to the Proposed Services, or the breach thereof, shall be settled by arbitration conducted in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration shall utilize a single arbitrator, who must be a Member of the Appraisal Institute, MAI. The prevailing party shall be entitled to recover their reasonable arbitration expenses from the losing party. The arbitration shall take place in New Jersey.
11. **Affirmative Action Covenant.** Federal hereby incorporates by reference the mandatory affirmative action language of Subsection 3.4(a), N.J.A.C. 17:27-3.4 and N.J.A.C. 17:27-5.3 as promulgated by the Treasurer of the State of New Jersey pursuant to P.L. 1975, c.127, as amended and supplemented from time to time, and Federal agrees to comply fully with the terms, provisions, and conditions of Subsection 3.4 and of Section 5.3.
12. **Political Contribution Disclosure.** Federal does hereby attest that Federal, and its subsidiaries, assigns or principals controlling in excess of 10% of the company has neither made a contribution, that is reportable pursuant to the Election Law Enforcement Commission pursuant to N.J.S.A. 19:44A-8 or 19:44A-16 in the one (1) year period preceding the award of the contract that would, pursuant to P.L. 2004, c.19, affect its eligibility to perform this contract, nor will it make a reportable contribution during the term of the contract to any political party committee in the municipality/county when the contract is awarded, or to any candidate committee of any person serving in an elective public office of that municipality/county when the contract is awarded.

Information and Data Sources

13. **Confidentiality.** It is understood and agreed that Federal's Proposed Services will be prepared in accordance with the requirements of USPAP of the Appraisal Foundation, and the Proposed Services will comply with the Appraisal Institute's Code of Professional Ethics and Standards of Professional Practice and with The American Society of Appraisers' Principles of Appraisal Practice and Code of Ethics. These standards include confidentiality standards.
14. **Cooperation.** Client shall cooperate with Federal in the performance by Federal of its Proposed Services, including, without limitation, providing Federal with reasonable facilities and timely access to data, information and personnel, and agents and representatives of Client. Client shall be responsible for the performance of its employees and agents and for the accuracy and completeness of all data and information provided to Federal for purposes of the performance by Federal of its Proposed Services.
15. **Client Representations.** The Client will furnish or cause to be furnished to Federal such historical and other information as Federal may have requested. The Client recognizes and confirms that (a) Federal will use and rely on such information and on information available from generally recognized public sources (all such information being the "Information") in performing the Proposed Services without Federal having independently verified the same; (b) Federal does not assume responsibility for the accuracy or completeness of the Information; and (c) Federal will not make an appraisal of, conduct an audit of, or otherwise provide any opinion, report, or other form of assurance with respect to such Information. In addition to providing required information, the Client will be responsible for providing historical and prospective financial statements and for providing information about and responding to document requests on a timely basis. Additionally, Federal may request and the Client agrees to supply a representation letter, in form and substance satisfactory to Federal which, among other things, confirming the Client's responsibility for the historical financial statements and for the underlying assumptions used in connection with any pro forma cash flows, the appropriateness of the prospective financial statements that the Client has prepared, and their active decision-making participation in the Service and the use of the Service.
16. The information on the financial, legal, and physical condition of the subject property or assets provided by the Client, the subject owner, or others, directly to Federal or to the public through various public disclosure methods is assumed to be reliable.
17. Other materials and information obtained from various professionally appropriate public and private sources are assumed to be reliable.
18. The information contained within the Proposed Services was obtained from sources deemed to be reliable. Reasonable efforts, given the purpose, use, scope of the Proposed Services, the type, and definition of value, will be made to verify such information as reliable; however, no warranty or certification by Federal will be given as to its reliability.
19. If substantive issues are later discovered in data relied upon, then the reported opinions in the Proposed Services may need to be revised accordingly.

Property Specific Assumptions, Disclaimers and Limiting Conditions

20. Federal does not provide legal, accounting, audit, engineering, architectural, or environmental sciences services. Federal assumes no responsibility for matters of a legal nature, matters of title, matters of audit, matters of engineering, matters of environmental science, or matters of architecture. All legal, engineering, architectural, environment, accounting and financial information provided to and utilized by Federal is assumed to be reliable.
21. It is assumed that the title to the studied interest is marketable. It is assumed that there are no deed restrictions or other limitation on the title that would make the Subject substantially more or less valuable, other than those that are specifically noted in the Proposed Services. It is assumed that the legal descriptions as obtained from public records or as furnished are reliable. Federal has made no land survey and has completed no title search or report of the Subject. It is assumed that there are no issues concerning subsurface, water, mineral rights, air rights, or transferable development rights that would make the Subject substantially more or less valuable, other than any that are specifically noted in the Proposed Services. It is assumed that there are no judgments, or pending or future litigation concerning the Subject, other than those that are specifically noted in the Proposed Services.
22. Except as noted herein, Federal assumes that there are no hidden or unapparent conditions at the Subject land and/or improvements, which would render the Subject more or less valuable. Federal assumes no responsibility for such conditions, or for engineering, environmental, legal, or architectural counseling which might be required to discover such conditions. We assume that there are no ADA issues sufficient to render the Subject significantly more or less valuable.
23. Typically, competent, responsible management and ownership are assumed.
24. It is assumed that there are no zoning or building code issues, or other federal, state, or local regulation compliance issues concerning the Subject that would significantly increase or decrease the value of the interest being appraised, unless noted in the Proposed Services.
25. Since Federal is not an engineering or an architectural firm, Federal makes no representation as to quality, functionality, condition, limitations or size of the Subject, except that 1) Federal has relied upon what has been reported as the best available data where said data was provided by others to Federal, who Federal believes to be an appropriate source of said data given the specific purpose, intended use and scope of work of the Proposed Services, and the type and definition of value used in this Proposed Services, and 2) if a visual inspection was conducted by Federal, then Federal has relied upon the visual inspection. Given the inherent limitations of Federal's visual inspection, if conducted, important issues at the Subject may not be uncovered. Federal's visual inspection of the Subject is not an engineering, architectural, or environmental inspection, and does not test building operations and does not cover 100 percent of the building(s), machinery, equipment, or site. Federal's visual inspection of the Subject, instead, samples the major components of the Asset.
26. The Proposed Services assumes that unless specifically noted elsewhere in the Proposed Services, the Subject suffers no environmental or hazard issues, and that there are no contamination or health risks existing at or near the Subject.
27. If substantive issues are later discovered in any of the data relied upon, then the reported opinions in the Proposed Services may need to be revised accordingly.
28. The Proposed Services performed under this agreement will be subject to all statements, assumptions, limiting conditions, and other conditions (collectively, "Appraisal Conditions") set forth in the appraisal report. Client agrees that Client will review the Appraisal Conditions upon receipt of the report and that Client's use of the appraisal will constitute acceptance of the Appraisal Conditions. The Appraisal Conditions shall be considered as being incorporated into and forming part of this agreement with respect to the appraisal in which they are contained and to the services relating to that appraisal. The Appraisal Conditions will be similar to these General Contract Assumptions and Limiting Conditions.

Publication, Distribution, Use of Study

29. The opinions proffered in the Proposed Services are as of a specific date, for a specific client and users, for a specific purpose and use, under a specific, limiting scope of work, and made under specific assumptions, disclaimers, limiting conditions, and certifications. Using the opinions proffered herein for any other use or purpose is unwise, inappropriate, and prohibited unless authorized by Federal. The Client agrees that

- a. The Client and other intended users are both explicitly named herein. The Client and the other intended users are the only parties to whom the appraisers and Federal Appraisal LLC have a professional responsibility to. The appraisers and Federal Appraisal LLC offer and assume no professional responsibility to any third parties that the Client and the other intended users may choose to provide copies of our report to.
 - b. Any advice or recommendations, written or oral, provided by Federal in connection with this engagement is exclusively for the Client and any intended users specifically named by Federal, and may not be disclosed to or relied upon by any third party (other than the Client's legal and tax counsel for the client's stated purpose and use) without Federal's prior written consent.
 - c. Client will not refer to Federal by name or their services in any written materials relating to the Asset, including without limitation, any publicly filed documents without their prior written consent for each requested use or reference.
 - d. Neither all nor part of the contents of the Proposed Services, or copy thereof, shall be conveyed to the public through such forms or methods such as, but not limited to, advertising, public relations, news, sales, or any other media without prior written consent of Federal.
 - e. Neither Federal nor any professional organization of which Federal is a member or candidate shall be identified without the prior written consent of Federal.
 - f. The Proposed Services may not be utilized in any present or proposed, public or private syndication or public offering of any of the interests in the Subject unless prior written agreement has been obtained from Federal.
 - g. The Proposed Services are intended to be utilized as a whole and may not be used in parts.
30. Possession of the Proposed Services, or a copy thereof, does not give the holder the right of use or publication.
31. Disclosure of the contents of the Proposed Services by Federal is governed by the laws, by-laws, and regulations of state appraisal regulatory bodies, the Appraisal Institute, and the American Society of Appraisers. Federal is authorized by the Client to disclose all or portions of the Proposed Services and the work files to authorized representatives of the state appraisal regulatory bodies, the Appraisal Institute, or the American Society of Appraisers, if such disclosure is required to enable Federal to comply with their respective laws, by-laws, and regulations now or hereafter in effect, or as may otherwise be required to be disclosed by Court Order or governing laws, rules, and/or regulations.
32. Federal is not required to give testimony about the Proposed Services, or to provide other services to the Client concerning the Subject, without agreement between the parties for compensation to Federal.

Study Analysis Type and Format Conditions

33. The Proposed Services shall be prepared in accordance with the requirements of USPAP of the Appraisal Foundation, the Appraisal Institute, and the American Society of Appraisers. Jurisdictional exceptions may apply. The Proposed Services will comply with and be subject to the Appraisal Institute's Code of Professional Ethics and Standards of Professional Practice and with The American Society of Appraisers' Principles of Appraisal Practice and Code of Ethics.
34. Federal has determined the scope of work for this study based on its discussions with the Client about their reported needs and their reported purpose and intended use of the study. The scope of the study is limited to the work necessary to provide for the Client's purpose and use of the study, and as such, this study is not recommended for any other use.
35. USPAP of the Appraisal Foundation prescribes 2 types of appraisal reports: "Appraisal Reports" and Restricted Appraisal Reports. A Restricted Appraisal Report may be provided when the client is the only intended user, or when additional intended users are identified by name and not by types or categories. Federal intends that the use of all its reports is limited to the client and intended users. When reports are restricted, Federal need not provide as extensive reporting that may be found in Appraisal Reports. The use of Restricted Appraisal Reports is limited to the client and the named intended user(s). Federal warns that Restricted Appraisal Reports may not contain supporting rationale for all opinions and conclusions set forth in the Restricted Appraisal Reports.

Limit of Liability

36. Federal warrants that it will perform Proposed Services in good faith and in a professional manner. Federal disclaims all other warranties, either express or implied, including, without limitation, warranties of merchantability and fitness for a particular purpose.
37. Federal's aggregate share of liability to the Client and any third parties shall not exceed two times the total fees collected for the portion of the Proposed Services giving rise to such liability. Similarly the Client's aggregate share of liability to Federal shall not exceed two times the total fees collected by Federal for the portion of the Proposed Services giving rise to such liability.
38. Any forecasts of income and expenses in the Proposed Services are not predictions of the future and are created for valuation purposes. No representation is made that the model will coincide with actual future events. There will usually be differences between the forecasts and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.
39. It is understood and agreed that each of the parties hereto is independent of the other and that neither party is, nor shall be considered to be, an agent, distributor or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other. Client acknowledges that the full independence and authority of Federal will be maintained throughout this engagement and that no assurances or guarantees of a value estimate or consulting recommendation have been made or are a condition of this engagement.
40. In providing this service, Federal establishes and the Client understands and agrees that Federal assumes no responsibility for or ownership of the risks and rewards of the Client's and user's decisions based on, or results that are consequential to, the use of the Proposed Services.
41. The Client will pay or reimburse Federal and its appraisers and personnel for all claims, liabilities, losses, costs, demands, and reasonable expenses, such as reasonable legal fees and management and administrative costs, incurred by Federal, relating to legal or governmental actions, instigated by parties opposing Federal's work and appraisal in this engagement, except to the extent finally judicially determined to have resulted from the bad faith or intentional misconduct of Federal.

Statements of Qualifications and Personal Histories

42. Any statements of qualifications, resumes, and personal and/or company histories are presented in summary for marketing purposes and to assist the client and intended users of the Proposed Services with understanding the professional competency and experience of Federal. These statements of qualifications, resumes, and personal and/or company histories are (1) not a complete listing of our professional experiences and qualifications and (2) not a full disclosure of our professional, corporate, and personal interactions and relationships.

Ownership of Federal Properties.

43. Federal Technology and Copyrights. Federal has created, acquired or otherwise has rights in, and may, in connection with the performance of the Proposed Services, employ, provide, modify, create, acquire or otherwise obtain rights in, various concepts, ideas, methods, methodologies, procedures, processes, know-how, and techniques; (including and without limitation: models, templates, the generalized features of the structure, sequence and organization of software, user interfaces and screen designs, general purpose consulting and software tools, utilities and routines, logic, coherence, and methods of operation of systems) (collectively, the "Federal Technology and Copyrights").
44. Ownership and Use of Deliverables. Except as provided below, upon full and final payment to Federal, the tangible items specified as deliverables or work product in the proposal, engagement letter or contract to which these terms are attached (the "Deliverables") will become the property of Client. To the extent that any Federal Technology and Copyrights are contained in any of the Deliverables, Federal hereby grants Client, upon full and final payment to Federal, a royalty-free, fully paid-up, worldwide, non-exclusive license to use such Federal Technology and Copyrights in connection with the Deliverables, and only for the Deliverables, and only for the Client's intended purpose and use as enumerated in the attached proposal, engagement letter or contract.
45. Ownership of Federal Properties. To the extent that Federal utilizes any of its property (including, without limitation, the Federal Technology and Copyrights, or any hardware or software of Federal in connection with the performance of the Proposed Services; such property shall remain the property of Federal and, except for the license expressly granted in

Paragraph (b) above, Client shall acquire no right or interest in such property. Notwithstanding anything herein to the contrary, the parties acknowledge and agree that (a) Federal will own all rights, title, and interest, including, without limitation, all rights under all copyright, patent, and other intellectual property laws, in and to the Federal Technology and Copyrights and (b) Federal may employ, modify, disclose, and otherwise exploit the Federal Technology and Copyrights (including, without limitation, providing services or creating programming or materials for other clients). Federal does not agree to any terms that may be construed as precluding or limiting in any way its right to (a) provide consulting or other services of any kind or nature whatsoever to any person or entity as Federal in its sole discretion deems appropriate or (b) develop for itself, or for others, materials that are competitive with those produced as a result of the Proposed Services, irrespective of their similarity to the Deliverables.

Ordinary Assumptions, Extraordinary Assumptions and Hypothetical Conditions

46. Extraordinary Assumptions and Hypothetical Conditions, as defined by USPAP, will be disclosed at various points in the Study, if applicable in the Study. We will make various minor and significant, ordinary assumptions, extraordinary assumptions and hypothetical conditions in the Study. We will deem these assumptions and conditions as appropriate and will make these assumptions and conditions for benefit of the analysis process. It is our intention to disclose extraordinary assumptions and hypothetical conditions and to disclose at least most of the significant ordinary assumptions. Their use might affect assignment results. If any assumption or condition should be determined to be inappropriate, then our assignment results may require revision.

State Board Clauses

47. Appraisers in Michigan are required to be licensed and are regulated by the Michigan Department of Consumer and Industry Services, P.O. Box 30018, Lansing, Michigan 48909. Michigan requires this statement appear in all appraisals, even those in other states.

Internal Revenue Service Clauses

48. When this Appraisal is written for the Client's use in connection with filings to the Internal Revenue Service concerning noncash charitable deductions, then the following condition applies to this appraisal.

The appraisers certifying this appraisal understand that their appraisal will be used in connection with a return or claim for refund. The appraisers also understand that, if there is a substantial or gross valuation misstatement of the value of the property claimed on the return or claim for refund that is based on their appraisal, they may be subject to penalty under section 6695A of the Internal Revenue Code, as well as other applicable penalties. They affirm that they have not been at any time in the three-year period ending on the date of the appraisal barred from presenting evidence or testimony before the Department of Treasury or the Internal Revenue Service pursuant to 31 U.S.C. 330(c).

Federal Appraisal LLC EIN: 82-1591070

These general appraisal assumptions and limiting conditions were last updated June 27, 2025.

Paige S. Walton, CCMA II, Assessor, Town of Waterford

RE: Proposal/Engagement to Provide Appraisal and Consulting Services regarding
Millstone Nuclear Power Plant

15. Resumes

The included resumes are presented in summary for marketing purposes and to assist the intender(s) of the report with understanding the professional competency and experience of the appraisers. These resumes are (1) not a complete listing of our professional experiences and qualifications and (2) not a full disclosure of our professional, corporate, and personal interactions.

Paige S. Walton, CCMA II, Assessor, Town of Waterford
RE: Proposal/Engagement to Provide Appraisal and Consulting Services regarding
Millstone Nuclear Power Plant

Qualifications of Mark Pomykacz, MAI, ASA, AI-GRS

295 US Highway 22 E., Suite 204
Whitehouse Station, New Jersey 08889

Direct: 908.534.3590

www.federalappraisal.com
mark@federalappraisal.com

Professional Background

Managing Partner
Federal Appraisal, LLC, New Jersey
Since 2001

General Appraisal and Advisory Qualifications

Mr. Pomykacz specializes in complex, non-traditional appraisal services, nationally and internationally for accountants, attorneys, the capital markets, corporations, and governments concerning development, acquisitions and dispositions, financing, investor reporting, litigation, tax and audit issues, and asset management. Mr. Pomykacz has over 39 years of experience in business and real estate appraisal and advisory services. He has worked on numerous asset and property types including closely held businesses and public companies, infrastructure, power plants, refineries, public and private utilities, corporate and investment real estate, vacant land, and special purpose properties. Mark has participated in arbitrations, judicial, and condemnation proceedings. Mark has written special purpose and consulting reports, appraisals, market and feasibility studies. His work is used by many Fortune 1,000 companies, Wall Street firms, banks, accounting and law firms, and various government agencies.

Power & Infrastructure Analysis and Valuation Qualifications

Over the last 20 years, Mr. Pomykacz has developed an expertise in the appraisal of electricity generation assets, refineries, utilities, and other infrastructure assets. His power appraisals include nuclear, fossil fuel-fired, hydro, wind, geo-thermal, solar, bio-mass, bio-gas, and other types of power generation facilities in locations around the U.S. and the world. His other infrastructure appraisals include power and fuel transmission and distribution assets, telecommunications assets, water and sewer assets, railroads, racetracks, petroleum refineries, bio-diesel refineries, ethanol refineries. His infrastructure appraisal and advisory services have been used by governments, corporations, and lenders and investors for development, acquisition, and disposition planning, financing, tax and investor reporting, and litigation and accounting. Mr. Pomykacz has appraised and advised on more than 500 infrastructure assets. He regularly testifies to his power and infrastructure appraisals.

Senior Manager / Chief Appraiser - Eastern Sector **Deloitte & Touche LLP, New York, NY**

Led multi-discipline professional consulting group, managing national portfolios of investment-grade properties, and real estate-secured assets. Provided real estate and business valuation consulting services including banking support, mergers & acquisitions due diligence, capital markets services, valuation services for tax and audit issues, litigation support, appraisals, and other consulting services. Clients included many Fortune 1,000 companies, REITs, Wall Street firms, banks and law firms. Also provided real estate asset and investment management consulting, and property tax appeals and management.

Vice President, Consultant and Appraiser **Jerome Haims Realty, Inc., New York, NY**

Consulted and appraised on various property types including: office buildings, shopping malls, industrial, factory, warehouse, loft, and manufacturing buildings, rental, cooperative, and condominium apartment buildings, mixed use buildings, special purpose properties, vacant land for subdivision and for major urban redevelopment, partial interests, easements, right-of-way and air rights. Wrote appraisal reports, market and feasibility studies, and reviewed appraisals written by others. Participated in arbitration, judicial, and condemnation proceedings and provided various consultation services including mortgage underwriting, litigation support, rent-buy and pricing decisions, construction feasibility, and asset management.

