MINUTES
SPECIAL MEETING
BOARD OF MAYOR AND BURGESSES
APRIL 22, 2019

1. Mayor "Pete" Hess called the special meeting to order at **6:30 p.m**. with the following in attendance:

<u>BURGESSES</u>:

L. Taf Jackson	D. Hoff	
M. Bronko	R. Neth	
R. Burns, absent	R. Vitale	
J. DeOliveira	D. Wisniewski, absent	
C. Herb		

<u>PRESS</u>:
L. Marshall

<u>RESIDENTS</u>:
Three

<u>DEPARTMENT HEADS</u>:

S. Locke, Superintendent of Schools	A. Bruce, Controller
C. Montini, Assistant Superintendent of Schools	A. Merly, BOE IT Director
P. Russell, Deputy Fire Chief	E. Murray, Fire Chief
B. Rizk, BOE Business Manager	S. Hunt, Chief of Police

<u>OTHERS</u>:

D. Sheridan, Board of Finance Chairman	J. Mizeski, Board of Finance
J. DeBisschop, 2nd Assistant Fire Chief	J. Savarese, Board of Finance
J. Hunt, Hillside Intermediate School Principal	S. Bronko, Board of Finance
D. Scinto, Board of Finance Vice Chairman	R. Burke, Board of Finance
A. Bottinick, Board of Finance	A. Olbrys, Board of Finance
E. Grant, Board of Education	V. Tasimi, Board of Finance

2. Burgess Neth led in the Pledge of Allegiance to the flag.

3. Mayor "Pete" Hess informed the board there is an emergency at the high school. The high school is subject to closure unless we take action this summer to address the failure of the solar panels on the roof by order of the building inspector and fire marshal. There is not enough time to go to referendum to get support to bond the project. According to our bonding attorney, if we create a **Property and Casualty Loss Reserve Fund** we can move forward and stay on schedule without having to go to referendum for authorization to bond the project. The bonding funds will go into the Property and Casualty Loss Reserve Fund that will only be used for this specific project and this specific loss.

4. **VOTED:** Unanimously on a motion by Deputy Mayor Taf Jackson and seconded by Burgess Neth that the Board of Mayor and Burgesses adopt the following resolution to create a **Property and Casualty Loss Reserve Fund**, as if read:

WHEREAS, the Mayor has recommended the creation of a property and casualty loss reserve fund for the purpose of paying property or casualty losses; and

WHEREAS, this Board of Mayor and Burgesses desires to create such property and casualty loss reserve fund.

NOW THEREFOR, BE IT RESOLVED THAT,

1. Provided that the Board of Mayor and Burgesses and the Board of Finance sitting jointly (the "Joint Board") approves the creation of a property and casualty loss reserve fund, there is hereby created a property and casualty loss reserve fund (the "Fund") established in accordance with Section 7-403a of the Connecticut General Statutes.

2. Upon the recommendation of the Mayor and the Joint Board and approval of the Board of Mayor and Burgesses, any part or the whole of the Fund may be used and appropriated to pay only for property or casualty losses, and expenses related thereto, including court costs and attorneys' fees, incurred by the Borough or any other uses which may be permitted by Section 7-403a of the Connecticut General Statutes. Any unexpended portion of such appropriation remaining after such payment, together with all interest accruing on the balance in the Fund, shall be credited to the Fund. "Property or casualty losses" shall include, but not be limited to, (1) motor vehicle liability, physical damage and collision, (2) loss or damage to, or legal liability for, real or personal property, and (3) legal liability for personal injuries or deaths, including, but not limited to, workers' compensation and heart and hypertension; provided that the amounts held to the credit of the Fund may be combined with appropriations from the general fund, at the discretion of the Controller for the payment of such property or casualty losses.

3. Upon the recommendation of the Mayor and approval of the Joint Board and Board of Mayor and Burgesses, there shall be paid into such reserve fund (1) amounts authorized to be transferred thereto from the general fund cash surplus available at the end of any fiscal year, (2) amounts raised by the annual levy of a tax for the benefit of such fund, and for no other purpose, provided such tax shall be levied and collected in the same manner and at the same time as the regular annual taxes of the municipality, or (3) with respect to a reserve fund for property or casualty losses, the proceeds of bonds, notes or other obligations issued pursuant to subsection (b) of Section 7-374b of the Connecticut General Statutes.

