

Public Hearing called by Board of Selectmen – July 20, 2016

Lizz Milardo called the meeting to order at 7:00 P.M. at Haddam Volunteer Fire Company, Community Hall, 439 Saybrook Road, Haddam CT

The Pledge of Allegiance was recited.

The Board of Selectmen of the Town of Haddam, Connecticut, held a Public Hearing at the Haddam Volunteer Fire Company Community Hall located at 438 Saybrook Road, Haddam, Connecticut, on Wednesday, July 20, 2016 at 7:00 p.m.

Present were the following Board members: Robert Duval & Sean Donlan

Lizz Milardo read the call for the Public Hearing which was published in The Middletown Press on July 13, 2016.

A Public Hearing was held concerning the following item:

Item 1:

AN ORDINANCE APPROPRIATING \$6,480,000 FOR ROAD IMPROVEMENTS AND AUTHORIZING THE ISSUE OF BONDS AND NOTES OF THE TOWN IN THE SAME AMOUNT TO FINANCE SAID APPROPRIATION, the full text of which is attached to these minutes.

The full text of the ordinance was made available to all Selectmen and members of the public present at the public hearing.

Donlan made a motion to have the shorted version read unless somebody asks for more information. Approved unanimously.

Jeff Jacobson from Nathan Jacobson & Associates is here to answer additional questions. The roads are prioritized by safety, by traffic count and by damage that's been done. The Board of Selectmen and the Board of Finance decided and it was approved by the town (through the budget & referendum that was passed) that we appropriate \$500,000.00 towards debt service so we can bond to have road work done. The roads we are proposing to do are broken out, some can be done this year and some will have to wait until next year due to the weather. There are a number of roads that need milling and repaving. There are other roads that need to be completely redone. If roads are maintained on a regular basis it shouldn't cost too much in the long run. The roads that need to be completely done/paved are Park Road, part of McTigh Road and part of Bartman Road. There are other roads that need work but these were prioritized. Little City Road, Foot Hills Road, Hidden Lake Road, Old Ponsett Road, Injun Hallow and Rock Landing in Haddam Neck need to be done. Quarry Hill Road also needs to be done. It is not on this list because Eversource did damage to that road and Eversource has agreed to pay for that. We've built contingencies into these so they are estimates. We did not want to run out of money in the middle of a project. We built a 25% contingency on this just in case we run into something unforeseen. In the engineering cost and the other construction cost that need to be done on some

of the roads – it's already been done and some of the roads it still needs to be done. Those costs usually run between 12.5% - 13% and we bumped those up to 25%. We put a good cushion on these numbers to make sure that we stayed within our budget. The Board of Selectman have approved this, it's gone to the Board of Finance to approve which is why we are here at the Public Hearing. The Town meeting will be next Thursday, here at 6:00pm to vote on this. The purpose of tonight is to ask if there are any questions that people have or concerns that they have and to be able to answer them. The roads that are set to go forward this year are Park Road can get done. All of the engineering has been done. I'd like to get Park Road done in 2016. The other roads I've had priced out that can be ready to go are Little City Road, Foot Hills Road and Old Ponsett Road. Hidden Lake is in the first phase. For those who don't know these are the roads that are going to be worked on: McTigh Road, Bartman Road, Park Road, Little City Road, Foot Hills Road, Old Ponsett Road, Hidden Lake Road, Rock Landing and Injun Hallow.

Questions & Concerns:

Robin Stoltz, 79 Park Road: There is paving gone down to most of Park Road but is missing 2 houses 80 & 79 Park Road that are not included. Jeff Jacobson: That is correct. Originally Park Road reconstruction was supposed to go all the way to the end but there are 2 at the end that are not included. That came about as a result of complaints & negotiations from a major property owner, Mr. Dickenson who opposed the paving of any portion of the road or to be paved by his property. He no longer lives there. This project goes back to 2005 when various promises were made.

Robin Stoltz: I just don't understand why Bob Dickenson has a complaint and the whole world has to stop. I've been here for 19 years, I pay my taxes, I have a child in the school system, and his complaint can screw everything up.

Milardo: Jeff, how much farther would you have to go? I didn't realize the entire road wasn't being included. Jeff: I'm not sure I'm guessing about 400 feet. Milardo: I'm guessing you are here being vocal because you want it to be paved by your house? Robin: Yes

Milardo: Is there major obstacles in the way to expand that? Jacobson: In terms of extending the road improvements down there, no. The only issue was right at the corner is a low point so storm drainage would need to be put in, that's the more expensive portion of it.

