

**MINUTES
BOARD OF FINANCE
SPECIAL MEETING – MIDDLE SCHOOL FOR THE TOWN OF OXFORD
WEDNESDAY, SEPTEMBER 20, 2017, 7:00 p.m.**

A Special Meeting of the Board of Finance of the Town of Oxford was held in the Oxford Town Hall on Wednesday, September 20, 2017 at 7:00 p.m.

Members present and absent at the commencement of this Public Hearing were as follows:

Present

Chairman Jack Kiley
Robert DeBisschop
Tom Kelly
Lila Ferrillo
Sue Arpin

Absent

Dana Flach

Also present: James Hliva, Finance Director; First Selectman George Temple.

A Motion was made by Ms. Arpin to have Mr. Kiley read the resolution into the record; Ms. Ferrillo seconded the Motion. A vote was taken.

AYE

Chairman Jack Kiley
Robert DeBisschop
Tom Kelly
Lila Ferrillo
Sue Arpin

NAY

Chairman Kiley introduced the Town of Oxford New Middle School Bond Resolution into the record:

RESOLVED: That the resolution entitled "RESOLUTION WITH
RESPECT TO THE \$44,900,000 TOWN OF OXFORD NEW
MIDDLE SCHOOL APPROPRIATION AND BOND
AUTHORIZATION is hereby adopted.

Mr. DeBisschop made a Motion to waive the reading of the entitled resolution, including waiving the reading of 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 Ms. Arpin. A vote was taken.

AYE

NAY

Chairman Jack Kiley
Robert DeBisschop
Tom Kelly
Lila Ferrillo
Sue Arpin

A discussion ensued among the members regarding the resolution. Ms. Ferrillo said that she will vote for the new school but she is upset that the Board of Selectmen undercut the figures of the Oxford School Building Committee. She believes it was a mistake to make the cuts.

Mr. Hliva discussed the cuts with the Building Committee and the Committee agreed with the adjustments. The cuts were "soft cuts"; not one of the cost adjustments affected the educational structure of the school. He presented the Board members with an itemization of the adjustments made and that list is attached to these Minutes as **Exhibit A**.

Mr. Kiley noted that these adjustments were not arbitrarily made. Ms. Ferrillo said that when the building project begins and contingency costs increase, the Building Committee will be back for more money.

Mr. DeBisschop stated that he believes the original figure is the one that should be approved. He agreed with Ms. Ferrillo that when the building begins, the Building Committee will be back to the Board of Finance for increases.

Mr. Hliva said the cost adjustments were submitted to the State and since he has not heard anything, he believes the State is probably okay with them. He stated that total contingencies were decreased from \$7.1 million to \$5.2 million.

Mr. Kelly commented that there is no language in the bond which forces the Building Committee to return to the Boards of Selectmen and Finance for contingency spending because it is a bond issue. Mr. Hliva disagreed with Mr. Kelly and pointed out language in **Exhibit B, Section 1** which states: "Transfers of amounts between the above categories [Planning, Acquisition and Construction, Inflation factors and contingencies and Debt administration] shall be made only upon approval of the Boards of Selectmen and Finance. Said appropriation shall be inclusive of state and federal grants in aid thereof."

Mr. Kelly was also concerned with school population. According to the Board of Education forecast, school population is heading downward. Ms. Ferrillo noted that with the new school building and new housing, the school population could increase. There was some discussion among the Board members regarding this issue, including the decrease of an auditorium to a "cafetorium".

Mr. Hliva also noted from the Bond Resolution: "The Town may proceed with full design and construction bid documentation pending receipt of the state grant commitment, however, binding contracts for the construction of the Project shall not be entered into unless the State legislature and Governor have approved the Project for grant funding." **Exhibit B, Section 2.** This means that if the State and the Governor do not approve the Project, it does not proceed beyond documentation.

With no further discussion, a vote was taken with regard to approving the resolution with respect to the \$44,900,000 Town of Oxford New Middle School Appropriation and Bond Authorization and moving it to a Town Meeting.

