

A RESOLUTION APPROPRIATING \$6,028,709 FOR COSTS ASSOCIATED WITH THE REPAIR AND RESTORATION OF PENFIELD PAVILION AND AUTHORIZING THE USE OF \$1,750,000 OF INSURANCE PROCEEDS TO FUND SUCH APPROPRIATION AND THE ISSUANCE OF BONDS TO FUND THE PORTION OF SUCH APPROPRIATION NOT FUNDED BY INSURANCE PROCEEDS.

Resolved:

1. As recommended by the Penfield Building Committee, the Board of Finance and the Board of Selectmen, the Town of Fairfield hereby appropriates the sum of Six Million Twenty-eight Thousand Seven Hundred Nine and 00/100 (\$6,028,709.00) Dollars to fund costs associated with the repair and restoration of Penfield Pavilion, including the West Wing and East Wing, temporary relocation of the West Wing, construction of new pile supporting foundation for the facility to meet FEMA standards, structural other repairs to the West Wing, reconstruction of East Wing, construction and design of new decks, ramps and stairs and site improvements which shall include maintaining a finish grade of +12 feet from the Durrell Pavilion to Richards Beach (the "Project"), inclusive of design and engineering fees, professional fees, construction and oversight costs and financing.
2. \$1,750,000.00 of such \$6,028,709.00 appropriation will be funded by funds recovered by the Town from insurance on Penfield Pavilion for damages caused by Super Storm Sandy.
3. To finance such remaining 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 Four Million Two Hundred Seventy-eight Thousand Seven Hundred Nine and 00/100 (\$4,278,709.00) 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 remaining appropriation for the Project.
4. 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), 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.

5. 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.
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 therefrom. 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 Project 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 and Fiscal Officer 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 other 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 other 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.

Town of Fairfield

Penfield Pavilion I

Financial Analysis

November 19, 2014

The attached analysis includes information provided by FEMA, the Penfield Building Committee, and the Town's Parks and Recreation Department. The FEMA calculation is necessary for the analysis of alternative projects. The reimbursement calculation for alternative projects is based upon the FEMA calculation, independent of project costs.

The Town provided FEMA with the engineering damage estimates in July of 2013. FEMA has been very slow in responding, and it wasn't until the Town requested Connecticut's congressional delegation to help expedite matters, that FEMA produced a repair estimate which was provided to the Town on October 23, 2014 in a conference call. The Town received its first written notice via an email on November 4, 2013. However, no formal document has been issued, and as such, the reimbursement calculations included in this analysis are subject to change.

The Town is continuing to work with FEMA to realize optimal reimbursement.



Design and Construction

Penfield Pavilion Repair
Town of Fairfield
SDC PROJECT NUMBER 140543
COST SUMMARY SHEET

Estimator DHJ
18-Nov-14

PROJECT : Penfield Pavilion Repair
LOCATION : Town of Fairfield, CT
CLIENT : Town of Fairfield
ARCHITECT : DeStefano & Chamberlain
TYPE OF WORK : Renovation / Replacement
DATE : 11/18/2014

