



Town of Groton, Connecticut

45 Fort Hill Road
Groton, CT 06340-4394
Town Clerk 860-441-6640
Town Manager 860-441-6630

Meeting Agenda

RTM Finance Committee

Chairman Keith Hedrick, Representatives Joe Baril, Warren Cooper, Luanne DeMatto, Patrice Granatosky, Tim Plungis, Kristen Powers and Jack Sebastian.

Wednesday, November 09, 2011

6:30 PM

Groton Senior Center-Classroom C

Special Meeting

1. CALL TO ORDER
2. ROLL CALL
3. UNFINISHED BUSINESS
4. NEW BUSINESS

2011-0203 Refunding Prior Years' Bonds (Part 1)

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$20,000,000 REFUNDING BONDS FOR PAYMENT OF THE OUTSTANDING PRINCIPAL OF AND INTEREST AND ANY CALL PREMIUM ON ANY PORTION OF THE TOWN OF GROTON'S \$5,700,000 GENERAL OBLIGATION BONDS, ISSUE OF 2002, \$5,005,000 GENERAL OBLIGATION BONDS, ISSUE OF 2005, \$16,570,000 GENERAL OBLIGATION BONDS, ISSUE OF 2006, \$15,500,000 GENERAL OBLIGATION BONDS, ISSUE OF 2007, AND \$4,300,000 GENERAL OBLIGATION BONDS, ISSUE OF 2008 - LOT A; AND COSTS RELATED THERETO

RESOLVED,

(a) That the Town of Groton issue its refunding bonds, in an amount not to exceed TWENTY MILLION DOLLARS (\$20,000,000), the proceeds of which are hereby appropriated: (1) to fund one or more escrows, and to apply the balance held in such escrows, together with the investment earnings thereon, to the payment in whole or in part, as to be determined by the Town Manager and the Director of Finance of the Town, of the outstanding principal of and interest and any call premium on the Town's \$5,700,000 General Obligation Bonds, Issue of 2002 (consisting at initial issue of \$5,700,000 General Purpose Bonds), \$5,005,000 General Obligation Bonds, Issue of 2005 (consisting at initial issue of \$1,300,000 School Bonds and \$3,705,000 General Purpose Bonds), \$16,570,000 General Obligation Bonds, Issue of 2006 (consisting at initial issue of \$15,000,000 School Bonds and \$1,570,000 General Purpose Bonds), \$15,500,000 General Obligation Bonds, Issue of 2007 (consisting at initial issue of \$15,450,000 School Bonds and \$50,000 General Purpose Bonds), and \$4,300,000 General Obligation Bonds, Issue of 2008 - Lot A (consisting at initial issue of \$3,100,000 School Bonds and \$1,200,000 General Purpose Bonds), including the payment of interest accrued on said bonds to the date of payment, and (2) to pay costs of issuance of the refunding bonds authorized hereby, including legal fees, consultants' fees, trustee or escrow agent fees, underwriters' fees, net interest and other financing costs and other costs related to the payment of the outstanding bonds described above. The refunding bonds shall be issued pursuant to Section 7-370c of the General Statutes of Connecticut, Revision of 1958, as amended, and any other enabling acts. The bonds shall be general obligations of the Town secured by the irrevocable pledge of the full faith and credit of the Town. The Town does hereby covenant and agree with the holders of the bonds that in each year while any such bonds are outstanding, it will levy and collect ad valorem taxes upon all taxable properties within the Town in an amount sufficient, with such other funds of the Town as shall be available for such purpose, to pay the interest and principal on the bonds as the same become due and payable.

(b) The Town Manager and the Director of Finance of the Town shall sign the bonds by their manual or facsimile signatures. The law firm of Day Pitney LLP is designated as bond counsel to

approve the legality of the bonds. The Town Manager and the Director of Finance are authorized to determine the amount, date, interest rates, maturities, redemption provisions, form and other details of the bonds; to designate one or more banks or trust companies to be certifying bank, registrar, transfer agent and paying agent for the bonds; to provide for the keeping of a record of the bonds; to sell the bonds at public or private sale; to deliver the bonds; and to perform all other acts which are necessary or appropriate to issue the bonds.

(c) That the Town hereby declares its official intent under Federal Income Tax Regulation Section 1.150-2 that costs of the refunding may be paid from temporary advances of available funds and that (except to the extent reimbursed from grant moneys) the Town reasonably expects to reimburse any such advances from the proceeds of borrowings in an aggregate principal amount not in excess of the amount of borrowing authorized above for the refunding. The Town Manager and the Director of Finance are authorized to amend such declaration of official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

(d) That the Town Manager and the Director of Finance are authorized to make representations and enter into written agreements for the benefit of holders of the bonds to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws or rules pertaining to the sale or purchase of such bonds.

(e) That the Town Manager and the Director of Finance are authorized to take all other action which is necessary or desirable to enable the Town to effectuate the refunding of all or a portion of the Town's outstanding \$5,700,000 General Obligation Bonds, Issue of 2002, \$5,005,000 General Obligation Bonds, Issue of 2005, \$16,570,000 General Obligation Bonds, Issue of 2006, \$15,500,000 General Obligation Bonds, Issue of 2007, and \$4,300,000 General Obligation Bonds, Issue of 2008 - Lot A, and to issue refunding bonds authorized hereby for such purposes, including, but not limited to, the entrance into agreements on behalf of the Town with underwriters, trustees, escrow agents and others to facilitate the issuance of the refunding bonds, the escrow of the proceeds thereof and investment earnings thereon, and the payment of the outstanding bonds in whole or in part.

(f) That the above authorization to issue refunding bonds shall lapse on June 30, 2012.

Refer to RTM under Rule 6.5.3.

