

**BOARD OF FINANCE
SPECIAL MEETING
The Metropolitan District
555 Main Street
Hartford, Connecticut 06103
Monday, January 9, 2017**

PRESENT: Commissioners Luis Caban, Allen Hoffman, and Pasquale J. Salemi; Citizen Members Ron Angelo, Martin B. Courneen, Linda King-Corbin and District Chairman William A. DiBella (7)

ABSENT: Commissioner William P. Horan (1)

ALSO

PRESENT: Scott W. Jellison, Chief Executive Officer
John M. Zinzarella, Deputy Chief Executive Officer, Business Services
R. Bartley Halloran, District Counsel
Christopher R. Stone, Assistant District Counsel
Brendan Fox, Assistant District Counsel
John S. Mirtle, District Clerk
Sue Negrelli, Director of Engineering
Robert Schwarm, Director of Information Technology
Kelly Shane, Director of Procurement
Robert Zaik, Interim Director of Human Resources
Mike Curley, Manager of Technical Services
Nick Salemi, Special Services Administrator
Kerry E. Martin, Assistant to the Chief Executive Officer
Cynthia A. Nadolny, Executive Assistant

CALL TO ORDER

Chairman Salemi called the meeting to order at 5:14 P.M.

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

No one from the public appeared to be heard.

APPROVAL OF MINUTES

***On motion made by Commissioner Caban and duly seconded,
the meeting minutes of the Board of Finance meeting of
November 22, 2016 were approved.***

Commissioner Caban abstained.

**DEBT ISSUANCE RESOLUTION
FOR UP TO \$120,000,000 IN BOND ANTICIPATION NOTES**

To: Board of Finance for consideration on January 9, 2017
Staff is seeking authority for the District to issue up to \$120,000,000 in bond anticipation notes to provide new bond anticipation note proceeds for the CIP projects set forth on Exhibit A attached hereto. This authorization is in lieu of the authorization of \$60,000,000 in bond anticipation notes for CIP projects passed by the Board of Finance and the District Board on November 2, 2016. This authorization also rescinds the authorization of \$113,500,000 in bond anticipation notes from such resolution that was not used.

Bond counsel prepared the following resolution for consideration by the Board of Finance:

It is therefore RECOMMENDED that it be:

Voted: That the Board of Finance recommends to the District Board passage of the following resolution:

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$120,000,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES OF THE METROPOLITAN DISTRICT

1. The resolution entitled "**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$173,500,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES OF THE METROPOLITAN DISTRICT**" adopted by the District Board at its meeting held on November 2, 2016 is hereby rescinded and cancelled.
2. The authorization of up to \$173,500,000 general obligation bonds of the District pursuant to that resolution entitled "**AMENDED AND RESTATED RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$173,500,000 GENERAL OBLIGATION BONDS OF THE METROPOLITAN DISTRICT**" adopted by the District Board at its meeting held on November 2, 2016 is hereby reduced by \$65,185,000 to \$108,315,000, the amount actually issued on December 1, 2016.
3. Not exceeding \$120,000,000 Metropolitan District General Obligation Bond Anticipation Notes (the "Notes") are hereby authorized to be issued in anticipation of the issuance of bonds to fund new money for Capital Improvement Projects set forth on Exhibit A hereto attached. The Notes are authorized to be issued to fund such portion of the authorized and unissued balances of the capital appropriations contained in certain bond resolutions adopted to finance capital budget items enacted by the District Board in the years and in the amounts set forth on Exhibit A hereto attached. Proceeds of the Notes shall be used on a first-spent basis to temporarily finance the expenditures for any of the purposes or projects set forth on Exhibit A and for any supplemental purposes or projects the Board of Finance and the District Board may from the date hereof authorize to be financed by the issuance of bonds. The Notes shall be dated on or about March 1, 2017, and shall mature on or about August 31, 2017, bear interest payable at maturity and be issued in fully registered form. The Notes shall be payable at and certified by U.S. Bank National Association, which bank shall also serve as registrar and transfer agent for the Notes. The Notes shall be sold by the District Treasurer, or in his absence, the Deputy Treasurer, in a competitive offering or in a negotiated offering, in the discretion of the District Treasurer, or in his absence, the Deputy Treasurer. If sold in a competitive offering the Notes shall be

awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost to the District, and in no case for a sum less than par and accrued interest to the date of delivery. The District Treasurer, or in his absence the Deputy Treasurer, is hereby delegated the authority to determine the rate or rates of interest on the Notes, and to deliver the Notes to the purchaser or purchasers thereof in accordance with this resolution. The Chairman, or in his absence, the Vice Chairman, and the District Treasurer, or in his absence, the Deputy Treasurer, are authorized to execute and deliver a Tax Regulatory Agreement and, in the case of a negotiated sale, a Note Purchase Agreement for the Notes on behalf of the District in such forms as they shall deem necessary and appropriate, and to rebate to the Federal government such amounts as may be required pursuant to the Tax Regulatory Agreement for the purpose of complying with the requirements of the Internal Revenue Code of 1986, as amended. The Chairman, or in his absence, the Vice Chairman, and the District Treasurer, or in his absence, the Deputy Treasurer, are authorized to execute and deliver a Continuing Disclosure Agreement and any and all agreements and documents necessary to effect the issuance and sale of the Notes in accordance with the terms of this resolution.

Respectfully submitted,

Scott W. Jellison
Chief Executive Officer

On motion made by Citizen Member Courneen and duly seconded, the report was received and the resolution adopted by unanimous vote of those present.

2016 OPERATING BUDGET TRANSFER

To: Board of Finance for consideration on January 9, 2017

The 2016 Metropolitan District operating budget is currently experiencing deficits in Command Center, Employee Benefits and Taxes budget. The Command Center shows a shortage based on the number of employees retiring. The Employee Benefits budget has a deficit in the Pension based upon final actuary report additional funding is required for 2016. Taxes budget has a deficit due to a slight increase in tax rates.

CERTIFICATIONS:

In accordance with Section 3-8 of the Charter of The Metropolitan District, I hereby certify that there exists free from encumbrances, in the following appropriation, the amounts listed:

	General	Water	Total
Department 701 – Debt Service	<u>\$17,400,100.00</u>	<u>\$19,101,800.00</u>	<u>\$36,501,900.00</u>
Total	<u>\$17,400,100.00</u>	<u>\$19,101,800.00</u>	<u>\$36,501,900.00</u>

John M. Zinzarella
Chief Financial Officer

It is therefore RECOMMENDED that it be:

Voted: That the Board of Finance recommends to the District Board passage of the following resolution.

Resolved: That transfers within the 2016 Budget Appropriations be approved as follows:

From:	General	Water	Total
Department 701 – Debt Service	<u>\$174,800.00</u>	<u>\$242,200.00</u>	<u>\$417,000.00</u>
Total	<u>\$174,800.00</u>	<u>\$242,200.00</u>	<u>\$417,000.00</u>
To:	General	Water	Total
Department-212 Command Center	\$11,900.00	\$23,100.00	\$35,000.00
Department-712 Employee Benefits	\$162,900.00	\$199,100.00	\$362,000.00
Department-731 Taxes	-0-	\$20,000.00	\$20,000.00
Total	<u>\$174,800.00</u>	<u>\$242,200.00</u>	<u>\$417,000.00</u>

Respectfully Submitted,

Scott W. Jellison
Chief Executive Officer

On motion made by Citizen Member Courneen and duly seconded, the report was received and the resolution adopted by unanimous vote of those present.

OPPORTUNITY FOR GENERAL PUBLIC COMMENT

No one from the public appeared to be heard.

ADJOURNMENT

The meeting was adjourned at 5:27 P.M.

ATTEST:

John S. Mirtle, Esq.
District Clerk

Date of Approval