Senior Real Estate Manager and Chief Appraiser **NYC Economic Development Corp. &** **NYC Department of Real Property, New York, NY**

Consulted and appraised on various property types for various city redevelopment projects, condemnation, public trusts, and tax incentive programs. Wrote appraisals, conducted market and feasibility studies, managed appraisal contractors, and reviewed appraisals. Provided asset management to projects with an aggregate value in excess of \$2 billion.

Paige S. Walton, CCMA II, Assessor, Town of Waterford

RE: Proposal/Engagement to Provide Appraisal and Consulting Services regarding
Millstone Nuclear Power Plant

Professional Affiliations & Activities

MAI, a designated member of the Appraisal Institute

AI-GRS, a designated general review specialist of the Appraisal Institute

Leader in the Appraisal Institute Community:

Member of the Board of Directors, National, 2002, 2004 – 2006

President, Metropolitan New York Chapter, 2005

Chair, Regional Committee, Region VI, 2006

Officer, Metropolitan New York Chapter, 2001 – 2005

Regional Director, Region VI, 2002, 2004 – 2006

Member of Board of Directors, Metropolitan New York Chapter, 1998 – 2006

International Relations Committee Member, National, 1997 – 2005

Strategic Planning Committee, National, 2005 – 2006

Education Chair, Metropolitan New York Chapter, 1999

ASA, Accredited Senior Appraiser, Business Valuation, American Society of Appraisers

State-Certified General Real Estate Appraiser (SCGREA) Licenses:

<u>State</u>	<u>License number</u>	<u>License</u>
		<u>Expiration Date</u>
Wisconsin	2641-10	12/14/2027
New York	46000000871	12/23/2027
Maine	CG3503	12/31/2026
New Jersey	42RG00144500	12/31/2025
Arizona	CGA-1034162	1/31/2026
Tennessee	6164	2/22/2026
Montana	REA-RAG-LIC-18257	3/31/2026
Connecticut	RCG 00010448	4/30/2026
Vermont	080.0134240	5/31/2026
California	AG043987	6/17/2026
Missouri	2022002459	6/30/2026
Indiana	CG42200022	6/30/2026
Massachusetts	103483	7/5/2026
Georgia	358368	7/31/2026
USPAP	7 Hour Update	4/25/2026
Rhode Island	CCA.0020110	10/22/2026
Florida	RZ3225	11/30/2026
New Hampshire	NHCG-1064	3/31/2027
Pennsylvania	GA001700R	6/30/2027
Michigan	1205069583	7/31/2027
Oregon	C001597	7/31/2027
Maryland	10807	8/8/2027
Virginia	4001018173	9/30/2027
Illinois	553.001871	9/30/2027
Texas	TX 1380478 G	9/30/2027

Education Background

Bachelor of Arts

Political Science

Rutgers University, New Brunswick, New Jersey

Appraisal Institute and American Society of Appraisers

Completed all courses and examinations required to obtain and maintain the MAI, ASA and AI-GRS designations.

Royal Institution of Chartered Surveyors

Completed all courses and examinations, or equivalents, required to obtain the MRICS designation. Mr. Pomykacz was granted the MRICS designation. Due to a lack of need, Mr. Pomykacz no longer remains a dues paying member of RICS.

Institute for Professionals in Taxation

Completed all courses and examinations required to obtain the CMI designation. Mr. Pomykacz was granted the CMI designation. Due to a lack of need, Mr. Pomykacz no longer remains a dues paying member of IPT.

Instructorships & Speaking Engagements

University/Institutional Lectures/Presentations

Mr. Pomykacz taught "Income Capitalization Theory and Techniques" (AKA Course #310), and "Uniform Standards of Professional Appraisal Practice (AKA USPAP), Part A". These courses are required for designation from the Appraisal Institute and for state licensing and certification, and were offered at the following institutions.

Adjunct Assistant Professor, New York University
Instructor, Baruch College, CUNY, The Newman Real Estate Institute
Qualified Appraisal Institute Instructor, Appraisal Institute

Mr. Pomykacz also has lectured at Appraisal Institute seminars.

Business Lectures/Presentations

Mr. Pomykacz regularly speaks at various accounting, assessor, and other professional seminars and conferences. Several presentations follow.

American Bar Association/Institute for Professionals in Taxation
Advanced Property Tax Seminar
Impact of Millennials on Industrial Real Estate & The Go Dark Hypothesis
New Orleans, LA, 2017

NRAAO, Annual Conference
Impact of Millennials on Real Estate
Mystic, CT, 2017

New Jersey State Bar Association Annual Conference
Borgata Decision! Appraisal Implications
Atlantic City, NJ, 2014

PEI Infrastructure Investor: New York
Managing Infrastructure Assets: In a Post-Cheap Deb World
New York, NY, 2009

Power & Electricity World: Latin America Conference
Creating and Measuring Value: A Power Plant Development
Coral Gables Florida, 2009

Corpbanca Seminar Invitation
Fair Value Appraisal for the Real Estate Industry in Chile
Santiago, Chile, 2008

The Pan Pacific Valuation Conference
The Effects of Deregulation/Privatization on the Selection of Valuation Methodology
23rd Pan Pacific Valuation Conference,
San Francisco, 2006

Baruch College (CUNY),
"Exuberant Bubble" or "Fundamentally Sound": Where are Real Estate Prices Going?
New York, September, 2005

The Center for Business Intelligence, now Platts, a division of McGraw-Hill
Valuing Generation Assets – Employing Effective Due Diligence
Power Asset Mergers and Acquisitions Conference, 2004

Methodologies for Portfolio Valuation of Power Plant Assets
6th Annual Electric Asset Valuation Conference, 2004

Sophisticated Valuation Techniques – Theory and Practice
5th Annual Electric Asset Valuation Conference, 2003

The International Association of Assessing Officers (IAAO)
Reconciling the Reconciliation, Power Plants and Utilities

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IAAO Public Utility Section, Charleston, 2006

Recognizing & Separating Real Property, Personal Property, and Intangible Values in Common Indications of Value
IAAO Public Utility Section, Milwaukee, 2006

Cell Towers and Telecommunications Property
IAAO Legal Update, San Francisco, 2006

Valuing Complex Properties, Power Plants
IAAO Public Utility Section, Boston, 2004

Preparation and Trial Seminar (Mock Trial)
IAAO, Las Vegas, May, 2007

Preparing for the Big One – The Trial of a \$1 Billion Case; How a Complex Case Illustrates Basic Principles of Valuation and Trial Practice
CAAO 14th Fall Symposium, 2008

The Wichita State University Annual Conference on the Appraisal for Ad Valorem Taxation of Communications, Energy and Transportation Properties

Preparing for the Big One – The Trial of a \$1 Billion Case; How a Complex Case Illustrates Basic Principles of Valuation and Trial Practice
37th Annual Conference, 2007

Rate Basics – Back to the Basics for Experts, Finding a Common Language
40th Annual Conference, 2010

When Obsolescence is Accelerating
46th Annual Conference 2016

Rutgers University, Office of Continuing Education
Brownfields: Emerging Issues, The Economics of Green
Rutgers University, New Brunswick, New Jersey, 2008

The Long Island Society of Certified Public Accountants
Understanding Key Appraisal Concepts: Methodologies and Procedures, and Capitalization Rates
Real Estate Committee, October, 2005

The Society of Professional Assessors

Dark Store v the Force of Market Value, Big Box, Little Box and the Dark Store Hypothesis
Hasbrouck Heights, NJ, April, 2016

Borgata Decision - Separating Real, Personal and Intangible Property
Hasbrouck Heights, NJ, April, 2014

A Case Study in Complex Litigation: Wheelabrator v City of Bridgeport
Haddam, CT, November, 2013

Appraising Complex Properties for Property Taxes: A Power Plant Case Study
Mystic, CT, October, 2005

How low can you go? Cap Rates and Yield Rates Methodologies, Procedures, Market Cycle, and Current Issues
Rutherford, NJ, April, 2006

The Institute for Professionals in Taxation, IPT, Annual Property Tax Symposium
Valuation of Electric Generating Stations Owned by Independent Power Producers
Austin, Texas, November 2, 2010

Connecticut Association of Assessing Officers
Dark Store v the Force of Market Value, Big Box, Little Box and the Dark Store Hypothesis
University of Connecticut, CT, June, 2016

The Appraisal and Assessment of Big Box and Large Owner-Occupied Properties
September, 2011

New Jersey County Tax Board Association
Appraising Solar Power Assets for Property Taxation
September, 2011

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South Jersey Chapter of the Appraisal Institute
Appraising Solar Power Assets
September, 2011

Articles and Publications

- "The Appraisal of Power Plants", The Appraisal Journal, Summer 2014
This article won the 2014 Swango Award. The *Appraisal Journal's* Editorial Board presents the Swango Award to the best article published during the previous year on residential, general, or technology-related topics, or for original research of benefit to real estate analysts and valuers.
- "The Appraisal of an Appraisal Company", The Appraisal Journal, Issue 4, 2023.
This article won the 2024 Swango Award. The *Appraisal Journal's* Editorial Board presents the Swango Award to the best article published during the previous year on residential, general, or technology-related topics, or for original research of benefit to real estate analysts and valuers.
- "Benford's Law in Appraisal", The Appraisal Journal, Winter 2017
- "Options in Real Estate Valuation", The Appraisal Journal, Summer 2013
- Reviewer for the "Real Estate Valuation in Global Markets", Second Edition, The Appraisal Institute, 2010, ISBN 978-1-935328-12-4
- "Defining and Supporting Entrepreneurial Profit and Incentive, and External Obsolescence", The Appraisal Journal, Winter 2010
- "Relationships between the Overall Property and Its Parts, and the Three Approaches to Value", The Appraisal Journal, Winter 2009
- "The Energy for Change: Building Our Alternative Energy Future",
Property World, Royal Institution of Chartered Surveyors, Winter 2009
- "Corridor Valuation, the ATF Method, and Maximally Productive Uses, Recent Observations from the Rail Line"
Right of Way Journal, International Right of Way Association, September 2008
- "Correcting Property Taxes on High-Value Properties", Unpublished, July 2004
- "A Generalized Analysis to Determine Three Unknowns: Value, Real Estate Taxes and Real Estate Tax Recoveries"
Assessment Journal, Summer 2003
- "Property Taxes, A Silver Lining", Energy Pulse, July 2003
- "Considerations for Valuation and Litigation", Deloitte & Touche Real Estate Newsletter, New York, April 2000
- "Reducing Property Taxes in a Rising Market", Real Estate New York, February 1998

Resume last revised July 8, 2025

16. Information Request

The list below sets out commonly requested documents and information that we will need to perform your appraisal. Additional information may be needed to complete the appraisal. Please forward each piece of information requested as soon as each becomes available. This will allow us to amend the information request, request additional information, terminate other requests, and commence work as soon as possible.

We prefer that you deliver the information in an electronic format.

Confidentiality: All information and documents provided to us will be maintained in confidence according to the Uniform Standards of Professional Appraisal Practice (USPAP), the Appraisal Institute, Federal Appraisal policies and procedures, applicable laws and regulations, and any confidentiality agreement we have with you.

I. General

- A. General description of the property
- B. Contact information for all persons holding needed information including their name, title, company, telephone, facsimile, and e-mail address
- C. Contact information for site inspections for appropriate person(s) to arrange site inspection of the property including name, title, company, telephone, facsimile, and e-mail address

II. Company Information, when applicable.

- A. A brief company history, including the date and place of incorporation
- B. Information regarding company operations, including major lines of business, supply and distribution channels, products, services, geographical locations, strategies, and customer markets served
- C. A summary of any planned or anticipated changes to the current operations, including a copy of any documented strategic plans
- D. Description of current corporate structure, including subsidiaries and affiliates
- E. An organizational chart of the company and its subsidiaries
- F. Copies of prior valuation reports or appraisal work on the business or its component assets
- G. Marketing brochures or materials for the company and its products
- H. The name of the company's legal counsel
- I. The name of the company's independent auditors
- J. Information on any contingent liabilities, contractual obligations, or ongoing and/or pending litigation that existed as of the Valuation Date
- K. Deal volume information, including:
 - 1. Size/type of deals completed
 - 2. Number of deals completed over a five-year period
 - 3. Details on major deals

III. Overall Physical and Intangible Assets

- A. List all facilities the company occupies, whether owned or leased, including their addresses, approximate square foot area, and a summary of lease terms
- B. Describe any property, plant, or equipment the company owns but does not currently use in operations
- C. List all assets under management
- D. Describe all internally developed or purchased intangible assets, including the date received and expiration date
- E. For all purchased intangible assets, please detail:
 - a. The rationale for and nature of the acquisition
 - b. Whether they were acquired in an arm's-length transaction
 - c. List registered and pending trademarks, patents, and copyrights the company owns

IV. Physical Description of Assets

- A. Design and technical specifications of the property
- B. Improvement plans and drawings, including floor plans
- C. Size of property
- D. Initial construction date of the property
- E. Dates of major additions

- F. Commencement date of commercial operations for the property
- G. Color photographs and aerial pictures of the property
- H. Information regarding any construction work in progress and proposed future development or renovation projects (cost information, surveys, drawings, etc.)
- I. Description and/or reports on environmental issues and/or surveys
- J. Land description
 - 1. Site plan drawings and site utility plans for the property
 - 2. Site surveys for the property including any development sites
 - 3. Identification of boundaries (legal descriptions for the property including the development sites)
 - 4. Boundaries of transmission property (interfaces)
 - 5. Special access, i.e. rail road, limited road access
 - 6. Property tax cards and / or tax maps of the property
- K. Information on special issues
- V. Sales and leasing history
 - A. Any brochures, marketing, or offering information that may relate to the property, either for lease or for sale, current or within the last three years
 - B. Copies or abstracts of all agreements to buy/sell any of the parcels
 - C. Description of all acquisitions or dispositions involving the property and its related parcels that occurred in the last five years, including the price offered, on what terms, who made the offer, and the result.
 - D. Current rent roll for the property
- VI. Professional Reports
 - A. Engineering and consulting reports and/or studies
 - B. Environment Reports
 - C. Legal or accounting reports
 - D. Consulting reports
- VII. Contracts and agreements
 - A. Copies or abstracts of all leases and licenses involving the property and related parcels
 - B. Copies of any material contracts between the company and its customers or the company and its suppliers; include summaries of any such contracts lasting more than one year
 - C. Copies of significant franchise or distributorship agreements
 - D. Copies or abstracts of operations and maintenance or supply contracts
 - E. Copies or abstracts of special issues contracts, i.e. water rights, supply, licenses, leases, and permits
- VIII. Financial Records
 - A. Financial statements for five fiscal years prior to the valuation date, including all revenues and operating expenses for the property
 - B. Interim financial statements for the year of the valuation date
 - C. Copies of any prospective financial information, such as budgets, forecasts, business plans, strategic plans, or capital budgets, including the assumptions used for a five-year period, as of the Valuation Date; include a schedule of anticipated interest expense, depreciation, capital expenditures, working capital, and extraordinary cash disbursements or receipts
 - D. A schedule of any anticipated financing needs and capital expense budgets for the next five years, including anticipated terms
 - E. Entity income tax returns for five fiscal years prior to the valuation date
 - F. All budgets, forecasts, and business plans developed by the company's management and/or outside consultants for relevant periods
 - G. Information regarding any unusual, nonrecurring, extraordinary, or special accounting items during the five years preceding the Valuation Date not specifically disclosed in the financial statements
 - H. A schedule of the debt held as of the Valuation Date, including the cost of each component, if it differs from the schedule in the financial statements
 - I. A list of any loans to or from officers, directors, and stockholders as of the Valuation Date
 - J. Information on any non-operating income, assets, or any off-balance sheet liabilities (such as pending litigation, compliance requirements, service liabilities, etc.)
 - K. Details of any significant off-balance sheet financing

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- L. Details on any investments held as of the Valuation Date in corporations, partnerships, and/or joint ventures, including the interest held and a description of the investment
- IX. Public media reports or government reports on the property

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RE: Proposal/Engagement to Provide Appraisal and Consulting Services regarding
Milestone Nuclear Power Plant

17. Federal Appraisal LLC – The Appraisal of Power Plants



2017-2018
Dues and
Subscription Rates

2017-2018
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THE Appraisal Journal

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Appraising Railroad
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FEATURES

ABSTRACT

Power plants, also called electricity generating stations, often present unique and interesting appraisal problems. Power plants can be worth billions of dollars or can have substantial liabilities. Their various technologies differ as much as those of motorcycles, cars, and trucks. Their markets are peculiar, with a mix of market forces and regulated affairs. The uses of the appraisals are also varied, ranging from acquisitions, financing, regulation, litigation, or property tax purposes, to IRS or SEC reporting. In this article, the issues, methodologies, and practice of power plant appraisal are reviewed.

The Appraisal of Power Plants

by Mark Pomykacz, MAI, and Chris Olmsted

Power plants, also called electricity generating stations, often present unique and interesting appraisal problems. Power plants can range in value from being worth billions of dollars to having substantial liabilities. Their various technologies differ as much as those of motorcycles, cars, and trucks. Their markets are peculiar, with a mix of market forces and regulated affairs. The uses of the appraisals are also varied, ranging from acquisitions, financing, regulation, litigation, or property tax purposes, to Internal Revenue Service (IRS) or Securities and Exchange Commission (SEC) reporting. The following discussion will address the issues and methodologies involved in power plant appraisal.

The Nature of Power Plants

Power plants generate electricity, their main product and income source, through a combination of processes depending on the technology. Most technologies convert one form of energy, such as chemical (heat from coal, gas, oil, or uranium to steam) or potential kinetic energy (gas, oil, hydro, wind, geothermal), to mechanical movement (turbines or engines) and then into electron flow (generators). Other technologies also exist, most notably solar. Power plants have other products and services, such as capacity revenue and other ancillary services, and these can be substantial sources of revenue.

Measures of Performance

The units of value for power plants are usually kilowatts (kW), megawatts (MW), kW hours (kWh), or MW hours (MWh). A common unit of performance is the *capacity factor*, which is analogous to occupancy/vacancy rates. Capacity factors measure what is actually produced compared to what could theoretically be produced, and are expressed as percentages. Capacity factors are driven by a combination of technological limitations and market demand. Typically, wind, hydro, and solar produce electricity only when there is wind, water, and sun. Nuclear and coal plants run nonstop until refueling or maintenance requires a shutdown. Gas turbines run when the market price for electricity supports the cost of operations. As plants age and become increasingly functionally obsolete, or less economically viable, their capacity factors fall, until economic infeasibility sets in. Table 1 shows the Energy Information Agency's (EIA's) estimates of typical capacity factors and

life spans for a variety of different technologies, as well as a range of capacity factors encountered in the market.¹

Another measure of performance is *heat rate*, which expresses the amount of heat energy needed to generate a unit of electricity. It is an expression of efficiency; the lower the heat rate is the better. The newer gas plants are so much more efficient that they often create obsolescence in older plants. Heat rates do not inform as to the impact of fuel prices. There are dramatic differences in the cost of different types of fuel. Table 2 shows the EIA data on typical heat rates and fuel costs for a variety of different technologies.

Another frequently used economic measure is the *spark spread*, which measures the difference

between the price of the electricity and the price of fuel for a specific plant. It is useful to compare this to the sum of all other expenses at a specific plant at any given moment. As commodities, electricity and fuel prices can change from moment to moment, and frequently do so dramatically. Decisions to operate, or not to operate, must be made from moment to moment. When fuel prices are sufficiently lower than the price of electricity, it is financially feasible to operate the plant. Peaking plants, which generally run only when there is high demand, complete this analysis daily, sometimes hourly. Peaking plants, such as natural gas plants, may produce electricity only when electricity prices are high and fuel prices are low, as compared to base-load plants, such as nuclear, coal, and large hydroelectric plants, which

Table 1 Typical Capacity Factors and Life Span

Technology	Capacity Factor		Life Span (yrs)
	EIA Estimate	Market Experience	
Nuclear	90%	90%–95%	40–60
Coal	85%	50%–85%	55
Natural Gas	87%	3%–65%	35
Larger Hydro	52%	25%–60%	50–100+
Wind	34%	20%–35%	25
Solar	25%	18%–23%	25
Oil	10%–20%	0%–10%	25
Geothermal	92%	85%–95%	10–20

Table 2 Typical Heat Rate and Fuel Costs

Technology	EIA Heat Rate*	EIA Fuel Costs*
Nuclear	10,479	\$0.70
Coal	10,498	\$2.38
Natural Gas	8,039	\$3.42
Hydro	N/A	\$0.00
Wind	N/A	\$0.00
Solar	N/A	\$0.00
Oil	10,991	\$12.48
Geothermal	N/A	\$0.00

*Heat rate represents BTUs per kilowatt hour (BTU per kWh).

