

BOARD OF FINANCE

Minutes of the Special Meeting held on March 1st 2017

	<u>Regular Members</u>	<u>Others</u>
Present	Y John LaPorta (CHM) N Lisa Lansing Y Celia Senzer Y William Hurlburt Y Janet Sanders Y Jack Preston	Gordon M Ridgway, First Selectman Barbara Herbst, BoF Clerk
		<u>Alternate Members</u>
		N Joseph Pryor Y Darilyn Woods

Call to Order

7:30 p.m.

Chairman asked alternate member Darilyn Woods to sit for Lisa Lansing.

Chairman John LaPorta introduced and read the following resolution:

RESOLVED: That the resolution entitled: "RESOLUTION APPROPRIATING \$1,500,000 FOR THE TOWN OF CORNWALL BRIDGE IMPROVEMENT PROGRAM (2017) AND AUTHORIZING THE ISSUE OF UP TO \$1,500,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS THEREFORE" is hereby approved and recommended for adoption by the Town.

Is there a Motion to waive the reading of the entitled resolution and incorporate its full text into the Minutes of the meeting?

Motion

Janet Sanders Moved to waive the reading of the entitled resolution and incorporate its full text into the Minutes of the meeting as appendices one.

Celia Senzer Seconded the motion.

Discussion:

None

Those in favor: John LaPorta (CHM)
Darilyn Woods
Celia Senzer
William Hurlburt
Janet Sanders
Jack Preston

Those Opposed: None

The Motion to waive the reading passed.

Chairman:

Chairman John LaPorta called for a Motion and Second that the bridge program bond resolution be adopted.

Motion

Janet Sanders Moved to adopt the bridge program bond resolution.

Darilyn Woods Seconded the motion.

Discussion:

Lengthy discussion ensued. A copy of Exhibit C.1-Priority Group1 from the report prepared by Lenard Engineering, Inc. was distributed and is appended to these minutes, labeled appendices two. It was clarified that the funding under discussion would be principally used to complete the work in Exhibit C.1-Priority Group 1. Discourse covered the number of bridges in Cornwall, what constitutes a bridge by state definition, current usage and location of the bridges in the Priority Group 1, exploring alternatives to the recommended work in an effort to realize cost savings and the level of control the BoF does or does not have with regard to approving the cost of specific bridges.

Motion

William Hurlburt Moved to postpone the motion to the next meeting to be held on March 8th 2017.

Jack Preston Seconded the motion.

Discussion:

None

Those in favor: John LaPorta (CHM)
Darilyn Woods
Celia Senzer
William Hurlburt
Janet Sanders
Jack Preston

Those Opposed:
None

The Motion to postpone the motion passed.

2 - FY 2017 - 2018
Proposed Budget

Copies of the proposed budget as presented by the Board of Selectmen on 2/15/17 were available and distributed as necessary. Chairman LaPorta started the discussion by sharing with the Board that he had read all the individual departmental submissions that were emailed to members subsequent to the prior meeting.

Chairman LaPorta summarized his observations into four points.

- 1) Concern over the Board of Selectmen's generous offer to waive their 3% salary increase that is being budgeted for the rest of the town employees.
- 2) The total amount of funding under the heading Organizational Support is less than 2% of the total budget.
- 3) Capital funding may need to be augmented. The bridge report findings are beneficial for planning purposes and it would be nice to have additional reports for other capital groups such as roads and town buildings.
- 4) Transfer Station departmental request.

Discussion followed and one member wanted it noted that in their opinion, the Social Service department is in need of a part-time administrative assistant.

Motion

Jack Preston Moved to restore the 3% increase to the Selectmen's salaries in the proposed budget.

William Hurlburt Seconded the motion.

Discussion:

None

The Motion to restore the 3% increase to the Selectmen's salaries in the proposed budget passed unanimously.

Motion

Darilyn Woods Moved to increase the appropriation to Capital in the proposed budget by \$20,000, allocating \$10,000 to Transfer Station Buildings and \$10,000 to Town Building upgrades.

William Hurlburt Seconded the motion.

Discussion:

None

The motion to increase the appropriation to Capital in the proposed budget by \$20,000, allocating \$10,000 to Transfer Station Buildings and \$10,000 to Town Building upgrades passed unanimously.

3 - Adjournment

Motion

Janet Sanders Made a motion to adjourn the meeting.

William Hurlburt Seconded

Motion passed unanimously

8:48 PM


Barbara E. Herbst, Board Clerk

Submitted:

Note:

Minutes remain "Draft" until accepted at the next regular scheduled meeting, please see subsequent meeting minutes for any corrections to these minutes.

