

TOWN OF EAST HADDAM

Regular Meeting

May 11, 2015

Grange Hall

The May regular meeting of the East Haddam Board of Finance was called to order at 7:02 pm by Chairman Susan Link.

The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members:

Susan Link, Chairman
Robert Bennett, Secretary
William DiCristofaro
Bruce Dutch
Harvey Thomas

Others:

Mark B. Walter, First Selectman
Deb Denette, Town Clerk and recording secretary
Denise Dill, Tax Collector
Cindy Varricchio, Finance Director
Bob Casner
Erik Dill

APPROVAL OF AGENDA

Motion was made by Mr. Thomas to approve the agenda. Mr. DiCristofaro seconded the motion and it was unanimously approved. Motion carried.

CORRESPONDENCE

a. **Board of Assessment Appeals Spring 2015 Report:**

Mrs. Link called attention to the Board of Assessment Appeals Spring 2015 Report. No comments or questions were raised.

APPROVAL OF MINUTES

Motion was made by Mr. Bennett motioned to accept the minutes of the following meetings as presented.

March 02, 2015, Special Meeting
March 11, 2015, Special Meeting
March 12, 2015, Special Meeting
March 16, 2015, Special Meeting
March 30, 2015, Special Meeting

Mr. DiCristofaro seconded the motion and it was unanimously approved. Motion carried.

CHAIRMAN'S REPORT

a. Tax Collectors Report—March:

The March report was acknowledged. Mrs. Dill reported that as of the end of April, she is .06% ahead of last year's collection. Responsive to inquiry from Mr. Walter, Mrs. Dill reported that approximately 15-20 homes will be sold at a tax sale on June 30th if delinquent taxes are not resolved.

FIRST SELECTMAN'S REPORT

a. Shared Services Report:

Mr. Walter reported that his office is "flat out" getting the town ready for spring. He stated that the fields, cemeteries and greens take a lot of attention. Preparations for the Memorial Day parade are underway. Mr. Walter advised that Mr. Mansfield and Mrs. Varricchio are working on getting the four projects ready for referendum and preparing the explanatory text.

FINANCE DIRECTOR'S REPORT

a. Refunding of 2008 Bonds:

Mrs. Varricchio reviewed documentation that is being prepared regarding bonding and debt service. She also stated that she is working with the Finance Advisor to refund 2008 bonds. She stated that this refinancing will result approximately \$480,000 in savings. Responsive to inquiry raised by Mrs. Link and Mr. Thomas, Mrs. Varricchio advised that the savings was anticipated and reflected in calculations for the four upcoming projects. Mrs. Varricchio stated that she expected the refunding/refinancing to occur during the month of June.

Mrs. Varricchio reported that she is enjoying working with Bill Lindsay the Town's new Financial Advisor.

b. April YTD Budget Report:

Mrs. Varricchio reported that she will forward the April year-to-date reports via e-mail as soon as they are completed.

LIAISON REPORTS

Mr. Bennett advised that he attended the first of two field walks that were the subject of potential open space purchase review earlier this evening.

Mrs. Link reported that the Board of Education meets tomorrow.

GUESTS AND AUDIENCE

Erik Dill of Beebe Road stated that as a facilities manager he must understand wants versus needs and prioritize on a daily basis. He stated his opinion that the conditions that create the extreme needs at the Elementary School resulted from neglect. Going forward he encouraged the Board to assure that projects are managed in smaller portions so that they do not become a safety crisis. Mr. Dill stated that he does not have an issue with any of the

projects proposed, only that they were let go for so long. He stated that preventative maintenance saves thousands of dollars in the long run. He further encouraged the Board of Finance and the Board of Selectmen to place a moratorium on open space purchasing until such time as the town is in better position to afford such purchases.

Mrs. Link stated that the Board of Finance has no control over that and must bring the parcels forward for the townspeople to decide.