*Fuel costs are dollars per million BTUs (\$/MMBTU).

Source: EIA Annual Energy Outlook 2013; data reported for 2011.

1. The US Department of Energy's Energy Information Agency (EIA) publishes volumes of reports on energy issues. The EIA reports are useful and are frequently used as benchmarks in the industry, but its data does not provide the accuracy needed for some appraisal work.

usually run regardless of the hourly fluctuations in electricity and fuel prices.

Unlike most general real estate, where it is extremely rare for prudent management to withhold renting space for temporary periods due to low market prices, peaking plants and older base-load technologies often prudently withhold production due to low market prices for electricity and/or high fuel costs. In effect, at those times the highest and best use analysis for these plants fails the test for financial feasibility, hopefully only temporarily. However, this may indicate economic or functional obsolescence. Since the decision to operate or not operate is an option, some power plant appraisals require option valuations, such as Monte Carlo simulations.

The various generation technologies have vastly different characteristics. Nuclear and coal are base load (intended to run nonstop for months at a time). They have historically represented the most common source of electricity in the United States, accounting for roughly 59% of the supply. They are expensive to build, and construction takes many years. Natural gas is the supply technology at the margins, and in recent years has been taking away base-load market share from coal plants. In part this is because of advances in hydro fracturing extraction technology, which currently is lowering natural gas prices and therefore also electricity prices for all technologies. Natural gas plants are also generally less expensive to construct, and can be constructed in relatively short periods of time. Oil-fired power plants are rarely cost competitive at present, because petroleum prices are higher than the other energy sources for electricity generation. Hydro, solar, and wind have no substantial fuel expenses, but are very expensive to construct. There are numerous other less-common and developing technologies. Each technology has its own distinct physical and economic characteristics, and therefore appraisal considerations also must vary by technology.

Currently, there is no effective way to store electricity on a large scale. It must be consumed the moment it is generated. Further, the transmission and distribution grid (the grid) cannot contain any more or less supply than is precisely needed to meet current demand. Therefore, if demand increases or decreases in any given moment, the supply must be increased or decreased instantaneously in response.

If demand increases over time, new grid additions are needed. Power plants must be located where the grid has an ability to receive the electricity, which is not always where the demand is located. This is both difficult and costly, and is why special payments, known as capacity payments, must be made to generators in order to ensure that the grid has the supply it needs the very moment it demands it and exactly where it needs it.

The demand for electricity in all markets changes substantially over time, both seasonally and hourly, with the summer afternoon hours often being the highest demand hours due to the need for air conditioning. In practice, in deregulated markets system operators make decisions for the grid about how much electricity to generate, and decide which plants will generate and which will not. The decisions are based on rules to minimize electricity prices, tempered with reliability and environmental considerations. In practice, system operators make dispatch plans a day in advance with hourly and sometime minute-by-minute adjustments. Generally, system operators plan well for day-ahead demand and supply. Still, electricity prices remain as variable as many commodity prices, and vary substantially throughout the year. Sometimes, such as during periods of unplanned maintenance at base-load plants or extreme weather, electricity prices can vary dramatically, as shown in the example in Table 5.

In the power generation industry, "at the margins" means when additional supply is needed to meet the newest or most-recent increment of demand. Under current market conditions, it is most likely a natural gas plant that will be dispatched to supply it. Base-load technologies, such as nuclear, coal, and larger hydro plants, are always dispatched first, because they are usually the least-expensive power. They are the least expensive because their fuel costs are lower and their very high original construction costs have been effectively paid down. Wind, solar, and small hydro plants are intermittent and are usually dispatched whenever they are available, as they are relatively inexpensive after construction subsidies are considered, and green initiatives prioritize these sources of energy. If this base-load and intermittent supply does not meet the demand in the market at any given moment,

2. EIA Monthly Energy Review July 2014; data reported for year 2013.

Table 3 Variability in 2012 Electricity Prices, PJM, Northern Illinois Hub

Statistic	(\$/MWh)
Average yearly price	\$28.57
Average summer price (June, July, August)	\$32.34
Average hourly price (9 am to 5 pm)	\$32.51
Average hourly price (2 pm to 7 pm)	\$35.29
Lowest yearly price	\$0.00
Highest yearly price	\$224.71
Range with one standard deviation below/above yearly average	\$16.97/\$40.17

Note: PJM is the system operator for the grid in a region of Illinois.

then other technologies such as gas and oil will be dispatched to fill the gap.

Each technology has its own economic life cycle. Power plants are more like automobiles than general commercial real estate in that they have finite physical and economic lives. Each type of power plant has unique construction costs and timing. Generally, nuclear, coal, and larger hydro plants take up to four to six years to build; gas and oil plants, as well as wind, take about eighteen months to complete and solar photovoltaic plants take around six months. Further, each type has its own operating costs. Consequently, it is difficult but not impossible to compare one technology to another. Such comparisons are needed for feasibility and planning, and government regulation, and are sometimes used in alternative-technology cost approaches and levelized cost of energy (LCOE) analyses.³

Power plants are complex combinations of real property, personal property (machinery and equipment), and often business intangibles⁴ (like fuel supply contracts or power purchase agreements). The degree that a power plant consists of real or personal property or business intangibles depends on the definitions in the law that has jurisdiction over the appraisal context. For example, turbines may be considered to be real property in one state for ad valorem taxation, and personal property in another. They may also be classified as shorter- or longer-lived items for depreciation under state and federal law. Environmental safety improvements may be tax exempt in one state and fully taxable

in another. Despite these complexities, the main revenues—electricity and capacity revenues—are earned from all the assets as a combination. It is rarely easy to discern what or how much of the income is attributable to real, personal, or business intangible property. Power plants are very rarely rented. The real property at power plants is also very rarely rented separately from the other assets, and when rented separately is usually part of structured financing that limits the lease's probative utility.

Electric Utility Deregulation

The electricity supply industry can be divided into four segments: generation, transmission, distribution, and miscellaneous services. Deregulation impacted the generation segment of the industry. Deregulation developed over a number of years and developed differently in different states. Many states are not yet deregulated. The differences have a critical impact on the appraisal of power plants.

The Federal Energy Regulatory Commission (FERC) was established in 1977 to regulate the electricity industry. Prior to 1977, the electricity industry throughout the country was conducted by state-regulated, vertically integrated monopolies (generation, transmission, and distribution). In 1992, the Energy Policy Act (EPACT), was signed into law. EPACT required open access for transmission in order to establish a wholesale electricity market. Utility monopolies could not refuse to transmit competitor's power over the monopolies' transmission and distribution grid.

3. Levelized cost of energy (LCOE) is the cost of generating electricity for a particular system, including all the costs of initial investment, operations and maintenance, fuel, and capital. The LCOE is the minimum price at which energy must be sold for an energy project to break even; http://www.nrel.gov/analysis/tech_lcoe_documentation.html.

4. Intangible assets include "nonphysical assets such as franchises, trademarks, patents, copyrights, goodwill, equities, mineral rights, securities and contracts (as distinguished from physical assets) that grant rights and privileges, and have value for the owner." *International Glossary of Business Valuation Terms* available in Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute, 2010), 239.

In 1996, FERC issued Orders 888 and 889 to definitively resolve full wholesale power generation competition and open access to transmission and distribution. The intent was for each segment within the historically vertically integrated industry to be priced separately to prevent owners of transmission and power plants from offering preferential treatment to their own plants. As a result, public utility companies in many states have divested themselves of their electricity generating power plants into new "independent," deregulated companies, while retaining the regulated transmission and distribution activities. Also as a result of these acts and orders, the financial structure of the electricity generating industry changed from one of capital investment dependence (i.e., measured by construction cost) to one driven by competition and income (i.e., measured by operating income and expenses).

Impact of Deregulation on Appraisal

Today, only about one-third of the states are deregulated, and the country has two types of power generation markets: regulated and deregulated. Each has its own basis of value.

Regulated Markets. In the regulated monopoly states, the cost approach remains the best indicator of value, and the income capitalization and sale comparison approaches are rarely effective appraisal techniques. Historically, regulators allowed a regulated utility to construct power plant assets so that the utility could meet its obligations to provide electricity to consumers but only provide an adequate return to investors. The cost basis for the recovery (the rate base) was calculated to provide a predetermined return on investment for a plant, regardless of the economic fundamentals affecting the plant. As a result, appraisers rightfully favored cost methodologies because they more accurately reflected the true value of regulated power plants, as the regulating commissions had legally connected the income from the power plants to the cost of building the power plants. Efficiency and profitability were secondary concerns, but investment risk was low. In regulated power markets, income is fixed by regulation to the cost of construction, via a rate of return that is established by the regulating commission. Thus, the income capitalization approach is circular to the cost approach and is not probative to value.

In vertically integrated regulated utilities, power plants were rarely sold separately, and there was little or no market for such assets. In regulated markets, power plants are usually considered special property used solely by vertically integrated, regulated utilities. Thus, the sales comparison approach is also very rarely informative.

Deregulated Markets. Once the power market was deregulated, the legal link between cost and income was broken. Investors were required by the forces of economics, not regulation, to value electric generation power plants like any other income-producing asset—by forecasting the anticipated cash flows available to investors over the useful life of the investment. The value of a plant was no longer based on the cost to construct it but rather based on its profitability. Power plant developers would no longer be guaranteed a low-risk return (income) that matched their cost to build. Under deregulation, returns are not guaranteed and bankruptcy is a real possibility, but potentially higher returns are the new reward.

In deregulated markets, buyers, sellers, and analysts universally emphasize the income capitalization approach, where expected income and rates of return are based on unregulated market conditions. In deregulated markets, costs may be incurred, but the developer has no guarantee of making an adequate return. The cost approach in deregulated markets remains useful when the appraiser properly accounts for all forms of obsolescence, and the approach remains highly probative when appraising special improvements and assets within the combination of assets at a power plant. In a deregulated market, there is an active market for power plants separate from transmission and distribution assets. The sales comparison approach can be used when market data is sufficient, as with the sales comparison approach for any general commercial property. In conclusion, all three approaches to value usually can be applicable to power plants that are located in deregulated markets.

Cost Approach

Cost-Value Relationship and Disconnect

The basic concern surrounding the cost approach for power plants is that often cost does not equal value. When applicable, the cost approach reflects

market thinking by recognizing that market participants sometimes judge the value of a power plant by considering the cost to create the improvements. However, depending on the cycle of the market and the age and legal status of the plant, simple, unadjusted cost is unlikely to equal market value. Unless the appraisal fully reflects all forms of depreciation (physical, functional, and external), then the cost estimate will diverge from market value.

The job of estimating each of the various forms of depreciation at power plants is often problematic and sometimes practically impossible. Unlike general real estate, where the property will continue to function if it is adequately maintained, even well-maintained power plants may suffer critical economic and functional obsolescence. Common types of obsolescence include obsolete engineering designs and inefficiency (from a poor original design or new technologies entering the market); obsolete environmental designs (legal/regulatory); original cost overruns; current operating-cost inefficiencies (excessive operating costs); and physical aging in a limited life span. Table 4 shows EIA data and market data on typical overnight construction costs for a variety of technologies. *Overnight construction costs* are the costs of construction if no interest was paid during construction, as if the project was constructed overnight. In Table 4, the interest expenses were

estimated at a 7% interest rate over the period of construction in order to estimate the all-in costs of construction.

Cost Approach to Measure Parts of the Whole

While sometimes problematic for overall plant valuation, the cost approach is especially useful for appraising the different components of the overall power plant, including real and personal property, tangible and intangible property, taxable and non-taxable property, and the various classes of property at power plants. A power plant is sometimes referred to as a business combination, an overall asset, or a business enterprise.⁵ The market value of the overall asset is referred to as the overall market value of the plant, or the value of a going concern.⁶ The components are sometimes referred to as partial interests or asset classes. When used in conjunction with the sales comparison and income capitalization approaches, the cost approach affords one of the best appraisal techniques to allocate the market value of an overall asset to the various partial interests and asset classes of a plant.

Reproduction vs. Replacement Approaches

Both of the two main cost methods—reproduction cost and replacement cost—are regularly applied to power plants.

Table 4 Typical Construction Costs (\$/kW)

Technology	EIA Overnight Costs*	Market Experience Overnight Costs	Time to Construct (yrs)	All-In Costs*
Nuclear	\$5,530	\$7,000	6.0	\$10,641
Coal	\$2,934	\$2,800	4.5	\$3,833
Natural Gas	\$1,023	\$1,100	1.5	\$1,221
Hydro	\$2,936	\$4,000	5.0	\$5,671
Wind	\$2,213	\$2,500	2.0	\$2,875
Solar	\$4,183	\$2,000	0.5	\$2,071
Oil	N/A	\$800	1.0	\$858
Geothermal	\$4,362	\$4,500	3.0	\$5,548

* EIA Annual Energy Outlook 2013

† Includes interest during construction, interest expense computed at 7.0%

5. A business enterprise is "a commercial, industrial, service, or investment entity (or a combination thereof) pursuing an economic activity." *Ibid.*, 237.

6. Going concern value is "the value of a business enterprise that is expected to continue to operate into the future. The intangible elements of Going Concern Value result from factors such as having a trained work force, an operational plant, and the necessary licenses, systems, and procedures in place." *Ibid.*, 238.

Trended Original Cost Method

Although rarely utilized to value general real estate, the trended original cost (TOC) method, a type of reproduction approach, is frequently used for electric utility assets. Historical cost information, even if decades old, is regularly available on power plants.

In a TOC analysis, the reproduction cost new (RCN) is computed by trending the original (historical) construction costs to the effective date of the appraisal. This methodology is widely recognized by power plant appraisers, regulators, and courts. This is the predominant appraisal technique in regulated states for rate-base analysis. The usefulness of the TOC method is contingent on the accuracy and completeness of the historical cost information and on the trending method used. To successfully use trending, the costs by date of expenditure must be reliable and available for each class of assets for the entire plant, and the costs must also include capital repairs made since original construction.

Various widely accepted cost trend references provide the basis for the trending of power plant construction costs. The indices do not give prices for specific cost items in either the historical period or the current period. Rather they provide the change in cost, the delta, between the different dates. Appraisers apply that delta to the actual original cost at the subject plant to get an RCN as of the appraisal date. The proper indices can be applied to specific cost items, such as bricks, or to whole categories of power plant items, such as turbine generators.

Cost per Capacity Method

The cost per capacity method is a replacement cost approach. Cost per capacity is estimated by multiplying unit cost (usually \$/kW of capacity) by the number of units at the subject plant. The unit cost can be developed from a variety of sources including research publications, government estimates, contractor estimates, manufacturer estimates, owner estimates, or the comparative-unit method.

The cost per capacity method is relatively practical and is used by many market participants because of its simplicity and availability. However, the apparent simplicity of the cost per capacity method can be misleading. It is sometimes difficult to reconcile the vast differences between the various cost sources and the subject plant, and between this

cost approach and the other approaches. Also, this method often is less precise than others.

Alternative Technology Analysis

An alternative technology analysis (ATA) is a replacement cost technique. It is based on the principle that value is based on the functionality that the improvements afford its owner, not the materials and design used to make the improvements. This approach assumes that it is not the details of how the improvements generate the power that create value, but rather that the improvements generate a certain quantity and quality of power that is marketable in a certain way. For example, when appraising a nuclear power plant, an ATA could consider the cost to build a natural gas technology alternative plant with an identical MW rating and capacity factor. The ATA would consider the capital expenditure differences as well as the performance, operating, and fuel expense differences between the nuclear plant and the alternative gas plant.

Today, the popular choice for the alternative technology to use in such an analysis is natural gas, in part because it is the technology at the margins. For appraisers, who understand the importance of using comparable sales or replacement costs that match the functionality and highest and best use of the subject property, the ATA method is understandably valid. Some non-appraisers and courts have difficulty accepting this technique, even though it is commonly employed by market participants.

Depreciation

Physical Deterioration

Estimating physical deterioration is often the main source of concern about the validity of a cost approach on power plants. Typical depreciation techniques can be as simple as a single age-over-life ratio or as complicated as the breakdown of the subject's assets into their various components for individual consideration.

Models based on the economic age-life method are among the most widely used depreciation techniques for power plants. Physical deterioration can be estimated by the straight-line method, and by the age-life method, using mortality dispersion techniques. Often the effective age plus the remaining useful life is equivalent to the service life. Accounting and bookkeeping lives are not appropriate for appraisal purposes. Physical life may be longer than

the average service life, but it may not accurately represent the usefulness of the service of an asset due to economic or legal reasons. The effective age should reflect the conditions of the plant, which often are not the chronological (actual or historical) age. It should also be recognized that the expected remaining service life of a plant might change during its life cycle for reasons other than progressing chronological age (i.e., economic or legal reasons).

Functional Obsolescence

Functional obsolescence is common at power plants and is often easily spotted. The types of functional obsolescence frequently found include deficiencies requiring an addition, deficiencies requiring a modification, deficiencies requiring additional operating costs, and super-adequacies. Often these deficiencies are incurable, in both the short and long term. Given that the reproduction approach is common for plants, but does not intrinsically exclude functional obsolescence, appraisers will expend considerable effort on determining functional obsolescence.

Economic Obsolescence

Changes in market demand, transmission and distribution, federal or state law, the economy, and any operational constraints external to the asset frequently cause economic obsolescence at power plants. Usually their impact on value can be measured by capitalizing the expected losses in earnings over the period that the condition is expected to exist. In the broadest sense, since deregulation was instituted, the capital improvements made before deregulation may no longer have the ability to produce the originally expected return on the investment. This loss in

potential creates a form of economic obsolescence that is known as *stranded costs*.

Common techniques used for estimating functional and economic obsolescence include the capitalization of excess operating costs and the capitalization of income shortfalls. In both, income capitalization techniques are employed to evaluate the loss in value from specific operating or capital costs, or from an inability to earn income. While not adequate to measure the value of the obsolescence, the existence of obsolescence is often easily discovered by comparing overall income and sales values to the replacement cost new less physical depreciation (RCND). Any difference can be attributed to either functional or economic obsolescence or both.

Levelized Cost of Energy

An example of functional and economic obsolescence can be seen in Table 5. It is not enough to compare the cost to construct different types of power plants to measure the obsolescence. Fuel, for example, plays a major role in obsolescence. The table reflects the construction costs combined with fuel, operating expenses, and other considerations, such as financing costs, time to construct, capacity factors, and life spans. The table does not reflect the impact of current government incentives. Nor does it reflect external costs (pollution, decommissioning costs, transmission costs) or historically paid incentives and infrastructure (nuclear R&D, railroads, gas pipelines). The table shows that some technologies do not compete effectively. In practice, conditions at each plant vary substantially, making the obsolescence either better or worse.

Table 5 Levelized Cost of Energy (\$/MWh)

Technology	EIA*	Market Experience	Reflecting Incentives	Reflecting External Costs†
Nuclear	\$108.40	\$46.08	\$41.73	\$49.35
Coal	\$123.00	\$47.17	\$47.17	\$49.98
Natural gas	\$65.60	\$52.17	\$52.17	\$52.17
Hydro	\$90.30	\$27.05	\$27.05	\$27.05
Wind	\$86.60	\$57.18	\$46.24	\$46.24
Solar	\$144.30	\$57.43	\$45.61	\$45.61
Oil	N/A	\$556.37	\$556.37	\$564.21
Geothermal	\$89.60	\$59.21	\$47.49	\$47.49

* EIA Annual Energy Outlook 2013.

