

**CITY OF DANBURY**  
**DEPARTMENT OF PUBLIC WORKS**



**155 DEER HILL AVENUE**  
**DANBURY, CONNECTICUT 06810**  
**(203) 797-4537 FAX (203) 796-1586**

**MAYOR**  
**Honorable Mark D. Boughton**

**PUBLIC WORKS DIRECTOR**  
**Antonio Iadarola, P.E.**

March 28, 2011

Honorable Mark D. Boughton  
Danbury City Council  
155 Deer Hill Avenue  
Danbury, CT 06810

Re: Danbury Schools Energy Conservation Project (Boiler Replacement at Various Schools,  
Window and Door Replacement at Danbury High School)

Dear Mayor Boughton and City Council Members:

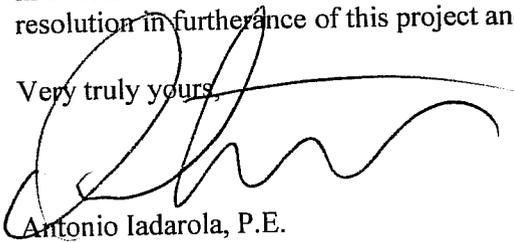
At its July 7, 2010 meeting, the City Council approved an additional phase to the Honeywell Energy Performance Contracting Project. The project included boiler work at Danbury High School, Broadview Middle School, Stadley Rough School, King Street Primary School, King Street Intermediate School and Mill Ridge Primary School. The cost estimate for that work (which did not include asbestos abatement and related asbestos consulting costs) was \$4,390,000.

Since that time it has been determined that additional related equipment/upgrades at the schools listed above are also needed, that a full replacement/upgrade of the boilers at Mill Ridge Intermediate School is warranted and that steam traps at Park Avenue School need to be replaced. As a result of a preliminary study of energy losses at Danbury High School, it has become imperative that, with the exception of the new addition to building C, all exterior windows and doors be replaced and all soffits repaired.

The cost to complete all of the previously approved Honeywell work and the new work (including additional design fees) related to Mill Ridge Intermediate School boiler replacement, Park Avenue School steam traps, Danbury High School windows and doors, as well as related asbestos abatement (not included in the previous Honeywell estimate) is not expected to exceed \$11,500,000.00, including design, management, construction services, procurement and related costs. Attached please find a breakdown showing the scope of work of the previous Honeywell project and the scope of work subsequently added.

We request that the City Council authorize the revised Honeywell lease purchase through Bank of America, together with the authority to negotiate an agreement with Honeywell International, Inc. in a form and manner consistent with approvals granted last year, and adopt the attached resolution in furtherance of this project and goals.

Very truly yours,

A large, stylized handwritten signature in black ink, appearing to read 'Antonio Iadarola', written over the 'Very truly yours,' text.

Antonio Iadarola, P.E.  
Public Works Director

C: Laszlo L. Pinter, Esq. with encl.  
David St. Hilaire with encl.

# DANBURY SCHOOLS ENERGY CONSERVATION PROJECT (BOILER REPLACEMENT AT VARIOUS SCHOOLS, WINDOW AND DOOR REPLACEMENT AS WELL AS SOFFIT REPAIRS AT DANBURY HIGH SCHOOL)

## PROJECT ESTIMATE BREAKDOWN

### PREVIOUS SCOPE OF WORK    \$4,390,000

Danbury High School Boilers (3)	
Broadview Middle School Boilers (2)	
Stadley Rough School Boiler (1)	
King Street Intermediate School Boiler (1)	
King Street Primary School Water Heater	
Mill Ridge Primary School Boilers (2)	\$ 4,390,000.00

### ADDITIONAL SCOPE OF WORK ADDED TO PREVIOUS SCOPE    \$7,110,000

Integration of Advanced Energy Savings Technology	\$ 45,000.00
Park Avenue School Steam Traps Replacement	\$ 175,000.00
Mill Ridge Intermediate School Boilers Replacement (2)	\$ 1,600,000.00
Danbury High School Windows, Doors and Soffits	\$ 3,695,513.00
Asbestos Design, Abatement and Monitoring	\$ 57,500.00
Project Design/Management/Commissioning/Energy Auditing	\$ 934,000.00
Project Contingency	\$ 602,987.00

**TOTAL CURRENT PROJECT    \$ 11,500,000.00**



# RESOLUTION

CITY OF DANBURY, STATE OF CONNECTICUT

\_\_\_\_\_ A.D. 2011

**RESOLVED BY THE CITY COUNCIL OF THE CITY OF DANBURY**

**A RESOLUTION OF THE CITY COUNCIL OF DANBURY, CONNECTICUT AUTHORIZING THE EXECUTION AND DELIVERY OF A TAXABLE OR TAX-EXEMPT EQUIPMENT LEASE/PURCHASE AGREEMENT AND/OR ENERGY CONSERVATION BONDS WITH RESPECT TO THE ACQUISITION, PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT OR CAPITAL ITEMS FOR THE PUBLIC BENEFIT AND TOTALING THE NOT TO EXCEED AMOUNT OF \$11,500,000.00 OR ; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION**

