Call to Order/Pledge of Allegiance
Mayor Mark A. Lauretti called the special meeting of the Board of Aldermen to order at 5:05p.m.
All those present stood and pledged allegiance to the Flag of the United States of America.

Roll Call
Mayor Mark A. Lauretti- Present
Alderman John F. Anglace, Jr., President- Present
Alderman Eric McPherson, Vice President- Present
Alderman David Gidwani- Present
Alderman Stanley Kudej- Not Present
Alderman Noreen McGorty- Not Present
Alderman Cris Balamaci- Present
Alderman Bernie Simons- Present
Alderman Anthony Simonetti- Present

Administration
Attorney Fran Teodosio, Corporation Counsel
Paul Hiller, Director of Finance

AGENDA ITEMS:

ADOPTION OF BOND RESOLUTION
Mayor Mark A. Lauretti stated we have one item on the agenda tonight the Adoption of Bond Resolution and Paul just give us a quick thumbnail sketch of what we are borrowing and that we have done this on a regular basis for the last 40 years.
Paul Hiller explained as you are well aware that section 7.16 of the Charter, the Board of Aldermen can authorize borrowing up to 2% of the authorized municipal budget. What this total includes are $612,000.00 of borrowings which have been authorized since the start of the new fiscal year on July 1st. The total amount that is scheduled to be borrowed at this time is $3,100,000.00 and this will be paid back with the limitation of the Charter over a 5-year period with an interest rate of 1.72%. Which is almost a full percentage point under the level that we borrowed at a year ago. It is a favorable time to borrow the only difference is we did add in to take advantage of the good interest rates.

Mayor Mark A. Lauretti added the only difference between this year and last year is that the expertise of Moody’s and Standard has lowered our bond rating, and this is the impact. We are paying a point less in interest.

Paul Hiller stated we negotiated with several local banks as we have in the past. The last four years we borrowed from local banks. We negotiated this rate and went with People’s United Bank, whom we have borrowed from before; this now being the third time out of the last five years.

Mayor Mark A. Lauretti asked all these dollar amounts that have been approved by the Board over seventeen months were done under the Charter Provision of Aldermanic Bonding?

Paul Hiller answered, correct.

Mayor Mark A. Lauretti stated just so that is clear; its seventeen months not twelve months.

Paul Hiller stated the only thing I would add to that is if you look at this year’s budget which for discussion purposes is One Hundred Twenty-Seven million; if you look at the schedule you will see at the bottom of that “have the authority to borrow Two Million Five Hundred and Fifty-One thousand” this year. That number would have effectively be reduced by the Six Hundred and Ten thousand that we are borrowing at this time. So we would be limited to roughly One Million Nine-Forty in round figures as to what we have remaining between now and June 30th for projects as needed.

Alderman Simonetti moved the following:

RESOLUTION AUTHORIZING THE ISSUANCE OF $3,100,000 BONDS OF THE CITY OF SHELTON (F.Y. 7/1/2019-6/30/2020) FOR VARIOUS PUBLIC IMPROVEMENTS AND EQUIPMENT AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

Section 1. To meet appropriations aggregating $3,100,000 for the planning, acquisition and construction of various City of Shelton (City) capital improvements and equipment enacted a various meetings held by the Board of Aldermen and described in Schedule A attached hereto (the “Project”), which appropriations and Project enactments are hereby ratified confirmed and adopted, $3,100,000 bonds of the City or so much thereof as shall be necessary for such purpose, shall be issued, maturing in substantially equal principal payments not later than the fifth year after their date. Said bonds may be issued in one or more series as determined by the Director of
Finance and the City Treasurer (hereafter the City Officials), and the amount of bonds of each series to be issued shall be fixed by the City Officials. 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 City Officials, bear the City seal or a facsimile thereof, be certified by a bank or trust company designated by the City Officials, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by the City Officials, and be approved as to their legality by Teodosio Stanek, LLC, Acting Bond Counsel of Shelton Connecticut. They shall bear such rate or rates of interest as shall be determined by the City Officials. 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, that the full faith and credit of the City are pledged to the payment of the principal thereof and the interest thereon and will be paid from property taxation to the extent not paid from other sources. The aggregate principal amount of the bonds to be issued, the 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 City Officials, in accordance with the General Statutes of the State of Connecticut, as amended.

Section 2. Said bonds shall be sold by the City Officials in a competitive offering in such manner as determined by the City Officials, or by negotiation, in their discretion. The provisions of the terms of sale and the purchase agreement shall be approved by the City Officials.

