

Special Town Council MeetingMay 1, 19847:00 p.m.

A special Town Council meeting was held on this date to award the sale of \$9,625,000 General Obligation Bonds dated June 15, 1984 and to hold a public hearing on AN ORDINANCE AMENDING ORDINANCE #299 TO INCREASE THE ELECTRIC DIVISION WORKERS' COMPENSATION RESERVE ACCOUNT FROM \$50,000 TO \$100,000. Council Chairman Parisi called the meeting to order at 7:05 p.m. Answering present to the roll called by Town Clerk Rosemary Rascati were Council members Bergamini, Diana, Gessert, Killen, Krupp, Papale, Parisi, Polanski and Rys. Mayor Dickinson was also present with Thomas A. Myers, Comptroller. The pledge of allegiance was given to the flag.

Mr. Post was present from CBT and Attorney Adinolfi of the firm of Adinolfi, O'Brien & Hayes.

Mr. Parisi read and Mrs. Papale moved the following resolution:

RESOLVED, by the Town Council of the Town of Wallingford, that the issue of bonds of the Town of Wallingford described in the attached Notice of Sale be dated June 15, 1984, with interest payable semiannually on the fifteenth days of June and December in each year, commencing December 15, 1984, be issued in fully registered form, in denominations of \$5,000 each, or integral multiples thereof up to the amount of a single maturity, and the form and text of such bonds, with appropriate numbers, dates of maturity, dates of registration, rates of interest, numbers, amounts and dates of payment of interest be inserted, and

BE IT FURTHER RESOLVED, that the action of the Mayor, Treasurer and Comptroller in soliciting bids for the issue of bonds described in the attached Notice of Sale be and it is hereby in all respects ratified, approved, adopted and confirmed, and

BE IT FURTHER RESOLVED, that the bid of The Connecticut Bank and Trust Company, N.A. for the Joint Managers & Associates to purchase said issue at par plus a premium of \$700.75, at the interest rates per annum as stated in the following table:

<u>Amount</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Year of Maturity</u>	<u>Interest Rate</u>
\$650,000	1985	8.25%	\$650,000	1993	8.25%
\$650,000	1986	8.25%	\$650,000	1994	8.60%
\$650,000	1987	8.25%	\$425,000	1995	8.60%
\$650,000	1988	8.25%	\$425,000	1996	9.00%
\$650,000	1989	8.25%	\$425,000	1997	9.00%
\$650,000	1990	8.25%	\$425,000	1998	9.00%
\$650,000	1991	8.25%	\$425,000	1999	9.00%
\$650,000	1992	8.25%			

RESOLUTION OF TOWN COUNCIL (continued):

and accrued interest from June 15, 1984 to date of delivery be accepted and the interest rate on said bonds be established in accordance with the foregoing schedule because the foregoing bid results in the lowest percent net interest cost (8.582208%) to the Town, and

BE IT FURTHER RESOLVED, that the following bids be rejected:

<u>Name</u>	<u>Percent Net Interest Cost</u>
The Connecticut National Bank, Merrill Lynch & Associates	8.6505%
Colonial Bank/Roosevelt & Cross & Associates	8.6937%

Councilman James A.G. Krupp seconded the motion.

Mr. Myers presented the issues covered: library, Tuttle Avenue and Nicholas Road sewers, Hillhouse standpipe, \$500,000 to purchase the Pine River property from New Haven Water Company and four years of capital improvements for the Capital and Non-Recurring Fund.

Fourteen to fifteen bids are received when notes are sold and two to three when bonds are sold and the basic reason is that these are syndicated bids, various investment houses and banking institutions across the country and Connecticut Bank and Trust Company headed up the syndicate and Joint Managers were Paine Webber of New York, Harris Trust & Savings Bank of Chicago and Drexel, Inc. of New York City. Account numbers in the syndicate were American Securities Corporation, Bevel Bexter, Inc., Ohio, Ceurtair, Collin & Co., Douglas & Company and they bid in association with Joint Managers Chase Manhattan Bank, New York, Kidder Peabody of New York, Manufacturers Hanover Trust, in association with Continental Illinois, Bank of Chicago, Prescott Ball and Ferris and Company, bidders within the syndicate. 241

The interest rate is competitive and the rate varies over the term since long-term bonds are sold at a premium. It would be indicative of our financial posture in the community and the financial marketplace to start looking at ten year bond issues in the future.