DESCRIPTION	Option 1 Repair & Protect / Bulkhead	Option 7 Remove East Wing & West Wing On New Foundation	Option 7A Rebuild East Wing & Move West Wing On New Foundations	Option 8 Demo Existing Buildings & Dune	Option 9 Demo & New 5,000 SF Building / Decks / 1,000 Rammps	COMMENTS
Estimate Criteria	Schematic * / **	Design Development *	Conceptual **	Conceptual **	Conceptual * / **	* MEP systems are conceptual ** Civil design is conceptual
Div. 1-16 Construction Cost (See Estimate Detail)	\$ 2,387,621	\$ 3,302,897	\$ 4,397,279	\$ 683,726	\$ 2,117,062	
SUBTOTAL	\$ 2,387,621	\$ 3,302,897	\$ 4,397,279	\$ 683,726	\$ 2,117,062	
General Conditions	\$ 262,638	\$ 363,319	\$ 483,701	\$ 75,210	\$ 232,877	
CM General Liability Insurance	\$ 31,587	\$ 43,695	\$ 58,173	\$ 9,045	\$ 28,007	
Building Permit	NIC	NIC	NIC	NIC	NIC	
P&P Bond	\$ 26,818	\$ 37,099	\$ 49,392	\$ 7,680	\$ 23,779	
CM Fee	\$ 58,949	\$ 84,849	\$ 112,963	\$ 15,360	\$ 47,559	
Project Contingency ****	\$ 238,762	\$ 495,435	\$ 659,592	\$ 68,373	\$ 211,706	**** See Est Detail
Preconstruction Services	\$ 39,396	\$ 54,498	\$ 72,555	\$ 11,281	\$ 34,932	
SUB TOTAL BASE BUILDING CONSTRUCTION	\$ 3,045,770	\$ 4,381,791	\$ 5,833,654	\$ 870,675	\$ 2,695,922	
Owner Cost (See Estimate Detail)	\$ 181,275	\$ 168,592	\$ 195,055	\$ 42,587	\$ 166,946	Design fees & builders risk
OWNER COST SUB TOTAL	\$ 181,275	\$ 168,592	\$ 195,055	\$ 42,587	\$ 166,946	
TOTAL PROJECT COST	\$ 3,227,045	\$ 4,550,383	\$ 6,028,709	\$ 913,262	\$ 2,862,868	
Cost previously expended	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	
FINAL PROJECT TOTAL COST	\$ 3,627,045	\$ 4,950,383	\$ 6,428,709	\$ 1,313,262	\$ 3,262,868	
Protection Values Included Above						
1 Stone Rip Rap At Existing Bulkhead (LS)	\$130,000	\$130,000	\$130,000	0	\$130,000	
2 Modified Existing Bulkhead Cur Down 5 ft & Stone Trench Dune Armament	0	0	0	193000*	0	6 ft x 6 ft Stone Trench*
3 Street Side Bulkhead & Wood Walkway	\$358,000	0	0	0	0	
4 Stone Rip Rap Street Side At Existing Bulkhead	0	0	0	0	\$130,000	
5 Sand Import & Grass Planting (Elevation 12 ft)	0	\$75,000	\$75,000	\$130,000*	\$75,000	\$55,000 for wood walk way (beach access) *

Town of Fairfield
Summary Schedule of Estimated General Fund Revenue and Expense
First Twenty Years of Operation - Cost of Capital Model
Penfield Pavilion I

Following, is the summary information of the Options requested by the Board of Finance for the years of operation 1 through 20.

	<u>Option 7A</u>	<u>Option 7</u>	<u>Option 7 - FEMA</u> <u>Alternative</u>
Revenue	\$7,417,436	\$6,517,768	\$6,517,768
Operational Expenses	2,114,298	1,917,172	1,917,172
Surplus From Operations	5,303,138	4,600,596	4,600,596
Debt Service - New Facility	1,222,000	747,500	1,566,500
Total Surplus	4,081,138	3,853,096	3,034,096
Cost of Capital - Insurance Recovery	2,275,000	2,275,000	2,275,000
Net Town Facility Surplus	<u>\$1,806,138</u>	<u>\$1,578,096</u>	<u>\$759,096</u>

**Town of Fairfield
Penfield Pavilion I
Debt Issued
(In Thousands)**

Completion Year: 2011
Construction Cost To Date: \$4,601 (1)

<u>Date</u>	<u>Debt Issued</u>	<u>Total P & I (2) Debt Service</u>	<u>Outstanding Balance (2) @ 9/30/2014</u>
July 2007	\$485	\$598	\$210
July 2009	175	215	159
July 2011	3,080	3,962	3,820
Totals	\$3,740	\$4,775	\$4,189

(1) Paid for as follows:

