



# TOWN OF MIDDLEBURY

*Board of Finance  
1212 Whittemore Road  
Middlebury, CT 06762*

**Meeting Minutes  
Wednesday February 13, 2019  
Shepardson Community Center  
Room 26**

Present: William Stowell, Chairman  
Vincent Cipriano, Board Member  
Rita H Smith, Board Member  
Dawn Albizu-Calabrese, Board Member  
Ralph Barra, Alternate  
Joseph Drauss, Board Member  
Keli-Ann Bollard, Alternate

Absent: Stephen Ruccio, Board Member

Also Present: Edward B. St. John, First Selectman  
Elaine Strobel  
Larry Hutvagner, CFO  
Rachel Primus, Recording Clerk

William Stowell opened the meeting at 7:02 PM, placing Ralph Barra as a regular voting member in place of Stephen Ruccio.

## **Minutes Approval**

### **1. Approval of January 9, 2019 and January 23, 2019 meeting Minutes**

**VOTED:** Unanimously on a motion by Joseph Drauss and seconded by Rita Smith to **APPROVE** the January 9, 2019 regular meeting minutes as presented.

**VOTED:** Unanimously on a motion by Joseph Drauss and seconded by Vincent Cipriano to **APPROVE** the January 23, 2019 special meeting minutes as presented.

## **Public Comment**

None

## **Reports**

### **1. Chief Financial Officers Report**

Larry Hutvagner said at last month's meeting the auditor had brought up the issue with the accounts receivable associated with Special Duty for the Police department. Included in the

packets, as of February 8<sup>th</sup>, is the current receivables for the special duty. He said that most vendors are paying and are being billed in conjunction when the town paychecks go out. Larry said they are very current with billing and collecting. Bill Stowell asked that the board receive the outstanding balance report as of January on a monthly basis, including how much has been billed and how much has been received.

Larry reported that revenue has been good in some departments, others not. He noted that if the town doesn't bond, then they won't receive the LOCIP money. Larry said the revenue was good, and the only department to watch is Park and Recreation's self-sustaining account. On the expenditure side there are only minor accounts over budget; the building and grounds and the DPW, but many have money within their budgets. He said there are no major problems right now.

Bill Stowell put a call into Sandra Welwood in regards to her concerns for the end of the year transfers, he is waiting to talk with her. He said he will not approve any transfers until he speaks with her.

## **2. Tax Collector's Report**

Included in packets. Brenda noted the WPCA installments are due now.

### **Routine Business**

#### **1. Budget Transfers**

None

#### **2. Correspondence**

Bill Stowell received an email on February 13<sup>th</sup> from the superintendent of the schools, Josh E Smith. He read the email into the record. It stated that on February 25, 2019 at 6:30 PM the will presenting their proposed budget. They extended an invitation to the board to attend a meeting on 3/6/2019 and 3/20/2019 for a more detailed look into the budget. And on 3/27/2019 the BOF from all towns are invited to participate in an open conversation. Vincent Cipriano asked if the group should prepare questions in advance.

### **Old Business**

None

### **New Business**

**VOTED:** Unanimously on a motion by Joseph Drauss and seconded by Ralph Barra to **WAIVE** reading the resolutions into the record.

#### **1. To consider and act upon each of the following resolutions:**

**RESOLUTION APPROPRIATING \$1,600,000 FOR THE MIDDLEBURY CAPITAL ASSET REVITALIZATION PROGRAM (2019) AND AUTHORIZING THE ISSUE OF \$1,600,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE**

Section 1. The sum of \$1,600,000 is appropriated for the Middlebury Capital Asset Revitalization Program consisting of improvements to various Town of Middlebury buildings and facilities including the police department, town hall, library, Shepardson community center, fire department headquarters, public works, Fenn Farm, historical society, and park and

recreation buildings and facilities, all as set forth in the Town of Middlebury Capital Plan Update dated 12/10/2018, the "Project". The improvements shall consist of the general revitalization, repair and improvement of town buildings and facilities and include roof, siding, paving, sidewalks, HVAC, electrical, radio and transfer station equipment upgrades, services and equipment related thereto, testing, design, training, consultant services, administrative, printing, legal, and financing costs or so much thereof or such additional improvements as may be accomplished within said appropriation (hereinafter the "Project"). The First Selectman is authorized to enter into agreements on behalf of the Town with state and federal government for grant funding with respect to said Project. Said appropriation shall be in addition to state and federal grants-in-aid thereof and all prior or additional appropriations therefore.