Stanley Kominski How did we go about the bidding process? We go by state bidding. WE get estimates. The Town engineer measures approximately what the costs are going to be and then builds contingency in and then have Tilcon and Costello, which are both state low bidders, come in and do the work. Jacobson: There are two (2) different general categories of projects. Some of it is just paving the road, milling down the road, regrading the pavement... Historically, most towns do that through what they call a low state bidding process. Every year the state department of Transportation puts out bids for basic construction work and those prices are done on a town wide basis or Connecticut DOT District wide basis and those towns and those prices are offered to the town. Typically, those roads don't need any type of engineering, it's already gone through the bid process and the town just schedules the work with a contractor. It's not something unique to the Town of Haddam it's done throughout the state. The other types of roads and the ones that need more attention than just re-paving, they may have drainage issues, rock issues, sub-drainage issues, water pooling up in the winter, icing issues etc.. those type of projects go through the engineering & design process. We do a survey, we have a bidding qualified contractor go out and access the road. Stanley: Will there be other improvements done on a regular basis? Does the

money come from the town? Milardo: We're looking to bond additional funds in order to do these road improvements that we did approve in the current budget.

Mark Lundgren: Are there any additional big ticketed items in the next 2-4 years? Milardo: Fire trucks and referred to Board of Finance members Joe Centofanti and Dave Kapitulik confirmed.

Mary Nork: 60 Nedobity Road: The Town Meeting where we vote next week, where is that? Milardo: Here at 6:00PM. Nork: This room is being used until 7:00pm. Milardo: No, not any more. I told Bette the room can be used until 5:00pm. This is our largest space and we need it for the Town Meeting.

Amy Pear: 58 Park Road: When you talk bonding, obviously we don't have the money to do these project, so we go out to borrow, can you explain that process? Milardo: I'm going to have our financial advisor, Barry Berube explain: Barry: We put together a disclosure document called an official statement. We tell everything to investors they could possibly want to know about the Town of Haddam and on a certain day we have a Bond Sale, investors from New York, Boston, California, all over the country will submit bids on whatever dollar amount the town approves, if the budget passes and we award the bonds to the lowest bidder. The town gets the money in, 6.4 million dollars, money will go in, town will use the money to do the roads. The town will re-pay the debt over the next 20 years. We make one fiscal payment a year over the next 20 years. It just so happens that right now, in the history of our country, it is the lowest interest rate ever. The town has a very good bond rating AA Rating!

Mary Lavae: 40 Park Road: When you say "pay back the money" Where does the town get that money? Is that something that is brought up every year at budget time? Milardo: it will come through the budget, just like it did this year it will have its own line.

Kevin: 12 Park Road: Instead of setting aside ½ a million dollars to do a 100 million dollars of work, the ½ a million dollars a year will be going towards maintenance? Milardo: not all of it, but that's the idea. Hopefully we can get more roads done.

Barry: just one more last comment, the town has a small amount of debt and the good thing is it's dropping down. Most communities have more than this town. As that debt runs off the community has two (2) decisions to make – either we let that debt run down to zero or some communities look at it and say let's look into the future and try to structure that new debt. We try to improve the quality of life in the community.

Milardo: Kevin, to answer your question, the only dollars that we've taken out for debt for bonding is the transfer station. So we're paying that debt back every year. So we start to pay back more and more principal each year towards that. The amount of debt should be lowering while this is going on. The \$6,480,000.00 is on the high side, just for how bonding works and knowing what your project costs are because the way that we are going to fund this is going to be over a period of time because we can't do all \$6,480,000 of work this year. It's going to be over a period of time. If you look at Little City Road, to mill and overlay a good portion of Little City Road is \$213,000.00. If we had been doing that, we wouldn't be paying 2 million dollars to do McTigh Road, if we did what we needed to do. A lot of the roads are thin and narrow, and there

are property lines and other things like that. Public works has done the best that they can with the dollars that they have. I do think it's a good long term solution to get this done.

Ed Munster: What is to be done with the 25% contingency assuming it works in the towns favor?
Milardo: Yes, it can be used to do other work. There's more to be done on Park Road.

Milardo: A lot of people think we already voted on this when we voted on our budget. The Town Meeting is here next Thursday at 6:00pm and we will take a vote and if it's approved we can have funding within 3-4 weeks and if it isn't then we are going to have to go with Plan B

Terry: 26 Park Road: How long after it gets approved will the project start? Milardo: about 3-4 weeks and in the meantime there is about 3-4 weeks of follow up work that needs to be done on Park.

Duval moved to adjourn meeting, Donlan seconded. Approved unanimously.

The Public Hearing was declared closed and adjourned at 7:35 p.m.

