

EXCERPT FOR MINUTES OF BOARD OF FINANCE MEETING
HELD February 4, 2015

A meeting of the Board of Finance of the Town of Oxford was held in the Meeting Room at the Oxford Town Hall on Wednesday, February 4, 2015 at 7:30 o'clock p.m.

Members present and absent at commencement of the meeting were as follows:

PRESENT

ABSENT

Jack Kiley, Chairman, Board of Finance
James Hliva, Finance Director
Robert DeBisschop
Lila Ferrillo
Tom Kelly

Nancy Schmitt

Those joining after the commencement were as follows: N/A

Chairman Jack Kiley introduced and read the following resolution:

RESOLVED: That the resolution entitled "RESOLUTION WITH RESPECT TO THE \$800,000 QUAKER FARMS SCHOOL ROOF APPROPRIATION AND BOND AUTHORIZATION: is hereby adopted.

Tom Kelly moved to waive the reading of the entitled resolution, including waiving the reading of the attachments to the resolution, and to incorporate the full text of the resolution and attachments into the minutes of this meeting. Motion was seconded by Lila Ferrillo.

Upon vote the Ayes and Nays were as follows:

AYES

NAYS

Robert DeBisschop
Lila Ferrillo
Tom Kelly

N/A

Chairman Jack Kiley thereupon declared the motion carried.

DISCUSSION

Tom Kelly moved that the resolution be adopted as introduced and the motion was seconded by Jack Kiley.

Ms. Ferrillo said that a recommendation be made to the Board of Selectmen that this resolution be placed on a ten-year term instead of a twenty-year term since the rates are lower and the Town does have the money to pay for it. There are so many items coming in the future that may require the Town to pay for. Mr. Kelly asked if a formal motion needed to be made for this change and Attorney Fasi answered yes. Attorney Fasi also pointed out that there is a time limit to apply for the grant and if the resolution is changed, it needs to go back to the Board of Selectmen for approval and then it has to come back to the Board of Finance. This all needs to be done by February 17, 2015.

Mr. Hliva and Attorney Fasi have put together a time line. If the Board of Finance makes the change to the resolution, the Board of Selectmen would have to have a Special Meeting on Tuesday to accept the change. Ms. Ferrillo asked if the resolution was really being changed because it says to a maximum of twenty years so BOF is just putting in an actual number. Mr. Hliva responded yes because it would be changed from a maximum of twenty years to a maximum of ten years. Attorney Fasi pointed out that the Charter specifically states that if the Board of Finance has a recommendation (Charter uses this word) with respect to the terms of financing that are not in the original resolution as presented to the Board of Finance then the resolution has to go back to the Board of Selectmen. If this change is made there will be additional time added to the process.

Mr. Hliva said he would suggest that the Board of Selectmen schedule a meeting for Tuesday and Wednesday (in case of a snowstorm) and then the Board of Finance will hold a meeting after the BOS meeting so BOF can affirm changes and send it back to BOS for a Town meeting.

Mr. Kiley stated that there is nothing that says that the twenty-year bond cannot be paid down earlier. If the bond is approved for twenty years it is up to the Board of Finance, if they choose, to pay it down sooner. The Board of Finance can have it put into the budget to have the bond paid down earlier. Mr. Fasi pointed out that if the bond is issued for twenty years, it is for twenty years, but Mr. Kiley asked if it had to "ride" for the twenty years. Mr. Hliva said what could be done is that for the first ten year bond rather than issue a long-term bond the Town could roll notes and then pay double the amount to pay the note down. Mr. Fasi reaffirmed what Mr. Hliva said. By issuing short term financing (one year at a time) the interest is virtually zero

(.14% per Mr. Hliva) and a significant amount of principal is being paid down each year. This is what is being done for the high school. Mr. Hliva said right now there is \$682,000 of outstanding notes. By July \$510,000 will be paid down.

Mr. Kiley reiterated all that was stated above, that the bond would be for twenty years but there are ways to pay it down quickly. Mr. Fasi noted that the Town is not committed to a twenty-year bond; this is what the statute authorizes, i.e. one to twenty years and everything in between.

Ms. Ferrillo noted that during the budget process there can be a line item that pays down the debts.

Mr. Kiley noted the time constraint. Mr. Hliva said it needs to be in the State by February 19, 2015. Town meeting will be held on the 17th, minutes will be turned in to the clerk on the 18th so it can be delivered on the 19th. Mr. Kiley said when this part is passed then BOF can concentrate on the budget. Ms. Ferrillo said if this is done then she will go along with it.

AYES

Robert DeBisschop
Lila Ferrillo
Tom Kelly

NAYS


N/A

Chairman Jack Kiley thereupon declared the motion carried and the resolution adopted.

There being no further business to conduct, a motion to adjourn was moved and seconded and unanimously adopted, and the meeting adjourned at 7:40 p.m.

