

**EAST LYME BOARD OF FINANCE
REGULAR MEETING MINUTES
Wednesday, MAY 8th, 2019**

Members in Attendance: Lisa Picarazzi, Acting Chairperson
Camille Alberti
John Birmingham
Anne Santoro

FILED

May 13 2019 AT 10:00 AM/PM
Camille Alberti
EAST LYME TOWN CLERK

Also In Attendance: Mark Nickerson, First Selectman
Brad Kargl, Municipal Utility Engineer (W & S)
Anna Johnson, Finance Director

Absent: Jason Pazzaglia, William Weber, Chairman

A. Call Meeting to Order

Acting Chairperson Picarazzi called this Regular Meeting of the East Lyme Board of Finance to order at 7:01 PM.

B. Pledge of Allegiance

The Pledge was observed.

C. Delegations

Ms. Picarazzi called for delegations.

Mike Schulz, Lovers Lane, East Lyme said that he thought that this was the most thorough Board of Finance that has served the Town in years. He thanked them for their diligent service and then touched upon the budget review process with respect to the Charter as well as the transferring of money to cover the Health Insurance issues. (Copy submitted, See attached)

Ron Rando, 194 Boston Post Road said to the Chairperson that the decision from the Town Attorney about people speaking at the Board of Finance Public Hearing as provided by Mr. Seery was that it was up to the Chair of the Board of Finance as to who could speak. He suggested that they read the Town Charter as it says that they have to be a taxpayer in the Town with property of at least \$1000. Mr. Schulz was a gentleman at that public hearing; he sat for two (2) hours and did not get the chance to speak. It is the Charter that runs the Town and the only people who can present the budget to the public is the board of finance. He still thinks that the public hearing should be null and voided and that it was not a legal meeting for the taxpayers. They should to back to the \$500,000 reduction to the Board of Ed and go to referendum that way.

John Drabik, 18 Drabik Road said that Mr. Rando is right – the definition of a public hearing is to hear from the public but they heard from employees of the schools, the BOE and the Superintendent of Schools sent out a letter with the time, date and place of the hearing on Town stationery and on Town time. He also sent out a thank you in the very same way. What they heard was totally inappropriate. The public hearing should be null and void. The reduction as it stood before that meeting should stand. They should read the Town Charter as they have the purse strings. He recommended that they negate the comments by all those people and to go back to the original budget.

D. Approval of Minutes

▪ **Regular Meeting – April 10, 2019**

Ms. Picarazzi called for a motion for approval or any changes to the Board of Finance Regular Meeting Minutes of April 10, 2019.

Mr. Birmingham asked that on Page 5 in the middle of the page where he is speaking that the reduction to Niantic FD #222 be changed to read \$2000 instead of \$200.

****MOTION (1)**

Ms. Santoro moved to approve the Board of Finance Regular Meeting Minutes of April 10, 2019 as amended.

Mr. Birmingham seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

▪ **Special Meeting – April 1, 2019**

Mr. Picarazzi called for a motion for approval or any changes to the Board of Finance Special Meeting Minutes of April 1, 2019.

Ms. Santoro asked that on Page 2 in the middle of the page where Ms. Alberti is speaking regarding the total visits for the Library that the end of that sentence be changed to read: ...and if the figure is up for the year.

****MOTION (2)**

Ms. Alberti moved to approve the Board of Finance Special Meeting Minutes of April 1, 2019 as amended.

Ms. Santoro seconded the motion.

Ms. Picarazzi noted that she did not want them to lose sight of a request that she had previously made regarding the IT Supv. Title.

Ms. Johnson said that she would discuss it with Mr. Bragaw.

Ms. Picarazzi asked that they also keep track of longevity for managers.

Ms. Johnson said that she would.

Vote: 4 – 0 – 0. Motion passed.

▪ **Special Meeting – April 2, 2019**

Ms. Picarazzi called for a motion for approval or any changes to the Board of Finance Special Meeting Minutes of April 2, 2019.

****MOTION (3)**

Mr. Birmingham moved to approve the Board of Finance Special Meeting Minutes of April 2, 2019 as presented.

Ms. Santoro seconded the motion.

Vote: 4 – 0 - 0. Motion passed.

▪ **Special Meeting – April 8, 2019**

Ms. Picarazzi called for a motion for approval or any changes to the Board of Finance Special Meeting Minutes of April 8, 2019.