Debt Issued	\$3,740
Park and Rec Trust	250
CDBG	400
UI	35
To Be Bonded	176 *
Total Construction Cost	\$4,601

*Projected Debt Svc. \$230

(2) Adjusted for Bond Premium Proceeds

**Town of Fairfield
Penfield Pavilion I
Options - Original Building Repair and/or Improve**

<u>PBC OPTION 7A</u>	
<i>Repair in Place & Elevate</i>	
<u>FEMA Reimbursement Calculation</u>	
Total Project Cost	\$6,028,709
Less: Insurance Recovery Funds Including Deductible	(2,250,000)
Plus: FEMA Credit Toward Deductible	1,000
Net Facility Cost for FEMA Reimbursement Calculation	<u>\$3,779,709</u>
FEMA Reimbursement @ 75%	\$2,834,782
<u>Town Funding for Project</u>	
Total Project Cost	\$6,028,709
Less: FEMA Reimbursement @ 75%	(2,834,782)
Less: CDBG Funds	(500,000)
Total Town Project Cost	<u>2,693,927</u>
Less: Insurance Recovery Funds Net Deductible	(1,750,000)
Net Town Funding for Project	<u>\$943,927</u>

<u>PBC OPTION 7</u>	
<i>Reconstruct original facility without lockers</i>	
13,971 square feet	
<u>FEMA Reimbursement Calculation</u>	
Total Project Cost	\$4,558,399
Less: Insurance Recovery Funds Including Deductible	(2,250,000)
Plus: FEMA Credit Toward Deductible	1,000
Net Facility Cost for FEMA Reimbursement Calculation	<u>\$2,309,399</u>
FEMA Reimbursement @ 75%	\$1,732,049
<u>Town Funding for Project</u>	
Total Project Cost	\$4,558,399
Less: FEMA Reimbursement @ 75%	(1,732,049)
Less: CDBG Funds	(500,000)
Total Town Project Cost	<u>2,326,350</u>
Less: Insurance Recovery Funds Net Deductible	(1,750,000)
Net Town Funding for Project	<u>\$576,350</u>

**Town of Fairfield
Penfield Pavilion I**

Options - Alternate Projects, Footprint Change - Not Eligible For Mitigation

<u>PBC OPTION 7 - FEMA ALTERNATIVE</u>	
<i>Reconstruct original facility without lockers</i>	
13,971 square feet	
<u>FEMA Reimbursement Calculation</u>	
FEMA - PW Repair Estimate Used For Calculation	\$4,128,000
FEMA Eligibility @ 90%	\$3,715,200
Less: Insurance Recovery Funds Including Deductible	(2,250,000)
Plus: FEMA Credit Toward Deductible	1,000
Net Facility Cost for FEMA Reimbursement Calculation	<u>\$1,466,200</u>
FEMA Reimbursement @ 75% of Net Facility Cost *	\$1,099,650
<u>Town Funding for Project</u>	
Total Project Cost	\$4,558,399
Less: FEMA Reimbursement *	(1,099,650)
Less: CDBG Funds	(500,000)
Total Town Project Cost	<u>2,958,749</u>
Less: Insurance Recovery Funds Net Deductible	(1,750,000)
Net Town Funding for Project	<u>\$1,208,749</u>
* Maximum reimbursement amount	

Town of Fairfield
Comparative Schedule of Estimated General Fund Revenue and Expenses
Penfield Pavilion I
Year One of Operations