Robert Casner of Old Kentwood Road stated that he has been a builder for thirty five years and thinks that \$15,000,000 to renovate the old middle school is well beyond what the town can afford. He stated that the cost to build new is approximately \$300 square feet and offered his opinion that the Town could demolish the building, and build new for approximately half the cost as what is proposed, including septic and site work. Further, if the gymnasium were desired, a new one could be constructed for an additional \$2,000,000, still well under the \$15,000,000 current price tag. Mr. Casner opined that when old buildings are opened up, costs tend to escalate. Lastly, Mr. Casner stated that a brand new building would be a much better investment for the Town. He also raised concern with the reverter clause.

Mr. Walter stated that the reverter clause was renegotiated through probate and requires the property to remain municipal. Mr. Casner stated that he has issue with putting all that funding into a capital project that at the end of the day, the municipality could not sell to recoup its capital if it found that it was necessary to do so.

Mr. Casner also opined that STEAP funds could be available for the demolition costs associated with the project. Mr. Casner stated that there are other properties equally suitable for a town hall and that the old middle school site could be a recreational area.

Mr. DiCristofaro solicited additional cost calculations from Mr. Casner. Mr. Casner cited the Newtown school decision and associated costs with rebuilding, he added that renovation is almost always more expensive than new construction on this scale. Mr. Thomas inquired what other properties Mr. Casner had identified as suitable for a Town Office site, that were in the population center of the Town. Mr. Casner did not respond, he closed his remarks, however, by stating that the proposed project is too much money for East Haddam.

Mr. Dill inquired whether the Board of Finance could modify the resolutions or whether they had to vote as proposed. Mr. Walter stated that they needed to go forward as proposed and that the voters/taxpayers would decide. Mrs. Varricchio reported that bond counsel drafted the resolutions.

OLD BUSINESS

Nothing noted.

NEW BUSINESS

a. Resolution—Municipal Facilities:

Motion was made by Mr. DiCristofaro and seconded by Mr. Bennett for the following resolution:

**RESOLUTION AUTHORIZING AN APPROPRIATION OF \$15,000,000 FOR THE
CONVERSION OF THE FORMER NATHAN HALE-RAY MIDDLE SCHOOL BUILDING**

**FOR MUNICIPAL OFFICES AND THE FINANCING OF SAID APPROPRIATION BY THE
ISSUANCE OF BONDS AND NOTES IN AN AMOUNT NOT TO EXCEED \$15,000,000**

RESOLVED, that the Board of Finance (the "Board") of the Town of East Haddam (the "Town") hereby accepts the recommendation of the Board of Selectman adopted at its meeting held on May 4, 2015, and recommends to the electors and citizens eligible to vote at town meetings of the Town the following:

(1) That the Town appropriate the sum of \$15,000,000 for costs related to the conversion of the former Nathan Hale-Ray Middle School building for Town, Board of Education and other municipal offices, including, without limitation, the costs of (1) the planning, design, demolition, renovation, repair and reconstruction of the former Nathan Hale-Ray Middle School building located at 1 Plains Road, Moodus, Connecticut, which shall include, without limitation, (i) the demolition of approximately 18,300 square feet constituting the Ray portion of the building, (ii) the renovation, repair, fit-out and conversion of classrooms, offices, conference rooms, public areas, lavatories, and storage space and other support areas located within the Nathan Hale portion of the building, including renovations to gymnasium space to be used by the Town's Parks and Recreation Department and as a polling location, (iii) the installation of a vault for the Town Clerk's office, (iv) code compliance work, including handicapped accessibility code improvements, (v) hazardous material and asbestos abatement, (vi) the renovation and/or conversion of interior spaces, the making of exterior façade improvements, the restoration of the exterior shell of the building, masonry restoration, and the installation of new windows, doors and roofing systems, (vii) room, wall and floor construction and renovations, and (viii) electrical, mechanical, plumbing, lighting, HVAC system and other building system improvements; (2) the construction of a free standing garage to house police and municipal vehicles and equipment; (3) the purchase of furniture, fixtures, equipment, IT infrastructure, and other materials for the foregoing project; (4) site improvements, including parking, lighting, regrading and improved site lines; (5) the pavement, resurfacing, sealing and repair of the existing tennis courts; (6) the preparation and printing of bid documents, cost estimate reports, traffic and other studies, environmental reports, informational materials and other preliminary materials, studies and reports related to the project; and (7) design, demolition, construction, site work, permit fees, engineering, construction management, architectural, insurance, testing and inspections, legal, administration, temporary and permanent financing, costs of issuance, printing, capitalized interest and any other costs and expenses related thereto, all of the above with such changes as the Board of Selectmen may approve (the "Project"). The Board of Selectmen is authorized to determine the scope and particulars of the Project. The Board of Selectmen may reduce or modify the scope of the Project if funds are insufficient to complete all components of the Project, and the entire appropriation authorized hereby may be spent on the Project as so reduced or modified.