Ms. Picarazzi noted that she had a request to change the figure under delegations on Page 1 to \$582,000.

Ms. Santoro noted that she feels that there is information that is missing or attributed to incorrect parties and said that she would like to further review it.

Ms. Alberti suggested that each of them review it and see what they think with respect to what they had each said and to what was attributed to them.

The decision was made to table this item until their next meeting.

▪ **Special Meeting – April 15, 2019**

Ms. Picarazzi called for a motion for approval or any changes to the Board of Finance Special Meeting Minutes of April 15, 2019.

****MOTION (4)**

Mr. Birmingham moved to approve the Board of Finance Special Meeting Minutes of April 15, 2019 as presented.

Ms. Santoro seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

E. Reports

a. Board of Education

There was no report.

b. First Selectman

Mr. Nickerson reported that 6.1.4 of the Town Charter was reviewed with the Town Attorney and he said that it was not preclusive and that the Board of finance may allow others to speak. For the Annual town Meeting he said that the BOS, BOF and BOE would present and then the public would ask questions or comment. This meeting would be held at the High School Auditorium commencing at 7:30 PM. He also reported that Guy's Oil in a recent fire lost six (6) trucks and some buildings and that they have already been in to see him about rebuilding. The Fire Departments have lost some turnout gear from the oil so they are short on some equipment. They will be looking for replacement through insurance – either theirs or ours. Lastly, he has been involved in a big conversation with six Selectmen to determine what they do; how they handle the fire & police who are employees and also volunteers in their Towns. This would include the Town Ambulance Assoc., Flanders & Niantic FD's here and how they are volunteering. He noted that State law conflicts with Federal Law which makes it more complicated.

Ms. Alberti said that when she read the article that she thought it said that if you were an employee in one Town that you could volunteer in another.

Mr. Nickerson said that was correct. He added that every Town handles it differently and that the conversations have just begun on how to remedy this.

c. Finance Director

Ms. Johnson said that she had provided information in their packets. She noted that they have closed on 277 West Main Street and had a note sale where they received six (6) bids. They came up with 1.9549% as the rate for the short term note.

Ms. Picarazzi asked about the ECS \$26,109 that remains and if they would receive it.

Ms. Johnson said that she would check – they may not receive it.

Ms. Alberti asked about the \$60,000 that investment earning is up by versus projected.

Ms. Johnson said that it would go to fund balance.

Ms. Alberti asked if they could appropriate some of it elsewhere – say move \$50,000 to fund balance before the year closes out.

Ms. Johnson said that she does not think that is necessary as at the end of the day it goes to fund balance.

Ms. Alberti said that she would like to see it go there now and asked what the rest of the Board thinks.

Ms. Johnson said that it would have to come before this Board anyways for anything to be done with it.

Ms. Alberti said that she would want to remove it now so that there would not be any chance of it being used in budget transfers for those areas that come up short.

Ms. Johnson said that typically they do to take from revenues. She also noted that Mr. Schulz was correct regarding the ECS and Health insurance and also with regard to the vehicle for the Building Official. Ms. Alberti maintained that they still have the ability to move this.

Ms. Johnson said that it would also involve the BOS as they approve transfers first.

Ms. Alberti asked if the dollars going to fund balance would be around \$725,000.

Ms. Johnson said that it looked like it might be around that amount.

F. New Business

a. Move to approve Resolution Appropriating \$2,318,492 for the replacement of Water Meters

Mr. Nickerson explained that this is to replace the water meters with radio frequency meters where the leaks could be seen sooner and they would be able to bill more frequently.

Mr. Kargl said that they have been working on this since 2012 and that it has also required working with the DPH for the DWSRF funding at 2%. They now have all of the approvals from the DPH. They also did a bid selection process and received two (2) very qualified national companies with quite a difference between the two.

Ms. Picarazzi asked Mr. Kargl to speak to that.

Mr. Kargl said that the lower one specializes in the meter replacement business nationally and currently has 20 replacement projects on-going. The other company started as a collection business and from there branched out into this and other areas.

Ms. Picarazzi asked how many meters they are talking about.

Mr. Kargl said that there are some 6700 system-wide and that they do have some of the new meters already out there but all will be radio read.

Ms. Picarazzi asked how much would be saved by not sending people out to the homes.

Mr. Kargl said that there are a lot of other things for those employees to do with respect to preventive maintenance that they are not always able to get to right now. This will give them that opportunity.

