

Board of Selectmen Meeting
Grange Hall
August 19, 2015
Regular Meeting Minutes

Selectmen Present: M. Walter; E. Lyman; E. Malavasi

Also Present: E. Blaschik; L. Branscombe; R. Casner; W. Cross; S. Daigle; M. Davis; D. Dill;
E. Dill; E. Gubbins; C. Mansfield; B. Parker; A. Payne; P. Tripputti; J. Ventres; R. Weronik; S.
Wheeler; L. Zemienieski

1. First Selectman Walter called the Board of Selectmen's meeting to order at 7:00 p.m.
2. Approval of Agenda:

Motion made by Mr. Walter, seconded by Mr. Lyman, to approve the agenda as written.
Unanimous aye.

3. Approval of Minutes: Regular Meeting of July 15, 2015 and Special Meeting of July 29, 2015.

Motion made by Mr. Walter seconded by Mr. Lyman to approve the minutes of the Regular Meeting of July 15, 2015. Unanimous aye.

Motion made by Mr. Walter seconded by Mr. Malavasi to approve the minutes of the Special Meeting of July 29, 2015. Unanimous aye.

4. Correspondence:

A. Garden Club Thank You: Mr. Walter called the Selectmen's attention to a copy of a note in their meeting packets from the East Haddam Garden Club thanking him for the "*help and guidance ... in getting a location to install our Blue Star Memorial Marker*".

B. Resident Letter Regarding Asbestos Removal/Replacement at Elementary School: Mr. Walter called the Selectmen's attention to a copy of a letter in their meeting packets from Alexis Vitali, dated August 17, 2015, expressing her "*deep concern regarding the asbestos situation in the East Haddam Elementary School*". He noted that Ms. Vitali has a child that is entering 1st grade at the Elementary School in the 100-wing.

Mr. Walter stated that the Board of Education had voted to move the students back into the affected 100-wing and continue monitoring air quality. He noted that the Board of Education has been advised that there will be no problem with asbestos as long as the ceiling tiles are not touched. He stated that abatement of the tiles in the 100-wing will be done next summer along with other work at the school.

- C. Press Release – CIRMA Members’ Equity Distribution Check: Mr. Walter called the Selectmen’s attention to a Press Release in their meeting packets issued by CIRMA advising of the presentation of a check to \$12,123.00 as the Town’s share of a \$2.5 member’s equity distribution. He stated that the dividend will be split between the Board of Education and the Town.

In response to a question raised by Mr. Malavasi, Ms. Zemienieski advised that, while the Board of Education has more employees than the Town, many of the Town employees which include Ambulance and Fire Department volunteers are higher risk, consequently, it was determined that a 51%/49% split was appropriate.

- D. Pro Act – Prescription Card Statistics: Mr. Walter called the Selectmen’s attention to a report in their meeting packets on the usage of the Pro Act prescription card program by East Haddam residents. He noted that the program is available to individuals who do not have prescription drug coverage and that the statistics show that it is helping Town residents.
- E. News Article on Community Supported Agriculture: Mr. Walter called the Selectmen’s attention to a copy of a Middletown Press news article from August 17, 2015 in their meeting packets. He stated that the article describes Middletown’s community supported agriculture program which is seeking proposals from farmers on four city-owned parcels. Mr. Walter noted that the Middletown program is similar to the one East Haddam is trying to accomplish at the Harris property.
- F. Letter from Agriculture Commission: Mr. Walter called the Selectmen’s attention to a letter from Chairman Gross of the Agriculture Commission concerning the Center for Community Agriculture, dated August 17, 2015, in their meeting packets. He stated that Mr. Gross’ letter advised that the Ag Commission had discussed the Harris Property and the related STEAP grant and had included the Friends of the Harris in those discussions. Mr. Gross’s letter further stated that, *“a resolution was brought forward to support proceeding immediately with the development of the [Harris] Property as described in the STEAP grant”* and was passed by a majority of ayes.

5. First Selectmen’s Report:

- A. Senior Center Update – Brad Parker: Mr. Walter welcomed Mr. Parker to the meeting and invited him to provide the Selectmen with his report. Mr. Parker thanked the Selectmen for their attention and reviewed the contents of his report. He stated that in the two years that he has been the Director of the Senior Center, programs and participation has increased by 80% and noted that the job title of his assistant will be changed from Office Assistant to Program Assistant.

In response to a question raised by Mr. Malavasi, Mr. Walter advised that he had worked with Mr. Parker to develop a job description for the Program Assistant position and Mr. Parker confirmed that he would not seek a salary increase for the position other than the normal cost-of-living increase awarded at budget time.