(2) That to finance said appropriation for the Project, general obligation bonds and notes of the Town may be issued pursuant to Chapter 109 of the Connecticut General Statutes, Revision of 1958, as amended (the "Connecticut General Statutes"), or any other applicable provision of law thereto enabling, in an amount not to exceed \$15,000,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor, including, but not limited to, general fund monies and/or capital reserve funds).

(3) That the Town issue and renew notes from time to time in anticipation of the receipt of the proceeds from the sale of the bonds or notes for the Project or the receipt of grants for the Project. The amount of the notes outstanding at any time shall not exceed \$15,000,000. The notes shall be issued pursuant to Section 7-378 of the Connecticut General Statutes. The Town shall comply with the provisions of Section 7-378a of the Connecticut General Statutes with respect to any notes that do not mature within the time permitted by said Section 7-378.

(4) That the First Selectman, or a majority of the Board of Selectmen, and the Treasurer (the "Officials") be authorized to issue and sell bonds and notes secured by the full faith and credit of the Town in an amount not to exceed \$15,000,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor, including, but not limited to, general fund monies and/or capital reserve funds), pursuant to the Connecticut General Statutes or any other applicable provision of law thereto enabling, to finance the appropriation for such project having been made by this resolution; that the Officials are hereby authorized to appoint a bank or trust company to be the certifying agent, registrar, transfer agent and paying agent for such bonds and notes; that Updike, Kelly & Spellacy, P.C., Hartford, Connecticut is designated as the attorneys at law to render an opinion approving the legality of such issue or issues; that the Officials be authorized to sign any bonds by their manual or facsimile signatures; and that the Officials be authorized to determine the rate or rates of interest for such bonds and notes, their date or dates, the dates of principal and interest payments on such bonds and notes, the form of such bonds and notes, the provisions for protecting and enforcing the rights and remedies of the holders of such bonds and notes and all other terms, conditions and particular matters regarding the issuance and securing of such bonds and notes and to sell and deliver the same, in accordance with the provisions of the Connecticut General Statutes and any other act of the General Assembly thereto enabling.

(5) That the Officials are authorized to sell the bonds or notes at public or private sale; to deliver the bonds or notes; and to perform all other acts which are necessary or appropriate to issue the bonds or notes. If the bonds or notes authorized by this resolution are issued on a tax-exempt basis, the Officials are authorized to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes, including covenants to pay rebates of investment earnings to the United States in future years.

(6) That the Town reasonably expects to incur expenditures (the "Expenditures") in connection with the Project described above. The Town reasonably expects to reimburse itself for the cost of the Expenditures with the proceeds of general obligation bonds and notes of the Town described above. The maximum principal amount of such debt (both bonds and notes) is not expected to exceed \$15,000,000. This declaration of official intent is a declaration of official intent made pursuant to Federal Income Tax Regulations Section 1.150-2. The Officials are authorized to amend such declaration or official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

(7) That the Officials are authorized to make representations and enter into written agreements for the benefit of holders of the bonds or notes to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws of rules pertaining to the sale or purchase of such bonds or notes.

(8) That the First Selectman is hereby authorized, on behalf of the Town, to execute any contracts with engineers, contractors, architects and other persons for the Project, to apply for and accept state and federal grants to finance the appropriations for the Project, and to execute and file any application or enter into any grant agreement or other obligations prescribed by the State of Connecticut or the federal government, as applicable.

