



**SPECIAL COMMON COUNCIL MEETING
JULY 14, 2011
IMMEDIATELY FOLLOWING THE 7 P.M. COMMUNITY MEETING**

Special Meeting The Special meeting of the Common Council of the City of Middletown was held in the Council Chamber of the Municipal Building on Thursday, July 14, 2011, Immediately following the 7 p.m. Community Meeting.

Present Mayor Sebastian N. Giuliano, Council Members Thomas J. Serra, Philip J. Pessina, Joseph E. Bibisi, Robert P. Santangelo, Hope P. Kasper, Grady L. Faulkner, Jr., Deborah A. Kleckowski, David Bauer, and Daniel Drew; and Corporation Counsel William Howard; Sergeant-at-Arms Acting Chief of Police Patrick McMahon, and Council Clerk Marie O. Norwood.

Absent Council Members Ronald P. Klattenberg, Gerald E. Daley, and James B. Streeto.

Also Present Three members of the public

Meeting Called to Order The Chair calls the meeting to order at 7:24 p.m. and leads the public in the Pledge of Allegiance.

Call of Meeting Read The Call of the meeting is read and accepted. The Mayor declares this call a legal call and the meeting a legal meeting.

Public Hearing Opened The Chair opens the public hearing on agenda items at 7:24 p.m. He asks if any members of the public wish to speak on the bond ordinance, to come forward at this time.

Deb Petruzello speaks about the locker room. She hopes the bonds will be voted on; it is a beautiful facility and we have the opportunity to put Middletown on the map with a premier facility. We can rent it out to make money for the school and the town. Without the locker room, we have to open the school and with them, we won't. There are more organizations looking to rent the facilities and she hopes it will make money to defray the costs.

Public Hearing Closed The Chair asks if there are other members of the public wishing to address this item; seeing none, he closes the public hearing at 7:26 p.m.

Appropriation Request Clerk reads the request and Certificate of the Director of Finance.

MAYOR'S OFFICE
MUNICIPAL BUILDING

Notice is hereby given that a meeting of the Common Council of the City of Middletown will be held in the Council Chamber of the Municipal Building on **Thursday, July 14 2011** **Immediately following the 7:00 p.m. Community Meeting** to consider and act upon the following:

1. AN ORDINANCE APPROPRIATING \$750,000 FOR THE CONSTRUCTION OF MIDDLETOWN HIGH SCHOOL LOCKER ROOM FACILITIES AND AUTHORIZING THE ISSUE OF \$750,000 BONDS OF THE CITY TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

The complete text of the proposed ordinance is on file and open to public inspection in the office of the City Clerk. Any and all persons interested may appear and be heard.

ATTEST:

SEBASTIAN N. GIULIANO
Mayor

Certificate of Director of Finance

To: His Honor Mayor Sebastian N. Giuliano
and Members of the Common Council

From: Finance
 Date: July 13, 2011
 RE: Certification of Funds

This is to certify that funds for the appropriations requested at your meeting of July 14, 2011 are available as follows:

Construction of MDTWN High School Locker Room Ordinance Bond Issue	\$750,000
--------------------------------------------------------------------------	-----------

Respectfully submitted,

Tayna Oliver-Perry
 Assistant Director of Finance

Agenda Item 4-1

Councilman Serra is recognized by the Chair and reads through Section 1 of the Bond ordinance.

Motion to Waive Rules

Councilman Pessina moves to dispense with reading the rest of the ordinance; Councilwoman Kasper seconds the motion. The Chair, seeing no discussion, calls for the vote. It is unanimous to waive the rules to waive the reading of the rest of the ordinance with nine aye votes. The Chair states the motion carries unanimously. He states you may move the ordinance for approval.

Councilman Serra moves it for approval and is seconded by Councilman Pessina.

Councilman Serra states this has been in the crosshairs for ten years; unfortunately the plan was ill-planned and not just for the athletics but for physical health. This site has 1/3 less lockers for 1,400 students. It is imperative to do this. It will be two stand-alone buildings for home team and visitors. This is the third thing we have to do. We have addressed the emergency access road and the retaining wall as well. It will make the \$110 million project whole. As you heard the public speaker, they will have other events there and won't have the trailers that are there now. It is important to do it and it will make the project whole.

