



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 Water System Improvements

Attached please find the ordinance and related documentation for the proposed bond package for various water 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.

Section 2. (b) To meet the appropriations for the water system improvements included in subsection (b) of Section 1, and any portion of the appropriation for contingency, interest, legal and administrative costs allocated to such projects, bonds of the City shall be issued maturing not later than the twentieth year after their date.

Section 3. (a) The appropriations in subsection (b) of 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 subsection upon a finding that any such appropriation or portion thereof is not needed for its respective purpose.

Section 3. (b) The appropriation in subsection (c) of Section 1 may be expended, with the approval of the Mayor and the Director of Finance in the discretion of the Mayor and the Director of Finance for the portion of such expenses allocated to any of the projects or purposes set forth in subsections (a) and (b) of Section 1.

Section 4. 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 5. 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 6. 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 7. 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 a finding that any such appropriation or portion thereof is not needed for its respective purpose.

Section 8. 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 9. 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 10. 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: _____

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March 24, 2005

VIA E-MAIL AND FEDERAL EXPRESS

Dena Diorio
Director of Finance
City of Danbury
155 Deer Hill Avenue
Danbury, CT 06810

Re: An Ordinance Making Appropriations Aggregating \$9,980,000 For Various Public Improvements And Authorizing The Issuance Of \$9,980,000 Bonds Of The City To Meet Said Appropriations And Pending The Issuance Thereof The Making Of Temporary Borrowings For Such Purpose

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

An Ordinance Making Appropriations Aggregating \$998,000 For Water 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

Dear Dena:

Enclosed please find the captioned ordinances and proceedings to be followed in connection with their adoption by the City.

The ordinances must be approved under the provisions of Section 7-10a. of the Charter which require the affirmative vote of at least two thirds of the membership of the entire Council after a duly noticed public hearing. Because they are each over \$500,000, they must also be submitted to a Special City Meeting for a vote by voting machines.

Please note that pursuant to Section 9-370 of the Connecticut General Statutes, as amended, all City action required to submit the questions to a vote at the November 8, 2005 general election must be completed by September 8, 2005 or earlier.



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Additionally, the City Clerk should note that the enclosed Certificate regarding submission of local questions must be filed with the office of the Secretary of the State at least 45 days prior to the election, i.e. not later than September 24, 2005.

Please note further that the Council must also hold a public hearing acting as the Water Pollution Control Authority ("WPCA") under Section 7-247a of the Connecticut General Statutes, as amended, on the ordinance appropriating \$998,000 for sewer system improvements. The notice of such public hearing must be mailed not later than fifteen (15) days before the date of the hearing by certified mail to affected property owners. A form of the Notice of Public Hearing to be conducted by the Council acting as the WPCA is also included herewith for the City's convenience.

Pursuant to Connecticut General Statutes Section 8-24, the projects are to be referred to the Planning and Zoning Commission prior to the commencement of construction. This action need not, however, take place prior to adoption of the bond ordinances, but must take place prior to the construction of the projects.

By copy of this letter, I am requesting the City Clerk to send me three certified copies of all the proceedings as they appear in the City Record Book, and two newspaper affidavits of the publication of the Notice of Public Hearing, the Notice of the Special City Meeting and the Notice of Enactment of Ordinances.

Please call me if you have any questions or need any further revisions.

Very truly yours,



S. Frank D'Ercole

SFD/kvj

Encl.

cc: Mark D. Boughton, Mayor
Eric L. Gottschalk, Corporation Counsel
Jean Natale, City Clerk
Jimmetta L. Samaha, Assistant City Clerk
David M. Panico
Susan Kreutzer