Section 2. The First Selectmen may prioritize projects and allocate resources among purposes so as to accomplish as many purposes as possible.

Section 3. To meet said appropriation \$1,600,000 bonds of the Town, or so much thereof as shall be necessary for such purpose, shall be issued maturing not later than the twentieth year after their date, or such later time as may be allowed by law. Said bonds may be issued in one or more series as shall be determined by the First Selectman and Treasurer (hereafter the "Town Officials"), and the amount of bonds of each series to be issued shall be fixed by the Town Officials in the amount necessary to meet the Town's share of the cost of the project determined after considering the estimated amount of the State and Federal 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.

Section 4. Said bonds shall be sold by the Town Officials in a competitive offering. The bonds shall be sold upon sealed or electronic proposals, or by auction, at not less than par and accrued interest on the basis of the lowest net or true interest cost to the Town. 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.

Section 5. The Town Officials are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of any series of said bonds. Notes evidencing such borrowings shall be signed by the manual or facsimile signatures of the Town Officials, have the seal of the Town or a facsimile thereof affixed, be payable at a bank or trust company designated by the Town Officials, be certified by a bank or trust company designated by the Town Officials pursuant to Section 7-373 of the General Statutes of Connecticut, as amended, and the bonds and notes shall be approved as to their legality by Joseph Fasi LLC, Bond Counsel. 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 bonds and notes shall be general obligations of the Town and each of the bonds and notes shall recite that every requirement of law relating to its issue has been duly complied with, that such bond and note is within every debt and other limit prescribed by law, that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon, and shall be paid from property taxation to the extent not paid from other sources. 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, shall be included as a cost of the project. Upon the sale of said 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 temporary borrowings then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 6. Resolution of Official Intent to Reimburse Expenditures with Borrowings. The Town of Middlebury (the "Issuer") 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 after the date of passage of this resolution 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 Issuer. 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 Issuer hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Chief Financial Officer or his designee is authorized to pay project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this declaration.

Section 7. The Town Officials are hereby authorized to exercise all powers conferred by section 3-20e of the general statutes with respect to secondary market disclosure and to provide annual information and notices 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.

Section 8. It is hereby found and determined that the issue of all, or a portion of, the bonds, notes or other obligations of the Town authorized to be issued herein with interest that is includable in gross income of the holders thereof for purposes of federal income taxation, is in the public interest. The Town Officials are hereby authorized to issue and utilize without further approval any financing alternative currently or hereafter available to municipal governments pursuant to law, including but not limited to any "tax credit bond," or "Build America Bonds" or similar bond, including Direct Payment and Tax Credit Versions.

**VOTED:** Unanimously on a motion by Rita Smith and seconded by Vincent Cipriano to **APPROVE** the resolution.

Roll Call: William Stowell, yes; Vincent Cipriano, yes; Rita Smith, yes; Dawn Calabrese, yes; Joseph Drauss, yes; Ralph Barra, yes.

**RESOLUTION APPROPRIATING \$4,200,000 FOR THE MIDDLEBURY ROAD IMPROVEMENT PROGRAM (2019) AND AUTHORIZING THE ISSUE OF \$4,200,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE**

Section 1. The sum of \$4,200,000 is appropriated for the planning, acquisition and construction of the Town of Middlebury Road Improvement Program (2019) (the "Program"). The Program shall consist of the improvement of roads throughout the Town. The specific roads

and improvements shall be determined from time to time by the First Selectman and as set forth in the Town of Middlebury Capital Plan Update dated 12/10/2018. Program improvements may consist of, but not be limited to, horizontal and vertical realignment, drainage installation, reclamation, paving, tree removal, turf establishment, street signs, related easement/Right of Way acquisitions, curbing, milling, capping, and for improvements to structures (including sidewalks) or utilities, incidental, appurtenant or encountered in the course of such road improvements and for engineering, design, safety equipment/traffic control, purchase of equipment specifically for roadway improvements, rental of equipment as necessary, administrative, advertising, printing, legal and financing costs related thereto.

Section 2. The total estimated cost of the Project is \$4,200,000 and is expected to be paid from the proceeds of bonds authorized herein.