AN ORDINANCE APPROPRIATING \$6,480,000 FOR ROAD IMPROVEMENTS AND AUTHORIZING THE ISSUE OF BONDS AND NOTES OF THE TOWN IN THE SAME AMOUNT TO FINANCE SAID APPROPRIATION

BE IT ORDAINED BY THE TOWN MEETING OF THE TOWN OF HADDAM:

Section 1. The sum of \$6,480,000 is appropriated for the cost of pavement resurfacing, sealing, milling, overlay, drainage improvements, repair, reclamation and/or reconstruction of all, or portions of, the following town roads: McTigh Road, Bartman Road, Park Road, Little City Road, Foot Hills Road, Old Ponsett Road, Hidden Lake Road, Rock Landing Road and Injun Hollow Road and certain other town roads designated by the Board of Selectmen (the "Project"). The appropriation may be spent for design and construction costs, equipment, materials, site improvements, survey costs, bidding costs, construction administration and inspection expenses, architects' fees, engineering fees, legal fees, insurance, administrative, advertising and printing expenses, consulting fees and related services, net interest on borrowings and other financing costs, and other expenses related to the Project or its financing. The Board of Selectmen (the "Board") is authorized to determine the scope and particulars of the Project. The Board may reduce or modify the scope of the Project if funds are insufficient to complete all components of the Project, and the appropriation authorized hereby may be spent on the Project as so reduced or modified.

Section 2. To finance said appropriation for the Project, the Town may issue bonds or notes in an amount not to exceed \$6,480,000 (or so much thereof as may be necessary after deducting grants or other sources of funds received by the Town for said Project). The bonds or notes shall be issued pursuant to the Town Charter of the Town, including Section 3-7(b) and Section 9-6 thereof, and Chapter 109 of the Connecticut General Statutes, Revision of 1958, as amended (the "Connecticut General Statutes"), and any other enabling acts.

Section 3. The Town may issue and renew temporary notes from time to time in anticipation of the receipt of the proceeds from the sale of the bonds or notes for the Project or the receipt of grants for the Project. The amount of the notes outstanding at any time shall not exceed \$6,480,000. The notes shall be issued pursuant to Section 7-378 of the Connecticut General Statutes. The Town shall comply with the provisions of Section 7-378a of the Connecticut General Statutes with respect to any notes that do not mature within the time permitted by said Section 7-378.

Section 4. The First Selectman and the Treasurer of the Town (the "Officials") are authorized to sign said bonds or notes of the Town by their manual or facsimile signatures and to determine the amounts, rates of interest, dates, maturities, dates of principal and interest payments on such bonds or notes, the form of such bonds or notes, the provisions for protecting and enforcing the rights and remedies of the holders of such bonds or notes and all other terms, conditions and particular matters regarding the issuance and securing of such bonds or notes and to execute, sell and deliver the same and all other documents, agreements and certificates related to the sale, issuance or delivery of said bonds or notes, and to provide and/or execute all supporting documentation as may be necessary to accomplish such purposes and to comply with

the requirements of the Internal Revenue Code of 1986, as amended, Securities and Exchange Commission Rule 15c2-12, the provisions of the Town Charter, and in accordance with the Connecticut General Statutes and any other applicable provision of law thereto enabling. The bonds and notes authorized hereby shall be general obligations of the Town secured by the full faith and credit of the Town.

Section 5. The Officials are authorized to designate a bank or trust company to be the certifying bank, registrar, transfer agent and paying agent for such bonds and notes; to provide for the keeping of a record of the bonds or notes; and to designate a financial advisor to the Town in connection with the sale of the bonds or notes. The law firm of Updike, Kelly & Spellacy, P.C., Hartford, Connecticut is designated as the attorneys at law to render an opinion approving the legality of such bond or note issue or issues.

Section 6. The Officials are authorized to sell the bonds or notes at public or private sale; to deliver the bonds or notes; and to perform all other acts which are necessary or appropriate to issue the bonds or notes, including, but not limited to, entering into a continuing disclosure agreement pursuant to Securities and Exchange Commission Rule 15c2-12. If the bonds or notes authorized by this resolution are issued on a tax-exempt basis, the Officials are authorized to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes, including covenants to pay rebates of investment earnings to the United States in future years.

Section 7. The Town hereby declares its official intent under Federal Income Tax Regulation Section 1.150-2 that project costs may be paid from temporary advances of available funds and that (except to the extent reimbursed from grant moneys) the Town reasonably expects to reimburse any such advances from the proceeds of borrowings in an aggregate principal amount not in excess of the amount of borrowing authorized above for the Project. The Officials are authorized to amend such declaration of official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

Section 8. The First Selectman is authorized, on behalf of the Town, to execute any contracts with engineers, contractors, architects and other persons for the Project, to apply for and accept state and other grants to finance the appropriation for the Project, and to execute and file any application or enter into any grant agreement prescribed by the State of Connecticut or other governmental authority. The Officials are authorized to execute and deliver any obligations arising under such grant agreement.

Section 9. The Officials and other proper officers of the Town are authorized to take all other actions which are necessary or desirable to complete the Project consistent with the foregoing and to issue bonds, notes or other obligations to finance the aforesaid appropriation.