****MOTION (5)**

Mr. Birmingham moved that it be RESOLVED: that the Resolution entitled "Resolution Appropriating \$2,318,492 for the Replacement of Residential and Commercial Water Meters and Authorizing the Issuance of \$2,318,492 Bonds of the Town to meet said Appropriation and Pending the issuance thereof the making of Temporary Borrowings for such purpose", a copy of which is attached hereto, is hereby adopted and recommended for approval by the legal voters of the Town at Town Meeting.

Ms. Alberti seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

b. Approve Tax collector Suspense List - \$25,925.97

Mr. McCulloch, Tax Collector noted that they had the information and asked if they had any questions.

Ms. Santoro asked what efforts they made to collect this roughly \$26,000.

Mr. McCulloch said that he does have the option to go to an outside agency.

Ms. Santoro asked if it is worthwhile.

Mr. McCulloch said that if they collect anything then it would be.

****MOTION (6)**

Ms. Santoro moved to approve the Suspense List as presented in the amount of \$25,925.97 (included years 2003 through 2017).

Ms. Alberti seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

c. Transfer Police Wages from Contingency - \$39,006

Ms. Johnson said that they had finally completed the contract with the Police.

Ms. Santoro asked if they have to adjust the proposed budget.

Ms. Johnson said that they had missed that window and that they would have to move it next year.

Ms. Picarazzi asked about negotiation items of interest such as longevity, overtime, etc.

Mr. Nickerson said that it is all there and that over the four years that the average increase was 2.25% per year. There were a lot of language changes due to the change from the Resident Trooper system to our own Police Department.

Ms. Johnson said that there were a few things that they were able to change around.

****MOTION (7)**

Ms. Alberti moved to approve a transfer in the amount of \$38,006 from account 01-01-120-100-500 (Town Payroll Pending PR Change) to the following accounts: 01-25-216-100-511 (Police Officers) \$31,907; 01-25-216-100-513 (Foot Patrol/Parade Duty) \$518; 01-25-216-100-514 (Police OT) \$6,150; and 01-25-216-100-515 (OT – Boat Duty) \$431.

Mr. Birmingham seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

d. Ratify Department Transfers - \$53,314.98

Ms. Johnson said that these were various transfers within departmental budgets.

****MOTION (8)**

Mr. Birmingham moved to ratify departmental transfers in the amount of \$53,314.98 processed for fiscal year end June 30, 2019.

Ms. Alberti seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

e. Contingency Transfer to BOF Recording Secretary - \$850

Ms. Picarazzi noted that their meetings have been running long and that this was to cover them for the rest of this fiscal year.

****MOTION (9)**

Ms. Alberti moved to appropriate and transfer \$850 from account 01-01-120-200-500 (contingency) to account 01-01-126-100-412 (PT Clerical Recording Secretary BOF).

Mr. Birmingham seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

f. Contingency Transfer Debt Service - \$2,033.16

Ms. Johnson explained that this was short and that she was baffled by it as she has amortization schedules that are accurate. She said that the only thing that she could come up with is that she must have looked at the wrong area of the chart.

****MOTION (10)**

Mr. Birmingham moved to appropriate and transfer \$2,033.16 from account 01-01-120-200-500 (Contingency) to account 01-50-522-620-638 (Debt Interest – 12 New GOB).

Ms. Santoro seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

g. Transfer from Fire Marshal to Dispatch Overtime - \$9,524

Mr. Nickerson noted the issues with shifts that they have been having and said that he thinks that next years overtime will be lower.

****MOTION (11)**

Ms. Alberti moved to approve a transfer in the amount of \$9,524 from account 01-25-224-100-213 (PT Fire Marshal) to account 01-25-215-100-214 (Dispatch Overtime).

Mr. Birmingham seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

h. Transfer from Fire Marshal to NFD PT FF - \$6,000

Mr. Nickerson explained that the fire fighters line items have always been underfunded and the bottom line is that a calculation of what was actually needed has never been done – but – now it has.

****MOTION (12)**

Ms. Santoro moved to transfer up to \$6000 from account 01-25-224-100-213 (PT Fire Marshal) to account 01-25-217-100-612 (PT Firefighter).