Mr. Gessert referred to the Pine River property acquisition and Mr. Myers stated approximately \$900,000 has been received in federal money on that and there is a state grant in the works for \$403,000 and was scheduled to be on the bond agenda for the State of Connecticut this month and we hope to receive that before the end of the year. It is not committed yet and cannot be put on the books as a receivable. It would be Mr. Myers' recommendation that the town reserve those funds to pay off the bond.

Vote: Council members Bergamini, Diana, Gessert, Killen, Krupp, Papale, Parisi, Polanski and Rys voted aye and the motion carried.

Mr. Myers pointed out that Mr. Post of CBT and Attorney Adinolfi are valuable members of his team to market these securities and present a position that is indicative of Wallingford and thanks was extended to them.

Mr. Krupp moved adoption of the following ordinance:

AN ORDINANCE AMENDING ORDINANCE #299 TO INCREASE THE ELECTRIC DIVISION WORKERS' COMPENSATION RESERVE ACCOUNT FROM \$50,000 TO \$100,000.

Be it Enacted by the Town Council in Session:

Whereas the experience of the Electric Division has warranted an increase in the Workers' Compensation Reserve Account for the Electric Division,

Paragraph I of Ordinance #299, "AN ORDINANCE TO PROVIDE RESERVE ACCOUNTS FOR WORKERS' COMPENSATION AWARDS" is amended to increase the reserve account for the Electric Division from \$50,000 to \$100,000.

Mrs. Bergamini seconded the motion.

Mr. Killen asked why this motion was being presented again and Mr. Krupp stated that he asked for it to be reconsidered. Mayor Dickinson pointed out that this does not appropriate funds but provides a higher limit to meet emergencies. Actual placement of the funds would have to be done at a later time. This is a responsible action given the types of injuries possible in the course of work done by the Electric Division. Mr. Killen objected to the fact that this money was not being taken from excess monies in the Workers' Compensation account but from earnings.

Vote: Council members Bergamini, Diana, Gessert, Krupp, Papale, Parisi, Polanski and Rys voted aye; Councilman Killen voted no and the motion carried.

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A motion to adjourn was duly made, seconded and carried and the special meeting adjourned at 7:30 p.m.

Delores B. Fetta
Council Secretary

Approved

Robert F. Parisi, Council Chairman

Date

Rosemary A. Rascati
Rosemary A. Rascati, Town Clerk

Date

Attachment to Town Council Minutes
Special meeting of May 1, 1984

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NOTICE OF SALE

\$8,625,000

**TOWN OF WALLINGFORD, CONNECTICUT
GENERAL OBLIGATION BONDS**

SEALED BIDS will be received by the Town of Wallingford, Connecticut, at The Connecticut Bank and Trust Company, N.A., Conference Room, Third Floor, One Constitution Plaza, Hartford, Connecticut, until 11:30 o'clock A.M. (E.D.S.T.), Tuesday,

MAY 1, 1984

for the purchase when issued, at not less than par and accrued interest from date of issue to date of delivery of the whole of the following issue of bonds (the "bonds") of the Town of Wallingford:

\$8,625,000 General Public Improvement Bonds, Issue of 1984, maturing in annual installments of \$650,000 each on June 15 in each of the years 1985-1994, inclusive, and maturing in annual installments of \$425,000 each on June 15 in each of the years 1995-1999, inclusive.

The bonds will be dated as of June 15, 1984, will bear interest from their date payable on December 15 and June 15 of each year commencing December 15, 1984, will be fully registered bonds of the denomination of \$5,000 each or integral multiples thereof up to the amount of a single maturity, and will be numbered consecutively in order of initial registration or registration of transfer. Principal on the bonds will be payable at the principal office of The Connecticut Bank and Trust Company, N.A., in Hartford, Connecticut, and interest will be payable to the registered owners as of the close of business on the Record Dates of December 1 and June 1 (or the preceding business day if such 1st day is not a business day) by check mailed to such registered owner at his address as shown on the registration books kept by The Connecticut Bank and Trust Company, N.A. The bonds will be certified by The Connecticut Bank and Trust Company, N.A., Hartford, Connecticut, and delivered against payment in Federal funds in New York City on or about June 15, 1984.