AYE

Chairman Jack Kiley
Robert DeBisschop

Lila Ferrillo
Sue Arpin

NAY

Tom Kelly

With no other questions or comments, Mr. DeBisschop made a Motion to adjourn. Mr. Kelly seconded the Motion. A vote was taken.


AYE


Chairman Jack Kiley
Robert DeBisschop
Tom Kelly
Lila Ferrillo
Sue Arpin

NAY

The meeting was adjourned at 7:20 p.m.

Respectfully submitted,


Lynnette Steeves, Clerk

17 SEP 28 PM 12:58
TOWN OF OXFORD, CT

TOWN CLERK

BOARD OF FINANCE

RESOLUTION WITH RESPECT TO THE \$44,900,000 TOWN OF OXFORD NEW MIDDLE SCHOOL APPROPRIATION AND BOND AUTHORIZATION

Whereas, the Board of Selectmen received a written request for a \$44,900,000 appropriation and bond authorization for the replacement of the Town of Oxford New Middle School (the request, including the appropriation, bond authorization implementation of the Town of Oxford New Middle School, 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 more 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.

**TOWN OF OXFORD
BOARD OF FINANCE**

**FISCAL IMPACT STATEMENT
PROPOSED NEW MIDDLE SCHOOL**

September 20, 2017

Project: Planning, acquisition and construction of the NEW TOWN OF OXFORD
MIDDLE SCHOOL

- 1 Total Amount to be borrowed or bonded (net of anticipated state grants) maximum amount. \$ 33,000,000
- 2 Estimated interest rate for such notes or bonds, based on the prevailing interest rate for municipal bonds or notes 3.50% to 4.00%
- 3 Proposed term of bonds or notes Maximum of 20 years
- 4 Anticipated date on which the bonds or notes are expected to be issued (Notes through July 2021). Interest on Notes not included. 7/30/2021
- 5 The following information has been provided by the Tax Collector and the Tax Assessor
 - Tax Assessor Grand List \$ 1,477,153,946
 - Tax Collector Current Tax Levy \$ 32,636,583
 - Tax Collector Current Mill Rate 22.21
- 6 Estimated annual tax burden represented in mills, based upon the current Grand List of the Town based on a 4.00% interest rate 2.01
- 7 The proposed bond issuance does exceed 10% of the current tax levy calculated as follows
 - Current Tax Levy \$ 32,636,583
 - 10% of Current Tax Levy \$ 3,263,658
- 8 The proposed bond issuance and appropriation will not cause the statutory restrictions imposed by the State of Connecticut for debt limitations to be exceeded. In addition, based on current and projected expense and revenue needs of the Town, the Town has the sufficient ability, current and future to pay for the proposed bond issuance and appropriation and continue to meet its

This fiscal impact statement is based in part on information provided by the Town's financial advisor. The dates and amounts listed above are estimates or approximations. Interest rates are subject to change. The timing of a bond or note sale can be subject to many factors.

EXHIBIT B

RESOLUTION APPROPRIATING \$44,900,000 FOR A NEW TOWN OF OXFORD MIDDLE SCHOOL AND AUTHORIZING THE ISSUE OF \$44,900,000 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 \$44.90 million is appropriated for the planning, acquisition and construction of a new Oxford Middle School (the "Project") as follows:

Planning, Acquisition and Construction	\$37.6 million
Inflation factors and contingencies	7.1 million
Debt administration	<u>.2 million</u>
Total	\$44.9 million

Transfers of amounts between the above categories shall be made only upon approval of the Boards of Selectmen and Finance. Said appropriation shall be inclusive of state and federal grants in aid thereof. The Project shall be constructed approximately in accordance with Educational Specifications as approved by the Oxford Board of Education, and preliminary schematic design prepared by Silver/Petrucelli + Associates, dated May 10, 2017, Oxford Middle School, Option A floor Plans, as may be amended from time to time, or so much thereof or such additional improvements as may be accomplished within the appropriation.