**WHEREAS**, the City of Danbury (the "*Lessee*"), a body politic and corporate and a public instrumentality duly created and validly existing under the laws of the State of Connecticut, is authorized by the laws of the State of Connecticut to purchase, acquire and lease personal property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

**WHEREAS**, the Lessee desires to purchase, acquire, finance and lease certain equipment (the "*Equipment*"), with a cost not to exceed \$11,500,000.00, constituting personal property necessary for the Lessee to perform essential governmental functions as described and attached (the "*Project*"); and

**WHEREAS**, the Lessee proposes to enter into an Equipment Lease/Purchase Agreement qualifying as either a taxable energy conservation bond and/or a tax-exempt obligation (the "*Agreement*"), with Banc of America Leasing & Capital, LLC (or one of its affiliates) (the "*Lessor*"), and Honeywell International, Inc. ("Honeywell") pursuant to the Summary of Terms and Conditions, dated April 1, 2011, which has been presented to the governing body of the Lessee at this meeting; and

**WHEREAS**, the Lessee is authorized under the provisions of Chapter 98 of the General Statutes of Connecticut, Revision of 1958, as amended (the "*Act*"), to execute and deliver the Agreement, which may be in the form of a tax-exempt or taxable obligation, or both, of the Lessee for purposes of providing funds to finance the Project; and

**WHEREAS**, the City Council of the Lessee deems it for the benefit of the Lessee and for the efficient and effective administration thereof to enter into the Agreements and the documentation related to the financing of the Project for the purchase, acquisition and leasing of the Equipment to be therein described on the terms and conditions therein provided.

**NOW THEREFORE, BE IT AND IT IS HEREBY RESOLVED** by the City Council of Lessee as follows:

*Section 1. Authorization.* The Lessee is hereby authorized to execute and deliver the Agreement, as a taxable or tax-exempt obligation of the Lessee, with principal components of rental payments in an aggregate amount not to exceed \$11,500,000.00.

*Section 2. Tax Certifications.* Contingent upon approval of legal counsel, the Mayor, the City Treasurer and the Director of Finance of the Lessee are each hereby individually authorized and directed to sign any and all documents required to enter into the Agreement, including any required certificates to ensure the Agreement does not constitute an issue of arbitrage bonds for purposes of Section 148 of the Code and, in the event any Agreement is executed and delivered as a Qualified Energy Conservation Bond for purposes of Sections 54A and 54D of the Internal Revenue Code of 1986, any tax certificates documenting the following requirements:

- a) the proceeds will be spent on qualified conservation purposes as more particularly described in Section 54D(f) of the Code;
- b) no more than two percent of the proceeds will be spent on costs of issuance;
- c) all proceeds, including interest earnings, will be spent within three years of the date of the execution of documents;
- d) within six months of the date of the Agreement, the Lessee will enter into binding contracts to spend at least 10% of the available project proceeds;
- e) the Lessee has required that the contractors on the Project be paid in accordance with the Davis-Bacon Act; and
- f) where applicable, the Lessee shall designate the Agreement as a Qualified Energy Conservation Bond and make such additional designations as may be required by Sections 54A and 54D of the Code.

*Section 3. Approval of Documents.* The form, terms and provisions of the Agreement are hereby approved in substantially the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the Mayor, the City Treasurer or the Director of Finance of the Lessee or other officers of the governing body of the Lessee executing the same, the execution of such documents being conclusive evidence of such approval; and the Mayor, the City Treasurer and the Director of Finance of the Lessee are each hereby individually authorized and directed to execute the Agreement and any related Exhibits attached thereto and to deliver the Agreement (including such Exhibits) to the respective parties thereto, and the Legislative Assistant of the Lessee is hereby authorized to affix the seal of the Lessee to such documents, as required.

*Section 4. Other Actions Authorized.* The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Agreement to carry out, give effect to and consummate the transactions contemplated thereby (including the execution and delivery of Acceptance Certificates and any tax certificate and agreement, as contemplated in the Agreement) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement.

*Section 5. Reimbursement.* The Lessee 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 Resolution in an amount not to exceed \$11,500,000.00 for the Project with the proceeds of the Agreement authorized to be entered into by the Lessee. The Agreement 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 Lessee 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 his designee is authorized to pay project expenses in accordance herewith pending the execution of the Agreement.

*Section 6. No General Liability.* Nothing contained in this Resolution, the Agreement nor any other instrument shall be construed with respect to the Lessee as incurring a pecuniary liability or charge upon the full faith and credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Agreement or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Lessee or any charge upon its full faith and credit or against its taxing power, except to the extent that the rental payments payable under the Agreement are special limited obligations of the Lessee as provided in the Agreement.

*Section 7. Appointment of Authorized Lessee Representatives.* The Mayor, the City Treasurer and the Director of Finance of the Lessee are each hereby designated to act as authorized representatives of the Lessee for purposes of the Agreement until such time as the City Council of the Lessee shall designate any other or different authorized representative for purposes of the Agreement and each Lease Schedule attached thereto.

*Section 8. Severability.* If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

*Section 9. Repealer.* All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

*Section 10. Effective Date.* This Resolution shall be effective immediately upon its approval and adoption.