(9) That the Officials are authorized to take all other actions which are necessary or desirable to complete the Project consistent with the foregoing and to issue bonds or notes to finance the aforesaid appropriation.

(10) That this resolution shall become effective after approval at referendum vote.

Mr. Thomas stated that the town has been studying/pondering what to do with the vacant building for a decade. He stated that if we do not send it to referendum now, it could be another five years before anything happens with it. Mr. Thomas encouraged the process to move forward to referendum to let the voters decide the projects fate. Mrs. Link stated that she believed that the town was in a better position financially today than it was eight years ago.

FAVOR: Link, Bennett, DiCristofaro, Dutch, Thomas

OPPOSED: None

ABSENT: Willis

MOTION CARRIED

b. Resolution Emergency Radio System:

Motion was made by Mr. Bennett and seconded by Mr. DiCristofaro for the following resolution:

RESOLUTION AUTHORIZING AN APPROPRIATION OF \$2,100,000 FOR TOWN-WIDE RADIO SYSTEM IMPROVEMENTS AND THE FINANCING OF SAID APPROPRIATION BY THE ISSUANCE OF BONDS AND NOTES IN AN AMOUNT NOT TO EXCEED \$2,100,000

RESOLVED, that the Board of Finance (the "Board") of the Town of East Haddam (the "Town") hereby accepts the recommendation of the Board of Selectman adopted at its meeting held on May 4, 2015, and recommends to the electors and citizens eligible to vote at town meetings of the Town the following:

(1) That the Town appropriate the sum of \$2,100,000 for costs related to certain town-wide radio system improvements for use by first responders, emergency personnel and municipal officials, including the construction of communications towers and the purchase and installation of antennas, cable and other equipment at various tower sites to be determined (the "Project"). The appropriation may be spent for design and construction costs, equipment, materials, architects' fees, engineering fees, permit fees, legal fees, capitalized interest, temporary and permanent financing costs, costs of

issuance, printing and any other costs and expenses related thereto, all of the above with such changes as the Board of Selectmen may approve. The Board of Selectmen is authorized to determine the scope and particulars of the Project. The Board of Selectmen may reduce or modify the scope of the Project if funds are insufficient to complete all components of the Project, and the entire appropriation authorized hereby may be spent on the Project as so reduced or modified.

(2) That to finance said appropriation for the Project, general obligation bonds and notes of the Town may be issued pursuant to Chapter 109 of the Connecticut General Statutes, Revision of 1958, as amended (the "Connecticut General Statutes"), or any other applicable provision of law thereto enabling, in an amount not to exceed \$2,100,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor, including, but not limited to, general fund monies and/or capital reserve funds).

(3) That the Town issue and renew notes from time to time in anticipation of the receipt of the proceeds from the sale of the bonds or notes for the Project or the receipt of grants for the Project. The amount of the notes outstanding at any time shall not exceed \$2,100,000. The notes shall be issued pursuant to Section 7-378 of the Connecticut General Statutes. The Town shall comply with the provisions of Section 7-378a of the Connecticut General Statutes with respect to any notes that do not mature within the time permitted by said Section 7-378.

(4) That the First Selectman, or a majority of the Board of Selectmen, and the Treasurer (the "Officials") be authorized to issue and sell bonds and notes secured by the full faith and credit of the Town in an amount not to exceed \$2,100,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor, including, but not limited to, general fund monies and/or capital reserve funds), pursuant to the Connecticut General Statutes or any other applicable provision of law thereto enabling, to finance the appropriation for such project having been made by this resolution; that the Officials are hereby authorized to appoint a bank or trust company to be the certifying agent, registrar, transfer agent and paying agent for such bonds and notes; that Updike, Kelly & Spellacy, P.C., Hartford, Connecticut is designated as the attorneys at law to render an opinion approving the legality of such issue or issues; that the Officials be authorized to sign any bonds by their manual or facsimile signatures; and that the Officials be authorized to determine the rate or rates of interest for such bonds and notes, their date or dates, the dates of principal and interest payments on such bonds and notes, the form of such bonds and notes, the provisions for protecting and enforcing the rights and remedies of the holders of such bonds and notes and all other terms, conditions and particular matters regarding the issuance and securing of such bonds and notes and to sell and deliver the same, in accordance with the provisions of the Connecticut General Statutes and any other act of the General Assembly thereto enabling.