Councilman Bauer asks pardon for his ignorance but is there a budget for this project and what is the total cost to build the two stand-alone buildings. Councilman Serra replies the cost will be \$750,000. The committee is looking at add-ons depending on the bid. We have the plans with everything and if it comes in lower because of the economy and bid process, then we will put in more. Councilman Bibisi states once the bid comes in, we will have a budget. Councilman Serra states we know what will be there and have add-ons. Councilman Bauer states it seems different to have the process work this way. These are stand-alone buildings; what will be the increase in operation costs because of the new buildings. Councilman Serra replies it will be minimal; the concession stand is right there. It will be used by physical ed classes in fall and spring. Councilman Bauer states we have to pay utilities for lights, heating, cooling. Councilman Serra states it will be minimal. Councilman Bauer asks what the possible revenue enhancement might be. Councilman Serra states he believes it is substantial; they have rented it for playoff games in soccer and football as well. Some individuals have not gone there because of the locker rooms and the public speaker stated it is matter of safety as well. They have to walk down the parking lot to the trailers. It is imperative to do this. It will pay for itself as we start having functions. Councilman Bauer states the location is adjacent to the football field. Councilman Serra responds the concession stand behind the bleachers. Councilman Bauer asks will they have to create other locker rooms for other sports. You point out inside there is a dearth of locker rooms and during the regular school hours how the locker room will help the physical ed program. Councilman Serra states they go out in the field to play games and they could go right to the locker rooms outside and it would make things easier in the spring and fall than walking through the school. Many times they walk through the school and go out the front. They can go from the gym area. Councilman Bauer comments that he will not support this ordinance because the \$750,000 borrowing number has become way to magical. We seem to be hitting it over and over and I think some of these project number limitations have become artificial and I believe if the Council will continue to behave this way, we need a Charter revision and get the

public involved in some of these projects. He has seen too many and will not support any more of these \$750,000 borrowings.

Councilman Serra states during the past budget the debt service was less and it means a lot has been paid off and dropped off. We are in good standing and the percentage to borrow this is 1.7 or 2%. He asks the Chair. The Chair states the actual rate is in the 2s and if we use our bond rating, it can go down. We are getting in the 2s. We sell premium bonds and get a good rate. Councilman Serra states Standard and Pooris and Moodyis agrees with us. Unfortunately, the project was ill planned when you had 1/3 less lockers than you had with 800 ó 900 students and now there are 1,300.

Councilman Drew states he will support this and he is on the committee and the expertise is incredible to see. They know a lot and they have planned a solid project and it is a badly needed project. The Athletic Director has told us there is a lot of interest out there and we can't bring them in because of the locker rooms. There is also the cost of the temporary facility and that might cost more in the long run. It will be an asset in the long run as an investment.

Councilman Pessina states to Councilman Baueris question about the public involved and he has been assisting coaching the football team for nine years and he can't tell you the number of parents and patrons who have asked for these locker rooms and can attest to the athletes coming in for a game and have to be in a tent with no heat and in a trailer walking through a filled parking lot and when they have to use the bathroom, the coach has to go with them. It was a recipe for disaster. It is safety for the students and their comfort. Beyond the revenue stream, it is the right of this Council to provide a first class stadium for the athletes. This will complete a project like Councilman Serra said in the most poignant way so when they come here and students use it, it will be a healthy facility. I will wholeheartedly be supporting this and know the athletes and coaches would support this. It is the right thing to do.

Councilman Bibisi states he wants to recognize the Committee and Chair, Richard Bergan who was leading this charge to get it designed and done. It has to get done. It fulfills the entire school work that we have done. It will complete it. He will support it and it is the right thing to do. Councilman Santangelo states he will support the project also. This completes the project. There is nothing worse than building a state of the art facility and it is not completed. This is the kind of thing we need. This was in the original plan and should have been there all along. This should have been completed and finally the project is done. Councilman Faulkner states he will support this ordinance and wanted to make sure we are cognizant of the minority business participation on contracts like these and it is an issue that will be coming up and hopes Middletown can answer questions along those lines.

The Chair states this was something that was omitted and it predates this administration and this committee. It was the only way this could be addressed without redoing.

The Chair asks if it will be a stand alone facility and function without the school. Councilman Serra responds yes. The Chair states the CIAC wanted to play games there and we would have had to open the school. Councilman Serra replies yes. The Chair states we have been to CIAC playoff games and this facility as it stands is superior right now to many of the venues and the only thing stopping them coming to us is the locker room facility. To do so, we talk about revenue; there are benefits that would come from the exposure that this would bring out-weighting the revenue. It allows people to see our community and assets that they may not see it otherwise. As to the amount of bonding, we work within the \$750,000 limit because it is attractive and knowing Mr. Bergan we may be over bonding. This ordinance is a bond authorization and tells finance and the administration that you can sell up to \$750,000 bonds and if we can get it done for less, we don't have to sell \$750,000 bonds and that is everyone's goal. As everyone said, no one likes the way this came about. There was a deficiency in the design that needs to be remedied now and to leave this undone is like going to the dentist fixing your teeth and leaving a front tooth missing. We have to realize we started selling bonds on the school 6 years ago and before we know it, it will be paid off and it will be free and clear. He understands Councilman Baueris difficulty with this. The Chair states maybe this is the best we can do; it is a phrase you use.

