



CITY OF DANBURY

155 DEER HILL AVENUE

DANBURY, CONNECTICUT 06810

COMMON COUNCIL

REPORT

August 2, 2005

Mayor Mark D. Boughton
Members of the Common Council

Re: **Immanuel Lutheran School Bonding Ordinance**

The Common Council met as a committee of the whole immediately following a public hearing in the Common Council Chambers in City Hall.

Ms. Saracino made a motion to recommend approval of the ordinance appropriating \$5,600,000 for renovations and improvements to the old Immanuel Lutheran School and authorizing the issuance of \$5,600,000 bonds of the City to meet said appropriation and pending the issuance thereof the making of temporary borrowings for such purpose. Seconded by Mrs. Basso.

Ms. Diorio stated that the \$5,600,000 includes construction costs, as well as other costs such as contingency. When the State passed the legislation, they gave us sixty days to get local authorization in place. The referendum will be held in September.

Mr. Urice stated that at the initial committee meeting it was stated that the property could be sold and the taxpayers would not be out and it appears that is not an option now. He asked what the exposure is to the taxpayers and if there are no federal funds forthcoming, does the bond money still have to be spent? Ms. Diorio stated that if the bond passes in September there is no requirement to go forward. Mr. Maloney stated if the cost is \$8,000,000 and the State pays \$4,000,000 and the Feds allow 25% that would be less than \$2,000,000. Mr. Urice said this is still a good deal, but is has evolved into something different from the project the Common Council approved last year.

Mr. Saadi stated that dollar for dollar this makes sense. He asked if the \$5,600,000 could be used for other purposes besides Head Start? Ms. Diorio stated that Bond Counsel has said it could be used for other purposes. Mr. Buckley said there is no simple answer. Superintendent of Schools Eddie Davis would have to be consulted. It would not be large enough for the

Roberts Avenue replacement school. We know that there is asbestos in the building. The evolution did not start with the \$2,500,000. The City originally looked at acquiring the church, the school and two additional buildings. You would have to go back and review the schools long-range planning report.

Mr. Maloney said the Head Start people he has spoken to in Boston say they want to fund this project. He is constrained to said that the State is likely to pay half and the Feds 25%. Mr. Visconti asked if there is anything in writing from the Head Start people in Boston? Mr. Maloney said they would not process the federal application until the other pieces are in place.

Mr. Nolan said he hopes that this is approved. It is not as anticipated because of the complication of the state funding formula. City officials had to do some convincing that this is a good project. The best-case scenario is that the City's expenditure is only \$1,500,000.

Motion carried unanimously.

Respectfully submitted,

VINCENT P. NOLAN, JR.
Chairman

AN ORDINANCE APPROPRIATING \$5,600,000 FOR RENOVATIONS AND IMPROVEMENTS TO THE OLD IMMANUEL LUTHERAN SCHOOL AND AUTHORIZING THE ISSUANCE OF \$5,600,000 BONDS OF THE CITY TO MEET SAID APPROPRIATION 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 sum of \$5,600,000 is appropriated for renovations and improvements to the old Immanuel Lutheran School, including contingency, interest, legal, administrative, financing and other related costs.

Section 2. To meet said appropriation \$5,600,000 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 3. The bonds of each series shall be sold by the Mayor in a competitive offering or by negotiation, in his discretion. 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 approved by the Mayor, the City Treasurer and the Director of Finance.

Section 4. The City Treasurer is 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 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, may be included as a cost of the improvements in Section 1. Upon the sale of the 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. 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 projects defined in Section 1 herein 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 6. The Director of Finance is hereby authorized, on behalf of the City of Danbury, 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 7. 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: _____

Councilman _____ introduced and read the following resolution:

RESOLUTION PROVIDING FOR SPECIAL CITY MEETING

RESOLVED: That the ordinance entitled "An Ordinance Appropriating \$5,600,000 For Renovations And Improvements To The Old Immanuel Lutheran School And Authorizing The Issuance Of \$5,600,000 Bonds Of The City To Meet Said Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose", be submitted for approval or disapproval at a Special City Meeting to be called by the Mayor pursuant to Section 7-10a. of the Revised City Charter and held September 13, 2005 between the hours of 6:00 o'clock A.M. and 8:00 o'clock P.M. (E.S.T.), that the Warning of said meeting state the question to be voted on as follows:

Shall the ordinance entitled "An Ordinance Appropriating \$5,600,000 For Renovations And Improvements To The Old Immanuel Lutheran School And Authorizing The Issuance Of \$5,600,000 Bonds Of The City To Meet Said Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose", adopted by the Common Council at its meeting held _____, 2005 be approved?