RESOLUTION APPROPRIATING \$1,500,000 FOR THE TOWN OF CORNWALL BRIDGE IMPROVEMENT PROGRAM (2017) AND AUTHORIZING THE ISSUE OF UP TO \$1,500,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS THEREFORE

Section 1. The sum of \$1,500,000 is appropriated for the Town of Cornwall Bridge Improvement Program (2017) consisting of the improvement, including replacement as necessary, of bridges within the Town of Cornwall as set forth in a report entitled Capital Planning for Bridges, February 6, 2017, by Lenard Engineering Inc, as the same may be amended from time to time (hereafter the "Program"). The Program shall include all expenses necessary and appropriate for its accomplishment including planning, acquisition and construction, remediation, demolition expenses, repair, reconstruction or replacement, appurtenances or utility, road, sidewalk and abutting property repair, horizontal and vertical realignment, drainage installation, reclamation, paving, curbing, milling, capping, utility relocation, traffic control, warranties, engineering or other design or implementation professionals, consultants, appraisers, equipment, legal, advertising, printing, financing and administration costs, or so much thereof or such additional improvements as may be accomplished within said appropriation. The Board of Selectmen shall prioritize projects and allocate this appropriation as necessary to implement the Bridge Program (2017) within the scope of this appropriation.

Section 2. To meet said appropriation \$1,500,000 bonds (including bank loans or other forms of financing) of the Town or so much thereof as may be necessary for such purpose, shall be issued, maturing not later than the twentieth year after their date, or such later date as may be allowed by law. Said bonds may be issued in one or more series as determined by the First Selectman and the Town Treasurer, (the "Town Officials") and the amount of bonds of each series to be issued shall be fixed by the Town Officials. Said bonds shall be issued in the amount necessary to meet the Town's share of the cost of the Project, determined after considering the estimated amount of the State and Federal grants-in-aid thereof, or the actual amount thereof if this be ascertainable, and the anticipated times of the receipt of the proceeds thereof, 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 investment income derived from investment of bond proceeds (and net investment income derived from note proceeds) are authorized to be credited by the Director of Finance to the project account and expended to pay project expenses customarily paid there from, provided that such expenditure shall be applied against the appropriation and bond authorization which shall be reduced by the amount of capital project revenues so applied and credited. 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 First Selectman

and the Town Treasurer, bear the Town seal or a facsimile thereof, be certified by a bank or trust company designated by the First Selectman, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by the First Selectman, 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, that the full faith and credit of the Town are 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 First Selectman is 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 and Project 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 other competitive 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 First Selectman is 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 First Selectman, 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 First Selectman 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, that the full faith and credit of the Town are 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 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 ordinance 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 Director of Finance 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 First Selectman or his designate is hereby authorized to exercise all powers conferred by section 3-20e of the general statutes with respect to secondary market disclosure and to provide annual information and notices 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 ordinance.

Section 7. It is hereby found and determined that the issue of all, or a portion of, the Bonds 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.

Lenard Engineering, Inc.

Job No.: 16-142

Client: Town of Cornwall

Project: Capital Planning for Bridges

Exhibit C.1 - Priority Group 1

Date: 02/06/17

Prepared By: DNB

Priority Group 1 **Timing of Proposed Improvements: 0 to 3 Years**

Bridge Number	Feature Carried	Feature Conveyed	General Condition	Nature of Work Required	Maintenance By Town	Improvements By Contractor	Professional Services	Contingency	Total
031019	Flat Rocks Rd.	W. Br. Shepaug Riv.	Poor	Full Replacement		\$ 400,000	\$ 20,000	\$ 42,000	\$ 462,000
N/A	Gravel Pit Dr.	Mill Brook	Poor	Full Replacement		\$ 400,000	\$ 60,000	\$ 46,000	\$ 506,000
05187	Smith Place	Mill Brook	Poor	Replace Superstructure; Minor substructure work; Approach railing		\$ 150,000	\$ 30,000	\$ 18,000	\$ 198,000
031001	River Rd.	Reed Brook	Fair/Good	Treat timbers with preservative; install post caps; anchor gabion walls	\$ 2,500			\$ 250	\$ 2,750
031002	Music Mountain Rd.	Reed Brook	Good	install waterproof membrane; repave	\$ 10,000			\$ 1,000	\$ 11,000
031009	Popple Swamp Rd.	Stream	Good	Minor substructure work; Repair wingwalls; Install waterproof membrane		\$ 17,000		\$ 1,700	\$ 18,700
031008	Coggswell Rd.	Mill Brook	Fair	Replace ornamental parapets. Moderate repairs to all other concrete surfaces		\$ 50,000	\$ 15,000	\$ 6,500	\$ 71,500
031010	Popple Swamp Rd.	Brook	Good	Minor substructure work; Repair wingwalls; Install waterproof membrane		\$ 17,000		\$ 1,700	\$ 18,700
031011	West Rd.	Bloody Brook	Good	Minor substructure work; Repair wingwalls; Install waterproof membrane		\$ 17,000		\$ 1,700	\$ 18,700
031014	Swifts Bridge Rd.	Gunn Brook	Fair	Treat timbers with preservative; install post caps	\$ 2,500			\$ 250	\$ 2,750
05185	Popple Swamp Rd.	Furnace Brook	Good	Treat timbers with preservative; install post caps	\$ 2,500			\$ 250	\$ 2,750
05844	Lower River Rd	Mill Brook	New	Treat timbers with preservative; install post caps	\$ 2,500			\$ 250	\$ 2,750
05626	Valley Rd.	Birdseye Brook	Good	Repair bridge rails; install approach rails	\$ 5,000			\$ 250	\$ 5,250
Totals:					\$ 25,000	\$ 1,051,000	\$ 125,000	\$ 119,850	\$ 1,320,850