4. The Treasurer of the Borough shall submit annually a complete and detailed report of the condition of the Fund to the Mayor, the Joint Board and the Board of Mayor and Burgesses and such report shall be made a part of the annual report of the Borough.

5. The Fund may be discontinued, after recommendation by the Mayor and the Joint Board to the Board of Mayor and Burgesses and upon approval of the Board of Mayor and Burgesses, the Fund shall be converted into, or added to, a sinking fund to provide for the retirement of the bonded indebtedness of the Borough.

6. This resolution shall take effect upon its adoption.

5. **VOTED:** Unanimously on a motion by Deputy Mayor Taf Jackson and seconded by Burgess Neth that the Board of Mayor and Burgesses adopt the following resolution recommending an appropriation of **$4,500,000** to fund the **Property and Casualty Loss Reserve Fund** of the Borough of Naugatuck and authorizing the issuance of up to **$4,500,000** of bonds to fund such appropriation, as if read:

BE IT RESOLVED BY THE BOARD OF MAYOR AND BURGESSES OF THE BOROUGH OF NAUGATUCK AS FOLLOWS:

Section 1. On recommendation of the Mayor, it is hereby recommended to the Board of Finance that it appropriate the sum of $4,500,000 (i) to be paid and deposited into the Borough of Naugatuck's (the "Borough") Property and Casualty Loss Reserve Fund (the "Fund") to pay all or a part of its property and casualty losses and (ii) to pay all financing costs related to the issuance of bonds for such purpose.

Section 2. To meet said appropriation and in lieu of a tax therefor, and provided that the appropriation recommended above is approved by the Board of Finance and the Board of Finance and the Board of Mayor and Burgesses sitting jointly, $4,500,000 of general obligation bonds (the "Bonds") are hereby authorized to be issued pursuant to Section 7-374b(b) of the Connecticut General Statutes, as amended, the Charter of the Borough and any other provision of law thereto enabling. The Mayor and the Treasurer are hereby authorized to sell the Bonds, in the maximum principal amount of $4,500,000 or so much thereof as shall be necessary for such purpose. The Bonds shall be issued in fully registered form in the denomination of $5,000 or a whole multiple thereof, be executed in the name and on behalf of the Borough by the manual or facsimile signatures of the Mayor and the Treasurer, bear the Borough's seal or a facsimile thereof, be certified by a bank or trust company, which bank or trust company may be designated as registrar and transfer agent, be payable at a bank or trust company, and be approved as to their legality by Pullman & Comley, LLC. The Bonds shall be general obligations of the Borough and the full faith and credit of the Borough hereby is pledged to their payment. 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 limitation prescribed by law, and that the full faith and credit of the Borough is pledged to the payment of the principal thereof and the interest thereon.

Section 3. The Bonds shall be sold by the Mayor and the Treasurer at either public sale upon sealed proposals or by negotiation or private placement. If sold at public sale, the Bonds shall be sold at no less than par and accrued interest on the basis of the lowest true interest cost to the Borough. If sold by negotiation or private placement, the terms and provisions of the purchase agreement shall be approved by the Mayor and the Treasurer. The aggregate amount of Bonds to be issued, the annual installments of principal, redemption provisions, if any, the date, interest rate or rates, whether such rates are fixed or variable, and other terms, details and particulars of the Bonds, including the bank or trust company at which the Bonds shall be payable, the certifying bank, the registrar and transfer agent, if any, shall be determined by the Mayor and the Treasurer in accordance with the Connecticut General Statutes.

Section 4. If the interest on the Bonds, under the Internal Revenue Code of 1986, as amended, is includable in the gross income of the holder or holders of the Bonds, it is hereby determined that the issuance of such taxable Bonds is in the public interest.

Section 5. If the Mayor and the Treasurer, or either of them, determine it is necessary, desirable or appropriate to acquire, on behalf of the Borough, bond insurance or other forms of credit enhancement guaranteeing the payment of the Bonds on such terms as the Mayor and the Treasurer, or either of them, determine to be appropriate, such terms to include, but not be limited to, those relating to fees, premiums and other costs and expenses incurred in connection with such credit enhancement, the terms of payment of such expenses and costs and such other undertakings as the issuer of the credit enhancement or the underwriter shall require including, but not limited to, the maintenance of financial covenants and funding reserves and if the Mayor and the Treasurer, or either of them, determine that it is appropriate, they are authorized, on the Borough's behalf, to grant security to the issuer of the credit enhancement to secure the Borough's obligations arising under the credit enhancement, including, but not limited to, the pledge of the Borough's full faith and credit and the establishment of a reserve fund from proceeds of the Bonds.

