

**BOARD OF FINANCE
SPECIAL MEETING
The Metropolitan District
555 Main Street, Hartford
Wednesday, February 17, 2016**

PRESENT: Commissioners Allen Hoffman, and Pasquale J. Salemi; Citizen Members Ron Angelo, Linda King-Corbin, Richard Mulready and District Chairman William A. DiBella (6)

ABSENT: Commissioner Luis Caban, William P. Horan and Citizen Member Martin B. Courneen (3)

ALSO

PRESENT: Scott W. Jellison, Chief Executive Officer
John M. Zinzarella, Deputy Chief Executive Officer, Business Services
Christopher R. Stone, Assistant District Counsel
John S. Mirtle, District Clerk
Rob Constable, Director of Finance
Stanley Pokora, Manager of Treasury
Kelly Shane, Director of Procurement
Kerry E. Martin, Assistant to the Chief Executive Officer
Carrie Blardo, Assistant to the Chief Operating Officer
Cynthia A. Nadolny, Executive Assistant

CALL TO ORDER

Chairman Salemi called the meeting to order at 5:03 PM

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

No one from the public appeared to be heard.

APPROVAL OF MINUTES

On motion made by Citizen Member Angelo and duly seconded, the meeting minutes of the Board of Finance meeting of January 11, 2016 and Joint Meeting Minutes of February 3, 2016 were approved.

ELECTION OF CHAIRMAN

Chairman Salemi called for nominations for Chairman.

Citizen Member Mulready nominated Commissioner Salemi for Chairman of the Board of Finance. There were no other nominations.

On motion made by Citizen Member Mulready and duly seconded, Commissioner Salemi was elected Chairman of the Board of Finance by unanimous vote of those present.

ELECTION OF VICE CHAIRMAN

Chairman Salemi called for nominations for Vice Chairman.

Chairman Salemi nominated Citizen Member Mulready for Vice Chairman of the Board of Finance. There were no other nominations.

On motion made by Chairman Salemi and duly seconded, Citizen Member Mulready was elected Vice Chairman of the Board of Finance by unanimous vote of those present.

2015 OPERATING BUDGET TRANSFER

To: Board of Finance for consideration on February 17, 2016

The 2015 Metropolitan District operating budget is experiencing a deficit in the Legal, Employee Benefits and Human Resources budgets. The Legal deficit is the result of the increased legal services during the year. The Employee Benefits budget deficit is due increased medical claims and retirements in 2015. The increase in Human Resources is due to Obamacare Tax.

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 801 – Contingencies	\$91,420.00	\$66,402.00	\$157,822.00
Department-402 Hartford Water Pollution Control	124,898.00	-0-	124,898.00
Department-741-Special Agreements & Programs	-0-	<u>387,900.00</u>	<u>387,900.00</u>
Total	<u>\$216,318.00</u>	<u>\$454,302.00</u>	<u>\$670,620.00</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 2015 Budget Appropriations be approved as follows:

From:	General	Water	Total
Department 801 – Contingencies	\$91,420.00	\$66,402.00	\$157,822.00
Department-402 Hartford Water Pollution Control	124,898.00	-0-	124,898.00
Department-741-Special Agreements & Programs	<u>-0-</u>	<u>387,900.00</u>	<u>387,900.00</u>
Total	<u>\$216,318.00</u>	<u>\$454,302.00</u>	<u>\$670,620.00</u>
To:	General	Water	Total
Department-141 Legal	\$68,600.00	\$71,400.00	\$140,000.00
Department-151 Human Resources	39,298.00	40,902.00	80,200.00
Department-711 Employee Benefits	<u>108,420.00</u>	<u>342,000.00</u>	<u>450,420.00</u>
Total	<u>\$216,318.00</u>	<u>\$454,302.00</u>	<u>\$670,620.00</u>

Respectfully Submitted,

Scott W. Jellison
Chief Executive Officer

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

**APPROVAL FOR STATE OF CONNECTICUT FINANCING
CWF NO. 215-C**

To: Board of Finance for consideration on February 17, 2016

Staff seeks approval from your Board to execute and deliver the Interim Funding Obligation and/or Project Loan Obligation to the State of Connecticut for CWF No. 215-C having a principal amount of \$11,692,057.44 and having an interest rate of 2.00%.

The low interest loan and grant will fund the construction services for sanitary sewer improvements reducing inflow and infiltration to include contracts 2009-96A and 2014B-22.

The State of Connecticut, through the Clean Water Fund Program, will provide \$14,615,071.80 in state funding with approximately \$2,923,014.36 in grants and \$11,692,057.44 in low interest loans at 2.00% to fund the expenses associated with this agreement.

Bond Counsel prepared the following resolution for your approval.