Mr. Birmingham seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

i. Transfers Various departments for Health Insurance (Town) - \$211,900

Ms. Johnson explained that as the health insurance claims were trending upward that they had taken a 28.16% increase in the renewals so all of the employees in the departments had to share in a part of that renewal. However; 28.56% was the increase over the first five (5) months so the higher renewal rate did to work as it was hoped. They had \$1.2M in suppressed claims from the last fiscal year. By taking the higher renewal all employees had to pay their share. They currently have 23 large claims on the books (claims at \$62,500 or higher – deemed large once they have reached half of the \$125,000 stop loss) and 13 of them are over the \$125,000 stop loss. This necessitated putting budget holds on some accounts so they are now asking for transfers from those accounts to cover the health insurance.

Ms. Santoro said to Ms. Johnson – said that this is better news than the \$700,000 –

Ms. Johnson said that this \$200,000 is just our responsibility, and does not include the BOE. They will have to take care of their own.

****MOTION (13)**

Mr. Birmingham moved to approve a transfer in the amount of \$211,900 from the accounts noted on purchase order number 19-01732 to account 01-01-114-100-127 (Health/Dental Care).

Ms. Alberti seconded the motion.
Vote: 4 – 0 – 0. Motion passed.

G. Old Business

There was none.

H. Public Discussion

Ms. Picarazzi called for Public Discussion.

Ron Rando, 194 Boston Post Road said that he reads Section 6.1.4 of the Town Charter as the person speaking has to be a taxpayer or property owner and not kids. Still further the Chair tried to control them to the two (2) minute time limit and some of the teachers were way out of line and kept on talking – they should have been shut down. It is people like his father who was born here in 1911 who made this Town and he is sick of the arrogant education people who come here, use everything, tax us and then move out and leave us with a bigger tax burden. Further, the salaries are around 80% or 90% of the budget – what do the kids get out of that when we hear that people have to buy paper and pens for the classes. People cannot afford to live here, their own expenses are great and their own prescriptions and health insurance are a burden – he is sick of the education people with all their increases and talking down to people like they own this Town.

Mike Schulz, Lovers Lane said that the Board of Finance Recording Secretary deserves double for what she does. He asked about the new water meters and where they are going to be installed – in the same place as the old ones? He noted that he had a leak with his current meter but it was way down in the pit. He said that if the sensors were put at the tap that it would certainly capture it.

He asked about the situation with the BOE lawsuit that was pending as the cost was over a half million – has it been settled and do they know the cost?

Regarding the health insurance – they need to go back and look at the family plan and have the spouse who has insurance with another company but is on our insurance instead – look at another method as it could save us a lot of money. Also, they seem to be arm wrestling over what Mr. Nickerson and the Attorney said regarding Section 6.1.4 – it states that the BOF shall present the budget; Section 7.3 on the annual budget states that the BOS, BOF, BOE will make a presentation and he thought that he heard Mr. Nickerson say that there would be no presentation as there was one before. This would be wrong.

I. Board Comments

Ms. Picarazzi said that she takes responsibility for being unclear about the Charter at the public hearing although she is not sure that she would have done things differently. She said that she does regret not giving Mr. Schulz a chance to speak – she was going to after the break but did not communicate that to him. She apologized to him for that. She said that she does not know about the meters and suggested that he speak with Mr. Kargl regarding that. She said that she is not sure about the BOE lawsuit either or where that stands.

Mr. Birmingham said that it was not settled yet.

Ms. Picarazzi asked if they had put a freeze on the BOE for their health insurance also.

Mr. Nickerson said that they cannot do that.

Ms. Santoro said that the \$211,000 is just for the Town –

Ms. Picarazzi asked Ms. Johnson if she had asked the BOE how they plan on handling that.

Mr. Nickerson and Ms. Johnson said that they have noted/discussed it with them so they know it is coming and will have to be handled.

Ms. Picarazzi noted the \$150,000 in LoCIP dollars and where it will go as they have the downtown building.

Ms. Johnson said that they have to certify that it is in the Capital Improvement Plan and at this point in time they have projects noted in the plan. It would have to be a board discussion but not at this time.

Mr. Nickerson noted that Mr. Bragaw will bring it forward; he added that LoCIP funds do not expire.

Ms. Alberti commented on the making the public hearing null and void – saying that while she is sympathetic to the increases in the budget and understands there are many more taxpayers out there who agree – she feels compelled to listen to the arguments that are presented. She added that she also understands that they may not want to speak out as they do not want to be vilified but perhaps a letter to the Day or advocacy would work. She said that she feels comfortable with going forward now as it is.