† Reflects decommissioning and external pollution abatement costs.

Land Value

The land at power plants often contributes little to the overall value. An across the fence method,⁷ assuming highest and best use similar to the properties from "across the fence," is typically employed to measure the value of the underlying land. The value of licenses, permits, and approvals for the power-generation activity, which can be substantial, are generally accounted for in the soft cost of construction.

Real, Personal, and Business Residuals

Depending on the use of the appraisal, there are occasions when the value of some real and personal property, and business intangibles must be removed from the overall plant valuation. For property tax appraisal purposes, the value of any tax exempt property must be removed. For IRS and SEC reporting, the value of existing contracts must be separately reported from the rest. A residual technique is often the best method to isolate the value of the target assets. In general real estate appraisals, a land residual is where the overall real estate value (V_{res}) minus building value (V_b) equals land value (V_l). In power plant appraisals, the residual formula is overall plant value (V_p) minus excludable value (V_{ex}) equals the value of the balance of the plant (V_{bal}), which is the appraisal target value of the subject property (V_s).

In property tax appraisal, excludable property commonly includes fuel inventory, pollution control improvements, contracts for fuel supply, contracts for the sale of electricity, power purchase agreements, workforce in place, specialized documents (including policies and procedures, manuals, computer software, and drawings), and working capital accounts. As discussed earlier, the cost approach is usually the best method to estimate the value of the excludable tangible property. The value of fuel inventory and of the workforce in place is usually estimated via avoided cost methods. Contracts are usually appraised via a comparison of the plant income streams with and without the contracts, in the same way that a leasehold analysis compares fee simple income streams to leased fee income streams.

Sales Comparison Approach

While the use of the sales comparison approach is common in the appraisal of general commercial properties, this approach is rarely useful in power plant appraisals. Research for information on sales of comparable power plants rarely yields appropriate and adequate data for use in a credible sales comparison approach. The market for power plants is national, and sometimes international. It is relatively easy to find evidence of an active sales market. However, relevant critical details about the individual sales are often unattainable. An important qualification of each credible comparable sale is the level of supporting data that is publicly available. Since many details concerning the sales of power plants are confidential, the sales are not adequately verifiable and/or cannot be soundly adjusted. Since power plants are typically business combinations, the sales are for combinations of assets: real, personal, and business assets. Most sales include corporate (business) and personal property assets. Further, these transactions often include assets beyond the tangible power plant, such as investment participation, financing, partial interests, offtake and supply contracts, and other valuable closing contingencies.⁸ Buyers and sellers are under no obligation to publicly report the portion of the price attributable to the parts of the total sale price in a format that is useful to appraisers. For example, many power plant sales include power purchase agreements (PPAs), which usually have significant price-impacting characteristics. However, it is typically unclear from the publicly available data on the transactions what effect the PPAs had on each sale price. While there frequently is available data to identify comparable sales, there is not sufficient public data in many cases to complete a credible appraisal adjustment process.

A variety of adjustments are needed in the sales comparison approach. Market condition adjustments are important as values for power plants change frequently due to macroeconomic conditions, including trends in the general economy, fuel prices, regulations, and green energy. Adjustments for physical characteristics are typically made for plant design, fuel type, unit size, shutdown units, capacity factor, heat rate, plant condition, age, superadequacy,

7. The across the fence method is "a land valuation method often used in the appraisal of corridors. The across the fence method is used to develop a value opinion based on comparison to abutting land." *Dictionary of Real Estate Appraisal*, 5th ed., 3.

8. An offtake contract is an agreement between a producer of a resource and a buyer of a resource to purchase/sell portions of the producer's future production. *Investopedia*, www.investopedia.com/terms/o/offtake-agreement.asp.

functional utility, and remaining license life. However, the required adjustments for these factors often cannot be made reliably because many physical characteristics of the comparable plants are not released as public information.

Location-based revenue differences also should be analyzed, as electricity prices are usually dependent on the location of each plant. Other locational differences may include the proximity and availability of electric transmission lines, transmission congestion and bottlenecks, water supply, rail lines, and docks. Environmental conditions and the distance to switchyards and substations can have a significant impact on the locational value for a plant. Additionally, adjustments related to income tax differences may be necessary, as taxes are an important factor in the going concern value of each plant. For example, the tax incentives play a major role in the feasibility of wind and solar.

It must be recognized that if the appraiser succeeds in finding adequate sales data and completes a credible sales comparison analysis, the resultant value will most likely be of the business combination. That going-concern value will need to be allocated to the real and personal property if that is the purpose of the appraisal.

Income Capitalization Approach

Traditionally, income strictly attributable to the real property of general commercial properties, such as offices and apartments, is ubiquitously prescribed by real estate leases or the market potential to be leased. There is no such rental market for power plants. Nonetheless, power plants are income-producing assets where the income is generated by the operation of the combination of real and personal property and any business intangibles.

At power plants, there is typically no credible and reliable way to isolate the income solely attributable to the real property, such as a lease. The income used in the income capitalization approach is from operation of the combined assets of the going concern or the business enterprise. Such intermingling conditions also exist at many other types of commercial property, such as hotels, theaters, hospitals, telephone companies, water companies, landfills, race tracks, and factory mills, among other types. The real property is rarely leased separately at these property types, and the income typically analyzed is from their business

operations, just like at power plants. Given this issue, the appraiser must first conclude an overall business value of the going concern for the plant, and then employ various appropriate appraisal procedures to separate out the value of the real and personal property or other target interest at the plant. This is standard practice in the valuation of power plants.

The holding period for power plants is driven by physical considerations as well as legal, regulatory, and contractual conditions, and it is often prescribed by common practice among market participants. Under cost-of-service regulations, the holding period of a plant is the same as its expected useful life. For a deregulated power plant, the holding period is typically estimated based on its finite physical and economic life. In both cases, analysts look to the finite remaining life of the plant to form the basis of the holding period. As such, it is common practice to assume a holding period equal to a plant's estimated remaining economic life. Consequently, some discounted cash flow (DCF) analyses are projected for as long as 55 years.

Reversionary Value

A reversionary value is assumed in most DCF analyses for commercial real estate. This value captures the income generated from the asset after the end of the holding period, and it is typically calculated by using a direct capitalization method and then discounting that value to the valuation date. However, unlike general real estate, power plants have relatively short, finite lives. When the holding period for a power plant is assumed to be equal to its remaining economic life, then there will typically not be a reversionary value for the plant at the end of the holding period.

Assumptions made about disposition of the remaining assets (or liabilities) may be broken down in three categories: decommissioning liability, salvage value, and land value. In some cases, power plants carry a decommissioning fund that will be used to fully decommission the plant, eliminating a large future liability. In other cases, the plant will require expensive demolition and remediation work. These assumptions will determine the appropriate manner to estimate any reversionary value, positive or negative. Often, power plant appraisers conclude that the sum of the three reversionary considerations net to a zero value.

When a direct capitalization method is completed, the capitalization rate must be adjusted upward to reflect the fact that the income and value decline to zero over the holding period, since the reversionary value of a plant with a finite life is zero. It is common practice in power plant valuation to avoid this issue in DCF reversionary capitalization rates by setting the holding period equal to the plant's remaining economic life. In practice, only DCF analyses of larger hydro plants usually contain a reversionary capitalization of the plant's income, because their very long useful lives often approach infinite lives like with general real estate.

Power Purchase Agreements

Plant owners regularly contract in advance to sell their power to bulk consumers via power purchase agreements (PPAs) instead of selling power in the daily mass markets of the independent service operators (ISOs).

PPAs fall into two broad categories: those that have contract prices for the electricity at or near market prices, and those that have contract prices at substantially above or below market prices. Those that have contract prices for the electricity at substantially above or below market prices are often between related parties, or there might be more to the transaction than just the sale of electricity for a price. These PPAs do not meet the criteria of market-indicative transactions and cannot be used to determine market value for parts of the plant such as the real estate or personal property; however, these PPAs can certainly indicate the value of the going concern. This is analogous to appraising an office building's market value based on inter-company leases or sale-leasebacks that are not based on market terms. In such cases, if the purpose of the appraisal is to determine market value assuming fee-simple conditions, the atypical office leases are replaced with normal market-based terms.

Installed/Nameplate Capacity

The installed or nameplate capacity is the plant's claimed capacity designated by the manufacturer or by a capacity rating agency; capacity is usually described in MWs or kW. Nameplate capacity is the amount of energy a power plant can produce instantaneously, not the amount it will generate over

a period of time. Installed capacity and capacity factor assumptions are combined to forecast electricity available to be sold over time. Capacity factors vary from winter to summer and location to location for the same equipment based on construction, altitude, and local ambient temperature and humidity.

Independent Service Operators (ISOs)

In deregulated markets, merchant plants sell their electricity in markets operated and managed by ISOs. Analogous to trading floors, the power producers and buyers consider ISOs their primary public market. ISOs organize the markets, establish trading rules, and document market transactions and prices. The ISOs publish volumes of market data useful to the appraiser, including data on general market supply and demand.⁹

Long-Term Trending

Unlike DCF forecasts for general real estate, which are commonly for 10 years, power plant forecasts are commonly for 25 to 35 years, with some for as long as 55 years. The Consumer Price Indices (CPIs) provide an excellent source for forecasting electricity rates, fuel prices, and the general expense rate of inflation over the very long term.

The CPIs are well documented, and power plant market participants often rely on them. The data reveal a number of important trends. For example, electricity rates largely have not kept pace with general inflation over the decades. One theory is that commodities, like electricity, trend at rates lower than other products and services in the economy, and the CPI is the average of all products and services. Another theory is that deregulation, which began in the late 1990s and was supposed to lower electricity prices, has been effective.

The data also show that in the short term, price trends for any given plant will be driven by local market conditions. Appraisers must examine local plans for plant retirements and new additions as well as transmission constraints, and fuel supply conditions. These local trends can cause local prices to trend in dramatically different fashion than the long-term CPI trends, until a new market equilibrium is achieved.

Alternatives to trending prices using the CPI include using EIA long-term price forecasts,

9. For example, market data on historical electricity prices in the New York ISO can be seen at www.nyiso.com/public/markets_operations/market_data/pricing_data/index.jsp.

forecasts by other public entities, and information from private forecasting companies.

Fixed and Variable Expenses

Operations and maintenance (O&M) expenses are analyzed as is normally done in the appraisal of income-producing properties, with one exception. Considerable special efforts are typically made to forecast fuel expenses, separate and apart from other O&M expenses. Also, parent company administrative expenses may need to be apportioned down to the subject plant when the plant is owned and managed in a portfolio of plants.

Income Taxes

Unlike nearly all appraisals of general real estate, power plant income approaches are usually completed after deducting income taxes. This is useful and often necessary for several reasons. A major contributor to the value of many plants is its effective income tax rate. Power plants often have tax benefits, including accelerated depreciation, investment tax credits, exemptions, or others. Also, while traditional real estate appraisals are completed before income taxes and most of the theory and data in the real estate appraisal community is arranged for before-income tax analysis, business appraisals are traditionally completed on an after-income tax basis. Most of the financial market data available for the power industry is on an after-income tax basis, and nearly all market participants appraise on an after-income tax basis. In theory, both before- and after-income tax appraisals should yield the same indication of value, but only when the tax benefits are fully and properly adjusted for. Another advantage of the after-income tax analysis is that the inputs and adjustments are explicit and thus available for easier review.

When forecasting the tax rate for a power plant, it is necessary to use an effective income tax rate for the market. Plant owners rarely pay the statutory tax rates. This includes both federal and state income

taxes but adjusts for typical exemptions, deferments, and abatements. Capital expenses, depreciation, and interest expenses must be determined in order to compute the effective income taxes. Depreciation expenses should be calculated utilizing the modified accelerated cost recovery system (MACRS). However, simpler methods may be acceptable in some cases. The power generation industry relies heavily on debt financing. If the goal is to estimate market value, appraisers forecast this expense by applying industry or market-specific interest rates as of the valuation date to the portion of the plant's value that is estimated to be financed with debt.

Capitalization and Discount Rates

Theoretically, there are several possible methods for estimating capitalization and discount rates, including market surveys, extraction from market sales, and various mathematical financial formulas. Extraction from power plant sales very rarely yields sound and adequate data. Also, there are no surveys of power plant capitalization and discount rates. Therefore, rates are usually determined using well-known financial formulas.

Power plant appraisers frequently complete a formula-based analysis of discount rates known as the weighted average cost of capital (WACC)¹⁰ in the business appraisal community. In the real estate appraisal community, this formula is recognized as a band of investment formula.¹¹ The major difference is that the band of investment formula is typically used to determine capitalization rates for real estate before income taxes, while the WACC is typically used for discount rates after income taxes. The basic elements of yield (or capitalization) rates are debt and equity yield. When combined, they indicate the overall investment yield. This cost of capital analysis is "weighted" because it incorporates the percentage of the total investment that debt contributes and the percentage that equity contributes, which is a weighted-average concept. Algebraically, the WACC analysis is expressed in the following equation:

10. Weighted average cost of capital is "the cost of capital (discount rate) determined by the weighted average, at market values, of the cost of all financing sources in the business enterprise's capital structure." *International Glossary of Business Valuation Terms* available in *Dictionary of Real Estate Appraisal*, 5th ed., 240.

11. Band of investment is "a technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment." *Dictionary of Real Estate Appraisal*, 5th ed., 16.

Formulaic Derivation of an After-Income Tax Discount Rate

Weighted Average Cost of Capital

$$Y_o = (M \times Y_m \times (1-t)) + ((1-M) \times Y_e)$$

where:

Y_o = overall yield rate

M = debt to value ratio

Y_m = debt yield rate

Y_e = equity yield rate

t = effective income tax rate

Equity and Debt Yields

There are several well-developed theories and widely used effective methods for estimating the equity cost of capital, including the build-up method and the capital asset pricing model (CAPM).¹² The build-up method is an additive model in which the equity return on an asset is estimated as the sum of a risk-free rate and one or more risk premiums. The risk-free rate is usually long-term US government bond yields. The risk premiums adjust for risks associated with systematic and unsystematic risks, size, and industry risk, illiquidity, and managerial effort and others. The CAPM formula takes into account the sensitivities to non-diversifiable risk (also known as systematic risk or market risk), often represented as a beta coefficient.¹³ Like the build-up method, it begins with the expected return of a risk-free asset and then adjusts for the market-wide expected return. There is much literature on both the build-up and CAPM formulas, and thus they will not be covered further here.

Debt rates are estimated the usual way with one exception. The pre-income-tax debt rate is adjusted for the ability to deduct debt interest expenses from income taxes, by multiplying the cost of debt by one minus the effective tax rate.

Working with Other Professions

The power plant appraiser will frequently join with professionals from other disciplines in order to complete a power plant appraisal. Power plant appraisals often benefit from consultation with professional engineers. In fact, some states and courts require it. Further, appraisers regularly use the services of electricity- and fuel-price forecasters. Other professionals may include regulatory experts, economists, mathematicians, attorneys, and accountants who have expertise in some element related to the appraisal problem at hand.

Reconciliation for Overall Value

There are two considerations one must weigh when applying various approaches to value. First, appraisers should use those approaches commonly utilized by market participants.¹⁴ Second, the supply of data within a market, or within a particular timeframe, may preclude the development of indications of value by one or more of the approaches to value commonly employed in other appraisal practice areas.

Generally, the sales comparison approach is not employed to determine the value of power plants due to the lack of reliable public market data. Within regulated markets, the cost approach is most often employed. In deregulated markets, all three approaches are frequently employed. However, in deregulated markets the income capitalization approach is the primary method used by market participants, and it is typically the approach prescribed by appraisal theory as being the most appropriate.

Allocations

In power plant valuations, the income capitalization and sales comparison approaches usually indicate going-concern values rather than purely real estate or personal property values. The appraiser must exercise care to report which type of value is concluded as of each point in the appraisal. If the purpose of the appraisal is to report the value of something other than the overall business value, as indicated by the income capitalization or sales

12. William F. Sharpe, "Capital Asset Prices: A Theory of Market Equilibrium under Conditions of Risk," *The Journal of Finance* 19, no. 3 (Sept. 1964): 425-442.

13. *Ibid.*

14. In USPAP Standards Rule 1-6 states, "In developing a real property appraisal, an appraiser must: (a) reconcile the quality and quantity of data available and analyzed within the approaches used, and (b) reconcile the applicability or suitability of the approaches used to arrive at the value conclusion(s)." Appraisal Standards Board, *Uniform Standards of Professional Appraisal Practice*, 2014-2015 ed. (Washington, DC: The Appraisal Foundation, 2014).

comparison approaches, then some further analysis beyond the overall value from such approaches will be necessary. A cost approach analysis may or may not have been completed in a manner to indicate directly the target value to be appraised. If a unit-in-place cost approach was developed, then business intangibles were likely excluded, but real and personal property may still be intermingled, requiring further analysis. If a trended original cost approach was employed, it may have reported the value of real and personal property separately. Typically the further analysis will include the use of various allocation techniques.¹⁵ Extraction techniques are not typically utilized due to the lack of detail usually available in the market data.¹⁶

Unitary Valuation

Sometimes it is more credible and reliable to appraise a single power plant by utilizing a unitary method of valuation.¹⁷ Commonly used in some states for property taxation, unitary valuation is a type of allocation where the first step is to appraise the entire company that owns the subject plant alongside other business activities and assets. After concluding the value for the company, techniques are used to allocate the portion of the business value attributable to the subject plant. Lastly, if needed, the allocated plant value is further allocated to real and personal property and business intangible values.

Conclusion

Appraising power plants is a specialty practice and requires the utilization of infrequently employed appraisal theory and techniques, but in the end, no new practices will be needed for the well-read appraiser.

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15. Allocation is a method of estimating land value in which sales of improved properties are analyzed to establish a typical ratio of land value to total property value and this ratio is applied to the property being appraised or the comparable sale being analyzed. *Dictionary of Real Estate Appraisal*, 5th ed., 7. While written using land and building as examples, the underlying principle can be applied to other parts of an overall asset.

16. Extraction is "a method of estimating land value in which the depreciated cost of the improvements on the improved property is calculated and deducted from the total sale price to arrive at an estimated sale price for the land." *Ibid.*, 73. While written using land and building as examples, the underlying principle can be applied to other parts of an overall asset.

17. In assessment, the unit rule is a method that values the property within a particular jurisdiction based on the fair share of the value of an operating enterprise of which the property is an integral part. The unit value concept values all the property as a going concern without geographical or functional division of the whole and includes tangible and intangible assets. The unit rule concept is typically associated with the valuation of public utilities, telecommunications networks, railroads, and other transportation properties. *Dictionary of Real Estate Appraisal*, 5th ed., 202.