All proposals for the purchase of said bonds shall be submitted on forms furnished by the Comptroller. Each proposal must state in a multiple of one-twentieth of one percent the rate or rates of interest per annum which the bonds are to bear but shall not state (a) more than three different interest rates for the bonds, or (b) more than one interest rate for any bonds having a like maturity, or (c) any interest rate for any bonds (i) which exceeds the interest rate stated in such proposal for any other bonds by more than 2% or (ii) which is less than the interest rate stated in such proposal for any bonds having an earlier maturity. The bonds will be awarded to the highest responsible bidder on the basis of the lowest net interest cost to the Town, which will be determined by computing the total interest to be payable and deducting therefrom any premium.

The successful bidder may at his option refuse to accept the bonds if prior to their delivery any income tax law of the United States of America shall provide that the interest thereon is taxable, or shall be taxable at a future date, for Federal income tax purposes, and in such case he will be relieved of his contractual obligations arising from the acceptance of his proposal.

The successful bidder will be furnished, without cost, with the approving opinion of the law firm of Adinolfi, O'Brien & Hayes, P.C., Bond Counsel, of Hartford, Connecticut, to the effect that the bonds are valid and legally binding obligations of the Town of Wallingford and, unless paid from other sources, are payable from ad valorem taxes levied against all taxable property within the Town of Wallingford without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts. There was, however, no land classified as forest land on the last completed Grand List of the Town and under existing statutes the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation upon its power to tax dwelling houses of such qualified elderly persons.

The successful bidder will also be furnished with certificates in form satisfactory to said law firm evidencing the proper execution and delivery of the bonds and receipt of payment therefor. The successful bidder will also be furnished with a signed copy of the Official Statement prepared for this bond issue and a certificate of Town Officials relating to the accuracy and completeness of the Official Statement. The obligations hereunder to deliver or accept the bonds pursuant hereto shall be conditioned on the availability and delivery at the time of delivery of the bonds of said approving opinion, and of a certificate, in form and tenor satisfactory to said law firm and dated as of the date of such delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened relating to the bonds.

It is expected that CUSIP numbers will be used in connection with the issue but neither the absence of such numbers nor the presence of an incorrect number on any or all of the bonds shall constitute reason for the purchaser thereof to refuse to accept delivery of the bonds. The CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid by the purchaser.

The legal opinion will state that the bonds are not subject to property taxation or the tax on interest income in the State of Connecticut and the interest on said bonds is exempt from Federal income taxes under existing statutes. A signed approving opinion for the issue and a transcript of the proceedings will be filed with The Connecticut Bank and Trust Company, N.A., of Hartford, Connecticut, where they may be examined. A copy of the opinion will be printed upon each of the bonds.

Bids must be submitted for the issue as a whole and addressed to William W. Dickinson, Jr., Mayor, Town of Wallingford, c/o The Connecticut Bank and Trust Company, N.A., Conference Room, Third Floor, One Constitution Plaza, Hartford, Connecticut 06115, and enclosed in a sealed envelope marked "Bid for Bonds of the Town of Wallingford."

For further information regarding this issue and the Town, reference is made to the Official Statement. Bid forms and copies of the Official Statement may be obtained from Thomas A. Myers, Comptroller, Town of Wallingford, Municipal Building, 701 Center Street, Wallingford, Connecticut 06492, P.O. Box 67 (telephone: 203-265-2336), or from George A. Post, Jr., Vice-President, The Connecticut Bank and Trust Company, N.A., One Constitution Plaza, Hartford, Connecticut 06115 (telephone: 203-244-5145).

The right is reserved to reject all proposals and to reject any proposal not complying with this notice and, so far as permitted by law, to waive any irregularity or informality with respect to any proposal.

WILLIAM W. DICKINSON, JR.
Mayor

THOMAS A. MYERS
Comptroller