Mr. Birmingham said that the comments that they hear are from the BOE and the others who make up 50% who are over 60 years old they do not always have the ability to get out at night and many do not even drive at night. He said that he hears from them all the time. So to him, there is inequity in what they hear and they have to keep in mind that there are others out there.

Ms. Santoro said that she feels that their Board did handle the circumstances that they had at the public hearing as well as could be expected. Also, regarding the \$500,000 reduction to their over \$1.7M request – was a politicized event and the information that was put out by the Superintendent was on an emotional level which put things out of control to some extent. She feels that the Superintendent should have spoken with them regarding what he felt that he needed to do.

Further, with regard to that comments from the Attorney – they did at some point have some out of Town people speak and perhaps it should have been put forth earlier how it would be handled.

In going forward she said that she would like them to have an action list regarding budget items and how they would attend the BOE budget meetings earlier in the process and see how they could better work together. She thinks that this would work out better for everyone.

J. Adjournment

Ms. Picarazzi called for a motion to adjourn.

****MOTION (14)**

Ms. Alberti moved to adjourn this Regular Meeting of the East Lyme Board of Finance at 9:22 PM.

Ms. Santoro seconded the motion.

Vote: 4 – 0 – 0. Motion passed.

Respectfully submitted,

Karen Zmitruk,
Recording Secretary

BOF Meeting 5/8/19

In my opinion, this is the most thorough BOF that has served the town in years. Thank you for your diligent service. I believe your task of budget review has been made much more difficult; by limited review of the BOE budget by the BOS. The budget review process per the Town Charter requires every agency and department supported wholly on in part by town revenues shall PRESENT to the BOS an itemized estimate of expenditures for their examination. That includes the BOE. The BOS can not by charter eliminate, reduce or increase any BOE estimated expenditure, but they certainly should provide a "scrubbing effect" of the BOE budget through intense review and suggestions. That would of course require an in depth analysis of the BOE budget by the BOS. The charter then requires the BOS to PRESENT to the BOF the estimates of expenditures to be made by the BOE and the revenue, together with such comments and recommendations as the BOS deems advisable with respect to any such estimate.

I also feel we have deviated from some of the guidance of our charter, intentionally by not having the BOF present the budget to the annual town meeting and unintentionally by permitting persons not qualified to vote an opportunity to be heard. We should learn from this. In the past I can recall statements from the BOE and BOS to, in my words, leave the "scrubbing to the BOF".

Lastly, the town should develop a "job description" for the 1st Selectmen, because part of that stated by Mr. Nickerson at the public hearing was inconsistent with economic logic and a conflict of interest, in that his statement that part of his job responsibility is to have our property values increase does nothing more than increase taxes and insurance premiums. Don't forget, Mr. Nickerson also sells insurance.

Respectfully submitted for the record.

Mike Schulz, 14 Lovers Lane, East Lyme, CT

Submitted 5/8/19 BOF

RESOLUTION APPROPRIATING \$2,318,492 FOR THE REPLACEMENT OF RESIDENTIAL AND COMMERCIAL WATER METERS AND AUTHORIZING THE ISSUANCE OF \$2,318,492 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

RESOLVED:

Section 1. The sum of \$2,318,492 is appropriated for the replacement of approximately 6,300 residential and commercial water meters up to one inch in size, incorporating new advanced metering infrastructure ("AMI") technology providing instantaneous remote reading and communication capabilities across the Town's entire customer base. The AMI component of the project will include the installation of Gateway Base Stations that will collect and send system-wide radio signals to and from the meters from a cloud-based data center. The project includes all aspects of meter replacement and installation of the AMI network including materials, equipment, labor, software, fees, programming and training (collectively, the "Project"), said appropriation to be inclusive of any and all State and Federal grants-in-aid and/or subsidies-in-aid thereof.

