



Town of Griswold

28 Main Street
Griswold, CT 06351



**Board of Selectman
Special Meeting
Selectmen's Meeting Room
Tuesday, April 5, 2016
3:00 PM**

MINUTES

1. **Call to Order/Roll Call** – Meeting was called to order at 3:21 PM by Kevin Skulczyck, First Selectman

Members Present: Kevin Skulczyck, First Selectman
Steve Merchant, Sr. – Second Selectman
Martin McKinney, Jr. – Third Selectman

Others Present: Lisa M. Wood, Executive Assistant
Erik Christensen, Finance Director
Scott Davis, BOF Chairman

2. **Discussion and possible action on RESOLUTION WITH RESPECT TO THE AUTHORIZATION, ISSUANCE AND SALE OF NOT EXCEEDING \$16.0 MILLION TOWN OF GRISWOLD GENERAL OBLIGATION REFUNDING BONDS, AUTHORIZING COMBINING INTO ONE ISSUE AND MAKING DETERMINATIONS WITH THE REFUNDING BONDS ANY OTHER AUTHORIZED BUT UNISSUED BONDS OF THE TOWN, AND AUTHORIZING AGREEMENTS FOR THE INVESTMENT OF REFUNDING ESCROW AND ITS REINVESTMENT OVER ITS TERM.**
– E. Christensen commented we are refinancing two outstanding bonds on the school totaling between 15 and 16 mil from 2008 and 2010 when the rates were higher. We are looking at a net interest cost of 2.25 with a total savings of about \$700,000 over the life of the bonds. The savings would be shown next fiscal years in debt service.

MOTION: Motion was made by Steve Merchant, seconded by Martin McKinney, to waive the reading of the entitled resolution and incorporate its full text into the minutes of the meeting. **Motion carried unanimously.**

**RESOLUTION WITH RESPECT TO THE
AUTHORIZATION, ISSUANCE AND SALE OF NOT
EXCEEDING \$16.0 MILLION TOWN OF GRISWOLD
GENERAL OBLIGATION REFUNDING BONDS,
AUTHORIZING COMBINING INTO ONE ISSUE AND
MAKING DETERMINATIONS WITH THE REFUNDING
BONDS ANY OTHER AUTHORIZED BUT UNISSUED
BONDS OF THE TOWN, AND AUTHORIZING
AGREEMENTS FOR THE INVESTMENT OF
REFUNDING ESCROW AND ITS REINVESTMENT OVER
ITS TERM**

RESOLVED:

Section 1. \$16.0 million principal amount of refunding bonds of the Town of Griswold, or so much thereof as shall be necessary, are hereby authorized to be issued for the purpose of refunding, including advance refunding, all or any portion of the aggregate principal amount of any issue of Town of Griswold (hereinafter, the "Town") General Obligation Bonds now or hereafter outstanding or hereafter authorized, issued and outstanding, (the "Prior Bonds"), including but not limited to outstanding bonds of the Town's 2008 and 2010 issues and for the payment of all fees and expenses incurred in connection therewith, including redemption price, legal, fiscal advisor, underwriting, accounting, escrow verification, investment broker, printing, rating agencies, registrar, transfer and paying and escrow agents, printing, and such other costs and expenses, and those necessary, appropriate or customarily incurred in connection with the refunding of bonds.

Section 2. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, be issued in fully registered form, and 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 (the First Selectman and the Town Treasurer hereinafter the "Town Officials"). They shall bear such rate or rates of interest or be sold at such price or prices, including discount, as shall be determined by Town Officials pursuant to Section 7-370 of the General Statutes. 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 refunding bonds to be issued, the particular issue or portion thereof they shall refund, the annual installments of principal, redemption provisions, if any, the date, time and manner of issue and sale, interest rate on the bonds, designation of registration transfer and paying agent, financial advisor, underwriter, verification agent or other service providers to facilitate the issuance of the bonds and the transactions herein authorized, and other terms, details and particulars of such bonds, and their issuance and the use and investment of proceeds, including issuance premium, if any, shall be determined by the Town Officials in accordance with the General Statutes of the State of Connecticut, as amended, including but not limited to 7-370 et. seq. The refunding bonds authorized herein may be issued in one or more series, at one or more times and from time to time, provided that, the aggregate principal amount of all such refunding bonds issued shall not exceed \$16.0 million.