* * *

Councilman _____ moved that said ordinance be adopted as introduced and read and the motion was seconded by Councilman _____. Motion carried. The ordinance was adopted unanimously.

* * *

LEGAL NOTICE

WARNING

NOTICE OF SPECIAL CITY MEETING

The electors of the City of Danbury and qualified voters entitled to vote in a City Meeting are hereby warned and notified to meet where such persons are entitled to vote on September 13, 2005, between the hours of ____ o'clock A.M. and ____ o'clock P.M. (E.S.T.) for the following purpose of approving or disapproving the following question:

1. "Shall the ordinance entitled 'An Ordinance Appropriating \$5,600,000 For Renovations And Improvements To The Old Immanuel Lutheran School And Authorizing The Issuance Of \$5,600,000 Bonds Of The City To Meet Said Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose,' adopted by the Common Council at its meeting held _____, 2005 be approved?"

The form of the question and the ballot label on the voting machine shall be as follows:

"Shall The Ordinance Appropriating \$5,600,000 For Renovations And Improvements To The Old Immanuel Lutheran School And Authorizing The Issuance Of \$5,600,000 Bonds Of The City To Meet Said Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose Be Approved? YES/NO"

* * *

The vote will be by voting machine. Those desiring to vote in favor of the adoption of the ordinance shall place the pointer over the question on the voting machine at "YES". Those desiring to vote against the adoption of the ordinance shall place the pointer over the question on the voting machine at "NO".

Electors of the City of Danbury and qualified voters are entitled to vote. A qualified voter is any citizen of the United States of the age of eighteen years or more who, jointly or severally, was liable to the City for taxes assessed against him based on an assessment of not less than \$1,000 on the last completed grand list of the City or who would have been so liable if not entitled to an exemption as a blind person or as a veteran or as a widow or parent of a veteran.

Electors will be entitled to vote at the polling place in their respective voting districts. Polling places will be located in the following districts.

- Ward No. 1: Danbury High School, 43 Clapboard Ridge Road
- Ward No. 2: Pembroke School, 34 Pembroke Road
- Ward No. 3: Broadview Middle School, 72 Hospital Avenue
- Ward No. 4: Shelter Rock School, 2 Crows Nest Lane
- Ward No. 5: Danbury War Memorial, Memorial Drive
- Ward No. 6: Park Avenue School, 82 Park Avenue

Ward No. 7: Mill Ridge Intermediate School, 1 School Ridge Road

Qualified voters will be entitled to vote at the polling place in the Common Council Chambers on the third floor of the City Hall, 155 Deer Hill Avenue.

The polls in said districts and at the City Hall will be open during the hours between _____ o'clock A.M. and _____ o'clock P.M. (E.S.T.).

Said vote is being held pursuant to Section 7-10(a) of the Revised Charter of the City of Danbury, approved by the electors November 6, 1990.

The full text of the aforesaid ordinance is on file, open to public inspection, in the office of the City Clerk.

Dated at Danbury, Connecticut, this _____ day of _____, 2005.

Town Clerk

Attest:

City Clerk

CITY OF DANBURY
RESULTS OF SPECIAL CITY MEETING

At a Special City Meeting held on September 13, 2005, in the City of Danbury, Connecticut, the following vote was taken on the following question:

“Shall the Ordinance entitled ‘An Ordinance Appropriating \$5,600,000 For Renovations And Improvements To The Old Immanuel Lutheran School And Authorizing The Issuance Of \$5,600,000 Bonds Of The City To Meet Said Appropriation And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose’, adopted by the Common Council at its meeting held _____, 2005 be approved?”

YES _____

NO _____

Town Clerk