

**BOARD OF FINANCE  
MINUTES OF SPECIAL MEETING  
January 15, 2013**

The special meeting of the Board of Finance was held on Tuesday, January 15, 2013 at 7:30 p.m. in the First Floor Conference Room, Sullivan Independence Hall, Fairfield, Connecticut.

**MEMBERS PRESENT**

Robert Bellitto Jr., Ken Brachfeld, James Brown, Thomas Flynn, Robert Stone, James Walsh

**MEMBERS ABSENT**

Catherine Albin, Christopher DeWitt, Mary LeClerc

**ALSO PRESENT**

Caitlyn Bosse, Controller and Interim Clerk of the Board of Finance, Town of Fairfield  
Robert Mayer, Chief of Staff and Chief Fiscal Officer, Town of Fairfield  
Joseph Michelangelo, Director Department of Public Works, Town of Fairfield  
Scott Bartlett, Superintendent of Public Works, Town of Fairfield  
Gerry Lombardo, Director Parks & Recreation, Town of Fairfield  
Frank Cleary, Bond Counsel, Town of Fairfield

Chairman Flynn called the meeting to order at 7:35 p.m.

**AGENDA**

1. To hear, consider and act upon a resolution appropriating \$5,238,200 for the costs of certain projects to restore facilities damaged by Hurricane Sandy and authorizing the issuance of bonds to finance such appropriation.

A. To hear update on FEMA costs.

Chairman Flynn stated that FEMA costs are a key component of this item and timing is an essential element of this discussion.

Mr. Mayer presented an overview of the details of this request. Mr. Mayer stated that this authorization is required by FEMA in order for the Town to qualify for eligibility to receive funds from FEMA. Mr. Mayer stated that FEMA could possibly reimburse 75% of the costs of this item, leaving the Town with a cost of 25%. Mr. Mayer stated that the Town is not certain to receive 75% but all of the projects in this item are more likely than not to be eligible for FEMA reimbursement. Mr. Mayer also informed the Board that the initial project submittal date is February 12, 2013.

After some discussion on the amount of money requested in this item, Mr. Mayer informed the Board that the actual bonding amount will be what is actually spent.

Mr. Michelangelo then explained each item to the Board. Mr. Michelangelo, in response to questions from the Board regarding the validity of the cost estimates, explained that some estimates are rough since the details have not yet been developed. Mr. Michelangelo then stated that the aggregate figure of all 23 items should be a solid figure.

The item discussed at length was the Penfield Pavilion project. It was noted by several members of the Board that this building was just renovated/rebuilt at a cost of about \$5M and now it has been deemed unusable due to storm damage. Several members of the Board remember being told at various times that this building was rebuilt to withstand a 100 year storm yet that was not what happened. Mr. Michelangelo explained that the middle of the building has been undermined by the flow of water during the storm(s). Mr. Michelangelo stated that it appeared that the berm placed in front of the building in an effort to impede the flow of water under the building during a storm, actually caused more damage.

Chairman Flynn noted that the Town may be liable for the entire \$5,238,200 if FEMA does not grant the Town any reimbursement. Chairman Flynn led a discussion on what could be done to modify the language of the bond resolution to cover the possibility of the Town not receiving any FEMA reimbursement. Chairman Flynn noted that the language should specify, if the Town does not receive any FEMA reimbursement, that only critical path items caused by storm damage should be completed and brought up to current appropriate code compliance. Mr. Mayer informed the Board that a new waterfall chart of all projects in Town will be presented on February 7, 2013.

Mr. Lombardo stated that the Town Risk Manager, Eileen Kennelly, had informed him that insurance will cover everything over \$500,000 including up to an additional \$3M for any enhancements to meet code compliance rules.

In response to questions from the Board, Mr. Mayer stated that the Town is looking into what legal action, if any, can be taken regarding the problems with the latest building updates that were done to Penfield Pavilion prior to the storms Irene and Sandy.

Mr., Mayer stated that the Town will have about \$750,000 to pay for storm damages out of the budget, which includes the Town's share of costs after reimbursements are received.

**Mr. Walsh moved and Mr. Bellitto seconded to amend the Bond Resolution to change all references to the amount of \$5,238,200 to \$5,155,700 and on page 25 of the resolution, change the amount in line 24 from \$4,762,000 to \$4,687,000 and change the amount in line 25 from \$476,200 to \$468,700.**

**Mr. Bellitto then moved and Mr. Flynn seconded to change the language in paragraph 1, line 4 of the Bond Resolution to include the following, "including necessary improvements related to code compliance with current FEMA regulations, FEMA approved preventive enhancements and related infrastructure improvements,"**

**Both amendments to the Bond Resolution were approved unanimously.**

**The amended Bond Resolution was then approved unanimously.**

**Mr. Bellitto moved and Mr. Brachfeld seconded to adjourn the meeting at 10:30 pm.  
Motion passed unanimously.**

Respectfully submitted,

Deborah J. Garavel

Amended Resolution follows:

**A RESOLUTION APPROPRIATING \$5,155,700 FOR THE COSTS OF CERTAIN PROJECTS TO RESTORE FACILITIES DAMAGED BY HURRICANE SANDY AND AUTHORIZING THE ISSUANCE OF BONDS TO FINANCE SUCH APPROPRIATION.**

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**Resolved:**

1. As recommended by the Board of Finance and the Board of Selectmen, the Town of Fairfield hereby appropriates the sum of **Five Million One Hundred Fifty-five Thousand Seven Hundred and 00/100 (\$5,155,700.00)** Dollars to fund all costs associated with the projects to restore facilities, **including necessary improvements related to code compliance with current FEMA regulations, FEMA approved preventative enhancements and related infrastructure improvements**, damaged by Hurricane Sandy and described on **Exhibit A** attached hereto, inclusive of planning, design and engineering fees, other professional fees, demolition, construction and oversight costs and temporary and permanent financing costs (collectively, the "Projects"), with the estimated costs allocated to each Project as set forth in **Exhibit A**. Any funds unused for a Project may be applied to another Project to pay cost overages.
2. To finance such appropriation, and as recommended by the Board of Finance and the Board of Selectmen, the Town of Fairfield shall borrow a sum not to exceed **Five Million One Hundred Fifty-five Thousand Seven Hundred and 00/100 (\$5,155,700.00)** Dollars and issue bonds/bond anticipation notes for such indebtedness under its corporate name and seal and upon the full faith and credit of the Town in an amount not to exceed said sum for the purpose of financing the appropriation for the Projects.
3. The Board of Selectmen, the Treasurer and the Fiscal Officer of the Town are hereby appointed a committee (the "Committee") with full power and authority to cause said bonds to be sold, issued and delivered; to determine their form and terms, including provision for redemption prior to maturity; to determine the aggregate principal amount thereof within the amount hereby authorized and the denominations and maturities thereof; to fix the time of issue of each series thereof and the rate or rates of interest thereon as herein provided; to determine whether the interest rate on any series will be fixed or variable and to determine the method by which the variable rate will be determined, the terms of conversion, if any, from one interest rate mode to another or from fixed to variable; to set whatever other terms of the bonds they deem necessary, desirable or appropriate; to designate the bank or trust company to certify the issuance thereof and to act as transfer agent, paying agent and as registrar for the bonds, and to designate bond counsel. The Committee shall have all appropriate powers under the Connecticut General Statutes, including Chapter 748 (Registered Public Obligations Act), Chapter 173 (School Building Projects) and Chapter 109 (Municipal Bond Issues) to issue, sell and deliver the bonds and, further, shall have full power and authority to do all that is required under the Internal Revenue Code of 1986, as amended, and under rules of the Securities and Exchange Commission, and other applicable laws and regulations of the United States, to provide for issuance of the bonds in tax exempt form and to meet all requirements which are or may become necessary in and subsequent to the issuance and delivery of the bonds in order that the interest on the bonds be and remain exempt from Federal income taxes, including, without limitation, to covenant and agree to restriction on investment yield of bond proceeds, rebate of arbitrage earnings, expenditure of proceeds within required time limitations, the filing of information reports as and when required, and the execution of Continuing Disclosure Agreements for the benefit of the holders of the bonds and notes.
4. The First Selectman and Treasurer or Fiscal Officer, on behalf of the Town, shall execute and deliver such bond purchase agreements, reimbursement agreements, line of credit agreement, credit facilities, remarketing agreement, standby marketing agreements, bond purchase agreement, standby bond purchase agreements, and any other commercially necessary or appropriate agreements which the Committee determines are necessary, appropriate or desirable in connection with or incidental to the sale and issuance of bonds, and if the Committee determines that it is necessary, appropriate, or desirable, the obligations under such agreements shall be secured by the Town's full faith and credit.