Section 3. The City Officials are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes evidencing such borrowings shall be executed in the name and on behalf of the City by the manual or facsimile signatures of the City Officials, bear the City seal or a facsimile thereof, be payable at a bank or trust company designated by the City Officials, be approved as to their legality by Teodosio Stanek, LLC, Acting Bond Counsel of Shelton, Connecticut, and be certified by a bank or trust company designated by the City Officials, pursuant to Section 7-373 of the General Statutes of Connecticut, as amended. 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, that the full faith and credit of the City are pledged to the payment of the principal thereof and the interest thereon and will 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 notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.
Section 4. Resolution of Official Intent to Reimburse Expenditures with Borrowings. The City (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 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 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 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 5. The City 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 6. 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 City 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 City 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” including Direct Payment and Tax Credit versions.

Section 7. It is hereby found and determined that this Resolution is adopted pursuant to the provisions of Section 7.16 of the City Charter and is within the limitations set forth therein for the fiscal year ended June 30, 2020.

Seconded by Alderman McPherson.

Discussion:

Alderman Anglace asked the resolution authorizing the issuance of $3,100,000 bonds to the City of Shelton. You are saying that we are doing that at the rate of 1.72%?

Paul Hiller replied yes.

Alderman Anglace asked we have negotiated the sale of these bonds?

Mayor Mark A. Lauretti replied, we have done a solicitation from local banks.

Alderman Anglace added, so we are not doing the traditional where you go out and sell bonds and people bid on bonds. We are negotiating which is acceptable under the charter. As I understand it and it is nothing different than what we have done in the last twenty years.
Paul Hiller explained it is nothing different than we have done over the last four previous years.

Mayor Mark A. Lauretti added, this is something that I initiated a few years ago because I got sick and tired of paying these exorbitant costs to go to the bond market. This draws resentment from all the professionals around the state mostly the bonding attorneys and the rating agencies. Frankly, I do not mind telling anyone that so that is why we are at this point. We started doing smaller issues because it made more sense for us. If you go to the bond market for three million dollars or thirty million dollars, you are going to pay the same cost it does not change. That cost for us was around the Hundred-Thousand-dollar mark.

Alderman Simonetti added, you brought this to our attention once before and I agree with you 100%.

Mayor Mark A. Lauretti stated believe me this draws a lot of resentment because a lot of people are cut out of the payroll here.

Alderman Anglace asked, we are bonding for $3,100,000.00 the charter authorizes 2% of the grand list in a fiscal year and how much is that?

Paul Hiller replied, it is on the schedule.

Alderman Anglace added, I see that and I'm asking the question here we are bonding for $3,100,000.00; clarify for me why 2% is what we are authorized to bond that's $2.5 million why are we bonding $3.1 million?

Mayor Mark A. Lauretti answered, he said in the beginning it is $3.1 million because it spans a seventeen-month period so that would be two fiscal years.

Alderman Anglace stated, that clarified, Thank you I have no further questions.

Alderman Gidwani asked, this loan will be paid off in five years?

Paul Hiller replied, Yes.

Alderman Gidwani asked, the interest that we will be paying is $147,832.97?

Paul Hiller answered, Yes, the total interest cost $147,000.00.

Attorney Fran Teodosio added, just to explain to all of you everything that is listed in here on schedule A you have previously approved and you have identified it for the fiscal year you have approved it. However, it is nice to wrap everything into a nice neat package as the Mayor and Paul have explained its two fiscal years.

Mayor Mark A. Lauretti stated, for transparency sake we have done it twice.

A voice vote was taken and the resolution passed unanimously.
ADJOURNMENT

Alderman McPherson MOVED to adjourn the Special Board of Aldermen meeting.

SECONDED by Alderman Simonetti.

A voice vote was taken and the motion passed unanimously. Meeting adjourned at 5:15 p.m.

Respectfully Submitted

Melissa Camerato

Melissa Camerato
Board of Aldermen Clerk

DATE APPROVED ____________________ BY: ________________________________

Mayor Mark A. Lauretti
SCHEDULE A

THE BONDS

The principal amounts, interest rates and maturity dates for the Bonds are as follows:

$3,100,000 General Obligation Bonds, Issue of 2019, dated December 10, 2018

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<th>Total Payment Amount</th>
<th>Interest Amount</th>
<th>Principal Amount</th>
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