Section 3. To meet said appropriation \$4,200,000 bonds of the Town, or so much thereof as shall be necessary for such purpose, shall be issued maturing not later than the twentieth year after their date, or such later date as may be allowed by law. Said bonds may be issued in one or more series as shall be determined by the First Selectman and Treasurer (hereafter the "Town Officials"), and the amount of bonds of each series to be issued shall be fixed by the Town Officials in the amount necessary to meet the Town's share of the cost of the project determined after considering the estimated amount of the State and Federal 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.

Section 4. Said bonds shall be sold by the Town Officials in a competitive offering. The bonds shall be sold upon sealed or electronic proposals, or by auction, at not less than par and accrued interest on the basis of the lowest net or true interest cost to the Town. 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.

Section 5. The Town Officials are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of any series of said bonds. Notes evidencing such borrowings shall be signed by the manual or facsimile signatures of the Town Officials, have the seal of the Town or a facsimile thereof affixed, be payable at a bank or trust company designated by the Town Officials, be certified by a bank or trust company designated by the Town Officials pursuant to Section 7-373 of the General Statutes of Connecticut, as amended, and the bonds and notes shall be approved as to their legality by Joseph Fasi LLC, Bond Counsel. 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 bonds and notes shall be general obligations of the Town and each of the bonds and notes shall recite that every requirement of law relating to its issue has been duly complied with, that such bond and note is within every debt and other limit prescribed by law, that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon, and shall be paid from property taxation to the extent not paid from other sources. 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, shall be included as a cost of the project. Upon the sale of said 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 temporary borrowings then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 6. Resolution of Official Intent to Reimburse Expenditures with Borrowings. The Town of Middlebury (the "Issuer") 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 after the date of passage of this resolution 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 Issuer. 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 Issuer hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Chief Financial Officer or his designee is authorized to pay project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this declaration.

Section 7. The Town Officials are hereby authorized to exercise all powers conferred by section 3-20e of the general statutes with respect to secondary market disclosure and to provide annual information and notices 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.

Section 8. It is hereby found and determined that the issue of all, or a portion of, the bonds, notes or other obligations of the Town authorized to be issued herein with interest that is includable in gross income of the holders thereof for purposes of federal income taxation, is in the public interest. The Town Officials are hereby authorized to issue and utilize without further approval any financing alternative currently or hereafter available to municipal governments pursuant to law, including but not limited to any "tax credit bond," or "Build America Bonds" or similar bond, including Direct Payment and Tax Credit Versions.

**VOTED:** Unanimously on a motion by Rita Smith and seconded by Vincent Cipriano to **APPROVE** the resolution.

Roll Call: William Stowell, yes; Vincent Cipriano, yes; Rita Smith, yes; Dawn Calabrese, yes; Joseph Drauss, yes; Ralph Barra, yes.

**RESOLUTION APPROPRIATING \$3,500,000 FOR THE UPGRADE OF SEWAGE PUMP STATIONS (2019) AND AUTHORIZING THE ISSUE OF \$3,500,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE**

Section 1. The sum of \$3,500,000 is appropriated for the planning, acquisition and construction of the upgrade to various sewage pump stations including rehabilitation and replacement approximately in accordance with plans entitled "Rehabilitation of Wastewater Pump Stations 4, 6 and 7", dated October 5, 2018, and associated improvements as appropriate to facilitate the pump station upgrade including sewer lines, force mains, pump stations,

manholes, and other facilities, and acquisition of easements and other interests in property, associated utility, street and drainage improvements, repair and relocation, or so much thereof or such additional improvements as may be accomplished within said appropriation, licenses and permits, testing, surveying, paving, engineering, administration, advertising, printing, legal, and financing costs (hereafter the "Project") as shall be determined by the Middlebury Water Pollution Control Authority (the "WPCA"). Said appropriation shall be inclusive of all state and federal grants in aid, and in addition to all other appropriations therefore.

Section 2. The total estimated cost of the project is \$3,500,000, no portion of which is expected to be paid from grants or sources other than the proposed bond issue.