	<u>PBC 7A</u>	(1)	<u>PBC 7</u>	(1)	<u>PBC 7 - FEMA ALT</u>	(1)
	Repair In Place & Elevate		Reconstruct original facility without lockers		Reconstruct original facility without lockers	
Revenue						
Rental Penfield 1	\$75,000		\$75,000		\$75,000	
Changing Rooms	38,000		0		0	
Concession Fee	47,000		47,000		47,000	
Parking Revenue	50,000		40,000		40,000	
Total	210,000		162,000		162,000	
Operational Expenses						
Salary/ Wages	46,000		39,000		39,000	
Operations	15,000		15,000		15,000	
Flood Insurance	4,000		4,000		4,000	
Electric	12,500		12,500		12,500	
Total	77,500		70,500		70,500	
Surplus From Operations	132,500		91,500		91,500	
Debt Service - New Facility	74,495	(2)	45,569	(3)	95,496	(4)
Total Surplus/(Deficit)	\$58,005		\$45,931		(\$3,996)	

(1) See Appendix A for Revenue and Expense Detail.

(2) Represents debt service of \$940,000 debt issued for facility.

(3) Represents debt service of \$575,000 debt issued for facility.

(4) Represents debt service of \$1,205,000 debt issued for facility.

Town of Fairfield
Comparative Schedule of Estimated General Fund Revenue and Expense
First Twenty Years of Operation - Cost of Capital Model
Penfield Pavilion I

	PBC 7A	(1)	PBC 7	(1)	PBC 7 - FEMA ALT	(1)
	Repair In Place & Elevate		Reconstruct original facility without lockers		Reconstruct original facility without lockers	
Revenue						
Rental Penfield 1	\$3,969,155		\$3,969,155		\$3,969,155	
Changing Rooms	889,668		0		0	
Concession Fee	1,163,874		1,163,874		1,163,874	
Parking Revenue	1,394,739		1,384,739		1,384,739	
Total	7,417,436		6,517,768		6,517,768	
Operational Expenses						
Salary/ Wages	1,340,294		1,143,168		1,143,168	
Operations	373,097		373,097		373,097	
Flood Insurance	97,189		97,189		97,189	
Electric	303,717		303,717		303,717	
Total	2,114,298		1,917,172		1,917,172	
Surplus From Operations	5,303,138		4,600,596		4,600,596	
Debt Service - New Facility	1,222,000	(2)	747,500	(3)	1,566,500	(4)
Total Surplus/(Deficit)	\$4,081,138		\$3,853,096		\$3,034,096	
Cost of Capital - Insurance Recovery	2,275,000		2,275,000		2,275,000	
Total Net	\$1,806,138		\$1,578,096		\$759,096	

(1) See Appendix A for Revenue and Expense Detail. Revenue increased 2% per year for years 4 through 20.

(2) Represents debt service of \$940,000 debt issued for facility.

(3) Represents debt service of \$575,000 debt issued for facility.

(4) Represents debt service of \$1,205,000 debt issued for facility.

Appendix A
PBC 7A
Repair and Protect

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
<u>Revenue</u>			
Rental Penfield 1	\$75,000	\$147,000	\$175,000
Changing Rooms	38,000	38,000	38,000
Concession Fee	47,000	48,400	49,900
Parking Revenue	50,000	60,000	60,000
Total Revenue	\$210,000	\$293,400	\$322,900
<u>Expenses</u>			
Salary/Wages	\$46,000	\$52,380	\$58,000
Operations	15,000	15,500	16,000
Flood Insurance	4,000	4,080	4,162
Electric	12,500	12,750	13,005
	\$77,500	\$84,710	\$91,167

Appendix A
PBC 7 & 7 FEMA Alternative
Raise West Wing, reset on pile supported foundation,
demolish East Wing add addition to east elevation

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
<u>Revenue</u>			
Rental Penfield 1	\$75,000	\$147,000	\$175,000
Changing Rooms	0	0	0
Concession Fee	47,000	48,400	49,900
Parking Revenue	40,000	60,000	60,000
Total Revenue	\$162,000	\$255,400	\$284,900
<u>Expenses</u>			
Salary/Wages	\$39,000	\$46,400	\$49,400
Operations	15,000	15,500	16,000
Flood Insurance	4,000	4,080	4,162
Electric	12,500	12,750	13,005
	\$70,500	\$78,730	\$82,567