Respectfully submitted,


Lynnette Steeves
Clerk

15 FEB 11 PM 1:02
TOWN CLERK


BOARD OF FINANCE

RESOLUTION WITH RESPECT TO THE \$800,000 QUAKER FARMS SCHOOL ROOF APPROPRIATION AND BOND AUTHORIZATION

Whereas, the Board of Selectmen received a written request for a \$800,000 appropriation and bond authorization for the replacement of the Quaker Farms School Roof (the request, including the appropriation, bond authorization implementation of the Quaker Farms School Roof, hereafter the "Project");

Whereas not more than 30 days after receipt of the written request the Boards of Selectmen and Finance held a joint meeting (the "Joint Meeting") at which the request was reviewed and considered in accordance with Section 6-10(A) of the Town Charter;

Whereas the Director of Finance has prepared a Fiscal Impact Statement in accordance with section 6-11 of the Town Charter;

Whereas the Board of Selectmen has recommended the Project, approved a bond resolution therefore, and forwarded their recommendation to the Board of Finance for action;

Whereas this Resolution is before the Board of Finance for consideration and action within thirty days of receipt of the Board of Selectmen recommendation;

NOW THEREFORE, BE IT RESOLVED:

1. The Board of Finance approves the Project.
2. The Board of Finance approves the Fiscal Impact Statement attached hereto as Exhibit A, which includes estimates for: 1) the total amount to be borrowed or bonded, 2) the interest rate for the bonds based upon average prevailing interest rates for municipal bonds, 3) the term of the bonds, 4) the anticipated date of issuance, 5) the annual tax burden, represented in mills, based upon the current grand list of the town, and 6) a calculation indicating that the amount of bonds to be issued is less than ten percent of the current tax levy, and a certificate from the tax collector as to the current tax levy and the assessor as to the taxable grand list.
3. The Board of Finance has previously appropriated funds to pay expenses that may be incurred prior to approval of the Town Meeting and in the event of its disapproval.
4. The Board of Finance approves the bond resolution, attached as Exhibit B, with such changes as the First Selectman shall determine, to authorize and implement the Project and its financing, and recommends its approval by the Town.
5. That the Board of Selectmen be provided written notification within 48 hours of this resolution by the Board of Finance.

**RESOLUTION APPROPRIATING \$800,000 FOR THE
REPLACEMENT OF THE QUAKER FARMS SCHOOL ROOF
AND AUTHORIZING THE ISSUE OF \$800,000 BONDS OF
THE TOWN TO MEET SAID APPROPRIATION AND
PENDING THE ISSUANCE THEREOF THE MAKING OF
TEMPORARY BORROWINGS FOR SUCH PURPOSE**

Section 1. The sum of \$800,000 is appropriated for the planning, acquisition and construction of the replacement of the Quaker Farms School roof, including architectural, engineering and other consultant fees, equipment, repair and replacement of structures and building components due to replaced roof's deficiencies, warranty, administrative, advertising, printing, legal and financing costs and appertenances and services related thereto, or for so much thereof or such additional improvements as may be accomplished witin said appropriation (the "Project"). Said appropriation shall be inclusive of state and federal grants. The First Selectman is authorized to enter into contracts and make determinations in order to implement and complete the Project.

Section 2. To meet said appropriation \$800,000 bonds of the Town or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the twentieth year after their date. Said bonds may be issued in one or more series as shall be determined by the Selectmen or a majority of them, and the Treasurer (hereafter the "Town Officials"), and the amount of bonds of each series to be issued shall be fixed by the Town Officials, provided that the total amount of bonds to be issued shall not be less than an amount which will provide funds sufficient with other funds available for such purpose to pay the principal of and the interest on all temporary borrowings in anticipation of the receipt of the proceeds of said bonds outstanding at the time of the issuance thereof, and to pay for the administrative, printing and legal costs of issuing the bonds. Capital Project Revenues, including bid premiums and income derived from the investment of proceeds from bonds issued pursuant to this resolution (and net investment income derived from the investment of note proceeds) are authorized to be credited by the Director of Finance to the Project account and expended to pay Project expenses customary paid there from, provided that the appropriation and bond authorization shall be reduced by the amount of capital project revenues so credited. Earnings from the investment of note proceeds shall first be applied to pay note interest expense. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, or, be combined with other bonds of the Town and such combined issue shall be in the denomination per aggregate maturity of \$1,000 or a whole multiple thereof, be issued in bearer form or in fully registered form, be executed in the name and on behalf of the Town by the manual or facsimile signatures of the Town Officials, bear the Town seal or a facsimile thereof, be certified by a bank or trust company designated by the Town Officials, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by the Town Officials, and be approved as to their legality by Joseph Fasi LLC, Bond Counsel, of Hartford. They shall bear such rate or rates of interest as shall be determined by the Town Officials. The bonds shall be general obligations of the Town and each of the bonds shall recite that every requirement of law relating to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are irrevocably pledged to the payment of the

