



CITY OF DANBURY
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DENA DIORIO
DIRECTOR OF FINANCE

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MEMORANDUM

TO: Hon. Mark D. Boughton via the Common Council
FROM: Dena R. Diorio, Director of Finance *Dena*
DATE: April 22, 2005
SUBJECT: Ordinance for Sewer Extensions

Pursuant to Section 7-10(c) of the Charter of the City of Danbury, attached please find an ordinance authorizing the issuance of bonds for sewer extensions.

The ordinance authorizes the appropriation of \$5,000,000 for sewer service extensions. As a reminder, this ordinance does not require approval of the voters via a referendum, rather an affirmative vote of the Common Council acting as the WPCA after a public hearing. The City is planning a bond sale in July, and this ordinance is required to insure sufficient authorization is available to fund the many sewer extension projects being approved by the Common Council.

I am requesting that the attached ordinance be referred to public hearing at the May Common Council meeting.

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

AN ORDINANCE APPROPRIATING \$5,000,000 FOR SEWER SERVICE EXTENSIONS AND AUTHORIZING THE ISSUANCE OF \$5,000,000 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 \$5,000,000 is appropriated for the costs of extension of sewer service in those certain segments of the City to be approved from time to time by resolution of the Common Council.

Section 2. To meet said appropriation:

(i) bonds of the City may 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 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 approval of the rate or rates of interest, shall be determined by the Mayor and the Director of Finance in accordance with the General Statutes of the State of Connecticut, as amended; or

(ii) temporary notes of the City may be issued pursuant to Section 7-264a of the General Statutes of Connecticut, as amended. The amount of such notes to be issued, if any, shall be determined by the Mayor and Director of Finance, and they are hereby authorized to determine the date, maturity, interest rate, form and other details and particulars of such notes, and to sell, execute and deliver the same. Said notes shall be secured by the full faith and credit of the City and may be

further secured in any other manner set forth in Section 7-264a, aforesaid, as determined by the Mayor and the Director of Finance; or

(iii) sewer assessment notes of the City may be issued pursuant to Section 7-269a of the General Statutes of Connecticut, as amended. The amount of such notes to be issued, if any, shall be determined by the Mayor and Director of Finance, and they are hereby authorized to determine the date, maturity, interest rate, form and other details and particulars of such notes, and to sell, execute and deliver the same. If the receipts and other revenues pledged to the repayment of such notes shall be insufficient to pay the principal of and interest on such notes at the time prescribed by Section 7-269a, aforesaid, or if the Mayor and Director of Finance shall deem it advisable to pay such notes prior to the end of any period, the Mayor and the Director of Finance are hereby authorized to issue and sell bonds or bond anticipation notes of the City under the authority of subparagraph (i) of this Section and Section 4, in an amount sufficient to pay any such notes; or

(iv) any combination of bonds, temporary notes, or sewer assessment notes may be issued, provided that the total, aggregate principal amount thereof outstanding at any time shall not exceed \$5,000,000.

Section 3. Said bonds 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 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 any series of 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, may be included as a cost of the project in Section 1. 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 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 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 6. 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.

Enacted by the Common Council: _____

Approved by the Mayor: _____ Date: _____

Operative And In Effect: _____