Section 3. To meet said appropriation:

- (i) \$3,500,000 bonds of the Town, or so much thereof as shall be necessary for such purpose, shall be issued maturing not later than the thirtieth year after their date. Said bonds may be issued in one or more series as shall be determined by the First Selectman and Treasurer (the "Town Officials"), and the amount of bonds of each series to be issued shall be fixed by the Town Officials in the amount necessary to meet the Town's share of the cost of the project determined after considering the estimated amount of the State and Federal 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; or
- (ii) bond anticipation notes issued pursuant to and 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, and as determined in all respects by the Town Officials. The notes shall be general obligations of the Town 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 Town 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, shall be included as a cost of the project. Upon the sale of said 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 temporary borrowings then outstanding or shall be deposited with a bank or trust company in trust for such purpose; or
- (iii) temporary notes of the Town may be issued pursuant to Sections 7-264 or 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 Town Officials 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 Town and may be further secured in any other manner set forth in Sections 7-264 or 7-264a, aforesaid, as determined by the Town Officials; or

- (iv) any combination of bonds, bond anticipation notes or temporary notes, provided that the total, aggregate principal amount thereof outstanding at any time shall not exceed \$3,500,000.

Section 4. Said bonds shall be sold by the Town Officials in a competitive offering. The bonds shall be sold upon sealed proposals, or by auction, at not less than par and accrued interest on the basis of the lowest net or true interest cost to the Town, and be approved as to their legality by Joseph Fasi LLC, Bond Counsel. 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.

Section 5. Resolution of Official Intent to Reimburse Expenditures with Borrowings. The Town of Middlebury (the "Issuer") 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 after the date of passage of this resolution 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 Issuer. 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 Issuer hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Chief Financial Officer 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 Town Officials are hereby authorized to exercise all powers conferred by section 3-20e of the General Statutes with respect to secondary market disclosure and to provide annual information and notices 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.

Section 7. It is hereby found and determined that it is in public interest to issue all, or a portion of, the Bonds, Notes or other obligations of the Town as qualified private activity bonds, or with interest that is includable in gross income of the holders thereof for purposes of federal income taxation. The Town Officials are hereby authorized to issue and utilize without further approval any financing alternative currently or hereafter available to municipal governments pursuant to law including but not limited to any "tax credit bonds" or "Build America Bonds" or similar bonds, including Direct Payment and Tax Credit versions, as the same may be enacted or amended from time to time.

**VOTED:** Unanimously on a motion by Rita Smith and seconded by Joseph Drauss to **APPROVE** the resolution.

Roll Call: William Stowell, yes; Vincent Cipriano, yes; Rita Smith, yes; Dawn Calabrese, yes; Joseph Drauss, yes; Ralph Barra, yes.



2. **Discussion on Board of Selectman submitted 2019-2020 Budget**

Ed St John had a visit from Michelle Clark questioning the sewer authority resolution bonding, but has not attended any of the meetings regarding it. Ed said there is no general fund money being used. He said all the money comes from WPCA, and is not part of general taxation. Ed said that any expenses the sewer authority incur they reimburse the town monthly.

Ed St John handed the board a copy of the proposed budget. He asked them to look it over and that he would give a broad overview. He said he personally sat down and went through the budgets. He noted that land was purchased and had storm situations last year and all of this would be incorporated into the budget. Ed said last year's budget amount was \$11,139,178.00 and next years proposed budget would be \$11,351,993.00, a 1.91% increase.

He said there are increases in payroll and that the largest expenditures are driven by collective bargaining units and that all union contracts, except the police department who are currently in negotiations, are increasing by 2%. He noted that the police department has a contractual reserve because there will be no increase at the moment. Ed said he met with CIRMA and those numbers look good, but there may be some adjustments. There was a microburst last May and they still have not received reimbursement from FEMA. They are hoping to receive the money before the fiscal year ends in June. He said that the health care is going to be in good shape moving forward, the police department is getting electronics and computers up to date, public works vehicle and equipment maintenance, the fire department is seeing a spike in equipment maintenance and training.

On the revenue side, the elderly homeowner's exemption (circuit breaker) which the State did not fund last year and they don't anticipate getting any funding this year. He said they will need to budget for money to cover this.

Bill Stowell recommended the board read over the budget and to come up with questions and email them to Larry so they can be discussed at the February 27<sup>th</sup> meeting.

**Public Comment**

None

**VOTED:** Unanimously on a motion by Rita Smith and seconded by Vincent Cipriano to **ADJOURN** the meeting at 7:44 PM

Respectfully Submitted,

Rachel Primus, Recording Clerk

Cc: Board of Selectmen  
Board of Finance and Alternates  
Larry Hutvagner, Chief Financial Officer  
Robin Stanziale, Town Treasurer  
Email Notification for Website  
File