(5) That the Officials are authorized to sell the bonds or notes at public or private sale; to deliver the bonds or notes; and to perform all other acts which are necessary or appropriate to issue the bonds or notes. If the bonds or notes authorized by this resolution are issued on a tax-exempt basis, the Officials are authorized to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes, including covenants to pay rebates of investment earnings to the United States in future years.

(6) That the Town reasonably expects to incur expenditures (the "Expenditures") in connection with the Project described above. The Town reasonably expects to reimburse itself for the cost of the Expenditures with the proceeds of general obligation bonds and notes of the Town described above. The maximum principal amount of such debt (both bonds and notes) is not expected to exceed \$2,100,000. This declaration of official intent is a declaration of official intent made pursuant to Federal Income Tax Regulations Section 1.150-2. The Officials are authorized to amend such declaration or official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

(7) That the Officials are authorized to make representations and enter into written agreements for the benefit of holders of the bonds or notes to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws of rules pertaining to the sale or purchase of such bonds or notes.

(8) That the First Selectman is hereby authorized, on behalf of the Town, to execute any contracts with engineers, contractors, architects and other persons for the Project, to apply for and accept state and federal grants to finance the appropriations for the Project, and to execute and file any application or enter into any grant agreement or other obligations prescribed by the State of Connecticut or the federal government, as applicable.

(9) That the Officials are authorized to take all other actions which are necessary or desirable to complete the Project consistent with the foregoing and to issue bonds or notes to finance the aforesaid appropriation.

(10) That this resolution shall become effective after approval at referendum vote.

Mr. Bennett stated that this system was something that we really needed, and added that if the system should have been updated a long time ago. He added that the timing, coupling with the State tower, will save the Town thousands of dollars. Mr. Thomas recognized that the cost is \$2,100,000 spread out over three years. He inquired at the end of the three years, will additional funding be necessary to maintain/support the infrastructure. Mr. Walter stated that Middlesex Hospital just spent \$800,000 to upgrade its system. He added that the \$2,100,000 is to do an entire town. Mrs. Link stated that she has no idea how all of this works, she is, however, trusting the experts that say this is really needed. Mr. Bennett stated that some members of the committee get lost in the technical talk.

FAVOR: Link, Bennett, DiCristofaro, Dutch, Thomas

OPPOSED: None

ABSENT: Willis

MOTION CARRIED

C. Resolution—Fire Houses:

Motion was made by Mr. Thomas and seconded by Mr. Bennett seconded for the following resolution:

RESOLUTION AUTHORIZING AN APPROPRIATION OF \$508,000 FOR IMPROVEMENTS TO THE TOWN STREET AND MOODUS FIREHOUSES AND THE FINANCING OF SAID APPROPRIATION BY THE ISSUANCE OF BONDS AND NOTES IN AN AMOUNT NOT TO EXCEED \$508,000

RESOLVED, that the Board of Finance (the "Board") of the Town of East Haddam (the "Town") hereby accepts the recommendation of the Board of Selectman adopted at its meeting held on May 4, 2015, and recommends to the electors and citizens eligible to vote at town meetings of the Town the following:

(1) That the Town appropriate the sum of \$508,000 for costs related to improvements to the Town Street Firehouse (Company No. 1) and the Moodus Firehouse (Company No. 2), including, without limitation, the costs of (i) the repair, renovation and upgrade of kitchens, bathrooms and other areas and the installation of fire exit additions at both firehouses, (ii) certain structural repairs at both firehouses, (iii) the installation of vehicle exhaust systems at both firehouses, (iv) the pavement resurfacing, sealing and repair of the parking lot at the Moodus Firehouse, (v) the construction of an additional drive through bay for emergency vehicles at the Moodus Firehouse, (vi) the preparation and printing of bid documents, cost estimate reports and studies, informational materials and other preliminary materials, studies and reports, and (vii) design, construction, materials, engineering, architectural, legal, administration, temporary and permanent financing, costs of issuance, printing, capitalized interest and any other costs and expenses related thereto, all of the above with such changes as the Board of Selectmen may approve (the "Project"). The Board of Selectmen is authorized to determine the scope and particulars of the Project. The Board of Selectmen may reduce or modify the scope of the Project if funds are insufficient to complete all components of the Project, and the entire appropriation authorized hereby may be spent on the Project as so reduced or modified.

(2) That to finance said appropriation for the Project, general obligation bonds and notes of the Town may be issued pursuant to Chapter 109 of the Connecticut General Statutes, Revision of 1958, as amended (the "Connecticut General Statutes"), or any other applicable provision of law thereto enabling, in an amount not to exceed \$508,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor, including, but not limited to, general fund monies and/or capital reserve funds).

(3) That the Town issue and renew notes from time to time in anticipation of the receipt of the proceeds from the sale of the bonds or notes for the Project or the receipt of grants for the Project. The amount of the notes outstanding at any time shall not exceed \$508,000. The notes shall be issued pursuant to Section 7-378 of the Connecticut General Statutes. The Town shall comply with the provisions of Section 7-378a of the Connecticut General Statutes with respect to any notes that do not mature within the time permitted by said Section 7-378.

(4) That the First Selectman, or a majority of the Board of Selectmen, and the Treasurer (the "Officials") be authorized to issue and sell bonds and notes secured by

the full faith and credit of the Town in an amount not to exceed \$508,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor, including, but not limited to, general fund monies and/or capital reserve funds), pursuant to the Connecticut General Statutes or any other applicable provision of law thereto enabling, to finance the appropriation for such project having been made by this resolution; that the Officials are hereby authorized to appoint a bank or trust company to be the certifying agent, registrar, transfer agent and paying agent for such bonds and notes; that Updike, Kelly & Spellacy, P.C., Hartford, Connecticut is designated as the attorneys at law to render an opinion approving the legality of such issue or issues; that the Officials be authorized to sign any bonds by their manual or facsimile signatures; and that the Officials be authorized to determine the rate or rates of interest for such bonds and notes, their date or dates, the dates of principal and interest payments on such bonds and notes, the form of such bonds and notes, the provisions for protecting and enforcing the rights and remedies of the holders of such bonds and notes and all other terms, conditions and particular matters regarding the issuance and securing of such bonds and notes and to sell and deliver the same, in accordance with the provisions of the Connecticut General Statutes and any other act of the General Assembly thereto enabling.

(5) That the Officials are authorized to sell the bonds or notes at public or private sale; to deliver the bonds or notes; and to perform all other acts which are necessary or appropriate to issue the bonds or notes. If the bonds or notes authorized by this resolution are issued on a tax-exempt basis, the Officials are authorized to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes, including covenants to pay rebates of investment earnings to the United States in future years.

(6) That the Town reasonably expects to incur expenditures (the "Expenditures") in connection with the Project described above. The Town reasonably expects to reimburse itself for the cost of the Expenditures with the proceeds of general obligation bonds and notes of the Town described above. The maximum principal amount of such debt (both bonds and notes) is not expected to exceed \$508,000. This declaration of official intent is a declaration of official intent made pursuant to Federal Income Tax Regulations Section 1.150-2. The Officials are authorized to amend such declaration or official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

(7) That the Officials are authorized to make representations and enter into written agreements for the benefit of holders of the bonds or notes to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws of rules pertaining to the sale or purchase of such bonds or notes.

(8) That the First Selectman is hereby authorized, on behalf of the Town, to execute any contracts with engineers, contractors, architects and other persons for the Project, to apply for and accept state and federal grants to finance the appropriations for the Project, and to execute and file any application or enter into any grant agreement or other obligations prescribed by the State of Connecticut or the federal government, as applicable.