Web Connections

Internet resources suggested by the Y. T. and Louise Lee Lum Library

American Public Power Association, Resources

<http://www.publicpower.org/resources/>

Electric Power Research Institute

<http://www.epri.com>

Federal Energy Regulatory Commission

<http://www.ferc.gov>

General Electric Power and Water

<https://www.gepower.com/>

National Renewable Energy Laboratory

<http://www.nrel.gov/>

Nuclear Energy Institute, Resources and Stats

<http://www.nei.org/Knowledge-Center>

US Department of Energy

—Office of Nuclear Energy

<http://energy.gov/ne/office-nuclear-energy>

—Energy Information Administration

<http://www.eia.gov/>

US Nuclear Regulatory Commission

<http://www.nrc.gov/>

Out of Series Transfer Request

FIRE SERVICES 2/18/26

[illegible]

Explanation

- 1 Three new firefighters were hired and required protective clothing
- 2 Insurance costs have been reduced by updating coverages.
- 3 Equipment purchased under 53112 were sufficient for FY26

Email _____
Department Head _____

Kim Allen
Director of Finance

BUS
First Selectman

Commission/Board Approval

2/20/2026
Date

2/24/2026
Date

Date 3/17/24

Date _____

Town of Waterford, CT

YEAR-TO-DATE BUDGET REPORT



FOR 2026 13

ORIGINAL APPROP	TRANS/ADJSTMS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
101 GENERAL FUND						
10123 FIRE SERVICES						
51110 ADMINISTRATION						
10123 51110	ADMINISTRATION -20,077.00	206,746.00	128,545.59	0.00	78,200.41	62.2%
51120 INSPECTION						
10123 51120	INSPECTION 0.00	87,983.00	58,943.37	0.00	29,039.63	67.0%
51210 CLERICAL AND TECHNICAL						
10123 51210	CLERICAL AND TECHNICAL 0.00	171,720.00	108,104.99	0.00	63,615.01	63.0%
51240 EDUCATIONAL INCENTIVE						
10123 51240	EDUCATIONAL INCENTIVE 0.00	11,880.00	7,240.00	0.00	4,640.00	60.9%
51410 FIRE FIGHTING						
10123 51410	FIRE FIGHTING 146,760.00	1,583,271.00	1,013,139.91	0.00	570,131.09	64.0%
51411 INCENTIVE PROGRAM STIPENDS						
10123 51411	INCENTIVE PROGRAM STIPENDS 0.00	40,000.00	13,048.75	0.00	26,951.25	32.6%
51412 PART TIME FIREFIGHTING						
10123 51412	PART TIME FIREFIGHTING -35,600.00	100,529.00	88,021.29	0.00	12,507.71	87.6%

Town of Waterford, CT

YEAR-TO-DATE BUDGET REPORT



FOR 2026 '13

ORIGINAL APPROP	TRANS/ADJMENTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
51440 DISPATCH						
10123 51440	DISPATCH 0.00	0.00	0.00	0.00	0.00	.0%
51450 EXTRA DUTY						
10123 51450	EXTRA DUTY 0.00	0.00	0.00	0.00	0.00	.0%
51451 EXTRA DUTY REGULAR WAGES						
10123 51451	EXTRA DUTY REGULAR WAGES 0.00	0.00	0.00	0.00	0.00	.0%
51810 OVERTIME						
10123 51810	OVERTIME 123,129.00	333,129.00	181,884.11	0.00	151,244.89	54.6%
51812 FIRE INSPECTORS' OVERTIME						
10123 51812	FIRE INSPECTORS' OVERTIME 0.00	6,000.00	6,120.59	0.00	-120.59	102.0%
51820 REPLACEMENT OVERTIME						
10123 51820	REPLACEMENT OVERTIME 200,000.00	0.00	0.00	0.00	0.00	.0%
51830 TRAINING & EDUCATION						
10123 51830	TRAINING OVERTIME 10,000.00	0.00	0.00	0.00	0.00	.0%
51920 F.I.C.A.						
10123 51920	F.I.C.A. 187,058.00	187,058.00	117,980.60	0.00	69,077.40	63.1%

Town of Waterford, CT



YEAR-TO-DATE BUDGET REPORT

FOR 2026 13

	ORIGINAL APPROP	TRANS/ADJSTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
52010 ADVERTISING							
10123 52010	ADVERTISING	0.00	400.00	364.40	0.00	35.60	91.1%
52020 POSTAGE							
10123 52020	POSTAGE	0.00	250.00	18.35	0.00	231.65	7.3%
52030 PROFESSIONAL FEES							
10123 52030	PROFESSIONAL FEES	0.00	2,500.00	460.16	0.00	2,039.84	18.4%
52040 SERVICE CONT AND REPAIRS							
10123 52040	SERVICE CONT. AND REPAIRS	0.00	23,437.00	15,693.08	1,447.66	6,296.26	73.1%
52050 DUES CONFER							
10123 52050	DUES, CONFERENCES & EDUCAT	0.00	38,418.00	19,965.81	10,724.09	7,728.10	79.9%
52060 PRINTING							
10123 52060	PRINTING	0.00	100.00	9.70	0.00	90.30	9.7%
52070 REIMBURSABLE EXPENSES							
10123 52070	REIMBURSABLE EXPENSES	0.00	1,000.00	294.98	0.00	705.02	29.5%
52080 TELEPHONE							
10123 52080	TELEPHONE	0.00	29,500.00	13,834.73	7,782.61	7,882.66	73.3%

Town of Waterford, CT



YEAR-TO-DATE BUDGET REPORT

FOR 2026 13

	ORIGINAL APPROP	TRANS/ADJST	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
52090 HEATING FUEL							
10123 52090	HEATING FUEL	0.00	0.00	0.00	0.00	0.00	.0%
52100 ELECTRICITY							
10123 52100	ELECTRICITY	0.00	0.00	0.00	0.00	0.00	.0%
52110 WATER							
10123 52110	WATER	0.00	0.00	0.00	0.00	0.00	.0%
52120 SEWER							
10123 52120	SEWER	0.00	0.00	0.00	0.00	0.00	.0%
52290 PUBLIC SAFETY AWARENESS							
10123 52290	PUBLIC SAFETY AWARENESS	-900.00	3,100.00	1,961.14	0.00	1,138.86	63.3%
52305 OSHA COMPLIANCE							
10123 52305	OSHA COMPLIANCE	0.00	1,800.00	1,268.12	0.00	531.88	70.5%
52310 EXAMINATIONS							
10123 52310	EXAMINATIONS	3,200.00	15,454.00	14,913.56	540.44	0.00	100.0%
52320 RENTAL OF HYDRANTS							
10123 52320	RENTAL OF HYDRANTS	-12,500.00	566,500.00	283,250.00	283,250.00	0.00	100.0%

Town of Waterford, CT

YEAR-TO-DATE BUDGET REPORT



FOR 2026 13

ORIGINAL APPROP	TRANS/ADJSTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
52370 CLOTHING OR UNIFORM ALLOW						
10123 52370	CLOTHING OR UNIFORM ALLOW 21,525.00	25,988.00	11,827.67	4,572.87	9,587.46	63.1%
52371 FIRE POLICE						
10123 52371	FIRE POLICE 750.00	750.00	0.00	0.00	750.00	.0%
52372 INSURANCE						
10123 52372	INSURANCE 160,750.00	149,460.00	133,738.84	0.00	15,721.16	89.5%
52373 LP GAS						
10123 52373	LP GAS 4,600.00	4,600.00	1,674.43	0.00	2,925.57	36.4%
52374 CABLE TELEVISION						
10123 52374	CABLE TELEVISION 10,800.00	10,800.00	5,702.53	2,613.64	2,483.83	77.0%
52375 GROUND LADDER TESTING						
10123 52375	GROUND LADDER TESTING 6,190.00	3,190.00	3,000.00	0.00	190.00	94.0%
52376 HYDRAULIC TESTING						
10123 52376	HYDRAULIC TESTING 6,492.00	6,079.00	6,078.04	0.00	0.96	100.0%
52377 BREATHING APPARATUS TESTING						
10123 52377	BREATHING APPARATUS TESTING 9,800.00	9,800.00	6,116.50	1,105.24	2,578.26	73.7%

Town of Waterford, CT

YEAR-TO-DATE BUDGET REPORT

FOR 2026 13

ORIGINAL APPROP	TRANS/ADJSTMS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
52378 BUILDING MAINTENANCE						
10123 52378	BUILDING MAINTENANCE 0.00	81,500.00	34,392.90	31,485.03	15,622.07	80.8%
52379 HOSE TESTING AND REPAIRS						
10123 52379	HOSE TESTING AND REPAIRS -606.00	9,502.00	9,501.60	0.00	0.40	100.0%
52387 PUMP TESTING SERVICES						
10123 52387	PUMP TESTING SERVICES -3,000.00	0.00	0.00	0.00	0.00	.0%
52392 GENERATOR MAINTENANCE & REPAIR						
10123 52392	GENERATOR MAINTENANCE & REPAIR 0.00	9,500.00	0.00	0.00	9,500.00	.0%
52396 FF -PROTECTIVE CLOTHING						
10123 52396	FF -PROTECTIVE CLOTHING 0.00	0.00	0.00	0.00	0.00	.0%
53010 OFFICE SUPPLIES						
10123 53010	OFFICE SUPPLIES 0.00	1,000.00	292.52	0.00	707.48	29.3%
53020 OTHER SUPPLIES						
10123 53020	OTHER SUPPLIES 0.00	10,000.00	6,941.92	0.00	3,058.08	69.4%
53021 CONSUMABLE SUPPLIES						
10123 53021	CONSUMABLE SUPPLIES -999.00	3,501.00	1,331.85	0.00	2,169.15	38.0%

Town of Waterford, CT

YEAR-TO-DATE BUDGET REPORT



FOR 2026 13

	ORIGINAL APPROP	TRANS/ADJST	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
53070 AUTO REPAIRS							
10123 53070	110,000.00	AUTO REPAIRS 0.00	110,000.00	90,214.26	5,365.79	14,419.95	86.9%
53080 AUTOMOTIVE MAINTENANCE							
10123 53080	20,000.00	AUTOMOTIVE MAINTENANCE -800.00	19,200.00	19,019.66	61.26	119.08	99.4%
53085 MARINE REPAIRS							
10123 53085	5,000.00	MARINE REPAIRS 0.00	5,000.00	196.86	0.00	4,803.14	3.9%
53090 FUELS AND LUBRICANTS							
10123 53090	40,815.00	FUELS AND LUBRICANTS 0.00	40,815.00	20,421.07	0.00	20,393.93	50.0%
53100 TIRES							
10123 53100	8,000.00	TIRES 13,019.00	21,019.00	15,047.20	3,728.50	2,243.30	89.3%
53110 COMPUTER SUPPLIES							
10123 53110	1,000.00	COMPUTER SUPPLIES 0.00	1,000.00	949.94	0.00	50.06	95.0%
53111 FF PROTECTIVE CLOTHING							
10123 53111	35,000.00	FF PROTECTIVE CLOTHING 8,584.00	43,584.00	33,717.07	8,273.62	1,593.31	96.3%
53112 FIREFIGHTING SUPPLIES							
10123 53112	9,500.00	FIREFIGHTING SUPPLIES 1,799.00	11,299.00	10,583.05	0.00	715.95	93.7%

Town of Waterford, CT



YEAR-TO-DATE BUDGET REPORT

FOR 2026 13

ORIGINAL APPROP	TRANS/ADJUSTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
53113 VOLUNTEER RESPONDER AWARDS						
10123 53113	VOLUNTEER RESPONDER AWARDS 0.00	3,500.00	1,500.00	0.00	2,000.00	42.9%
53114 MEDICAL SUPPLIES						
10123 53114	MEDICAL SUPPLIES 0.00	6,500.00	3,819.76	0.00	2,680.24	58.8%
53115 VOLUNTEER FIREFIGHTER SUPPLIES						
10123 53115	VOLUNTEER FIREFIGHTER SUPPLIES 0.00	3,000.00	450.00	0.00	2,550.00	15.0%
54060 OFFICE EQUIPMENT						
10123 54060	OFFICE EQUIPMENT 0.00	1,200.00	403.17	0.00	796.83	33.6%
54202 EQUIPMENT -FIRE INVESTIGATIONS						
10123 54202	EQUIPMENT -FIRE INVESTIGATIONS 0.00	750.00	702.96	0.00	47.04	93.7%
54207 SCBA REPLACEMENT BOTTLES						
10123 54207	SCBA REPLACEMENT BOTTLES 0.00	0.00	0.00	0.00	0.00	.0%
54215 THERMAL CAMERAS -OSWEGATCHIE						
10123 54215	THERMAL CAMERAS -OSWEGATCHIE 0.00	0.00	0.00	0.00	0.00	.0%
54216 MULTI-GAS METER						
10123 54216	MULTI-GAS METER 0.00	0.00	0.00	0.00	0.00	.0%

Town of Waterford, CT

YEAR-TO-DATE BUDGET REPORT

FOR 2026 13

ORIGINAL APPROP	TRANS/ADJMENTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
54217 RESCUE SAWS						
10123 54217	RESCUE SAWS 0.00	0.00	0.00	0.00	0.00	.0%
54218 FIREFIGHTER EQUIPMENT						
10123 54218	FIREFIGHTER EQUIPMENT 22,758.00	22,758.00	7,392.97	0.00	15,365.03	32.5%
54219 EQUIPMENT STORAGE LOCKER						
10123 54219	EQUIPMENT STORAGE LOCKER 0.00	0.00	0.00	0.00	0.00	.0%
54220 RADIO/EMERGENCY LIGHTS						
10123 54220	RADIO/EMERGENCY LIGHTS 9,500.00	9,500.00	5,845.00	0.00	3,655.00	61.5%
54221 SERVICE TRUCK EQUIPMENT						
10123 54221	SERVICE TRUCK EQUIPMENT 0.00	0.00	0.00	0.00	0.00	.0%
54222 RESCUE TRUCK EQUIPMENT						
10123 54222	RESCUE TRUCK EQUIPMENT 5,500.00	5,500.00	1,450.91	0.00	4,049.09	26.4%
54226 EQUIPMENT						
10123 54226	EQUIPMENT 5,700.00	5,700.00	0.00	0.00	5,700.00	.0%
54241 TELEPHONE SYSTEM -GOSHEN FIRE						
10123 54241	TELEPHONE SYSTEM -GOSHEN FIRE 0.00	0.00	0.00	0.00	0.00	.0%

Town of Waterford, CT

YEAR-TO-DATE BUDGET REPORT



FOR 2026 13						
ORIGINAL APPROP	TRANS/ADJSTMS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
TOTAL FIRE SERVICES 3,958,130.00	88,640.00	4,046,770.00	2,507,375.91	360,950.75	1,178,443.34	70.9%
TOTAL GENERAL FUND 3,958,130.00	88,640.00	4,046,770.00	2,507,375.91	360,950.75	1,178,443.34	70.9%
TOTAL EXPENSES 3,958,130.00	88,640.00	4,046,770.00	2,507,375.91	360,950.75	1,178,443.34	
GRAND TOTAL 3,958,130.00	88,640.00	4,046,770.00	2,507,375.91	360,950.75	1,178,443.34	70.9%

** END OF REPORT - Generated by Kimberly Allen **

Contributed Gifts Fund
February 28, 2026

FISCAL YEAR 2026	R&P HELMET RODEO DONATIONS	R&P GENERAL DONATIONS	R&P MEMORIAL TREES & BENCHES DONATIONS	R&P FRANCES X. SWEENEY MEMORIAL DONATIONS	R&P DOG PARK DONATIONS	R&P PLAYGROUND DONATIONS	R&P CIVIC TRIANGLE MEMORIAL DONATIONS	R&P TOY BOX DONATIONS	R&P DEIDRICK FIELD PRESS BOX DONATIONS	R&P CEMETERY DONATIONS	R&P VETERANS' MEMORIAL DONATIONS	R&P AHJ PICNIC TABLES DONATIONS	R&P GOLF CART DONATIONS	FINANCE DEPT. AUDITORIUM A/V UPGRADE	POLICE AUSTISM TRAINING	POLICE DEPT. VEHICLE CHALLENGE	POLICE DEPT. K-9 PROGRAM	POLICE DEPT. GENERAL DONATIONS	POLICE PUBLIC SAFETY DOCK	TOTAL
REVENUES																				
REC & PARKS MEMORIAL TREES & BENCHES DONATIONS			\$40,785.00																	
K9 DONATIONS																	\$250.00	\$11,582.00		
POLICE DEPT. GENERAL DONATIONS											\$5,000.00									
VETERANS' MEMORIAL DONATIONS												\$429.00								
AHJ PICNIC TABLES DONATIONS													\$250.00							
REC & PARKS GOLF CART DONATIONS																				
TOTAL REVENUES	\$0.00	\$0.00	\$40,785.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,000.00	\$429.00	\$250.00	\$0.00	\$0.00	\$0.00	\$250.00	\$11,582.00	\$0.00	\$58,296.00
EXPENDITURES																				
07/26/2025 U.S. BANK														\$151.00						
07/26/2025 U.S. BANK																				
07/26/2025 U.S. BANK																	\$37.99	\$296.90		
08/25/2025 U.S. BANK																		\$15.98		
08/29/25 ADP IMPORT																		\$100.00		
08/15/25 MARK KOSMAN DESIGN																				
09/25/2025 U.S. BANK																	\$140.00	\$1,743.48		
09/26/25 COMPETITIVE SERVICE																		\$883.02		
09/26/25 COMPETITIVE SERVICE																		\$883.02		
09/26/25 BARCO			\$675.60																	
09/26/25 BARCO PO 260247			\$819.00																	
10/24/25 SAVTREE LLC			\$307.35																	
10/24/25 SAVTREE LLC			\$790.18																	
10/24/25 WHALING CITY GRAPHIC																		\$196.24		
10/27/2025 U.S. BANK																		\$685.97		
10/29/25 M.E. O'BRIEN						\$31,380.00														
11/13/25 PO 260428 WITMER ASSOCIAT																		\$1,287.00		
11/25/2025 U.S. BANK																		\$1,094.10		
11/25/2025 U.S. BANK																		\$5.47		
12/19/25 BARCO PO 260247			(\$819.00)																	
12/19/25 BARCO			\$819.00																	
12/26/25 ADP IMPORT																		\$189.90		
12/26/2025 U.S. BANK																		\$3,320.42		
01/26/2026 U.S. BANK																	\$212.36			
01/26/2026 U.S. BANK																		\$615.26		
01/12/26 WITMER ASSOCIAT																		\$342.00		
01/20/26 IE CORECTION 122625 US BANK																		(\$189.00)		
01/14/26 PO 260494 TRI COUNT MEMO											\$2,004.00									
02/25/2026 U.S. BANK																		\$1,486.91		
TOTAL EXPENDITURES	\$0.00	\$0.00	\$2,592.13	\$0.00	\$0.00	\$31,380.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,004.00	\$0.00	\$0.00	\$151.00	\$0.00	\$0.00	\$579.35	\$12,956.67	\$0.00	\$49,663.15
NET CURRENT YEAR ACTIVITY	\$0.00	\$0.00	\$38,192.87	\$0.00	\$0.00	(\$31,380.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,996.00	\$429.00	\$250.00	(\$151.00)	\$0.00	\$0.00	(\$329.35)	(\$1,374.67)	\$0.00	\$8,632.85
PRIOR YEAR BALANCE	\$594.72	\$129.60	(\$73.61)	\$65.00	\$987.97	\$71,486.32	\$1,140.00	\$220.00	\$2,910.00	\$100.00	\$0.00	\$0.00	\$2,440.00	\$151.00	\$1,700.00	\$780.11	\$9,427.35	\$13,700.20	\$7.04	\$105,765.70
CURRENT YEAR BALANCE	\$594.72	\$129.60	\$38,119.26	\$65.00	\$987.97	\$40,106.32	\$1,140.00	\$220.00	\$2,910.00	\$100.00	\$2,996.00	\$429.00	\$2,690.00	\$0.00	\$1,700.00	\$780.11	\$9,098.00	\$12,325.53	\$7.04	\$114,398.55

GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
FOR FISCAL YEAR 2025-2025, THROUGH FEBRUARY 28, 2026
WITH COMPARATIVE ACTUAL AMOUNTS
FOR FISCAL YEAR 2024-2025, THROUGH FEBRUARY 28, 2025