principal thereof and the interest thereon and shall be paid from property taxation to the extent not paid from other funds available for the payment thereof. The aggregate principal amount of the bonds to be issued, the annual installments of principal, redemption provisions, if any, the date, time of issue and sale and other terms, details and particulars of such bonds, shall be determined by the Town Officials, in accordance with the General Statutes of the State of Connecticut, as amended. In connection with the issuance of any bonds or notes authorized herein, the Town may exercise any power delegated to municipalities pursuant to Section 7-370b, including the authority to enter into agreements moderating interest rate fluctuation, provided any such agreement or exercise of authority shall be approved by the Board of Selectmen. In order to meet the capital cash flow expenditure needs of the Town, the Town Officials are authorized to allocate and reallocate expenditures incurred for the Project to any bonds or notes of the Town outstanding as of the date of such allocation, and the bonds or notes to which such expenditures have been allocated shall be deemed to have been issued for such purpose, including the bonds and notes herein authorized.

Section 3. Said bonds shall be sold by the Town Officials, in a competitive offering or by negotiation, in their discretion. If sold at competitive offering, the bonds shall be sold upon sealed proposals, auction or similar process at not less than par and accrued interest on the basis of the lowest net or true interest cost to the Town. A notice of sale or a summary thereof describing the bonds and setting forth the terms and conditions of the sale shall be published at least five days in advance of the sale in a recognized publication carrying municipal bond notices and devoted primarily to financial news and the subject of state and municipal bonds. If the bonds are sold by negotiation, the provisions of the purchase agreement shall be subject to approval of the Board of Selectmen. With respect to the receipt of original issuance premium or bid premium upon the sale of the bonds or notes herein authorized, the Town Officials are authorized, but not required, to apply original issuance premium and bid premium, if applicable, to fund any purpose for which bonds of the Town are authorized to be issued, and such application shall reduce the amount of authorized and unissued bonds of the purpose to which the premium was applied, in the amount so applied.

Section 4. The Town Officials are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes evidencing such borrowings shall be signed by the Town Officials, have the seal of the Town affixed, be payable at a bank or trust company designated by the Town Officials, be approved as to their legality by Joseph Fasi LLC, Bond Counsel, of Hartford, and be certified by a bank or trust company designated by the Town Officials, pursuant to Section 7-373 of the General Statutes of Connecticut, as amended. They shall be issued with maturity dates which comply with the provisions of the General Statutes governing the issuance of such notes, as the same may be amended from time to time. The notes shall be general obligations of the Town and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with, that such note is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon. The net interest cost on such notes, including renewals thereof, and the expense of preparing, issuing and marketing them, to the extent paid from the proceeds of such renewals or said bonds, shall be included as a cost of the Project. Upon the sale of said bonds, the proceeds thereof, to the extent required, shall be

applied forthwith to the payment of the principal of and the interest on any such notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 5. Resolution of Official Intent to Reimburse Expenditures with Borrowings. The Town (the "Issuer") hereby expresses its official intent pursuant to §1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty days prior to and after the date of passage of this resolution in the maximum amount and for the capital project defined in Section 1 with the proceeds of bonds, notes, or other obligations ("Bonds") authorized to be issued by the Issuer. The Bonds shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the Project, or such later date the Regulations may authorize. The Issuer hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The First Selectman or her designee is authorized to pay Project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this declaration.

Section 6. The Town Officials, are hereby authorized, on behalf of the Town, to enter into agreements or otherwise covenant for the benefit of bondholders to provide information on an annual or other periodic basis to nationally recognized municipal securities information repositories or state based information repositories (the "Repositories") and to provide notices to the Repositories of material events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds and notes authorized by this resolution.

Section 7. It is hereby found and determined that the issue of all, or a portion of, the Bonds, Notes or other obligations of the Town authorized to be issued herein as qualified private activity bonds, or with interest that is includable in gross income of the holders thereof for purposes of federal income taxation, is in the public interest. The Town Officials are hereby authorized to issue and utilize without further approval any financing alternative available to municipal governments pursuant to HR1, "Making Supplemental Appropriations for Job Preservation and Creation, Infrastructure Investment, Energy Efficiency and Science, Assistance to the Unemployed, and State and Local Fiscal Stabilization, for the Fiscal Year Ending September 30, 2010, and for other purposes" (the "American Recovery and Reinvestment Act of 2010"), including but not limited to any "tax credit bond," or "Build America Bonds" including Direct Payment and Tax Credit Versions.

15 FEB 11 PM 1:01

TOWN CLERK

Officer A. West

TOWN CLERK