Section 6. The Mayor and the Treasurer are hereby authorized in connection with the issuance of the Bonds to execute and deliver on behalf of the Borough such reimbursement agreements, remarketing agreements, standby bond purchase agreements, interest rate swap agreements, and other agreements related to the Bonds the Mayor and the Treasurer deem necessary, appropriate or desirable to the issuance of the Bonds and the Mayor and the Treasurer are hereby authorized on behalf of the Borough, to secure the payment of such agreements with the full faith and credit of the Borough, if they deem it necessary, appropriate or desirable.

Section 7. The Mayor, the Treasurer and the Controller are hereby authorized, on behalf of the Borough for the benefit of the holders of the Bonds, 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 Rule 15c2-12, as amended.

Section 8. Each of the Mayor, the Treasurer or the Controller, or either one of them, is authorized on behalf of the Borough to take or cause to be taken all further action he or she determines to be necessary, desirable or appropriate to implement the intent of this resolution.

Section 9. This resolution shall take effect upon its adoption.

6. **VOTED:** Unanimously on a motion by Deputy Mayor Taf Jackson and seconded by Burgess Neth that the Board of Mayor and Burgesses adopt the following resolution to make **Declaration of Official Intent for Reimbursement Bonds**, as if read:

WHEREAS, the Internal Revenue Service has promulgated regulations (the "Regulations") under the Internal Revenue Code of 1986, as amended (the "Code") that govern the allocation of the proceeds of tax-exempt debt issued to reimburse expenditures paid by a borrower of tax-exempt debt, prior to the issuance of such debt; and

WHEREAS, such Regulations set forth the circumstances under which allocations of proceeds to reimburse such prior expenditures shall be treated as an expenditure of proceeds on the date of such allocations; and

WHEREAS, generally, in order to satisfy the Regulations and be able to reimburse expenditures (except for certain de minimis expenditures and preliminary costs as defined in the Regulations) with the proceeds of tax-exempt debt, the issuer of tax-exempt debt must, among other things, declare not later than sixty (60) days after the date of such expenditure, a reasonable official intent to so reimburse; and

WHEREAS, the purpose of this official intent requirement is to provide objective evidence that on the date of this declaration, the issuer intended to reimburse the expenditure; and

WHEREAS, the Borough of Naugatuck (the "Borough") intends to issue bonds in the maximum amount of $4,500,000 to replace the Naugatuck High School Solar Roof (the "Project").

NOW THEREFORE, be it resolved that the Borough declares its official intent as follows:

1. The Borough reasonably expects to incur expenditures (the "Expenditures") in connection with the Project.

2. The Borough reasonably expects to reimburse itself for the cost of Expenditures with respect to the Project with the proceeds of tax-exempt debt to be issued by the Borough within eighteen (18) months after the date of any Expenditure or the date the Project was placed in service or abandoned, whichever is later. The maximum principal amount of such debt with respect to the Project is not expected to exceed $4,500,000.

3. This declaration of official intent is a declaration of official intent made pursuant to Section 1.150-2 of the Regulations.

7. **VOTED:** Unanimously on a motion by Deputy Mayor Taf Jackson and seconded by Burgess Neth that the Board of Mayor and Burgesses authorize Mayor Hess to appoint and/or reconfirm the appointment of the following members to the **Borough of Naugatuck Standing Building Committee**:

Cindy Herb
161 Park Avenue

Kevin Knowles
157 Park Avenue

Raymond Lennon, Jr.
39 Partridgetown Road

Wayne McAllister
35 Park Avenue

Gary Charette
140 Round Hill Road

Jack DeOliveira
94 Ward Street

Mayor N. Warren "Pete" Hess (ex-officio)
229 Church Street

Allyson W. Bruce (ex-officio)
229 Church Street

Robert Neth
30 City Brook Road

James Scully
195 Wooster Street

Donald Wisniewski
1100 Andrew Mountain Road

Kevin Dion (ex-officio)
497 Rubber Avenue

Sharon Locke (ex-officio)
497 Rubber Avenue

8. **VOTED:** Unanimously on a motion by Deputy Mayor Taf Jackson and seconded by Burgess Neth to adjourn the special meeting at **6:45 p.m.**

A digital recording of this meeting is available in the office of the Borough Clerk for further review.

Attest:

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Nancy K. DiMeo
Borough Clerk