6. Citizen's Concerns: Mr. Cross stated that he is a member of the Friends of Harris and noted that he does not support all aspects of the proposal for the Center for Community Agriculture. Mr. Walter stated that there will be another public information meeting on August 27th at the Grange Hall to discuss the Town's plans for the Harris property. There was a general discussion regarding holding the meeting in a space that will accommodate all interested residents and Mr. Walter noted the meeting could also be held in the Old Town Hall.

Ms. Branscombe requested a copy of the letter from Agriculture Commission Chairman Gross and Mr. Walter provided her with same. She noted that she did not feel that the proposal for the Harris property was fully discussed by the Ag Commission.

7. Unfinished Business

- A. Blight Ordinance Discussion: Mr. Walter called the Selectmen's attention to a petition in their meeting packets regarding "Blighted Property Located at 125 Lakeside Drive, East Haddam CT". He advised that the Building Inspector had stopped construction on the building until the structural soundness of the building and its foundation can be determined. He noted that the situation is a good example of the benefits of a blight ordinance.

Mr. Walter also called the Selectmen's attention to an opinion letter in their meeting packets from Attorney Roberts, dated August 18, 2015, regarding the Town's proposed blight ordinance. He noted that Attorney Roberts opined that, "*Blight ordinances provide an alternative, additional enforcement tool for municipal officials to address property maintenance concerns that may otherwise require costly or lengthy statutory processes to be followed ...*".

Mr. Lyman stated that he continues to be concerned that the draft ordinance does not contain objective parameters defining blight and he is uncomfortable relying on subjective opinions for enforcement. In response to a question from Mr. Walter, Mr. Lyman stated that he did not have any recommendations to improve the draft.

Mr. Malavasi noted that he believes that it may not be possible to avoid any subjectivity in the ordinance; however, he noted that the draft calls for a committee to determine when enforcement should be employed. The Selectmen agreed to schedule a special meeting to review/revise the draft ordinance and create a final version for their vote.

- B. Emergency Communications Center Contract for Municipal Services Discussion: Mr. Walter recognized Mr. Mansfield who stated that the State had advised that construction on the Mt. Parnassus tower would begin in November. He further reported that the tower at the Town Office Site will be installed on August 20th. In response to a question raised by Mr. Lyman about the construction of a new house on an adjacent property, Mr.

Mansfield advised that the Siting Council was aware that the property was for sale when they approved the location for the tower.

- C. Trowbridge Road/Middle School Property Discussion: Mr. Walter called the Selectmen's attention to a copy of a letter from the Chairman of the Planning and Zoning Commission, dated August 13, 2015, in their meeting packets. Mr. Walter noted that the P&Z Commission recommends moving forward with the exchange of a 20,000sf property on Trowbridge Road with Joseph and Mary Darmain. Mr. Ventres confirmed that he is in the process of securing appraisals for the two properties.
- D. State Police Contract (Resident State Trooper): Mr. Walter called the Selectmen's attention to a copy of the proposed renewal contract for a Resident State Trooper in their meeting packets. He reviewed the changes and noted that they were minor in nature. He noted that the East Haddam Police will need to sign a new Acknowledgement of Receipt for the Resident State Trooper Administration & Operations Manual.

Motion made by Mr. Walter, seconded by Mr. Lyman, that Mark B. Walter, the First Selectman be and is herewith authorized to execute a contract on behalf of the Town of East Haddam with the State of Connecticut, Department of Emergency Services and Public Protection, Division of State Police for the services of one (1) Resident State Trooper for a Two-year period from July 1, 2015 to June 30, 2017.

- E. Savitsky Lease Amendment Approval – Shugrue Property: Mr. Walter called the Selectmen's attention to a copy of a letter in their meeting packets from Chris Staehly, dated August 18, 2015, regarding the Town's proposed lease of farmland on the Shugrue property to Alexander Savitsky. He stated that Mr. Staehly had several objections to the proposed lease and asked Mr. Ventres to discuss the issue.

Mr. Ventres provided background on acquiring the Shugrue property for open space; he stated that the Shugrue's stipulated that the Town lease specific parcels on the property to Mr. Savitsky as part of their agreement to sell the land to the Town. He noted that approximately 50 acres of the leased property is tillable and provided information on the due diligence he had performed to determine the rent amount. He further noted that several attorneys had reviewed the proposed lease.

Mr. Walter reviewed the contents of a letter he had sent to the Conservation Commission on August 10, 2015, informing them that "*The Board of Selectmen reviewed the lease for the Shugrue property and approved it at their meeting of March 4, 2015*". He stated that his letter informed the Commission that the contract forbids the cutting of trees without the permission of the Town and that Mr. Savitsky is agreeable to soil testing of the land on an annual basis. Mr. Walter noted that Mr. Savitsky is agreeable to amending the lease to state that the tenant will conduct such soil testing.