In order to best meet the educational specifications, the Project shall include but not be limited to the construction of a new 86,208 square foot (estimated) building including library/media center, music and art rooms and studios, science areas, gymnasium and physical education facilities, cafetorium (combined cafeteria and auditorium including kitchen and servery), administration/office space, building and grounds support facilities and areas, student support spaces, resource rooms, nursing area, and such other facilities and areas related thereto, site work, demolition, environmental remediation, parking and traffic flow, utilities and infrastructure, HVAC and indoor air quality, alternative energy and conservation, technology infrastructure, furniture and equipment including school, office, computer, athletic, science and language laboratory equipment, such other facilities, improvements and appurtenances related or incidental thereto, architectural, engineering and other consultant services as required and including legal, printing, administrative, debt administration and financing costs, or so much thereof, or such additional improvements as may be obtained within the foregoing appropriation.

Section 2. The total estimated cost of the Project is \$44.90 million. An estimated \$11.90 million of the total Project cost is expected to be paid from State grants and \$33.00 million from the proceeds of bonds authorized herein. The Town may proceed with full design and construction bid documentation pending receipt of the state grant commitment, however, binding contracts for the construction of the Project shall not be entered into unless the State Legislature and Governor have approved the Project for grant funding.

Section 3. To meet said appropriation \$44,900,000 bonds of the Town or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the thirtieth 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 4. 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 5. 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 6. 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 his designee is authorized to pay Project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this declaration.

Section 7. 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 8. It is hereby found and determined that it is in public interest to issue all, or a portion of, the Bonds, Notes or other obligations of the Town as qualified private activity bonds, or with interest that is includable in gross income of the holders thereof for purposes of federal income taxation. The Town Officials are hereby authorized to issue and utilize without further approval any financing alternative available to municipal governments pursuant to law including but not limited to any "tax credit bonds" or "Build America Bonds" including Direct Payment and Tax Credit versions.

Section 9. The Superintendent of Schools is hereby authorized to apply for and accept on behalf of the Town any and all State or Federal grants in aid of the Project, or any portion thereof, including grants pursuant to Chapter 173 of the General Statutes, and to take any and all action necessary and proper in connection therewith.



TOWN OF OXFORD

S.B. Church Memorial Town Hall
486 Oxford Road, Oxford, Connecticut 06478-1298

September 20, 2017

To the Board of Selectmen and the Legal Voters
of the Town of Oxford:

At a meeting of the Board of Finance held September 20, 2017, the following resolution was adopted and recommended for approval by the Town:

RESOLUTION APPROPRIATING \$44,900,000 FOR A
NEW TOWN OF OXFORD MIDDLE SCHOOL AND
AUTHORIZING THE ISSUE OF \$44,900,000 BONDS
OF THE TOWN TO MEET SAID APPROPRIATION
AND PENDING THE ISSUANCE THEREOF THE
MAKING OF TEMPORARY BORROWINGS FOR
SUCH PURPOSE

Pursuant to Charter section 6-10(F), the Board of Finance determined that the proposed borrowing is within all statutory borrowing limitations and the town has sufficient ability, current and future, to pay for the expenditure and continue to meet its operating expenses and all outstanding borrowing authorizations.

Very truly yours,

Jack Kiley
Chairman, Board of Finance
Town of Oxford

Whereas on September 6, 2017 at the regular meeting of the Board of Selectmen the Board approved the RESOLUTION WITH RESPECT TO THE \$44,900,000 TOWN OF OXFORD NEW MIDDLE SCHOOL APPROPRIATION AND BOND AUTHORIZATION

Whereas in the resolution the Town meeting date was set for October 4, 2017

Whereas Section 3 of the resolution states that "Exhibit C is subject to changes as determined by the First Selectman"

Whereas Exhibit C states that the Town meeting will take place on Wednesday, October 4, 2017 at 7:00 P.M. at the Oxford Town Hall, 486 Oxford Road, Oxford Connecticut.

Whereas the First Selectman has determined that the meeting date and location need to be changed.

