

WOLCOTT TOWN COUNCIL

SPECIAL MEETING

Monday, June 28, 2010

Wolcott Town Hall, Council Chambers

5:00 P.M.

Page 1 of 2

MINUTES

Note: These are summary minutes. A tape recording of this meeting is on file in Wolcott Town Hall; Commission Secretary's Office.

Chairman Michael Santogatta called the Special Meeting to order at 5:00 p.m. with the Pledge of Allegiance, and attendance was taken.

MEMBERS PRESENT: Chairman Michael Santogatta, Vice-Chairman Steven Olmstead, Michael Bokon, David Valletta, Michael Perrone, and Gale Mastrofrancesco.

MEMBERS ABSENT: Randy Petroniro, Francis Masi, and Charles Marsella

ALSO PRESENT: Linda Bruce, Municipal Finance Officer; Roger Levesque, Treasurer

CORRESPONDENCE (Attached):

1. Letter dated June 18th from David Gentile, Democratic Town Committee Chairman, announcing that the Committee elected Mark Baldwin to fill the unexpired term of Arthur George on the Board of Education
2. Proposed Resolution Authorizing the Issuance of Refunding Bonds
3. Submitted at meeting by Michael Santogatta from Janette Marcoux, Senior Vice President, First Southwest, Refunding Assumptions/Results as of June 17, 2010

BOARD OF EDUCATION APPOINTMENT:

Upon **MOTION**, by Michael Perrone, seconded by Steven Olmstead, it was unanimously voted to **appoint** Mark Baldwin to the Board of Education to fill the vacancy caused by the resignation of Arthur George.

RESOLUTION AUTHORIZING THE ISSUANCE OF REFUNDING BONDS:

A **MOTION**, was offered by Steven Olmstead, seconded by Gale Mastrofrancesco, to **adopt** the following resolution; RESOLUTION AUTHORIZING THE ISSUANCE OF REFUNDING BONDS IN AN AMOUNT NOT TO EXCEED \$13,500,000 (THE "BONDS") FOR PAYMENT OF ALL OR A PORTION OF THE OUTSTANDING PRINCIPAL OF AND INTEREST AND ANY CALL PREMIUM ON THE TOWN'S \$9,200,000 GENERAL OBLIGATION BONDS, ISSUE OF 2000 AND \$11,200,000 GENERAL OBLIGATION BONDS,

**WOLCOTT TOWN COUNCIL
SPECIAL MEETING**

Monday, June 28, 2010

Wolcott Town Hall, Council Chambers

5:00 P.M.

Page 2 of 2

MINUTES

ISSUE OF 2002, LOT A (THE "REFUNDED BONDS"), AND COSTS RELATED THERETO.

Chairman Santogatta commented that in essence they are just refinancing the bonds. General discussion ensued as to what the bonds were originally for; it was noted that a large portion was for school renovations.

Mrs. Mastrofrancesco referenced the handout entitled 'Refunding Assumptions/ Results as of June 17, 2010' and questioned in which budget year the \$346,164 will be realized. Mr. Levesque stated that it will be realized in FY 2011-2012; discussion followed. It was noted that the handout shows a date of 6/30/2011 for the \$346,164 savings, which would be the last day of the 2010-2011 fiscal year. Chairman Santogatta gave a copy of the handout to Mr. Levesque, at which time Mrs. Bruce commented that she only just saw this handout, and noted that the way she is reading it is that they will realize the savings in the 2010-2011 budget; discussion followed. Mr. Levesque noted that he will get clarification from Ms. Marcoux and advise the Council at a later date.

Chairman Santogatta called for a vote on the above motion, which **carried** unanimously by voice vote.

ADJOURNMENT:

Upon **MOTION**, by Michael Perrone, seconded by Gale Mastrofrancesco, it was unanimously voted to **adjourn** the special meeting at 5:17 p.m.

APPROVED:

Elizabeth Gaudiosi
Commission Secretary

Michael Santogatta, Chairman
WOLCOTT TOWN COUNCIL

Wolcott Democratic Town Committee

Michael Santogatta, Chairman, Wolcott Town Council
10 Kenea Ave.
Wolcott, CT 06716
6/18/10

Dear Chairman Santogatta:

I'm pleased to announce that at last night's meeting of the Wolcott Democratic Town Committee, Mark Baldwin was elected to fill the vacancy created by Artie George's departure from the Board of Education.