Section 2. To meet said appropriation, \$2,318,492 bonds of the Town or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the maximum maturity permitted by the General Statutes of Connecticut, Revision of 1958, as amended from time to time (the "Connecticut General Statutes"). Said bonds may be issued in one or more series as determined by the First Selectman and the Town Treasurer, in the amount necessary to meet the Town's share of the cost of the Project determined after considering the estimated amount of State and Federal grants-in-aid and/or subsidies-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 engineering, administrative, printing, legal and financing costs of issuing the bonds. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, be issued in fully registered form, be executed in the name and on behalf of the Town by the facsimile or manual signatures of the First Selectman and the Town Treasurer, bear the Town seal or a facsimile thereof, be certified by a bank or trust company, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company, and be approved as to their legality by Robinson & Cole LLP, of Hartford, Connecticut. The bonds shall be general obligations of the Town 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 Town are pledged to the payment of the principal thereof and interest thereon. The aggregate principal amount of bonds to be issued, the annual installments of principal, redemption provisions, if any, the certifying, registrar and transfer agent and paying agent, the date, time of issue and sale and other terms, details and particulars of such bonds, including the approval of the rate or rates of interest, shall be determined by the First Selectman and Town Treasurer, in the best interest of the Town, in accordance with the Connecticut General Statutes.

Section 3. Said bonds shall be sold by the First Selectman in a competitive offering or by negotiation, in his discretion. If sold in a competitive offering, the bonds shall be sold 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. If the bonds are sold by negotiation, provisions of the purchase agreement shall be approved and signed by the First Selectman and the Town Treasurer.

Section 4. The Town Treasurer is authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes evidencing such borrowings shall be signed by the First Selectman and the Town Treasurer, have the seal of the Town affixed, be payable at a bank or trust company designated by the First Selectman, be approved as to their legality by Robinson & Cole LLP, of Hartford, Connecticut, and be certified by a bank or trust company designated by the First Selectman pursuant to Section 7-373 of the Connecticut General Statutes. The notes shall be issued with maturity dates which comply with the provisions of the Connecticut General Statutes governing the issuance of such notes. 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 the notes, 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 the 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 5. The First Selectman and the Town Treasurer are authorized in the name and on behalf of the Town to apply for and accept any and all Federal and State loans, grants-in-aid and/or subsidies-in-aid for the Project and are further authorized to expend said funds in accordance with the terms thereof. To meet any portion of the costs of the Project determined by the State of Connecticut Department of Energy and Environmental Protection and the State of Connecticut Department of Public Health to be eligible for funding under Section 22a-475 *et seq.* of the Connecticut General Statutes, as the same may be amended from time to time (the "Clean Water Fund Program"), the Town is authorized to and may issue interim funding obligations in anticipation of project loan obligations and project loan obligations (collectively, the "Drinking Water Obligations") in such denominations as the First Selectman and the Town Treasurer shall determine. Drinking Water Obligations and Project Loan and Subsidy Agreements under the Clean Water Fund Program, and any other instruments, agreements or certificates required under the Clean Water Fund Program shall be executed in the name and on behalf of the Town by the manual or facsimile signatures of the First Selectman and the Town Treasurer, and bear the Town seal or a facsimile thereof. The aggregate principal amount of the Drinking Water Obligations to be issued, the dated date, final maturity, rate or rates of interest, the date, time of issue and sale and all other terms, details and particulars of such Drinking Water Obligations, subject to the provisions of the Clean Water Fund Program, shall be determined by the First Selectman and the Town Treasurer. Said Drinking Water Obligations may be secured as to both principal and interest by the full faith and credit of the Town and/or by special revenues of the Town pledged therefor in accordance with the Clean Water Fund Program, the Town's Charter and Connecticut laws. Each of the Drinking Water Obligations shall recite that every requirement of law relating to its issue has been duly complied with and that such obligation is within every debt and other limit prescribed by law.

Section 6. The Town hereby expresses its official intent pursuant to Section 1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty days prior to and anytime after the date of passage of this resolution in the maximum amount of the Project with the proceeds of bonds, notes, or other obligations ("Tax-Exempt Obligations") authorized to be issued by the Town. Tax-Exempt Obligations 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 Town hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The First Selectman or the Town Treasurer or each person's respective designee is authorized to pay Project expenses in accordance herewith pending the issuance of the Tax-Exempt Obligations.

Section 7. Each of the First Selectman, Director of Finance and the Town Treasurer 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 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. Any agreements or representations to provide information to the MSRB made prior hereto are hereby confirmed, ratified and approved.

Section 8. The First Selectman and the Town Treasurer, or either one of them, are hereby authorized, empowered and directed in the name and on behalf of the Town to enter into any other agreements, instruments documents, and certificates, including tax and investment agreements, for the consummation of the transactions contemplated by this resolution.