Therefore be it resolved that the Special Town Meeting of the Town of Oxford scheduled to be held on Wednesday, October 4, 2017 at 7:00 P.M. at the Oxford Town Hall, 486 Oxford Road, Oxford Connecticut is changed to Tuesday October 3, 2017 at 7:00 P.M. at the Quaker Farms School, 30 Great Oak Road, Oxford Connecticut.

TOWN OF OXFORD NEW MIDDLE SCHOOL
PROJECTED COST ADJUSTMENTS

EXHIBIT A

Category	Original Estimate	Revised Estimate	Savings	Reason
Architect	\$ 2,498,300.00	\$ 1,999,680.00	\$ 498,620.00	Reduce Architect to 6 % of current construction costs
Architect pre referendum	\$ 90,000.00	\$ -	\$ 90,000.00	included in pre referendum below
Construction Manager	\$ 4,570,500.00	\$ 3,032,800.00	\$ 1,537,700.00	Reduce Cm to 11% of current construction and site work costs was 15%
Owners Contingency	\$ 997,600.00	\$ 758,200.00	\$ 239,400.00	Reduced to 2.5% of construction and site from 3.3%
Construction Contingency	\$ 1,981,900.00	\$ 1,516,400.00	\$ 465,500.00	reduce to 5% of construction and site from 6.5%
Design and estimating contingency	\$ 3,032,800.00	\$ 2,122,960.00	\$ 909,840.00	reduced to 5% of site and construction from 10%
Building permit fees included in construction	\$ 273,497.00	\$ -	\$ 273,497.00	only state portion of fees is charged Town waives all other building fees
Telecommunication equipment	\$ 100,000.00	\$ 80,000.00	\$ 20,000.00	Mr. Barlow states that he will use the old system from center school
pre referendum services	\$ 90,000.00	\$ 45,000.00	\$ 45,000.00	total approved is only 45,000
Planning and Zoning	\$ 6,000.00	\$ -	\$ 6,000.00	permit fees will be waived except \$60 for state of Connecticut
Additional saving to be added back to above in the event the calculations are off			\$ (385,557.00)	With rounding the savings add back is 10% of the reductions
			\$ 3,700,000.00	
Original Request			\$ 48,600,000.00	
Selectman Approved			\$ 44,900,000.00	
Reduction			\$ 3,700,000.00	

TOWN OF OXFORD NEW MIDDLE SCHOOL
PROJECTED COST ADJUSTMENTS

EXHIBIT A

Category	Original Estimate	Revised Estimate	Savings	Reason
Architect	\$ 2,498,300.00	\$ 1,999,680.00	\$ 498,620.00	Reduce Architect to 6 % of current construction costs
Architect pre referendum	\$ 90,000.00	\$ -	\$ 90,000.00	included in pre referendum below
Construction Manager	\$ 4,570,500.00	\$ 3,032,800.00	\$ 1,537,700.00	Reduce Cm to 11% of current construction and site work costs was 15%
Owners Contingency	\$ 997,600.00	\$ 758,200.00	\$ 239,400.00	Reduced to 2.5% of construction and site from 3.3%
Construction Contingency	\$ 1,981,900.00	\$ 1,516,400.00	\$ 465,500.00	reduce to 5% of construction and site from 6.5%
Design and estimating contingency	\$ 3,032,800.00	\$ 2,122,960.00	\$ 909,840.00	reduced to 5% of site and construction from 10%
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Telecommunication equipment	\$ 100,000.00	\$ 80,000.00	\$ 20,000.00	Mr. Barlow states that he will use the old system from center school
pre referendum services	\$ 90,000.00	\$ 45,000.00	\$ 45,000.00	total approved is only 45,000
Planning and Zoning	\$ 6,000.00	\$ -	\$ 6,000.00	permit fees will be waived except \$60 for state of Connecticut
Additional saving to be added back to above in the event the calculations are off				With rounding the savings add back is 10% of the
				\$ (385,557.00) reductions
				\$ 13,700,000.00
Original Request				\$ 48,600,000.00
Selectman Approved				\$ 44,900,000.00
Reduction				\$ 3,700,000.00