Mark has previously served on various town boards and commissions and has been an active member of the DTC for many years.

He has two children in the Wolcott School System and I feel that he will be a great addition to the board.

Thank you for your consideration in this matter.

Sincerely,

David Gentile

David Gentile
Chairman
Wolcott Democratic Town Committee

Refunding Assumptions/Results — (as of June 17, 2010)

SAVINGS

TOWN OF WOLCOTT CT
 General Obligation Refunding Bonds
 Market as of June 17, 2010
 Escrow funded using SLGS

- Refunds 2000 Bonds
 - Maturities 2011 - 2020
 - Total bonds to be refunded: \$5.355 million
- Refunds 2002A Bonds
 - Maturities 2012 — 20122
 - Total bonds to be refunded: \$6.6 million
- Uses SLGS to fund the escrow
 - Would use treasury/agency securities if higher yields
 - Interest rates as of 06/17/10
 - Assumes "A1" rating
 - Market rates vary daily
- Net Present Value Savings of 8.716% and 3.39%
- 2000 and 2002 Bonds include school bonds that are subject to State of Connecticut school construction (principal and interest) grant reimbursement therefore the State is entitled to a portion of the savings realized

| Date | Prior Debt Service | Refunding Debt Service | Savings |
|-----------|----------------------|------------------------|-------------------|
| 6/30/2011 | \$ 563,002 | \$ 216,838 | \$ 346,164 |
| 6/30/2012 | 1,725,534 | 1,665,350 | 60,184 |
| 6/30/2013 | 1,673,940 | 1,612,775 | 61,165 |
| 6/30/2014 | 1,621,040 | 1,565,575 | 55,465 |
| 6/30/2015 | 1,582,603 | 1,518,675 | 63,928 |
| 6/30/2016 | 1,527,652 | 1,467,150 | 60,502 |
| 6/30/2017 | 1,396,945 | 1,341,500 | 55,445 |
| 6/30/2018 | 1,343,463 | 1,281,800 | 61,663 |
| 6/30/2019 | 1,264,135 | 1,203,100 | 61,035 |
| 6/30/2020 | 1,210,345 | 1,150,300 | 60,045 |
| 6/30/2021 | 1,156,010 | 1,097,900 | 58,110 |
| 6/30/2022 | 575,850 | 555,900 | 19,950 |
| | \$ 15,640,519 | \$ 14,676,863 | \$ 963,656 |

Savings Summary

| | |
|-------------------------------|------------|
| PV of savings from cash flow | \$ 693,822 |
| Plus: Refunding funds on hand | 3,321 |
| Net PV Savings | \$ 697,143 |

- Estimated Total Savings: \$963,656
 - Town Share: \$561,365
 - State Share: \$402,291

Market rates as of June, 2010. All rates are estimated and subject to change daily. Rates are for illustration purposes only and are not a prediction of the future market.



WOLCOTT TOWN COUNCIL

RESOLUTION AUTHORIZING THE ISSUANCE OF REFUNDING BONDS IN AN AMOUNT NOT TO EXCEED \$13,500,000 (THE "BONDS") FOR PAYMENT OF ALL OR A PORTION OF THE OUTSTANDING PRINCIPAL OF AND INTEREST AND ANY CALL PREMIUM ON THE TOWN'S \$9,200,000 GENERAL OBLIGATION BONDS, ISSUE OF 2000 AND \$11,200,000 GENERAL OBLIGATION BONDS, ISSUE OF 2002, LOT A (THE "REFUNDED BONDS"), AND COSTS RELATED THERETO

BE IT RESOLVED THAT:

SECTION 1. The Town of Wolcott issue its Bonds in an amount not to exceed \$13,500,000, the proceeds of which are hereby appropriated: (1) to fund one or more escrows, and to apply the balance held in such escrows, together with the investment earnings thereon, to the payment in whole or in part, as to be determined by the Mayor and the Treasurer, of the outstanding principal of and interest and any call premium on the Refunded Bonds, including the payment of interest accrued on said bonds to the date of payment, and (2) to pay costs issuance of the Bonds authorized hereby, including legal fees, consultants' fees, trustee or escrow agent fees, underwriters' fees, bond insurance premiums, net interest and other financing costs and other costs related to the payment of the Refunded Bonds. The Bonds shall be issued pursuant to the Connecticut General Statutes, as amended, and any other enabling acts.