	FISCAL YEAR 2026 APPROPRIATED	FISCAL YEAR 2026 ACTUAL	FISCAL YEAR 2026 PERCENT EXPENDED	FISCAL YEAR 2026 VARIANCE FAVORABLE (UNFAVORABLE)	FISCAL YEAR 2024-2025 ACTUAL
GENERAL GOVERNMENT					
Board of Selectmen	206,402	\$130,490	63.22%	75,912	\$127,230
Registrar of Voters	121,255	\$80,166	66.11%	41,089	\$94,921
Board of Finance	83,608	\$83,179	99.49%	429	\$81,386
Assessor	319,641	\$218,176	68.26%	101,465	\$210,400
Board of Assessment Appeals	1,829	\$505	27.60%	1,324	\$445
Tax Collector	227,817	\$158,741	69.68%	69,076	\$154,750
Finance Department	784,326	\$598,405	76.30%	185,921	\$524,010
Legal Department	295,000	\$295,753	100.26%	(753)	\$286,121
Town Clerk	272,301	\$176,722	64.90%	95,579	\$181,347
Planning and Zoning	695,016	\$418,230	60.18%	276,786	\$447,585
Building Maintenance	1,020,000	\$925,704	90.76%	94,296	\$886,094
Insurance	5,604,561	\$3,788,123	67.59%	1,816,438	\$4,810,232
Economic Development Commission	25,352	\$9,463	37.33%	15,889	\$9,591
Conservation Commission	18,250	\$10,322	56.56%	7,928	\$1,740
Zoning Board of Appeals	4,310	3,001	69.64%	1,309	3,009
Retirement Commission	7,200,257	\$5,128,540	71.23%	2,071,717	\$5,655,723
R.T.M.	17,403	\$16,244	93.34%	1,159	\$15,433
Building Department	321,515	\$167,814	52.19%	153,701	\$185,460
Youth Service Bureau	307,435	\$154,090	50.12%	153,345	\$211,573
Social Service Grants/Miscellaneous	101,481	\$100,831	99.36%	650	\$94,340
Contingency Fund	233,640	0	0.00%	233,640	0
Emergency Management	1,230,035	\$709,563	57.69%	520,472	\$715,730
Fire Services	4,046,770	\$2,935,880	72.55%	1,110,890	\$2,734,951
Police Department	7,122,210	\$4,546,105	63.83%	2,576,105	\$4,591,155
Public Works Department	5,179,149	\$3,899,079	75.28%	1,280,070	\$3,789,074
Conservation of Health	155,063	155,063	100.00%	0	148,407
Public Health Nursing	21,600	21,600	100.00%	0	26,297
Senior Citizens Commission	523,586	344,017	65.70%	179,569	341,999
Waterford Public Library	1,012,780	\$649,772	64.16%	363,008	\$663,680
Recreation and Parks	1,535,328	\$1,022,271	66.58%	513,057	\$1,075,387
Flood and Erosion Control Bd.	1,109	168	15.12%	941	229
Ethics Commission	900	652	72.45%	248	397

GENERAL FUND
STATEMENT OF EXPENDITURES COMPARED TO BUDGET
FOR FISCAL YEAR 2025-2025, THROUGH FEBRUARY 28, 2026
WITH COMPARATIVE ACTUAL AMOUNTS
FOR FISCAL YEAR 2024-2025, THROUGH FEBRUARY 28, 2025

	FISCAL YEAR 2026 APPROPRIATED	FISCAL YEAR 2026 ACTUAL	FISCAL YEAR 2026 PERCENT EXPENDED	FISCAL YEAR 2026 VARIANCE FAVORABLE (UNFAVORABLE)	FISCAL YEAR 2024-2025 ACTUAL
Human Resources	244,204	\$178,084	72.92%	66,120	\$198,738
Information Technology	1,214,796	\$1,098,327	90.41%	116,469	\$977,863
Transfer to Waterford Special Activity Fund	0	\$0	0.00%	0	\$4,750
Transfer to Waterford Shellfish Fund	2,029	\$2,029	100.00%	0	\$1,290
Transfer to Capital Improvement Fund	2,634,372	\$2,634,372	100.00%	0	\$2,634,168
Transfer to Capital & Non-Recurring Fund	2,344,764	\$2,344,764	100.00%	0	\$3,350,899
Transfer to Dog Fund	100,000	\$100,000	100.00%	0	\$100,000
Debt Service	7,964,500	\$7,812,575	98.09%	151,925	\$7,940,696
Total General Government	\$53,194,594	\$40,918,820	76.92%	\$12,275,774	\$43,277,100
 Board of Education	 59,938,654	 \$34,683,674	 57.87%	 25,254,980	 \$35,645,812
 Total General Fund	 \$113,133,248	 \$75,602,494	 66.83%	 \$37,530,754	 \$78,922,912

TOWN OF WATERFORD
STATEMENT OF REVENUES COMPARED TO ANTICIPATED
FOR FISCAL YEAR 2025-2025, THROUGH FEBRUARY 28, 2026
WITH COMPARATIVE ACTUAL AMOUNTS
FOR FISCAL YEAR 2024-2025, THROUGH FEBRUARY 28, 2025

			FISCAL	FAVORABLE	
	FISCAL	FISCAL	YEAR	(UNFAVORABLE)	
	YEAR	YEAR	2025-2026	FISCAL	FISCAL
	2025-2026	2025-2026	PERCENT	2025-2026	2024-2025
	BUDGET	ACTUAL	RECEIVED	VARIANCE	ACTUAL
STATE OF CONNECTICUT					
EDUCATION					
EQUALIZED COST SHARING	\$326,617	\$163,222	49.97%	(163,395)	\$163,222
HEALTH & WELFARE	\$6,359	\$6,292	98.95%	(67)	\$6,350
SUB TOTAL	332,976	169,514	50.91%	(163,462)	169,572
GENERAL GOVERNMENT					
PILOT-DISABLED	1,200	1,891	157.59%	691	\$1,541
TIERED PILOT	367,422	368,508	100.30%	1,086	\$349,298
TAX RELIEF-VETERANS	5,000	3,365	67.30%	(1,635)	\$4,033
COURT FINES	0	9,268	#DIV/0!	9,268	\$23,277
CIVIL PREPAREDNESS	35,444	33,721	95.14%	(1,723)	\$44,948
TELECOMMUNICATIONS PROPERTY TAX	58,071	0	0.00%	(58,071)	\$0
TOWN AID ROADS-IMPROVED	321,360	430,880	134.08%	109,520	\$321,360
LOCAL CAPITAL IMPROVEMENT (LOCIP)	177,241	0	0.00%	(177,241)	\$0
SDE STATE GRANT	14,103	10,577	75.00%	(3,526)	\$10,577
ENHANCEMENT 911	23,000	16,926	73.59%	(6,074)	\$16,946
MUNICIPAL REVENUE SHARE GRANT	315,978	2,008	0.64%	(313,970)	\$0
GRANTS FOR MUNICIPAL PROJECTS	34,255	0	0.00%	(34,255)	\$0
TOTAL GENERAL GOVERNMENT	1,353,074	877,143	64.83%	(475,931)	771,980
TOTAL STATE OF CONNECTICUT	1,686,050	1,046,657	62.08%	(639,393)	941,552
OTHER SOURCES					
EDUCATION					
TUITION	57,585	43,879	76.20%	(13,706)	52,420
RENT & MISCELLANEOUS	1,500	3,000	200.00%	1,500	3,070
SUB TOTAL	59,085	46,879	79.34%	(12,206)	55,490
GENERAL GOVERNMENT					
INTEREST & LIENS	413,060	162,686	39.39%	(250,374)	197,551
INTEREST ON INVESTMENTS	2,000,000	1,542,740	77.14%	(457,260)	1,923,359
RECREATION & PARKS	150,000	161,384	107.59%	11,384	106,242
FIRE SERVICES INSPECTIONS & PLAN FEES	8,875	8,390	94.54%	(485)	12,120
BUILDING INSPECTOR	589,155	331,401	56.25%	(257,754)	649,203
LICENSE, FEE, PERMIT, FINE	73,566	14,756	20.06%	(58,810)	13,332
LIBRARY	1,598	986	61.68%	(612)	974

TOWN OF WATERFORD
STATEMENT OF REVENUES COMPARED TO ANTICIPATED
FOR FISCAL YEAR 2025-2025, THROUGH FEBRUARY 28, 2026
WITH COMPARATIVE ACTUAL AMOUNTS
FOR FISCAL YEAR 2024-2025, THROUGH FEBRUARY 28, 2025

FISCAL YEAR 2025-2026 BUDGET	FISCAL YEAR 2025-2026 ACTUAL	FISCAL YEAR 2025-2026 PERCENT RECEIVED	FAVORABLE (UNFAVORABLE)		FISCAL YEAR 2024-2025 ACTUAL
			FISCAL	FISCAL	
			YEAR	YEAR	
			2025-2026	2025-2026	2024-2025
				VARIANCE	
SALE OF EQUIPMENT	1,000	8,000	799.98%	7,000	10
SCRRRA REBATE	1,500	0	0.00%	(1,500)	1,654
NL RADIO COMM. NETWORK USE FEE	85,000	71,042	83.58%	(13,958)	0
BULKY WASTE FEES	112,000	73,456	65.59%	(38,544)	70,786
MISCELLANEOUS	26,572	38,407	144.54%	11,835	54,033
CONVEYANCE TAX	225,000	391,580	174.04%	166,580	244,203
EMS-REG COMM CTR FEES	6,000	3,000	50.00%	(3,000)	1,500
SEWER ASSESSMENTS	0	9,986	#DIV/0!	9,986	0
PLANNING& ZONING, ZBA, CONSRV COMM	55,121	30,660	55.62%	(24,461)	35,863
TOWN CLERK FEES	175,000	105,616	60.35%	(69,384)	98,330
LIENS -COLLECTED BY UTILITY COMMISSION	0	220	#DIV/0!	220	1,960
TIPPING FEES	275,000	117,913	42.88%	(157,087)	86,299
RECYCLING	50,000	24,843	49.69%	(25,157)	39,300
TRANSFERS FROM OTHER FUNDS	0.00	231,875	0.00%	231,875	32,673
TRANSFERS IN-PY ENCUMBRANCES	0	0	0.00%	0	4,789
EUGENE O'NEILL GATE/LEASE REVENUE	22,000	24,967	113.49%	2,967	22,942
YSB BOE CLERICAL STIPEND	5,000	5,000	100.00%	0	5,000
RENTAL OF BUILDINGS	50,000	80,912	161.82%	30,912	44,960
SENIOR SERVICES	15,552	2,692	17.31%	(12,860)	17,907
VERSA KART/BLUE BOXES	8,000	4,700	58.75%	(3,300)	5,930
BOE SCHOOL RESOURCE OFFICERS	90,000	0	0.00%	(90,000)	0
PUBLIC WORKS BOE CUSTODIAL SUBSIDY	78,357	78,357	100.00%	0	75,927
SUB TOTAL	4,517,356	3,525,568	78.04%	(991,788)	3,746,847
TOTAL OTHER SOURCES	4,576,441	3,572,446	78.06%	(1,003,995)	3,802,337
PROPERTY TAXATION					
CURRENT PROPERTY TAX	103,023,460	103,350,930	100.32%	327,470	98,489,371
PRIOR YEAR TAXES	543,528	251,104	46.20%	(292,424)	(856,002)
TOTAL PROPERTY TAXATION	103,566,988	103,602,034	100.03%	35,046	97,633,369
TOTAL REVENUES	109,829,479	108,221,138	98.54%	(1,608,341)	102,377,258

**TOWN OF WATERFORD
CAPITAL PROJECTS FUNDS
FEBRUARY 28, 2026**

<u>FUND</u>	<u>DESCRIPTION</u>	<u>APPROPRIATION</u>	<u>EXPENDED/ ENCUMBERED</u>	<u>REMAINING BALANCE</u>	<u>PCT EXP</u>	<u>BALANCE RETURNED</u>
424	DISTRICT MAGNET SCHOOL/EARLY CHLDHD LRN C	21,248,892.00	21,248,807.19	84.81	100.00%	
432	WATERFORD HIGH SCHOOL BUILDING PROJECT	68,362,787.00	67,786,416.66	576,370.34	99.16%	
433	OSWEGATCHIE FIRE HOUSE	13,319,471.00	1,186,767.59	12,132,703.41	8.91%	
	TOTALS	102,931,150.00	90,221,991.44	12,709,158.56	87.65%	0.00
	PRIOR YEAR EXPENDITURES		<u>89,035,223.85</u>			
	CURRENT YEAR EXPENDITURES		<u>1,186,767.59</u>			

TOWN OF WATERFORD
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FLEET MANAGEMENT FUND
AS OF FEBRUARY 28, 2026

Revenues:

Investment Income	88,153
Vehicle Rentals	22,400
Sale of Vehicles	34,106
Sale of Equipment	2,051
Total Revenues	<u>146,710</u>

Expenditures:

Equipment Replacement	278,998
Vehicle Replacement	1,165,499
Total Expenditures	<u>1,444,497</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,297,787)

Other Financing Sources (Uses):

Transfers from other funds	<u>1,000,000</u>
Total Other Financing Sources (Uses)	1,000,000

Net Change in Fund Balances	(297,787)
Fund Balances - Beginning	2,649,340
Fund Balances - Ending	<u><u>2,351,553</u></u>

**TOWN OF WATERFORD
CAPITAL IMPROVEMENT FUND
FEBRUARY 28, 2026**

ACCOUNT	DEPT/YEAR	DESCRIPTION	APPROPRIATED	EXPENDED/ ENCUMBERED	BALANCE	PERCENT EXPENDED	TRANSFERS OUT
30126-55738	BOS FY26	FLEET MANAGEMENT PLAN	1,000,000.00	1,000,000.00	0.00	100.0%	1,000,000.00
31117-55803	BLDG MAINT FY17	PARKING LOT -YOUTH SERVICES	300,000.00	85,000.00	215,000.00	28.3%	
31118-55803	BLDG MAINT FY18	PARKING LOT -YSB/POLICE	195,320.00	57,000.00	138,320.00	29.2%	
31120-55851	BLDG MAINT FY20	ADA IMPROVEMENTS YSB/PD	87,000.00	38,364.40	48,635.60	44.1%	
31120-55852	BLDG MAINT FY20	TOWN HALL BATHROOMS	87,500.00	87,500.00	0.00	100.0%	
31121-55851	BLDG MAINT FY21	ADA IMPROVEMENTS YSB/PD	80,700.00	4,639.00	76,061.00	5.7%	
31122-55819	BLDG MAINT FY22	UST REPLACEMENT	250,000.00	250,000.00	0.00	100.0%	7,278.68
31123-55904	BLDG MAINT FY23	UST REPLACEMENT EUGENE O'NEILL	260,000.00	260,000.00	0.00	100.0%	147,735.05
31123-55905	BLDG MAINT FY23	UST REPLACEMENT LIBRARY&PUBLIC SAFETY	420,000.00	420,000.00	0.00	100.0%	8,194.05
31124-55912	BLDG MAINT FY24	TOWN DOCK REPLACEMENT	40,000.00	25,000.00	15,000.00	62.5%	
31124-55913	BLDG MAINT FY24	JORDAN PARKHOUSE REPAIRS	31,583.00	31,583.00	0.00	100.0%	1,430.76
31124-55915	BLDG MAINT FY24	SEPTIC REPLMT (EUGENE O'NEILL)	43,500.00	35,154.00	8,346.00	80.8%	
31125-55904	BLDG MAINT FY25	UST REPLACEMENT EUGENE O'NEILL	153,000.00	153,000.00	0.00	100.0%	63,528.41
32224-55908	EMERGENCY MANAGEMENT FY24	APCO INTELICOM GUIDECARD SYST	40,000.00	20,000.00	20,000.00	50.0%	
32224-55909	EMERGENCY MANAGEMENT FY24	EVENTIDE NEXLOGDX RECORDER	88,701.00	0.00	88,701.00	0.0%	
32325-55916	FIRE SERVICES FY25	COHANZIE SKYLIGHT REPLACEMENT	30,000.00	30,000.00	0.00	100.0%	2,900.00
32326-55923	FIRE SERVICES FY26	COHANZIE AIR CONDITIONING	15,000.00	15,000.00	0.00	100.0%	
32926-55924	POLICE DEPT FY26	MARINE UNIT UPDATES	31,089.00	25,749.97	5,339.03	82.8%	
33023-55890	PUBLIC WORKS FY23	ROAD RESURFACING EVERSOURCE AF	315,951.00	(449,026.83)	764,977.83	-142.1%	
33025-55920	PUBLIC WORKS FY25	NIANTIC RIVER ROAD SIDEWALK RE	25,000.00	15,000.00	10,000.00	60.0%	
33026-55022	PUBLIC WORKS FY26	RESURFACING OF ROADS	1,533,283.00	0.00	1,533,283.00		
33026-55925	PUBLIC WORKS FY26	ROAD RISK ASSESSMENT	55,000.00	0.00	55,000.00	0.0%	
33123-55019	UTILITY COMM FY23	CONTRACT #1 SEWER INTERCEPTOR EASEMENT ACCESS	250,000.00	240,688.12	9,311.88	96.3%	
33123-55895	UTILITY COMM FY23	ROOF & SIDING REPLACEMENT	50,000.00	33,280.52	16,719.48	66.6%	
33720-55855	REC & PARKS FY20	TOWN COURT REPAIRS	1,447,058.00	1,447,058.00	0.00	100.0%	808.00
33722-55896	REC & PARKS FY22	EQUIPMENT STORAGE PLAN	21,000.00	16,750.00	4,250.00	79.8%	
33723-55838	REC & PARKS FY23	CHILDREN'S PLAYGROUND	40,000.00	40,000.00	0.00	100.0%	
33725-55838	REC & PARKS FY25	STENGER PARK BATHROOM & WALKWAY	10,500.00	7,200.00	3,300.00	68.6%	
34723-55021	INFORMATION TECHNOLOGY FY2	AUDITORIUM MEETING ROOM UPDATES	272,000.00	208,626.05	63,373.95	76.7%	
TOTALS			7,173,185.00	4,097,566.23	3,075,618.77	57.1%	1,231,874.95
PRIOR YEAR EXPENDITURES				2,393,747.77			
CURRENT YEAR EXPENDITURES				1,703,818.46			