(9) That the Officials are authorized to take all other actions which are necessary or desirable to complete the Project consistent with the foregoing and to issue bonds or notes to finance the aforesaid appropriation.

(10) That this resolution shall become effective after approval at referendum vote.

Mrs. Link sought verification of the figure provided in the resolution.

Mr. Bennett added that the resolution addresses the structural integrity of Company #2 as well as incorporates exhaust upgrades. It also provides showers and additional restroom facilities at Company #1.

FAVOR: Link, Bennett, DiCristofaro, Dutch, Thomas

OPPOSED: None

ABSENT: Willis

MOTION CARRIED

d. **Resolution—Elementary School:**

Motion was made by Mr. Dutch and seconded by Mr. DiCristofaro for the following resolution:

RESOLUTION AUTHORIZING AN APPROPRIATION OF \$2,707,000 FOR IMPROVEMENTS TO THE EAST HADDAM ELEMENTARY SCHOOL AND THE FINANCING OF SAID APPROPRIATION BY THE ISSUANCE OF BONDS AND NOTES IN AN AMOUNT NOT TO EXCEED \$2,707,000

RESOLVED, that the Board of Finance (the "Board") of the Town of East Haddam (the "Town") hereby accepts the recommendation of the Board of Selectman adopted at its meeting held on May 4, 2015, and recommends to the electors and citizens eligible to vote at town meetings of the Town the following:

(1) That the Town appropriate the sum of \$2,707,000 for costs related to improvements at the East Haddam Elementary School, including, without limitation, the costs of (i) the replacement, repair and renovation of roofs and the installation of a new drainage system, (ii) the replacement and installation of boilers, (iii) the remediation and removal of asbestos and PBCs in the roof and boiler areas, (iv) the pavement resurfacing, sealing and repair of the parking lots, (v) the preparation and printing of bid documents, cost estimate reports and studies, informational materials and other preliminary materials, studies and reports, and (vi) design, construction, materials, engineering, architectural, legal, administration, temporary and permanent financing, costs of issuance, printing, capitalized interest and any other costs and expenses related thereto, all of the above with such changes as the Board of Selectmen may approve (the "Project"). The Board of Selectmen is authorized to determine the scope and particulars of the Project. The Board of Selectmen may reduce or modify the scope of the Project if funds are insufficient to complete all components of the Project, and the entire appropriation authorized hereby may be spent on the Project as so reduced or modified.

(2) That to finance said appropriation for the Project, general obligation bonds and notes of the Town may be issued pursuant to Chapter 109 of the Connecticut

General Statutes, Revision of 1958, as amended (the "Connecticut General Statutes"), or any other applicable provision of law thereto enabling, in an amount not to exceed \$2,707,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor, including, but not limited to, general fund monies and/or capital reserve funds).

(3) That the Town issue and renew notes from time to time in anticipation of the receipt of the proceeds from the sale of the bonds or notes for the Project or the receipt of grants for the Project. The amount of the notes outstanding at any time shall not exceed \$2,707,000. The notes shall be issued pursuant to Section 7-378 of the Connecticut General Statutes. The Town shall comply with the provisions of Section 7-378a of the Connecticut General Statutes with respect to any notes that do not mature within the time permitted by said Section 7-378.

(4) That the First Selectman, or a majority of the Board of Selectmen, and the Treasurer (the "Officials") be authorized to issue and sell bonds and notes secured by the full faith and credit of the Town in an amount not to exceed \$2,707,000 (or so much thereof as may be necessary after the deduction of grants or other sources of funds available therefor, including, but not limited to, general fund monies and/or capital reserve funds), pursuant to the Connecticut General Statutes or any other applicable provision of law thereto enabling, to finance the appropriation for such project having been made by this resolution; that the Officials are hereby authorized to appoint a bank or trust company to be the certifying agent, registrar, transfer agent and paying agent for such bonds and notes; that Updike, Kelly & Spellacy, P.C., Hartford, Connecticut is designated as the attorneys at law to render an opinion approving the legality of such issue or issues; that the Officials be authorized to sign any bonds by their manual or facsimile signatures; and that the Officials be authorized to determine the rate or rates of interest for such bonds and notes, their date or dates, the dates of principal and interest payments on such bonds and notes, the form of such bonds and notes, the provisions for protecting and enforcing the rights and remedies of the holders of such bonds and notes and all other terms, conditions and particular matters regarding the issuance and securing of such bonds and notes and to sell and deliver the same, in accordance with the provisions of the Connecticut General Statutes and any other act of the General Assembly thereto enabling.