Motion made by Mr. Walter, seconded by Mr. Malavasi, to approve the following resolution:

RESOLVED, that the Board of Selectmen amend the language in the lease previously approved at a Board of Selectmen meeting on March 4, 2015 to include: "The tenant shall conduct annual soil testing of the fields as recommended in Exhibit A. At a minimum five sites shall be located for testing.

BE IT FURTHER RESOLVED, that Mark B. Walter, First Selectman be authorized to enter into said amended agreement titled "TERMINATION OF LEASE DATED JULY 16, 2007 BETWEEN ALEXANDER AND DEBORAH SAVITSKY, TENANT, AND ANN M. SHUGRUE AND ANN C. SHUGRUE, LANDLORD AND CO-OWNER, AND CREATION OF A NEW LEASE BETWEEN ALEXANDER SAVITSKY (TENANT) AND THE TOWN OF EAST HADDAM (TOWN) SUCCESSOR IN TITLE TO ANN M. SHUGRUE AND ANN C. SHUGRUE" on behalf of the Town of East Haddam upon the terms and conditions set forth in the Lease Agreement.
Unanimous aye.

8. New Business

- A. USDA Loan Resolution – Middle School to Municipal Offices: Mr. Walter advised that to qualify for a USDA loan for the Middle School conversion to municipal offices project, the Board of Selectmen must adopt a resolution authorizing the indebtedness. He noted that, due to the loan amount of \$15,000,000.00, the loan resolution must be divided into two resolutions.

Resolution #1 - \$9,500,000.00

Motion made by Mr. Walter, seconded by Mr. Lyman, to adopt the USDA loan resolution for \$9,500,000.00 as presented:

A RESOLUTION OF THE BOARD OF SELECTMEN OF THE TOWN OF EAST HADDAM AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS MIDDLE SCHOOL TO MUNICIPAL OFFICES FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the East Haddam Town Of (herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of \$9,500,000.00 pursuant to the provisions of Connecticut General Statutes; and

WHEREAS, the Association intends to obtain assistance from the Rural Housing Service, Rural Business – Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of

such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State Statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.

8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operation and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.
11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established and maintained disbursements from that account may be used when necessary for payments due on the bond if sufficient funds are not otherwise available. With the prior written approval of the Government, funds may be withdrawn for:
 - (a) Paying the cost of repairing or replacing any damage to the facility caused by catastrophe.
 - (b) Repairing or replacing short-lived assets.
 - (c) Making extensions or improvements to the facility.Any time funds are disbursed from the reserve account, additional deposits will be required until the reserve account has reached the required funded level.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain the Government's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$0.00 under the terms offered by the Government; that the Chair, Board of Selectmen and Board of Selectmen of the Association are hereby authorized and empowered to take all action necessary or

appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas 3 Nays 0 Absent 0 .

IN WITNESS WHEREOF, the Board of Selectmen of the East Haddam Town Of has duly adopted this resolution and caused it to be executed by its First Selectman in duplicate on this 19th day of August, 2015.

Resolution #2 - \$5,500,000.00

Motion made by Mr. Walter, seconded by Mr. Malavasi, to adopt the USDA loan resolution for \$5,500,000.00 as presented:

A RESOLUTION OF THE BOARD OF SELECTMEN OF THE TOWN OF EAST HADDAM AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS MIDDLE SCHOOL TO MUNICIPAL OFFICES FACILITY TO SERVE AN AREA LAWULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the East Haddam Town Of (herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of \$5,500,000.00 pursuant to the provisions of the Connecticut General Statutes; and

WHEREAS, the Association intends to obtain assistance from the Rural Housing Service, Rural Business – Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State Statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these

accounts will be considered as revenues of the system.

9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operation and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.
11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established and maintained disbursements from that account may be used when necessary for payments due on the bond if sufficient funds are not otherwise available. With the prior written approval of the Government, fund may be withdrawn for:
 - (a) Paying the cost of repairing or replacing any damage to the facility caused by catastrophe.
 - (b) Repairing or replacing short-lived assets.
 - (c) Making extensions or improvements to the facility.

Any time funds are disbursed from the reserve account, additional deposits will be required until the reserve account has reached the required funded level.

15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain the Government's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$0.00 under the terms offered by the Government; that the Chair, Board of Selectmen and Board of Selectmen of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof these provisions shall be construed as controlling between the Association and the Government or assignee

The vote was: Yeas 3 Nays 0 Absent 0 .