**TOWN OF WATERFORD
CAPITAL AND NON-RECURRING EXPENDITURE FUND
FUND BALANCE AND APPROPRIATION
AS OF FEBRUARY 28, 2026**

		<u>APPROPRIATED</u>	<u>DESIGNATED</u>	<u>UNDESIGNATED</u>	<u>TOTAL</u>
20501-57639	REVALUATION	\$210,000.48	\$447,321.00	\$0.00	\$657,321.48
20510-57897	28 INDUSTRIAL DRIVE IMPROVEMENTS	\$85,000.00	\$0.00	\$0.00	\$85,000.00
20511-57740	COHANZIE SCHOOL REMEDIATION &	\$0.00	\$40,000.00	\$0.00	\$40,000.00
20511-57767	NEVINS COTTAGE REPAIRS	\$18,070.14	\$0.00	\$0.00	\$18,070.14
20511-57840	PLAN OF CONSERVATION DEVELOPMENT	\$10,103.66	\$0.00	\$0.00	\$10,103.66
20511-57870	MAGO POINT IMPROVEMENTS	\$36,161.88	\$0.00	\$0.00	\$36,161.88
20511-57871	POLICE DEPT BLDG HVAC	\$13,000.00	\$0.00	\$0.00	\$13,000.00
20511-57872	ROOF & HVAC REPLACEMENT PUBLIC SAFETY BUILDING	\$4,769.20	\$0.00	\$0.00	\$4,769.20
20511-57879	TOWN HALL BATHROOM REFURBISHMENT	\$2,581.60	\$0.00	\$0.00	\$2,581.60
20511-57889	PUBLIC SAFETY COMPLEX HVAC	\$0.00	\$100,000.00	\$0.00	\$100,000.00
20511-57899	LIBRARY ELECTRICAL PROJECT	\$7,000.00	\$0.00	\$0.00	\$7,000.00
20522-57022	STATE RADIO CONVERSION PROJECT	(\$47,482.00)	\$0.00	\$0.00	(\$47,482.00)
20500-48771	LOAN PROCEEDS STATE RADIO CONVERSION PROJECT	(\$3,600,000.00)	\$0.00	\$0.00	(\$3,600,000.00)
20502-48050	RADIO SYSTEM REPLACEMENT GRANT	(\$1,000,000.00)	\$0.00	\$0.00	(\$1,000,000.00)
20502-48047	RADIO SYSTEM REPLACEMENT GRANT STATE BOND FUNDS	(\$500,000.00)	\$0.00	\$0.00	(\$500,000.00)
20522-57794	MOBILE & PORTABLE RADIO REPLACEMENT PROGRAM	\$21,510.50	\$3,683.00	\$0.00	\$25,193.50
20523-57777	FIRE SERVICES -SCBA UPGRADE PROGRAM	\$4,135.00	\$898.00	\$0.00	\$5,033.00
20523-57792	OSWEGATCHIE-BUILDING RENOVATIONS	\$154,264.07	\$0.00	\$0.00	\$154,264.07
20523-57836	FIRE SERVICES CARPET REPLACEMENT	\$0.00	\$30,000.00	\$0.00	\$30,000.00
20523-57888	GOSHEN ROOF REPLACEMENT	\$0.00	\$60,000.00	\$0.00	\$60,000.00
20530-57695	MUNICIPAL COMPLEX RENOVATION	\$307,087.81	\$6,100,833.00	\$0.00	\$6,407,920.81
20507-59205	FUNDING OFFSETS DEBT SERVICE-MUNICIPAL COMPLEX	(\$1,251,500.00)	(\$6,000,000.00)	\$0.00	(\$7,251,500.00)
20530-57696	MUNICIPAL COMPLEX CLEAN UP	\$4,370.23	\$0.00	\$0.00	\$4,370.23
20530-57880	MAJOR/MINOR COLLECTOR ROAD PAVING	\$0.00	\$0.00	\$60,025.37	\$60,025.37
20530-57886	OLD NORWICH ROAD PAVING	\$428,823.29	\$0.00	\$0.00	\$428,823.29
20530-57900	VAUXHALL STREET MULTI-PHASE	\$0.00	\$0.00	\$0.00	\$0.00
20531-57685	I/I MITIGATION & CONTROL	\$235,865.56	\$0.00	\$0.00	\$235,865.56
20531-57816	OLD NORWICH/EVERGREEN/HARVEY AVE PUMP STATION REHAB	\$63,904.43	\$0.00	\$0.00	\$63,904.43
20531-57881	PLASTIC WATER SERVICE LINE REPLACEMENT	\$784,748.62	\$0.00	\$0.00	\$784,748.62
20531-57890	WEIMES & MARILYN EJECTOR REPLACEMENT	(\$0.00)	\$0.00	\$50.20	\$50.20
20531-57894	CROSS COUNTRY SEWER MAIN ACCESS	\$149,130.88	\$0.00	\$0.00	\$149,130.88
20531-57895	WATER TANK MANAGEMENT	\$2,726.00	\$0.00	\$0.00	\$2,726.00
20531-57896	BARTLETT CORNER WATER BOOSTER	\$166,950.00	\$0.00	\$0.00	\$166,950.00
20531-57898	ENGINEERING INTERLOCAL WATER A	\$14,569.19	\$0.00	\$0.00	\$14,569.19
20536-57848	LIBRARY HVAC UPGRADE	(\$165,628.76)	\$0.00	\$0.00	(\$165,628.76)
20502-48757	CT PUBLIC LIBRARY CONSTRUCTION GRANT	(\$25,000.00)	\$0.00	\$0.00	(\$25,000.00)
20537-57735	LEARY PARK ACCESS ROAD & DRAINAGE	\$20,000.00	\$0.00	\$0.00	\$20,000.00
20537-57878	REPAIR OF PLEASURE BEACH SIDEWALK/PATH	\$0.00	\$145,000.00	\$0.00	\$145,000.00
20547-57775	VIRTUAL SERVER REPLACEMENT	\$0.00	\$88,500.00	\$0.00	\$88,500.00
20547-57861	SWITCHES	\$0.00	\$2,258.00	\$0.00	\$2,258.00
20547-57882	COMPUTER REPLACEMENTS	\$253.05	\$46,757.00	\$0.00	\$47,010.05
20500-43600	TURF FIELD RENTAL REVENUES	\$0.00	\$4,815.00	\$0.00	\$4,815.00

**TOWN OF WATERFORD
CAPITAL AND NON-RECURRING EXPENDITURE FUND
FUND BALANCE AND APPROPRIATION
AS OF FEBRUARY 28, 2026**

		<u>APPROPRIATED</u>	<u>DESIGNATED</u>	<u>UNDESIGNATED</u>	<u>TOTAL</u>
20560-55020	CLMS CHILLER REPLACEMENTS	\$50,372.99	\$0.00	\$0.00	\$50,372.99
20560-57820	WHS TRACK & FIELD REPLACEMENT	\$0.00	\$53,000.00	\$0.00	\$53,000.00
20560-57822	IT LEARNING BOARDS -END OF LIFE	\$6.10	\$27,319.88	\$0.00	\$27,325.98
20560-57828	QH 10-YR RETRO COMMISSIONING	\$0.00	\$30,000.00	\$0.00	\$30,000.00
20560-57833	TENNIS COURTS	\$0.00	\$104,200.00	\$0.00	\$104,200.00
20560-57841	BUS LOT OFFICE	\$0.00	\$150,000.00	\$0.00	\$150,000.00
20560-57842	SCHOOL SECURITY	\$43,219.87	\$0.00	\$0.00	\$43,219.87
20560-57883	FINANCING ENERGY EFFICIENT EQUIPMENT	\$243,335.00	\$0.00	\$0.00	\$243,335.00
20560-57884	CHROMEBOOK & IPAD EQUIPMENT	\$17,608.00	\$0.00	\$0.00	\$17,608.00
20560-57892	HVAC EVALUATION/REMEDIATION	\$0.00	\$85,000.00	\$0.00	\$85,000.00
20560-57893	GREAT NECK SCHOOL FIELD DRAINAGE	\$19,168.00	\$250.00	\$0.00	\$19,418.00
205-31520	UNDESIGNATED FUND BALANCE	\$0.00	\$0.00	\$933,795.27	\$933,795.27
	TOTAL	(\$3,470,875.21)	\$1,519,834.88	\$993,870.84	(\$957,169.49)

TOWN OF WATERFORD
CAPITAL AND NON-RECURRING EXPENDITURE FUND
FUND BALANCE DESIGNATION AND APPROPRIATION
JULY 1, 2024 TO JUNE 30, 2025
AS OF FEBRUARY 28, 2026

		BEGINNING			FY26 RTM			CLOSED				AVAILABLE			
		APPROPRIATIONS	BALANCE	UNDESIGNATED	XFER IN	FISCAL YEAR 2025-2026			ENCUMBERED/ EXPENDED	BAL (REVERTS TO FUND)	INTEREST INC	OTHER REVENUES	TO DATE		
			DESIGNATED		DESIGNATED	APPROPRIATED	DESIGNATED	UNDESIGNATED					APPROPRIATED	DESIGNATED	UNDESIGNATED
20501-57639	REVALUATION	\$0.00	\$532,700.00	\$0.00	\$125,000.00	\$210,379.00	(\$210,379.00)		\$378.52				\$210,000.48	\$447,321.00	\$0.00
20510-57897	28 INDUSTRIAL DRIVE IMPROVEMENTS	\$85,000.00	\$0.00	\$0.00									\$85,000.00	\$0.00	\$0.00
20511-57740	COHANZIE SCHOOL REMEDIATION &	\$0.00	\$40,000.00	\$0.00									\$0.00	\$40,000.00	\$0.00
20511-57767	NEVINS COTTAGE REPAIRS	\$28,070.14	\$0.00	\$0.00					\$10,000.00				\$18,070.14	\$0.00	\$0.00
20511-57840	PLAN OF CONSERVATION DEVELOPMENT	\$10,103.66	\$0.00	\$0.00					\$0.00				\$10,103.66	\$0.00	\$0.00
20511-57870	MAGO POINT IMPROVEMENTS	\$36,347.34	\$0.00	\$0.00					\$142,670.71		\$142,485.25		\$36,161.88	\$0.00	\$0.00
20511-57871	POLICE DEPT BLDG HVAC	\$0.00	\$0.00	\$0.00		\$25,000.00			\$12,000.00				\$13,000.00	\$0.00	\$0.00
20511-57872	ROOF & HVAC REPLACEMENT PUBLIC SAFETY BUILDING	\$52,769.20	\$0.00	\$0.00					\$48,000.00				\$4,769.20	\$0.00	\$0.00
20511-57879	TOWN HALL BATHROOM REFURBISHMENT	\$8,026.89	\$0.00	\$0.00					\$5,445.29				\$2,581.60	\$0.00	\$0.00
20511-57889	PUBLIC SAFETY COMPLEX HVAC	\$0.00	\$100,000.00	\$0.00									\$0.00	\$100,000.00	\$0.00
20511-57899	LIBRARY ELECTRICAL PROJECT	\$0.00	\$0.00	\$0.00		\$25,000.00			\$18,000.00				\$7,000.00	\$0.00	\$0.00
20522-57022	STATE RADIO CONVERSION PROJECT	\$0.00	\$0.00	\$0.00	\$1,000,000.00	\$4,600,000.00	(\$1,000,000.00)		\$4,647,482.00				(\$47,482.00)	\$0.00	\$0.00
20500-48771	LOAN PROCEEDS STATE RADIO CONVERSION PROJECT	\$0.00	\$0.00	\$0.00		(\$3,600,000.00)							(\$3,600,000.00)	\$0.00	\$0.00
20522-57023	RADIO SYSTEM REPLACEMENT GRANT	\$0.00	\$0.00	\$0.00		\$1,500,000.00			\$1,500,000.00				\$0.00	\$0.00	\$0.00
20502-48050	RADIO SYSTEM REPLACEMENT GRANT	\$0.00	\$0.00	\$0.00		(\$1,000,000.00)							(\$1,000,000.00)	\$0.00	\$0.00
20502-48047	RADIO SYSTEM REPLACEMENT GRANT STATE BOND FUNDS	\$0.00	\$0.00	\$0.00		(\$500,000.00)							(\$500,000.00)	\$0.00	\$0.00
20522-57794	MOBILE & PORTABLE RADIO REPLACEMENT PROGRAM	\$21,510.50	\$3,683.00	\$0.00					\$21,510.50				\$3,683.00	\$0.00	\$0.00
20523-57777	FIRE SERVICES -SCBA UPGRADE PROGRAM	\$4,168.56	\$0.00	\$0.00	\$50,000.00	\$49,102.00	(\$49,102.00)		\$49,135.56				\$4,135.00	\$898.00	\$0.00
20523-57791	JORDAN-TRAFFIC LIGHT UPGRADE	\$35,460.00	\$0.00	\$0.00					\$35,460.00				\$0.00	\$0.00	\$0.00
20523-57792	OSWEGATCHIE-BUILDING RENOVATIONS	\$286,372.97	\$0.00	\$0.00		(\$719,471.00)			(\$587,362.10)				\$154,264.07	\$0.00	\$0.00
20523-59433	TRANSFERS OUT TO OSWEGATCHIE BUILDING FUND	\$0.00	\$0.00	\$0.00		\$719,471.00			\$719,471.00				\$0.00	\$0.00	\$0.00
20523-57836	FIRE SERVICES CARPET REPLACEMENT	\$0.00	\$30,000.00	\$0.00									\$0.00	\$30,000.00	\$0.00
20523-57888	GOSHEN ROOF REPLACEMENT	\$0.00	\$60,000.00	\$0.00									\$0.00	\$60,000.00	\$0.00
20529-57871	POLICE DEPT BLDG HVAC	\$0.00	\$0.00	\$0.00	\$25,000.00		(\$25,000.00)						\$0.00	\$0.00	\$0.00
20530-57695	MUNICIPAL COMPLEX RENOVATION	\$326,502.39	\$6,100,833.00	\$0.00					\$19,414.58				\$307,087.81	\$6,100,833.00	\$0.00
20507-59205	FUNDING OFFSETS DEBT SERVICE-MUNICIPAL COMPLEX	(\$1,251,500.00)	(\$6,000,000.00)	\$0.00									(\$1,251,500.00)	(\$6,000,000.00)	\$0.00
20530-57696	MUNICIPAL COMPLEX CLEAN UP	\$4,370.23	\$0.00	\$0.00									\$4,370.23	\$0.00	\$0.00
20530-57880	MAJOR/MINOR COLLECTOR ROAD PAVING	\$223,392.42	\$0.00	\$0.00					\$163,367.05	\$60,025.37			\$0.00	\$0.00	\$60,025.37
20530-57886	OLD NORWICH ROAD PAVING	\$1,053,000.00	\$0.00	\$0.00					\$624,176.71				\$428,823.29	\$0.00	\$0.00
20530-57900	VAUXHALL STREET MULTI-PHASE	\$0.00	\$0.00	\$0.00		\$50,000.00			\$50,000.00				\$0.00	\$0.00	\$0.00
20531-57685	I/I MITIGATION & CONTROL	\$235,865.56	\$0.00	\$0.00									\$235,865.56	\$0.00	\$0.00
20531-57816	OLD NORWICH/EVERGREEN/HARVEY AVE PUMP STATION REHA	\$1,259,606.68	\$0.00	\$0.00		(\$125,000.00)			\$1,070,702.25				\$63,904.43	\$0.00	\$0.00
20531-57881	PLASTIC WATER SERVICE LINE REPLACEMENT	\$411,454.08	\$200,000.00	\$0.00	\$500,000.00	\$700,000.00	(\$700,000.00)		\$326,705.46				\$784,748.62	\$0.00	\$0.00
20531-57890	WEIMES & MARILYN EJECTOR REPLACEMENT	\$8,047.17	\$0.00	\$0.00					\$7,996.97	\$50.20			(\$0.00)	\$0.00	\$50.20
20531-57894	CROSS COUNTRY SEWER MAIN ACCESS	\$0.00	\$0.00	\$0.00	\$200,000.00	\$200,000.00	(\$200,000.00)		\$50,869.12				\$149,130.88	\$0.00	\$0.00
20531-57895	WATER TANK MANAGEMENT	\$0.00	\$0.00	\$0.00	\$46,222.00	\$46,222.00	(\$46,222.00)		\$43,496.00				\$2,726.00	\$0.00	\$0.00
20531-57896	BARTLETT CORNER WATER BOOSTER	\$0.00	\$0.00	\$0.00	\$166,950.00	\$166,950.00	(\$166,950.00)						\$166,950.00	\$0.00	\$0.00
20531-57898	ENGINEERING INTERLOCAL WATER A	\$0.00	\$0.00	\$0.00	\$0.00	\$125,000.00			\$110,430.81				\$14,569.19	\$0.00	\$0.00
20531-59000	TRANSFERS OUT TO WATER FUND					\$110,721.00			\$110,721.00				\$0.00	\$0.00	\$0.00

TOWN OF WATERFORD
CAPITAL AND NON-RECURRING EXPENDITURE FUND
FUND BALANCE DESIGNATION AND APPROPRIATION
JULY 1,2024 TO JUNE 30,2025
AS OF FEBRUARY 28, 2026

		BEGINNING			FY26 RTM			CLOSED			AVAILABLE				
		BALANCE		XFER IN		FISCAL YEAR 2025-2026			ENCUMBERED/	BAL (REVERTS	INTEREST	OTHER	TO DATE		
		APPROPRIATIONS	DESIGNATED	UNDESIGNATED	DESIGNATED	APPROPRIATED	DESIGNATED	UNDESIGNATED	EXPENDED	TO FUND)	INC	REVENUES	APPROPRIATED	DESIGNATED	UNDESIGNATED
20536-57848	LIBRARY HVAC UPGRADE	\$1,425,212.24	\$0.00	\$0.00	\$0.00				\$1,590,841.00				(\$165,628.76)	\$0.00	\$0.00
20502-48757	CT PUBLIC LIBRARY CONSTRUCTION GRANT	(\$250,000.00)	\$0.00	\$0.00	\$0.00							\$225,000.00	(\$25,000.00)	\$0.00	\$0.00
20537-57735	LEARY PARK ACCESS ROAD & DRAINAGE	\$0.00	\$20,000.00	\$0.00	\$0.00	\$20,000.00	(\$20,000.00)						\$20,000.00	\$0.00	\$0.00
20537-57798	CHILDREN'S PLAYGROUND-CIVIC TRIANGLE	\$0.00	\$0.00	\$0.00	\$25,000.00	\$25,000.00	(\$25,000.00)		\$25,000.00				\$0.00	\$0.00	\$0.00
20537-57878	REPAIR OF PLEASURE BEACH SIDEWALK/PATH	\$0.00	\$145,000.00	\$0.00									\$0.00	\$145,000.00	\$0.00
20547-57775	VIRTUAL SERVER REPLACEMENT	\$0.00	\$0.00	\$0.00	\$88,500.00								\$0.00	\$88,500.00	\$0.00
20547-57861	SWITCHES	\$0.00	\$2,258.00	\$0.00									\$0.00	\$2,258.00	\$0.00
20547-57882	COMPUTER REPLACEMENTS	\$0.65	\$28,333.00	\$0.00	\$46,592.00	\$28,168.00	(\$28,168.00)		\$27,915.60				\$253.05	\$46,757.00	\$0.00
20500-43600	TURF FIELD RENTAL REVENUES	\$0.00	\$4,815.00	\$0.00									\$0.00	\$4,815.00	\$0.00
20560-55020	CLMS CHILLER REPLACEMENTS	\$929,774.04	\$0.00	\$0.00					\$879,401.05				\$50,372.99	\$0.00	\$0.00
20560-57820	WHS TRACK & FIELD REPLACEMENT	\$466,600.00	\$53,000.00	\$0.00					\$466,600.00				\$0.00	\$53,000.00	\$0.00
20560-57822	IT LEARNING BOARDS -END OF LIFE	\$6.10	\$27,319.88	\$0.00									\$6.10	\$27,319.88	\$0.00
20560-57828	QH 10-YR RETRO COMMISSIONING	\$0.00	\$30,000.00	\$0.00									\$0.00	\$30,000.00	\$0.00
20560-57833	TENNIS COURTS	\$856,601.25	\$104,200.00	\$0.00					\$856,601.25				\$0.00	\$104,200.00	\$0.00
20560-57841	BUS LOT OFFICE	\$0.00	\$150,000.00	\$0.00									\$0.00	\$150,000.00	\$0.00
20560-57842	SCHOOL SECURITY	\$370,112.87	\$0.00	\$0.00					\$326,893.00				\$43,219.87	\$0.00	\$0.00
20560-57883	FINANCING ENERGY EFFICIENT EQUIPMENT	\$243,335.00	\$0.00	\$0.00									\$243,335.00	\$0.00	\$0.00
20560-57884	CHROMEBOOK & IPAD EQUIPMENT	\$197,608.00	\$0.00	\$0.00					\$180,000.00				\$17,608.00	\$0.00	\$0.00
20560-57892	HVAC EVALUATION/REMEDIATION	\$0.00	\$85,000.00	\$0.00									\$0.00	\$85,000.00	\$0.00
20560-57893	GREAT NECK SCHOOL FIELD DRAINAGE	\$0.00	\$278,750.00	\$0.00	\$71,500.00	\$350,000.00	(\$350,000.00)		\$330,832.00				\$19,168.00	\$250.00	\$0.00
20500-49000	TRANSFERS IN	\$0.00	\$0.00	\$0.00									\$0.00	\$0.00	\$0.00
205-31520	UNDESIGNATED FUND BALANCE	\$0.00	\$0.00	\$851,970.58				(\$185,721.00)			\$267,545.69		\$0.00	\$0.00	\$933,795.27
		\$7,077,817.94	\$1,995,891.88	\$851,970.58	\$2,344,764.00	\$3,006,542.00	(\$2,820,821.00)	(\$185,721.00)	\$13,862,644.83	\$60,075.57	\$267,545.69	\$367,485.25	(\$3,470,875.21)	\$1,519,834.88	\$993,870.84

FIFTEEN ROPE FERRY ROAD
WATERFORD, CT 06385-2886



PHONE: 860-442-0553
www.waterfordct.org

Date: March 17, 2026
To: Members of the Board of Finance
From: Accountant II
Subject: Status of Contingency Fiscal Year 2026

Contingency Fund, Line item 10121-59010:

07/01/25 Appropriation	265,000
Transferred through 03/11/26	<u>(31,360)</u>
Balance	<u><u>233,640</u></u>



Virginia Bielucki

FISCAL YEAR 2025-2026
CONTINGENCY TRANSFERS & BALANCE

ORG	OBJECT	DESCRIPTION	BOARD OF FINANCE	RTM	TRANSFER AMOUNT	BALANCE
		BALANCE 07/01/25				\$265,000.00
10129	51420	POLICE PATROL	8/13/2025	N/A	\$7,113.00	\$257,887.00
10130	51520	HIGHWAY MAINTENANCE	1/14/2026	N/A	\$10,027.00	\$247,860.00
10130	51530	REFUSE COLLECTION	1/14/2026	N/A	\$14,220.00	\$233,640.00
					(\$31,360.00)	\$233,640.00

