



CITY OF DANBURY

155 DEER HILL AVENUE
DANBURY, CONNECTICUT 06810

DENA DIORIO
DIRECTOR OF FINANCE

(203)797-4652
FAX: (203)796-1526

MEMORANDUM

TO: Mark D. Boughton via the Common Council

FROM: Dena R. Diorio, Director of Finance & Personnel *Dena*

DATE: March 29, 2005

SUBJECT: Ordinance - \$998,000 For Sewer System Improvements

Attached please find the ordinance and related documentation for the proposed bond package for various sewer system improvements.

The ordinance must be approved under Section 7-10a of the City Charter, which requires the affirmative vote of at least two thirds of the membership of the entire Council after a public hearing. In addition, because the amount exceeds \$500,000, the ordinance must be presented to the voters at a referendum in November 2005.

Please feel free to contact me should you require any additional information. Thank you.

AN ORDINANCE MAKING APPROPRIATIONS
 AGGREGATING \$998,000 FOR SEWER SYSTEM
 IMPROVEMENTS AND AUTHORIZING THE ISSUANCE OF
 \$998,000 BONDS OF THE CITY TO MEET SAID
 APPROPRIATIONS AND PENDING THE ISSUANCE
 THEREOF THE MAKING OF TEMPORARY BORROWINGS
 FOR SUCH PURPOSE

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF DANBURY:

Section 1. The sums set opposite the sewer system improvements hereinafter listed are hereby appropriated to meet the costs thereof including costs of surveys, borings, easement acquisitions, engineering, construction, equipment, legal, administrative and other related costs, each of said appropriations to be inclusive of any and all Federal and State grants-in-aid thereof:

<u>Project</u>	<u>Amount</u>	
Convert Chlorine & Sulfur Dioxide Gas	\$ 300,000	
Digester Cleaning	500,000	
Digester Gas Re-Use	<u>70,000</u>	
		\$ 870,000
Appropriation for contingency, interest, legal and administrative costs:		\$ <u>128,000</u>
TOTAL		\$ <u>998,000</u>

Section 2. The appropriations in Section 1 may be expended with the approval of the Mayor and the Director of Finance for any of the projects or purposes set forth therein and the Mayor and the Director of Finance may approve transfers among the appropriations in said Section upon finding that any such appropriation or portion thereof is not needed for its respective purpose.

Section 3. To meet said appropriations \$998,000 bonds of the City shall be issued maturing not later than the twentieth year after their date. Said bonds may be issued in one or more series as determined by the Mayor and the Director of Finance and the amount of bonds of each series to be issued shall be fixed by the Mayor and the Director of Finance in the amount necessary to meet the City's share of the cost of the project determined after considering the estimated amount of the State grants-in-aid of the project, 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. The bonds shall be in the denomination 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 City by the facsimile or manual signatures of the Mayor, and the City Treasurer, bear the City seal or a facsimile thereof, be certified by a bank or trust company, which bank or trust company may be

designated the registrar and transfer agent, be payable at a bank or trust company, and be approved as to their legality by Robinson & Cole LLP, Attorneys-at-Law, of Hartford. The bonds shall be general obligations of the City 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 City are pledged to the payment of the principal thereof and interest thereon. The aggregate principal amount of the bonds of each series to be issued, the annual installments of principal, redemption provisions, if any, the certifying, registrar and transfer agent and the paying agent, the date, time of issue and sale and other terms, details and particulars of such bonds including the rate or rates of interest shall be determined by the Mayor and the Director of Finance in the best interest of the City.

Section 4. The bonds of each series shall be sold by the Mayor in a competitive offering or by negotiation, in his discretion. If sold in a competitive offering, the bonds shall be sold at not less than par and accrued interest on the basis of the lowest net or true interest cost to the City. 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, provisions of the purchase agreement shall be subject to the approval of the Mayor, City Treasurer and Director of Finance.

Section 5. The City Treasurer is authorized to make temporary borrowings in anticipation of the receipt of the proceeds of any series of said bonds or notes. Notes evidencing such borrowings shall be signed by the Mayor and the City Treasurer, have the seal of the City affixed, be payable at a bank or trust company designated by the City Treasurer, be approved as to their legality by Robinson & Cole LLP, Attorneys-at-Law, of Hartford, and be certified by a bank or trust company designated by the City Treasurer 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 City 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 City 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 or notes, shall be included as a cost of the Project. Upon the sale of said bonds or notes 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. The Mayor is authorized in the name and on behalf of the City to apply for and accept any and all Federal and State loans and/or grants-in-aid of the Project and is further authorized to expend said funds in accordance with the terms hereof and in connection therewith to contract in the name of the City with engineers, contractors and others. To meet any portion of the costs of the Project determined by the State of Connecticut Department of Environmental Protection to be eligible for funding under Section 22a-475 et seq. of the Connecticut General Statutes, as the same may be amended from time to time (the "Clean Water Fund Program"), the City may issue interim funding obligations in anticipation of project loan obligations and project loan obligations in such denominations as the Mayor and Director of Finance shall determine. The Mayor and the Director of Finance are hereby authorized to determine the amount, date, maturity, interest rate, form and other details and particulars of such interim funding obligations and project loan obligations, subject to the provisions of the Clean Water Fund Program, and the Mayor and City Treasurer are authorized to execute and deliver the same. Said obligations shall be general obligations of the City and each of the notes shall recite that every requirement of law relating to its issue has been duly

complied with, that such obligation is within every debt and other limit prescribed by law, and that the full faith and credit of the City are pledged to the payment of the principal thereof and the interest thereon. The Mayor is hereby authorized to execute and deliver to the State in the name of and on behalf of the City Project Loan and Project Grant Agreements under the Clean Water Fund Program.

Section 7. The City 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 anytime 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 City. 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 City hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Mayor or his designee is authorized to pay project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this declaration.

Section 8. The Director of Finance is hereby authorized, on behalf of the City, 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 ordinance. Any agreements or representations to provide information to Repositories made prior hereto are hereby confirmed, ratified and approved.

Section 9. This ordinance shall become effective upon its approval at a Special City Meeting called by the Mayor for such purpose, pursuant to the revised City Charter.

Enacted by the Common Council: _____

Approved by the Mayor: _____ Date: _____

Operative And In Effect: _____