Councilman Bauer states he wants to respond and appreciates the thoughts of the Council to his comments and he responds that we do have a penchant for getting into this type of trouble; this is not the first project that we have gotten into. We are process people here. He is not sure that the next big

project comes along, we may make the same mistakes again and he hopes we have a fundamental change. I hope we start to do better when we encounter these major projects. We seem to have to do a lot of these resuscitations.

The Chair, hearing no further discussion, calls for the vote by roll:

Councilman Bauer	Nay
Councilman Bibisi	Aye
Councilman Daley	Absent
Councilman Drew	Aye
Councilman Faulkner	Aye
Councilwoman Kasper	Aye
Councilman Klattenberg	Absent
Councilwoman Kleckowski	Aye
Councilman Pessina	Aye
Councilman Santangelo	Aye
Councilman Serra	Aye
Councilman Streeto	Absent

Ordinance No.
File Name
Description

14-11
middleotwn-\$750000mhslockerroom.doc
AN ORDINANCE APPROPRIATING \$750,000 FOR THE CONSTRUCTION OF MIDDLETOWN HIGH SCHOOL LOCKER ROOM FACILITIES AND AUTHORIZING THE ISSUE OF \$750,000 BONDS OF THE CITY TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE.

(Approved)

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF MIDDLETOWN:

Section 1. The sum of \$750,000 is appropriated for the Middletown High School Locker Room Project, consisting of the construction of two stand alone athletic locker rooms attached to the existing concession stand with roof canopies, approximately 1,450 to 2,000 square feet each, and including storage area, concrete block construction, site improvements, architectural, engineering, utility work, HVAC, electrical, plumbing, carpentry, fire protection, telecommunications, technology, interior finishes including lockers, benches, white boards and equipment, or so much thereof or such additional improvements as may be constructed within the appropriation herein authorized, and consultant services, administrative, printing, legal, and financing costs related thereto (the iProjecti).

Section 2. The expected useful life of the project is twenty years. The total estimated cost of the project is \$750,000, no portion of which is expected to be paid from sources other than the proposed bond issue. It is hereby found and determined by the Council that the project is a single improvement constituting a general benefit to the City of Middletown and its general governmental purposes.

Section 3. To meet said appropriation \$750,000 bonds of the City, or so much thereof as may be necessary for said purpose, may be issued, maturing not later than the twentieth year after their date, or such later date as may be allowed by law. The bonds may be issued in one or more series as shall be determined by the Mayor and the City Treasurer, and the amount of bonds of each series to be issued shall be fixed by the Mayor and the City Treasurer, 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, or, be combined with other bonds of the City and such combined issue shall be in the denomination per aggregate maturity 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 manual or facsimile signatures of the Mayor and the City Treasurer, bear the City seal or a facsimile thereof, be certified by a bank or trust company designated by the Mayor and the City Treasurer, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by the Mayor and the City Treasurer, and be approved as to their legality by Bond Counsel. They shall bear such rate or rates of interest as shall be determined by the Mayor and the City Treasurer. 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 the interest thereon and paid from property taxation to the extent not paid from other funds available for the payment thereof. The aggregate principal amount of the bonds, annual installments of principal, redemption provisions, if any, the date, time of issue and sale and other terms, details and particulars of such bonds, shall be determined by the Mayor and the City Treasurer in accordance with the requirements of the General Statutes of Connecticut, as amended.

Section 4. In connection with the issuance of any bonds or notes authorized herein, the City may exercise any power delegated to municipalities pursuant to Section 7-370b, including the authority to enter into agreements moderating interest rate fluctuation, provided any such agreement or exercise of authority shall be approved by the Common Council. In order to meet the capital cash flow expenditure needs of the City, the Mayor and City Treasurer are authorized to allocate and reallocate expenditures incurred for the Project to any bonds or notes of the City outstanding as of the date of such allocation, and the bonds or notes to which such expenditures have been allocated shall be deemed to have been issued for such purpose, including the bonds and notes and Project herein authorized.

Section 5. Said bonds shall be sold by the Mayor and City Treasurer in a competitive offering or by negotiation, in their discretion. If sold at competitive offering, the bonds shall be at not less than par and accrued interest on the basis of the lowest net or true interest cost to the City, or comparable method. 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 the purchase contract shall be approved by the Mayor and City Treasurer. With respect to the receipt of original issuance premium or bid premium upon the sale of the bonds or notes herein authorized, the Mayor and City Treasurer are authorized, but not required, to apply original issuance premium and bid premium, if applicable, to fund any purpose for which bonds of the City are authorized to be issued, and such application shall reduce the amount of authorized and unissued bonds of the purpose to which the premium was applied, in the amount so applied.