**Insurance
Administration Fund
Balance Sheet
February 28, 2026**

Assets

Cash and Cash Equivalents	4,138,435
Accounts Receivable	5,304
Total Assets	<u>4,143,739</u>

Liabilities

Accrued Liabilities (IBNR)	949,000
Due to other funds	1,086
Advance Payments	6,418
Total Liabilities	<u>956,504</u>

Net Assets

Unrestricted	<u>\$3,187,235</u>
Total Net Assets	<u><u>\$ 3,187,235</u></u>

FIFTEEN ROPE FERRY ROAD
WATERFORD, CT 06385-2886



PHONE: 860-442-0553
www.waterfordct.org

To: Board of Finance Members

From: Accountant II *MB*

Date: March 12, 2026

Subject: Status of General Fund Unassigned Balance

Unassigned Fund Balance:

Unassigned balance 06/30/25	18,790,597
Applied as additional appropriations through 02/28/26	\$ (3,303,769)
Projected revenues in excess of (less than) budgeted through 02/28/26	(592,863)
Estimated Ending Unassigned Balance	<u>14,893,965</u>

WATERFORD PARADE DONATIONS

FIRST SELECTMAN

REVENUE 20600-48005

EXPENDITURE 20601-53327

TOTAL BALANCE 190.02

As of: 1/31/2026

FY2024

WATERFORD PARADE DONATIONS				
DONOR	REVENUE	VENDOR	EVENT	EXPENDITURE
FY25 Balance Forwarded	5,565.00	Matica Arts, LLC April's Balloon Creations Spirit of '76, Inc United Theatre Educ Ctr Westbrook Drum FUSIN BAND Fast Signs Amazon (magnets)	FY26 Parade FY26 Parade FY26 Parade FY26 Parade FY26 Parade FY26 Parade FY26 Parade FY26 Parade	(500.00) (500.00) (1,500.00) (400.00) (800.00) (1,550.00) (110.00) (14.98)
	5,565.00			(5,374.98)
				190.02

DONATIONS (WATERFORD CARES/COMMUNITY EVENTS)

FIRST SELECTMAN

REVENUE 20600-48007

EXPENDITURE 20601-53326

TOTAL BALANCE 4,849.08

As of: 1/31/2026

FY2025

COMMUNITY EVENTS DONATIONS				
DONOR	REVENUE	VENDOR	EVENT	EXPENDITURE BALANCE
FY25 Balance Forwarded	12,452.07	Critical Signs Critical Signs Critical Signs Mystic Highland Pipe Band Dick's Sporting Goods Amazon Branded Country Ukleja's Christmas Tree Farm Critical Signs	Summer Concert Banner Welcome Signs Summer Concert Sign FY25 Parade Pickle ball Tournament 2025 Tournament Supplies FY25 Parade Community Garland Banner & Flag Removal	(450.00) (180.00) (890.00) (850.00) (400.00) (27.99) (1,050.00) (3,200.00) (555.00) (7,602.99)
	12,452.07			4,849.08

NIPS FUNDS

Fund
General
Account #
101-21010
Description
REVENUE FROM SALE OF NIPS
As of
January 31, 2026

	BALANCE PER	BALANCE PER
TRIAL BALANCE	DETAIL	VARIANCE

1/31/2026	(\$67,766.41)	(\$67,766.41)	\$0.00
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DEPOSIT DATE	DEPOSIT AMOUNT	AMOUNT EXPENDED	BALANCE
BEGINNING BALANCE			\$64,130.76
JULY	\$0.00	\$0.00	\$64,130.76
AUGUST	\$0.00	\$0.00	\$64,130.76
SEPTEMBER	\$0.00	(\$9,669.58)	\$54,461.18
OCTOBER	\$0.00	(\$2,398.15)	\$52,063.03
NOVEMBER	\$18,577.45	(\$2,874.07)	\$67,766.41
DECEMBER	\$0.00	\$0.00	\$67,766.41
JANUARY	\$0.00	\$0.00	\$67,766.41
FEBRUARY			\$67,766.41
MARCH			\$67,766.41
APRIL			\$67,766.41
MAY			\$67,766.41
JUNE			\$67,766.41
	\$18,577.45	(\$14,941.80)	\$67,766.41

OPIOID SETTLEMENT

Fund General
 Account # 101-21011
 Description OPIOID SETTLEMENT FUNDS
 As of January 31, 2026

	BALANCE PER TRIAL BALANCE	BALANCE PER DETAIL	VARIANCE
1/31/2026	(\$108,049.52)	(\$108,049.52)	\$0.00

DEPOSIT DATE	DEPOSIT AMOUNT	AMOUNT EXPENDED	BALANCE
BEGINNING BALANCE			\$108,531.31
JULY	\$0.00	(\$12,529.71)	\$96,001.60
AUGUST	\$32,413.15	(\$13,035.23)	\$115,379.52
SEPTEMBER	\$0.00	(\$1,750.00)	\$113,629.52
OCTOBER	\$0.00	(\$2,100.00)	\$111,529.52
NOVEMBER	\$0.00	\$0.00	\$111,529.52
DECEMBER	\$0.00	(\$2,150.00)	\$109,379.52
JANUARY	\$0.00	(\$1,330.00)	\$108,049.52
FEBRUARY			\$108,049.52
MARCH			\$108,049.52
APRIL			\$108,049.52
MAY			\$108,049.52
JUNE			\$108,049.52
	\$32,413.15	(\$32,894.94)	\$108,049.52

RECREATION & PARKS
Special Revenue Account
January 31, 2026

BEGINNING BALANCE 7/1/2025	\$ 67,419.69
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REVENUE

Donations	
Program Fees	\$ 7,982.00
Summer Music	
Advertising	
Special Events	
DOT BIKE Grant	
Total Revenue	\$ 7,982.00

EXPENDITURES

General	
Programs	\$ 6,906.21
Summer Music	
Special Events	\$ 727.46
DOT BIKE Grant	
Total Expenditures	\$ 7,633.67

January 31, 2026BALANCE	\$ 348.33
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ACCUMULATIVE BALANCE	\$ 67,768.02
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**Special Revenue fund approved by the RTM on 6/4/2012*

**RTM approved fund name change on 6/72021*

SENIORS SPECIAL REVENUE
Special Revenue Account
January 31, 2026

BEGINNING BALANCE 7/1/2025	\$ 7,831.76
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REVENUE

General Donations	\$ 2,222.00
Program Fees	\$ 33,448.24
Activities (Trips)	\$ 19,912.00
Lunch/Dinner Programs	\$ 8,482.00
Bernstein Trust	\$ 351.91
Total Revenue	\$ 64,416.15

EXPENDITURES

General Donations	\$ 23,200.04
Program Fees	\$ 36,998.48
Activities (Trips)	\$ 18,852.61
Lunch/Dinner Programs	\$ 11,761.02
Bernstein Trust	\$ 1,000.00
Total Expenditures	\$ 90,812.15

January 31, 2026 BALANCE	\$ (26,396.00)
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ACCUMULATIVE BALANCE	\$ (18,564.24)
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**Waterford Ordinance 2.72.080 allows the Waterford Seniors Citizens Commission the ability to create and utilize a special revenue fund.*

YOUTH & FAMILY SERVICES
Special Revenue Account
January 31, 2026

BEGINNING BALANCE 7/1/2025		\$ 95,609.08
REVENUE		
	Donations	\$63,920.55
	Camp Dash	\$202,618.99
	Program Fees	<u>\$10,877.00</u>
	Total Revenue	\$277,416.54
EXPENDITURES		
	General	\$27,541.32
	Camp Dash	\$198,407.74
	Programs	<u>\$18,848.12</u>
	Total Expenditures	\$244,797.18
January 31, 2026BALANCE		\$32,619.36
ACCUMULATIVE BALANCE		\$ 128,228.44

**Waterford Ordinance 2.96.050 allows the Youth and Family Services Bureau to utilize a special revenue account.*

DONATIONS (WATERFORD CARES/COMMUNITY EVENTS)

FIRST SELECTMAN

REVENUE 20600-48007

EXPENDITURE 20601-53326

TOTAL BALANCE 4,263.15

As of: 2/28/2026

FY2026

COMMUNITY EVENTS DONATIONS				
DONOR	REVENUE	VENDOR	EVENT	EXPENDITURE BALANCE
FY25 Balance Forwarded	12,452.07	Critical Signs Critical Signs Critical Signs Mystic Highland Pipe Band Dick's Sporting Goods Amazon Branded Country Ukleja's Christmas Tree Farm Critical Signs Stop & Shop Gallery Shop Amazon	Summer Concert Banner Welcome Signs Summer Concert Sign FY25 Parade Pickle ball Tournament 2025 Tournament Supplies FY25 Parade Community Garland Banner & Flag Removal Ice Skating Night (hot cocoa) Art Work Hangers Ice Skating Night (glow sticks)	(450.00) (180.00) (890.00) (850.00) (400.00) (27.99) (1,050.00) (3,200.00) (555.00) (59.96) (430.00) (95.97) (8,188.92)
	12,452.07			4,263.15

WATERFORD PARADE DONATIONS

FIRST SELECTMAN

REVENUE 20600-48005

EXPENDITURE 20601-53327

TOTAL BALANCE 190.02

As of: 2/28/2026

FY2026

WATERFORD PARADE DONATIONS				
DONOR	REVENUE	VENDOR	EVENT	EXPENDITURE
FY25 Balance Forwarded	5,565.00	Matica Arts, LLC April's Balloon Creations Spirit of '76, Inc United Theatre Educ Ctr Westbrook Drum FUSIN BAND Fast Signs Amazon (magnets)	FY26 Parade FY26 Parade FY26 Parade FY26 Parade FY26 Parade FY26 Parade FY26 Parade FY26 Parade	(500.00) (500.00) (1,500.00) (400.00) (800.00) (1,550.00) (110.00) (14.98)
	5,565.00			(5,374.98)
				190.02

OPIOID SETTLEMENT

Fund General
 Account # 101-21011
 Description OPIOID SETTLEMENT FUNDS
 As of February 28, 2026

	BALANCE PER	BALANCE PER	
TRIAL BALANCE	DETAIL	VARIANCE	
2/28/2026	(\$99,299.52)	(\$99,299.52)	\$0.00

DEPOSIT DATE	DEPOSIT AMOUNT	AMOUNT EXPENDED	BALANCE
BEGINNING BALANCE			\$108,531.31
JULY	\$0.00	(\$12,529.71)	\$96,001.60
AUGUST	\$32,413.15	(\$13,035.23)	\$115,379.52
SEPTEMBER	\$0.00	(\$1,750.00)	\$113,629.52
OCTOBER	\$0.00	(\$2,100.00)	\$111,529.52
NOVEMBER	\$0.00	\$0.00	\$111,529.52
DECEMBER	\$0.00	(\$2,150.00)	\$109,379.52
JANUARY	\$0.00	(\$1,330.00)	\$108,049.52
FEBRUARY	\$0.00	(\$8,750.00)	\$99,299.52
MARCH			\$99,299.52
APRIL			\$99,299.52
MAY			\$99,299.52
JUNE			\$99,299.52
	\$32,413.15	(\$41,644.94)	\$99,299.52

NIPS FUNDS

Fund General
 Account # 101-21010
 Description REVENUE FROM SALE OF NIPS
 As of February 28, 2026

	BALANCE PER	BALANCE PER	
	TRIAL BALANCE	DETAIL	VARIANCE
2/28/2026	(\$67,766.41)	(\$67,766.41)	\$0.00

DEPOSIT DATE	DEPOSIT AMOUNT	AMOUNT EXPENDED	BALANCE
BEGINNING BALANCE			\$64,130.76
JULY	\$0.00	\$0.00	\$64,130.76
AUGUST	\$0.00	\$0.00	\$64,130.76
SEPTEMBER	\$0.00	(\$9,669.58)	\$54,461.18
OCTOBER	\$0.00	(\$2,398.15)	\$52,063.03
NOVEMBER	\$18,577.45	(\$2,874.07)	\$67,766.41
DECEMBER	\$0.00	\$0.00	\$67,766.41
JANUARY	\$0.00	\$0.00	\$67,766.41
FEBRUARY	\$0.00	\$0.00	\$67,766.41
MARCH			\$67,766.41
APRIL			\$67,766.41
MAY			\$67,766.41
JUNE			\$67,766.41
	\$18,577.45	(\$14,941.80)	\$67,766.41

YOUTH & FAMILY SERVICES
Special Revenue Account
February 28, 2026

BEGINNING BALANCE 7/1/2025	\$ 95,609.08
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REVENUE

Donations	\$63,920.55
Camp Dash	\$203,012.99
Program Fees	\$10,937.00
Total Revenue	<u>\$277,870.54</u>

EXPENDITURES

General	\$28,006.32
Camp Dash	\$198,801.74
Programs	\$23,907.17
Total Expenditures	<u>\$250,715.23</u>

February 28, 2026 6BALANCE	\$27,155.31
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ACCUMULATIVE BALANCE	\$ 122,764.39
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**Waterford Ordinance 2.96.050 allows the Youth and Family Services Bureau to utilize a special revenue account.*

RECREATION & PARKS
Special Revenue Account
February 28, 2026

BEGINNING BALANCE 7/1/2025 **\$ 67,419.69**

REVENUE

Donations	
Program Fees	\$ 4,706.00
Summer Music	\$ 1,000.00
Advertising	\$ 400.00
Special Events	
DOT BIKE Grant	
Total Revenue	<u>\$ 6,106.00</u>

EXPENDITURES

General	
Programs	\$ 4,476.21
Summer Music	
Special Events	\$ 597.50
DOT BIKE Grant	
Total Expenditures	<u>\$ 5,073.71</u>

February 28, 2026 BALANCE **\$ 1,032.29**

ACCUMULATIVE BALANCE **\$ 68,451.98**

**Special Revenue fund approved by the RTM on 6/4/2012*

**RTM approved fund name change on 6/7/2021*

SENIORS SPECIAL REVENUE
Special Revenue Account
February 28, 2026

BEGINNING BALANCE 7/1/2025	\$ 7,831.76
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REVENUE

General Donations	\$ 12,454.00
Program Fees	\$ 33,588.24
Activities (Trips)	\$ 21,877.00
Lunch/Dinner Programs	\$ 9,428.00
Bernstein Trust	\$ 351.91
Total Revenue	\$ 77,699.15

EXPENDITURES

General Donations	\$ 21,547.44
Program Fees	\$ 44,409.01
Activities (Trips)	\$ 18,852.61
Lunch/Dinner Programs	\$ 12,532.70
Bernstein Trust	
Total Expenditures	\$ 97,341.76

February 28, 2026BALANCE	\$ (19,642.61)
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ACCUMULATIVE BALANCE	\$ (11,810.85)
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**Waterford Ordinance 2.72.080 allows the Waterford Seniors Citizens Commission the ability to create and utilize a special revenue fund.*

Statement by First Selectman Rob Brule prior to Capital Improvement Plan Budget Request

March 18, 2026

Good evening Mr. Chairman and members of the Board of Finance,

Before I begin my presentation of the Capital Improvement Plan, I want to take a moment to recognize the tremendous amount of time, effort, and coordination that has gone into this process.

Finance Director Kim Allen has done an outstanding job leading this effort, and I am equally grateful to our Department Heads, as well as our Boards and Commissions, for their thoughtful planning, collaboration, and commitment to putting forward responsible and well-vetted capital requests.

When I first took office in 2019, one of my primary focuses was addressing a significant backlog of previously approved capital projects. I am proud of the progress we have made together, not only completing 157 capital projects, but doing so in a way that has been fiscally responsible, approved by all three boards and aligned with the direction provided by this Board.

To put that progress into context, we strategically utilized the General Fund balance over several years to complete critical capital projects. Specifically, \$1.8 million was used in FY22, \$4 million in FY23, \$5 million in FY24, and \$4 million in FY25—for a total of \$14.8 million invested into our community's infrastructure and assets. This deliberate approach allowed us to both address long-standing obligations and responsibly "spend down" the General Fund balance in accordance with your policy target of 13–15% of collected revenues.

You will also see that FY23 reflected a peak year, with \$4.1 million committed. In the years that followed, FY24, FY25, and FY26, that number declined to a range between approximately \$1.8 million and \$2.2 million annually. That reduction reflects the three heaviest years of additional appropriations and use of the General Fund as we worked through those previously approved capital projects.

Importantly, every capital request brought forward during this past 5 years has gone through the full and transparent approval process, beginning with the Board of Selectmen, followed by this Board of Finance, and ultimately the RTM. That level

of scrutiny and collaboration has ensured that each investment reflects both need of the community and accountability by elected officials.

I truly appreciate the partnership and support of this Board throughout that process, and I look forward to continuing that same level of transparency and collaboration as I present this year's Capital Improvement Plan.

Thank you.

CC: BOS, BOF, RTM

Dear Members of the Board of Finance,

I am writing as a parent of a current second-grade student in Waterford Public Schools to share concerns regarding the proposed education budget reductions that are driving the consolidation of elementary classrooms.

I recognize and respect the Board of Finance's responsibility to ensure fiscal sustainability for the town. Budget decisions require balancing many competing priorities, and I appreciate the complexity of that role. My purpose in writing is to provide a parent perspective on how the proposed reductions translate into real classroom impacts for students — both immediately and in the years ahead — so that financial decisions can be evaluated alongside their educational consequences.

How Budget Reductions Translate to Classroom Reality

The proposed reductions are not simply administrative adjustments; they directly result in fewer classrooms and increased student-to-teacher ratios. My child is currently learning in a classroom of 16 students. Under consolidation scenarios being discussed, class sizes for her cohort would increase to approximately 21 students — a roughly 30% increase in students per teacher.

We have been informed by educators that my child struggles in large-group instructional settings and benefits significantly from individualized attention and one-on-one guidance. For students with similar learning profiles, increases in class size meaningfully change how they access instruction each day.

While discussions suggest that third grade may potentially retain four classrooms in the upcoming year, it appears highly likely that the same student cohort will experience consolidation when moving into fourth grade in 2028. From a family perspective, this means the impact is not avoided — only postponed. The financial decision being made now therefore shapes my child's educational environment over multiple years, not just a single budget cycle.

A Financial Decision With Educational Ripple Effects

I respectfully ask the Board to consider that classroom consolidation often creates downstream effects that may carry financial implications of their own. Larger class sizes can reduce opportunities for early intervention and individualized instruction, particularly in elementary grades where foundational skills are developed.

When early support becomes more difficult to deliver within the classroom, districts frequently see increases in:

- Academic intervention needs,
- Requests for additional support services,

- Special education evaluations,
- Behavioral and counseling demands.

These outcomes are not inevitable, but they are well-documented risks when student-to-teacher ratios increase without corresponding support structures. As a result, short-term savings achieved through staffing reductions can sometimes generate longer-term costs elsewhere in the system.

The Importance of Early Elementary Investment

Grades three and four represent a critical academic transition period as students move from learning foundational skills toward applying them independently. During this stage, consistent access to teacher attention plays an essential role in maintaining student confidence, engagement, and progress.

For students who do not require formal intervention but still benefit from individualized guidance — often the quiet middle group — classroom size can significantly influence outcomes. These students may not immediately appear in performance data, yet they are often the most affected by reduced instructional capacity.

A Request for Consideration

As the Board evaluates budget reductions, I respectfully ask that the following questions be considered:

1. Has the long-term cohort impact of classroom consolidation been evaluated, rather than viewing reductions year by year?
2. What assumptions are being made about maintaining educational outcomes with increased class sizes?
3. Have potential downstream academic or support-service costs been incorporated into the financial analysis?
4. Are there alternative cost-saving measures that would preserve early elementary classroom capacity, where impacts may be greatest?

My intent is not to advocate for unlimited spending, but rather for decisions that fully account for both fiscal responsibility and educational sustainability. Waterford's schools are a primary reason many families choose to live and invest in this community, and maintaining strong elementary learning environments supports both student success and long-term community stability.

I appreciate the time, care, and public service required of Board of Finance members and thank you for considering the student-level impact alongside financial priorities. I

hope these perspectives can contribute constructively to ongoing discussions as decisions are finalized.

Respectfully,

Christine Andrew
Waterford Parent