SECTION 2. The Bonds shall be issued and sold in such principal amount and in such manner as shall be approved by the Mayor and Treasurer. The Bonds shall mature in such amounts and at such time or times as shall be determined by the Mayor and Treasurer (provided that no Bonds shall mature later than the final maturity date of the last maturity of the Refunded Bonds to be refunded) and shall bear interest payable at such rate or rates as shall be determined by the Mayor and Treasurer. The Bonds shall be sold by the Mayor and Treasurer on a competitive or negotiated basis and if sold on a negotiated basis, the Mayor and Treasurer are authorized to execute a bond purchase or similar agreement for the sale of the Bonds.

SECTION 3. The Bonds shall be executed in the name and on behalf of the Town by the manual or facsimile signatures of the Mayor and Treasurer, bear the Town seal or facsimile thereof, and be approved as to their legality by Shipman & Goodwin LLP, bond counsel to the Town. 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 the interest thereon.

SECTION 4. The net proceeds from the sale of the Bonds, after payment of underwriter's discount and other costs of issuance, shall be deposited in an irrevocable escrow account and invested in direct obligations of, or obligations the principal of and

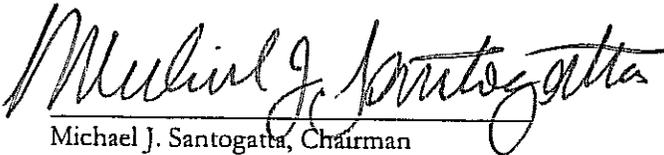
interest on which are unconditionally guaranteed by, the United States of America, which may include without limitation, United States Treasury State and Local Government Series Securities, the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation and any other securities permitted by Section 7-400 of the Connecticut General Statutes (the "Government Obligations") in an amount sufficient to pay at maturity or to redeem at the redemption price prior to maturity the Refunded Bonds.

SECTION 5. The Mayor and Treasurer are authorized to appoint an escrow agent and a firm of certified public accountants to verify the sufficiency of the Government Obligations and to execute and deliver any and all escrow and related agreements necessary to provide for the payment when due of the principal of and interest on and the redemption premium, if any, on the Refunded Bonds.

SECTION 6. The Mayor and Treasurer are authorized to prepare and distribute a Preliminary Official Statement and a final Official Statement of the Town for use in connection with the offering and sale of the Bonds and are further authorized to execute and deliver a Continuing Disclosure Agreement in connection with the issuance and sale of the Bonds on behalf of the Town in such form as they shall deem necessary and appropriate.

SECTION 7. The Mayor and Treasurer are authorized to execute and deliver a Tax Certificate and a Tax Compliance Agreement for the Bonds on behalf of the Town in such form as they shall deem necessary and appropriate, and to rebate to the United States Treasury such amounts as may be required pursuant to the Tax Certificate and Tax Compliance Agreement for the purpose of complying with the requirements of the Internal Revenue Code of 1986, as amended.

SECTION 8. The Mayor and Treasurer are authorized to appoint a certifying, transfer and paying agent and a registrar for the Bonds and to execute and deliver any and all additional agreements, documents and certificates necessary to effect the issuance, sale and delivery of the Bonds and the refunding of the Refunded Bonds in accordance with the terms of this resolution.

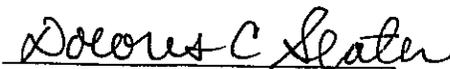


Michael J. Santogatta, Chairman
Wolcott Town Council

Dated at Wolcott, CT on June 28, 2010.

CERTIFICATION

I, Dolores C. Slater, do hereby certify that I am the Clerk of the Town of Wolcott, a municipal corporation organized and existing under the laws of the State of Connecticut having its principal place of business at 10 Kenea Avenue, Wolcott, CT 06716, and that I am the keeper of the corporate records and seal. This is a true and correct copy of resolution duly adopted and ratified by the **Town Council of the Town of Wolcott on June 28, 2010**, in accordance with the constituent charter of the Town of Wolcott; and that the same has not in any way been modified, repealed, or rescinded, but is in full force and effect.



Dolores C. Slater, Town Clerk

{SEAL}

Date: 6.29.2010