IN WITNESS WHEREOF, the Board of Selectmen of the East Haddam Town Of has duly adopted this resolution and caused it to be executed by its First Selectman in duplicate on this 19th day of August, 2015.

- B. USDA Loan Resolution – Elementary School Renovations: Mr. Walter advised that to qualify for a USDA loan for the Elementary School renovations, the Board of Selectmen must adopt a resolution authorizing the indebtedness.

Motion made by Mr. Walter, seconded by Mr. Malavasi, to adopt the USDA loan resolution for \$1,917,163.00 as presented:

A RESOLUTION OF THE BOARD OF SELECTMEN OF THE TOWN OF EAST HADDAM AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS ELEMENTARY SCHOOL REFURBISHMENT FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the East Haddam Town Of (herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of \$1,917,163.00 pursuant to the provisions of the Connecticut General Statutes; and

WHEREAS, the Association intends to obtain assistance from the Rural Housing Service, Rural Business – Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State Statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.

9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operation and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.
11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established and maintained disbursements from that account may be used when necessary for payments due on the bond if sufficient funds are not otherwise available. With the prior written approval of the Government, fund may be withdrawn for:
 - (a) Paying the cost of repairing or replacing any damage to the facility caused by catastrophe.
 - (b) Repairing or replacing short-lived assets.
 - (c) Making extensions or improvements to the facility.

Any time funds are disbursed from the reserve account, additional deposits will be required until the reserve account has reached the required funded level.

15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain the Government's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$0.00 under the terms offered by the Government; that the Chair, Board of Selectmen and Board of Selectmen of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof these provisions shall be construed as controlling between the Association and the Government or assignee

The vote was: Yeas 3 Nays 0 Absent 0 .

IN WITNESS WHEREOF, the Board of Selectmen of the East Haddam Town Of has duly adopted this resolution and caused it to be executed by its First Selectman in duplicate on this 19th day of August, 2015.

- C. Grant Acceptance – 2015 Small Cities (Renovations at Oak Grove Senior Housing Phase II): Mr. Walter advised that the Town was awarded the Phase II funding for the Oak Grove Senior Housing renovations project. He noted that the funding will need to be accepted at the Board of Finance and Town Meeting.

Motion made by Mr. Walter, seconded by Mr. Malavasi, to adopt the following resolution for approval and send acceptance of said grant to the Board of Finance and then to Town Meeting for approval:

RESOLVED: That a grant in an amount of \$800,000 is hereby accepted under the Connecticut Small Cities Community Development Block Grant Program, administered by the State of Connecticut, Department of Housing pursuant to Public Law 93 – 3 83, as amended; for the East Haddam Renovations at Oak Grove Senior Housing Phase II Project.

In furtherance of this resolution, Mark B. Walter, the First Selectman, is duly authorized to execute an Assistance Agreement with the State of Connecticut for State financial assistance on behalf of the Town of East Haddam. Mark B. Walter currently holds the office of First Selectman and has held that office since November 7, 2007. The First Selectman is further authorized to provide such additional information and execute such other documents as may be required by the local, state or federal government in connection with said contract and to execute any amendments, rescissions, and revisions thereto.

Unanimous aye.

- D. Grant Acceptance – Uniform Chart of Accounts: Mr. Walter advised that East Haddam is one of the first towns to adopt the Uniform Chart of Accounts as mandated by the State of Connecticut. He stated that the Town was awarded funding for reimbursement towards this project and that the funding now needs to be accepted at the Board of Finance and Town Meeting.

Motion made by Mr. Walter, seconded by Mr. Lyman, to adopt the following resolution for approval and send acceptance of said grant to the Board of Finance and then to Town Meeting for approval:

RESOLVED: That a grant in an amount not to exceed \$30,000 is hereby accepted from the State of Connecticut, Office of Policy and Management, Intergovernmental Policy Division; for reimbursement of the costs associated with a financial accounting system upgrade and conversion from a local chart of account to the state-developed Uniform Chart of Accounts (UCOA).

In furtherance of this resolution, the Board of Selectmen has authorized Mark B. Walter, First Selectman of the Town of East Haddam to execute a Notice of Grant Award and perform the necessary administrative actions to enter into a binding agreement with the Office of Policy and Management according to the terms of the UCOA grant program. Unanimous aye.

- E. Board/Commission/Committee Changes (AGC, MOB C, ESRBC, FHRBC): The Selectmen considered several Commission and Committee memberships.

Agriculture Commission

Mr. Walter called the Selectmen's attention to an email from the Agriculture Commission Chairman recommending an alternate appointment to the commission.