Section 6. The issue of the bonds aforesaid and of all other bonds or notes of the City heretofore authorized but not yet issued, as of the effective date of this Ordinance, would not cause the indebtedness of the City to exceed any debt limit calculated in accordance with law as shown by the Debt Statement attached hereto.

Section 7. The Mayor is hereby authorized to spend a sum not to exceed the aforesaid appropriation for the purposes set forth herein, and the Mayor is specifically authorized to make, execute and deliver any contract or contracts, and any other documents necessary or convenient to complete the improvements authorized herein and the financing thereof.

Section 8. The Mayor and the City Treasurer 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 Mayor and the City Treasurer, have the seal of the City or a facsimile thereof affixed, be payable at a bank or trust company designated by the Mayor and the City Treasurer, be certified by a bank or trust company designated by the Mayor and the City Treasurer pursuant to Section 7-373 of the General Statutes of Connecticut, as amended, and be approved as to their legality by 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 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, 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 9. Resolution of Official Intent to Reimburse Expenditures with Borrowings. 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 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 Issuer hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Director of Finance or his designee is authorized to pay project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this declaration.

Section 10. The Director of Finance is 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 ordinance.

Section 11. It is hereby found and determined that the issue of all, or a portion of, the Bonds, Notes or other obligations of the City authorized to be issued herein as qualified private activity bonds, or with interest that is includable in gross income of the holders thereof for purposes of federal income taxation, is in the public interest. The Mayor and City Treasurer are hereby authorized to issue and utilize without further approval any financing alternative available to municipal governments pursuant to HR1, Making Supplemental Appropriations for Job Preservation and Creation, Infrastructure Investment, Energy Efficiency and Science, Assistance to the Unemployed, and State and Local Fiscal Stabilization, for the Fiscal Year Ending September 30, 2009, and for other purposes (the American Recovery and Reinvestment Act of 2009), as the same may be reauthorized or reenacted, or analogous legislation, including but not limited to any tax credit bond, or Build America Bonds including Direct Payment and Tax Credit Versions.

**DEBT STATEMENT
June 30, 2011
CITY OF MIDDLETOWN, CONNECTICUT**

ANNUAL RECEIPTS FROM TAXATION AND REIMBURSEMENTS ("BASE")		
Fiscal Year Ended June 30, 2009		101,003,827
 BORROWING CAPACITY FOR EACH CLASS		
2-1/4 times base for General Purposes		227,258,611
4-1/2 times base for Schools		454,517,222
3-3/4 times base for Sewers		378,764,351
3-1/4 times base for Urban Renewal		328,262,438
3 times base for Unfunded Past Benefit Obligations		303,011,481
 MAXIMUM AGGREGATE BORROWING CAPACITY		 707,026,789
7 times Base		
 INDEBTEDNESS BONDS AND NOTES:		
GENERAL PURPOSES	27,977,150	
SCHOOLS	28,216,800	
SEWERS	4,341,850	
URBAN RENEWAL	-	
UNFUNDED PAST BENEFIT OBLIGATIONS	-	

BONDS AND NOTES AUTHORIZED BUT UNISSUED:

GENERAL PURPOSES	16,255,344
SCHOOLS	173,449
SEWERS	8,954,040
URBAN RENEWAL	-
UNFUNDED PAST BENEFIT OBLIGATIONS	-

CLEAN WATER FUND LOANS:

SEWERS	6,761,769
--------	-----------

SUB-TOTAL INDEBTEDNESS 92,650,389

LESS

FEDERAL AND STATE OF CONNECTICUT BUILDING GRANTS, COMMITMENTS AND RECEIVABLES

GENERAL PURPOSE	-
SCHOOLS	-
SEWERS	-
URBAL RENEWAL	-
TOTAL DEDUCTIONS	-

NET INDEBTEDNESS 92,650,389

BALANCE OF BORROWING CAPACITY FOR EACH CLASS:

GENERAL PURPOSE	183,056,130
SCHOOLS	426,126,973
SEWERS	358,706,692
URBAL RENEWAL	328,262,438
UNFUNDED PAST BENEFIT OBLIGATIONS	303,011,481

BALANCE OF MAXIMUM AGGREGATE BORROWING CAPACITY AVAILABLE 614,376,400

Meeting Adjourned

Councilman Serra moves to adjourn and his motion is seconded by Councilman Pessina. The Chair calls for the vote and it is unanimous with nine aye votes. The Chair declares the meeting adjourned at 7:51 p.m.

ATTEST:

MARIE O. NORWOOD
Common Council Clerk