Legislative History

10/17/2011	Mayor	Referred	Town Council Committee of the W
10/25/2011	Town Council Committee of the Whole	Discussed	
<i>Sal Pandolfo and Bill Lindsay, the Town's Financial Advisor, were present to address the Council. As a result of lower interest rates, Mr. Lindsay is recommending that the Town refund some previously issued bonds, which would allow the Town to save an estimated \$864,371.08 over the life of the bonds. These are estimates and actual savings will not be known until the bonds are sold at market. After Town Council and RTM approval, pricing is expected to occur shortly thereafter (November 22nd). If for some reason circumstances change and the savings cannot be achieved, the Town will not proceed with the transaction.</i>			
10/25/2011	Town Council Committee of the Whole	Recommended for a Resolution	
11/1/2011	Town Council	Deleted from Referral List - Action to be taken	
11/1/2011	Town Council	Adopted and referred under Rule 6.5.3	Representative Town Meeting
11/2/2011	Representative Town Meeting	Referred under Rule 6.5.3	RTM Finance Committee
<i>Referred under Rule 6.5.3</i>			

2011-0208 Refunding Prior Years' Bonds (Part 2)

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$4,500,000 REFUNDING BONDS FOR PAYMENT OF THE OUTSTANDING PRINCIPAL OF AND INTEREST AND ANY CALL PREMIUM ON ANY PORTION OF THE TOWN OF GROTON'S \$3,000,000 GENERAL OBLIGATION SEWER BONDS, ISSUE OF 2007, AND \$3,250,000 GENERAL OBLIGATION SEWER BONDS, ISSUE OF 2008 - LOT B; AND COSTS RELATED THERETO
RESOLVED,

(a) That the Town of Groton issue its refunding bonds, in an amount not to exceed FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS (\$4,500,000), the proceeds of which are hereby appropriated: (1) to fund one or more escrows, and to apply the balance held in such escrows, together with the investment earnings thereon, to the payment in whole or in part, as to be determined by the Town Manager and the Director of Finance of the Town, of the outstanding principal of and interest and any call premium on the Town's \$3,000,000 General Obligation Sewer Bonds, Issue of 2007, and \$3,250,000 General Obligation Sewer Bonds, Issue of 2008 - Lot B, including the payment of interest accrued on said bonds to the date of payment, and (2) to pay costs of issuance of the refunding bonds authorized hereby, including legal fees, consultants' fees, trustee or escrow agent fees, underwriters' fees, net interest and other financing costs and other costs related to the payment of the outstanding bonds described above. The refunding bonds shall be issued pursuant to Section 7-370c of the General Statutes of Connecticut, Revision of 1958, as amended, and any other enabling acts. The bonds shall be general obligations of the Town secured by the irrevocable pledge of the full faith and credit of the Town. The Town does hereby covenant and agree with the holders of the bonds that in each year while any such bonds are outstanding, it will levy and collect ad valorem taxes upon all taxable properties within the Town, other than properties within the City of Groton, in an amount sufficient, with such other funds of the Town as shall be available for such purpose, to pay the interest and principal on the bonds as the same become due and payable.

(b) The Town Manager and the Director of Finance of the Town shall sign the bonds by their manual or facsimile signatures. The law firm of Day Pitney LLP is designated as bond counsel to approve the legality of the bonds. The Town Manager and the Director of Finance are authorized to determine the amount, date, interest rates, maturities, redemption provisions, form and other details of the bonds; to designate one or more banks or trust companies to be certifying bank, registrar, transfer agent and paying agent for the bonds; to provide for the keeping of a record of the bonds; to sell the bonds at public or private sale; to deliver the bonds; and to perform all other acts which are necessary or appropriate to issue the bonds.

(c) That the Town hereby declares its official intent under Federal Income Tax Regulation Section 1.150-2 that costs of the refunding may be paid from temporary advances of available funds and that (except to the extent reimbursed from grant moneys) the Town reasonably expects to reimburse any such advances from the proceeds of borrowings in an aggregate principal amount not in excess of the amount of borrowing authorized above for the refunding. The Town Manager and the Director of Finance are authorized to amend such declaration of official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

(d) That the Town Manager and the Director of Finance are authorized to make representations and enter into written agreements for the benefit of holders of the bonds to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws or rules pertaining to the sale or purchase of such bonds.

(e) That the Town Manager and the Director of Finance are authorized to take all other action which is necessary or desirable to enable the Town to effectuate the refunding of all or a portion of the Town's outstanding \$3,000,000 General Obligation Sewer Bonds, Issue of 2007, and \$3,250,000 General Obligation Sewer Bonds, Issue of 2008 - Lot B, and to issue refunding bonds authorized hereby for such purposes, including, but not limited to, the entrance into agreements on behalf of the

Town with underwriters, trustees, escrow agents and others to facilitate the issuance of the refunding bonds, the escrow of the proceeds thereof and investment earnings thereon, and the payment of the outstanding bonds in whole or in part.

(f) That the above authorization to issue refunding bonds shall lapse on June 30, 2012.

Refer to RTM under Rule 6.5.3.

Legislative History

10/25/2011	Town Council Committee of the Whole	Recommended for a Resolution	
11/1/2011	Town Council	Deleted from Referral List - Action to be taken	
11/1/2011	Town Council	Adopted and referred under Rule 6.5.3	Representative Town Meeting
<i>Councilor Sheets noted that interest rates are lower and there can be significant savings.</i>			
11/2/2011	Representative Town Meeting	Referred under Rule 6.5.3	RTM Finance Committee
<i>Referred under Rule 6.5.3</i>			

5. Consideration of Committee Referral Items as per Referral List

6. ADJOURNMENT

For the committee to meet, we need a quorum. Please let the clerk's office (441-6643) know ASAP if you will not be able to attend this meeting.