Motion made by Mr. Walter, seconded by Mr. Malavasi, to appoint Mark Henderson to vacant alternate member term to expire January 1, 2017 on the Agriculture Commission. Unanimous aye.

Municipal Office Building Committee

Mr. Walter noted that ten applications have been received to appoint members to the Municipal Office Building Committee and the Board needs to appoint 7 regular members and 2 alternate members.

The Selectmen agreed to reappoint the six members who have been serving on the Municipal Facilities Building Advisory Group. They discussed the other four applicants and agreed to table this agenda item until Mr. Walter could have a discussion with those four applicants.

Elementary School Renovation Building Committee

Mr. Walter noted that three applications have been received for the Elementary School Renovation Building Committee and the Board needs to appoint 7 regular members and 2 alternate members. He reported that Mr. Reas, Superintendent of Schools has put out a request for volunteers on the schools' website. The Selectmen agreed to table this agenda item until a sufficient number of applications have been received.

Firehouse Renovation Building Committee

Mr. Walter stated that eight applications have been received for membership on the Firehouse Renovation Building Committee; the Board needs to appoint 7 regular members and 2 alternate members. He noted that will leave 1 alternate position vacant.

Motion made by Mr. Walter, seconded by Mr. Malavasi, to appoint Bruce Dutch, Kevin Cavallo, Dean Anderson, Shawn Daigle, Brian Auld, Edward Smith and Michael Davis as regular members of the Firehouse Renovation Building Committee until the completion of the project. Unanimous aye.

Motion made by Mr. Walter, seconded by Mr. Malavasi, to appoint Raymond Swol as an alternate member of the Firehouse Renovation Building Committee until the completion of the project. Unanimous aye.

- F. Volunteer of the Month (August): Mr. Walter called the Selectmen's attention to a Volunteer of the Month recommendation in their meeting packets. He noted that Debra Denette has nominated Michael Gross for his 19 years of service on the Board of Assessment Appeals and his *"never give up spirit and a love of our community"*.

Motion made by Mr. Walter, seconded by Mr. Malavasi, to name Michael Gross as volunteer of the month for August 2015. Unanimous aye.

- G. Tax Refunds - Mr. Walter called the Selectmen's attention to four tax refunds.

Motion made by Mr. Walter, seconded by Mr. Malavasi, to award tax refunds in the amounts as presented.

- \$2,851.17 to Clark Gates LLC
- \$ 19.30 to Howard Carpenter or Mary Rozwadowski
- \$ 83.70 to Robert Sevigny
- \$ 58.54 to Kenneth Tosi

Unanimous aye.

9. Public Comment

Ms. Branscombe suggested that the Selectmen notify the owner of the property adjacent to the Mt. Parnassus tower site that a radio tower is being installed there. Mr. Walter agreed to do so.

In response to a question from Mr. Cross, Mr. Ventres clarified how he determined the cost of the Savitsky lease for a parcel on the Shugrue property. He stated that the lease does not include the house or barns.

In response to a question from Mr. Weronik, Mr. Walter advised that the Town's reimbursement for a Resident State Trooper is 85% of the State's expense for the Trooper. He advised that the State had provided revised projections that day that the Town's Resident Trooper costs for the 2015-16 budget year were \$132,016.00 which exceeded the budgeted

amount of \$99,692. Mr. Weronik stated that he had participated on a study committee for the Town of Hebron which had determined that it is not a requirement to hire a Resident State Trooper to employ constables. He noted that he is not recommending the Town not retain a Resident Trooper; however, he wanted to ensure the Selectmen were aware that it is not necessary.

In response to questions raised by Ms. Branscombe, Mr. Ventres advised that the A2 survey for the Savitsky lease reflects 50 tillable acres and the lease does not convey mill rights.

10. Selectmen's Discussion

Mr. Malavasi inquired about the status of the new ordinance book because he was working with the Local Prevention Council to draft a new ordinance restricting the location of smoke shops in East Haddam. Mr. Walter advised Mr. Malavasi that he should continue to work on the ordinance and, if passed, it could be incorporated into the new book. Mr. Ventres offered to research similar legislation.

- A. Center for Community Agriculture Public Hearing (August 27, 2015 @7:00pm – Grange Hall): Mr. Walter advised that a public hearing would be held on August 27th, at the Grange Hall, to provide additional information about the Town's plans for a Center for Community Agriculture on the Harris property.

- 11. Adjournment: There being no additional business to discuss, a motion was made by Mr. Walter, seconded by Mr. Lyman, to adjourn the meeting at 8:52 p.m. Unanimous aye.

Recorded

Respectfully submitted,

Emmett Lyman, Secretary