Board of Finance  
Minutes of Special Meeting January 15, 2013

5. The First Selectman and Treasurer or Fiscal Officer shall execute on the Town's behalf such interest rate swap agreements or similar agreements related to the bonds for the purpose of managing interest rate risk which the Committee determines are necessary, appropriate or desirable in connection with or incidental to the carrying or selling and issuance of the bonds, and if the Committee determines that it is necessary, appropriate or desirable, the obligations under such interest rate swap agreements shall be secured by the Town's full faith and credit.
6. The bonds may be designated "Public Improvement Bonds," series of the year of their issuance and may be issued in one or more series, and may be consolidated as part of the same issue with other bonds of the Town; shall be in serial form maturing in not more than twenty (20) annual installments of principal, the first installment to mature not later than three (3) years from the date of issue and the last installment to mature not later than twenty (20) years there from. The bonds may be sold at an aggregate sales price of not less than par and accrued interest at public sale upon invitation for bids to the responsible bidder submitting the bid resulting in the lowest true interest cost to the Town, provided that nothing herein shall prevent the Town from rejecting all bids submitted in response to any one invitation for bids and the right to so reject all bids is hereby reserved, and further provided that the Committee may sell the bonds on a negotiated basis, as provided by statute. Interest on the bonds shall be payable semi-annually or annually. The bonds shall be signed on behalf of the Town by at least a majority of the Board of Selectmen and the Treasurer, and shall bear the seal of the Town. The signing, sealing and certification of the bonds may be by facsimile as provided by statute.
7. The Committee is further authorized to make temporary borrowings as authorized by the General Statutes and to issue temporary notes of the Town in anticipation of the receipt of proceeds from the sale of the bonds to be issued pursuant to this resolution. Such notes shall be issued and renewed at such time and with such maturities, requirements and limitations as provided by the Connecticut General Statutes. Notes evidencing such borrowings shall be signed by the First Selectman and Treasurer or Fiscal Officer, have the seal of the Town affixed, which signing and sealing may be by facsimile as provided by statute, be certified by and payable at a bank or trust company incorporated under the laws of this or any other state, or of the United States, be approved as to their legality by bond counsel, and may be consolidated with the issuance of other Town bond anticipation notes. The Committee shall determine the date, maturity, interest rates, form and manner of sale, including negotiated sale, and other details of said notes consistent with the provisions of this resolution and the General Statutes and shall have all powers and authority as set forth above in connection with the issuance of bonds and especially with respect to compliance with the requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder in order to obtain and maintain issuance of the notes in tax exempt form.
8. Pursuant to Section 1.150-2, as amended, of the Federal Income Tax Regulations the Town hereby declares its official intent to reimburse expenditures (if any) paid for the Projects from its General or Capital Funds, such reimbursement to be made from the proceeds of the sale of bonds and notes authorized herein and in accordance with the time limitations and other requirements of said regulations.
9. The First Selectman, Director of Finance and Town Treasurer are hereby authorized, on behalf of the Town, to enter into agreements or otherwise covenant for the benefit of bondholders to provide information on an annual or other periodic basis to the Municipal Securities Rulemaking Board (the "MSRB") and to provide notices to the MSRB 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 resolution.
10. The Committee is hereby authorized to take all action necessary and proper for the sale, issuance and delivery of the bonds and notes in accordance with the provisions of the Connecticut General Statutes and the laws of the United States.
11. The First Selectman and other Town officials are authorized to seek grants and other contributions for the costs of the Project. Any such grants or contribution received prior to the issuance of the Bonds authorized herein shall be applied to the costs of the Project or to pay at maturity the principal of any outstanding bond anticipation notes issued pursuant to this Resolution and shall reduce the amount of the Bonds that can be issued pursuant to this Resolution. If such grants and contributions are received after the issuance of the Bonds, they shall be applied to pay the Bonds or as

otherwise authorized by the Board of Selectmen, Board of Finance and Representative Town Meeting provided such application does not adversely affect the tax exempt status of the Bonds.

**EXHIBIT A**

**TO**

**A RESOLUTION APPROPRIATING 5,155,700  
FOR THE COSTS OF CERTAIN PROJECTS  
TO RESTORE DAMAGE CAUSED BY  
HURRICANE SANDY AND AUTHORIZING  
THE ISSUANCE OF BONDS TO FINANCE  
SUCH APPROPRIATION**

<b>PROJECT</b>	<b>ESTIMATED COSTS</b>
1.	Penfield Pavilion foundation repair/raising, building repair, bulkhead modification \$1,000,000
2.	Penfield Beach, Jennings Beach, Sasco Beach, Southport Beach replenishment 700,000
3.	South Benson navigational channel re-establishment 400,000
4.	Southport Harbor navigational channel re-establishment 400,000
5.	Fairfield Beach Road drainage, roadbase, asphalt 370,000
6.	Southport Beach seawall repair/parking lot 350,000
7.	South Benson Fishing Pier repair 300,000
8.	Pine Creek navigational channel re-establishment 300,000
9.	Fairfield Beach Road cul-de-sac bulkhead 150,000
10.	Pine Creek Dike revetment repair and elevation increase 125,000
11.	Pine Creek navigational channel debris clean up 100,000
12.	Fire Training Center Dike upgrade 75,000
13.	Southport Beach concession 70,000

Board of Finance  
 Minutes of Special Meeting January 15, 2013

14.	building replacement Sasco Beach concession	70,000
15.	building replacement Ye Yacht Yard	65,000
16.	Lavatory/storage building replacement Miscellaneous dike and tide gate repair/improvement – various locations	65,000
17.	Sasco Beach wall, drainage, lot	50,000
18.	Penfield Pavillion Parking lot repairs	50,000
19.	Perry Green Bulkhead	50,000
20.	Pequot Road Bridge scouring and pavement damage	30,000
21.	Smith Richardson Golf Course Maintenance Building	12,000
22.	Trez Wooden Fishing Pier	10,000
23.	WPCF Compost Shed Fabric	10,000
24.	Bowman's Way Public Access	10,000
		\$4,687,000
25.	Contingency	<u>468,700</u>
TOTAL		<b>\$5,155,700</b>