(5) That the Officials are authorized to sell the bonds or notes at public or private sale; to deliver the bonds or notes; and to perform all other acts which are necessary or appropriate to issue the bonds or notes. If the bonds or notes authorized by this resolution are issued on a tax-exempt basis, the Officials are authorized to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes, including covenants to pay rebates of investment earnings to the United States in future years.

(6) That the Town reasonably expects to incur expenditures (the "Expenditures") in connection with the Project described above. The Town reasonably expects to reimburse itself for the cost of the Expenditures with the proceeds of general obligation bonds and notes of the Town described above. The maximum principal amount of such debt (both bonds and notes) is not expected to exceed \$2,707,000. This declaration of official intent is a declaration of official intent made pursuant to Federal Income Tax Regulations Section 1.150-2. The Officials are authorized to amend such declaration or official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or

advisable in order to maintain the continued exemption from federal income taxation of interest on the notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

(7) That the Officials are authorized to make representations and enter into written agreements for the benefit of holders of the bonds or notes to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws of rules pertaining to the sale or purchase of such bonds or notes.

(8) That the First Selectman is hereby authorized, on behalf of the Town, to execute any contracts with engineers, contractors, architects and other persons for the Project, to apply for and accept state and federal grants to finance the appropriations for the Project, and to execute and file any application or enter into any grant agreement or other obligations prescribed by the State of Connecticut or the federal government, as applicable.

(9) That the Officials are authorized to take all other actions which are necessary or desirable to complete the Project consistent with the foregoing and to issue bonds or notes to finance the aforesaid appropriation.

(10) That this resolution shall become effective after approval at referendum vote.

It was noted that state reimbursement rates are not factored into the resolution. The State requires that the entire project be approved by the voters. Approximately \$790,000 is the anticipated reimbursement rate.

Mr. Thomas raised concern that at the Public Hearing he heard two different positions about the proposed Elementary School project; the first from the chairman of the Elementary School Building Advisory Group, stating that the Group reluctantly recommended the proposal that is moving forward as an initial step stating that it would be back with additional funding requests in the future. It did not specify a timing. The Superintendent, however, stated that the proposed projects meets the immediate needs and the Board of Education will continue analyzing enrollments to determine the need for the building in the future.

Mr. Thomas stated that in the absence of a plan for the future, he finds it irresponsible to move forward on this proposal. He stated that authorizing \$20,000,000 worth of debt, ties the hands of the town through 2028 for other major projects. He also stated that administration has promised that the \$2,300,000 annual debt service will not raise taxes. Adding additional projects beyond what is proposed here will raise taxes.

Mrs. Link stated that the \$2,300,000 debt service is based on today's figures and situation. If the economy rebounds and interest income goes up for example, than additional projects could be supported. She stated that based on our financial situation analyzed today the Town can afford \$2,300,000 in debt service for these four projects and there is a plan to pay for them without raising taxes. Mr. Thomas stated that the public must understand that there is not a plan to pay for any future wish lists, which includes additional refurbishment to the elementary school. Mrs. Link concurred that she does not know how the town will fund anything else in the foreseeable future.

FAVOR: Link, Bennett, DiCristofaro, Dutch

OPPOSED: Thomas

ABSENT: Willis

MOTION CARRIED

Mr. Thomas stated that he is very much a supporter of education. He stated that his no vote is because of the lack of homework that has been done.

ADJOURNMENT

Motion made by Mr. Dutch to adjourn at 8:02. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.

Respectfully submitted,

Debra H. Denette
Town Clerk and Recording Secretary