Section 3. The Town Officials are hereby authorized on behalf of the Town of Griswold to enter into bond purchase contracts for the sale of the bonds, insurance or other credit enhancement contracts, escrow agreements, investment contracts to invest the proceeds of the bonds pending their use for the purposes of the issue, including purchasing open market treasury securities, State and Local Government Series, or any investment permitted by law, to enter into interest rate swap agreements or other agreements and determinations authorized by Section 7-370b and 7-370c, and to execute and deliver such other contracts or certificates necessary or appropriate to consummate the issuance of bonds and transactions herein contemplated, to contract with agents to act on behalf of the Town with respect to any of the foregoing and to apply the proceeds of such bonds for the purposes herein authorized. In connection with agreements to invest the proceeds of the bonds, the Town Officials are specifically authorized to enter into contracts to provide for the investment or reinvestment of amounts held in an advance refunding escrow, including but not limited to agreements to deliver, provide, or receive securities to fund the refunding escrow, or to otherwise facilitate refunding purposes, to purchase securities during the term of the escrow from proceeds derived from maturing escrow securities, including agreements committing to purchase or allow for the purchase of such securities over the term of the escrow, in exchange for payment, and which agreements may be described or are commonly known as escrow float contracts, escrow reinvestment agreements or generally, guaranteed investment contracts. Such agreements and any contract agreement authorized hereunder, may include agreements with and instructions to an escrow agent, or consist of agreements with multiple parties to accomplish its objectives, provisions for delivery and payment of securities or exchanges of cash flow, provisions identifying the type of securities to be delivered, the date, principal amount, maturity date and maturity amount of delivered securities, the timing and amount of exchanged cash flows, if any, default provisions, the preconditions to entering into such agreements, including opinions of counsel, including reasoned opinions addressing the effect of bankruptcy, insolvency, appointment of a conservator or other similar proceedings with respect to any party to such contract, including, but not limited to a party agreeing to provide such securities to the escrow in exchange for payment therefore, or any party to an interest rate swap agreement. The agreements contemplated by this section may consist of more than one agreement entered into with more than one party. Any portion of the payment derived from such contracts may be deposited to the refunding escrow or expended to reduce, directly or indirectly, the amount of bonds required to be issued to refund the Town's Prior Bonds.

Section 4. The Town Officials 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 nationally recognized municipal securities information repositories or state based information repositories (the "Repositories") and to provide notices to the Repositories 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 5. The Town Officials are authorized to combine with the issue of refunding bonds herein authorized, bonds for any other purpose which the Town has authorized but, as of the issue date of the applicable series of refunding bonds, are unissued, including any bonds

authorized subsequent to the date of adoption of this resolution. Solely in connection with such combined issue, the Town Officials in addition to the authority conferred upon them by any bond resolution authorizing the issue of the bonds to be combined into one issue with the refunding bonds, are hereby delegated the authority to enter into contracts of purchase for such bonds and to determine their interest rate, and to exercise with respect to such combined issue of bonds the authority herein conferred.

Section 6. The Town Officials are hereby authorized on behalf of the Town to enter into contracts and to execute and deliver certificates necessary, appropriate or advisable in their determination to consummate the issuance of the bonds and the transactions authorized herein.

Section 7. This Resolution shall remain in full force and effect until repealed by the Board of Selectmen.

MOTION: Motion was made by S. Merchant, seconded by M. McKinney, that the resolution be adopted. **Motion carried unanimously.**

- 3. Discussion and possible action on revised budget proposal** – K. Skulczyck commented the debt reduction this year gave an opportunity to close gaps in this year's budget. It was brought up that without the deficit reduction the general government budget would have gone up just over 3% instead of the 0.01% that is shown. K. Skulczyck suggested bringing the general government budget down to a 2.62% increase without the benefit of the savings of debt reduction. The Board of Education is proposing a 2.62% increase. M. McKinney noted the BOS was trying to be fiscally responsible in putting the budget forward and questioned whether there is a control issue. S. Davis provided his input and suggested it was more of a transparency issue and feels the budget the BOS presented to the BOF was fiscally responsible. He agreed the debt service has not been looked at before in this manner. S. Merchant felt we are at this point because the question happened to be brought up. M. McKinney was concerned that the compromises can't come from one side of the table. K. Skulczyck proposed the additional total of \$18,296 be cut from the general government budget to get to the 2.62% increase: \$10,000 from contingency, \$5,887 from health insurance, \$1,250 from public works seasonal, \$625 from consultant from selectmen's office and \$625 from consultant for EDC. The total cuts equal \$18,387.

MOTION: Motion was made by S. Merchant, seconded by M. McKinney to approve the total cuts of \$18,387. **Motion carried unanimously.**

This now causes a reduction of 0.26 % in the general government budget. If both budget requests go forward at this point the expected mill rate increase would be 0.45.

4. Executive Session – Discussion on ongoing litigation

MOTION: Motion was made by S. Merchant, seconded by M. McKinney to enter into executive session at 3:46 PM to discuss ongoing litigation. **Motion carried unanimously.**

MOTION: Motion was made by S. Merchant, seconded by M. McKinney to come out of executive session at 4:17 PM. **Motion carried unanimously.**

5. Discussion and possible action on ongoing litigation - None

6. Adjournment

MOTION: Motion was made by S. Merchant, seconded by M. McKinney to adjourn the meeting at 4:18 PM. **Motion carried unanimously.**

Respectfully Submitted,

**Lisa M. Wood,
Executive Assistant**