It is therefore RECOMMENDED that it be

VOTED: That the Board of Finance recommends to the District Board passage of the following resolution from Bond Counsel

RESOLVED:

Section 1. The Chairman and the District Treasurer or Deputy Treasurer are authorized to execute and deliver the Project Loan and Project Grant Agreement CWF No. 215-C to be entered into with the State of Connecticut (the "Agreement") and any and all Interim Funding Obligations and Project Loan Obligations for CWF No. 215-C in the aggregate amount not to exceed \$11,692,057.44. Such Interim Funding Obligations shall be dated as of their date of issue, shall mature within six months of the Scheduled Completion Date, shall bear interest at the rate of two percent (2.00%) per annum, shall be payable as to principal and interest as provided in the Agreement and, to the extent not paid prior to maturity from The Metropolitan District funds, may be renewed by the issuance of Interim Funding Obligations or Project Loan Obligations, all as provided in the Agreement. Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Agreement.

Section 2. The Project Loan Obligations shall be dated as of their date of issue, shall mature no later than twenty years from the Scheduled Completion Date, shall bear interest at the rate of two percent (2.00%) per annum and shall be payable as to principal and interest as provided in the Agreement.

Respectfully Submitted,

Scott W. Jellison
Chief Executive Officer

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

\$52,000,000 BOND REFUNDING RESOLUTION

To: Board of Finance for Consideration on February 17, 2016

Staff is seeking the Board's approval to refund up to \$52 million in general obligation bonds. First Southwest has completed a financial analysis of the District's outstanding debt and recommended that the District refund various maturities of the District's General Obligation Bond Issue of 2008. Based on current market conditions, First Southwest is projecting positive net present value savings for the refunding.

This resolution will expire on December 31, 2016.

Bond Counsel has prepared the following resolution for approval by the Board of Finance.

It is therefore RECOMMENDED that it be:

Voted: That the Board of Finance finds, based on the recommendation of First Southwest, that the issuance of not exceeding \$52,000,000 General Obligation Refunding Bonds of the Metropolitan District (the "District") shall result in a net present value debt service savings to the District and, therefore, recommends to the District Board passage of the following resolution:

RESOLUTION WITH RESPECT TO THE AUTHORIZATION, ISSUANCE AND SALE OF NOT EXCEEDING \$52,000,000 GENERAL OBLIGATION REFUNDING BONDS OF THE METROPOLITAN DISTRICT

RESOLVED:

Section 1. Not exceeding \$52,000,000 General Obligation Refunding Bonds (the "Refunding Bonds") of the Metropolitan District (the "District") may be issued in one or more series and in such principal amounts as the Chairman and District Treasurer, or in their absence, the Vice Chairman or Deputy Treasurer, shall determine to be in the best interests of the District for the purpose of achieving net present value savings and/or to moderate debt service payments. The District Board finds, based on the recommendation of First Southwest, that the issuance of the Refunding Bonds shall result in a net present value debt service savings to the District. The Refunding Bonds are hereby authorized to refund all or any portion of any one or more series of the District's outstanding General Obligation Bonds, Issue of 2008 (the "Refunded Bonds"). The Refunding Bonds shall be issued and sold either in a negotiated underwriting or a competitive offering, at such time or times as the Chairman and the District Treasurer, or in their absence, the Vice Chairman or Deputy Treasurer, shall determine to be most opportune for the District. Each series of Refunding Bonds shall mature in such amounts and on such date or dates as shall be determined by the Chairman and District Treasurer, or in their absence, the Vice Chairman or Deputy Treasurer, provided that no Refunding Bonds shall mature later than the final maturity date of the last maturity of any Refunded Bonds being refunded by such series. The Refunding Bonds shall bear interest

payable at such rate or rates as shall be determined by the Chairman and District Treasurer, or in their absence, the Vice Chairman or Deputy Treasurer,. The Refunding Bonds shall be executed in the name and on behalf of the District by the manual or facsimile signatures of the Chairman and the District Treasurer, or in their absence, the Vice Chairman or Deputy Treasurer, bear the District seal or a facsimile thereof, and be approved as to their legality by Hinckley, Allen & Snyder LLP, and Finn Dixon & Herling LLP, Bond Counsel. The Refunding Bonds shall be general obligations of the District and each of the Refunding 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 District are pledged to the payment of the principal thereof and the interest thereon. The aggregate denominations, form, details, and other particulars thereof, including the terms of any rights of redemption and redemption prices, the designation of the certifying, paying, registrar and transfer agent, shall be subject to the approval of the Chairman and District Treasurer, or in their absence, the Vice Chairman or Deputy Treasurer. The net proceeds of the sale of the Refunding Bonds, after payment of underwriter's discount and other costs of issuance, shall be deposited in an irrevocable escrow account in an amount sufficient to pay the principal of, interest and redemption premium, if any, due on the Refunded Bonds to maturity or earlier redemption pursuant to the plan of refunding. The Chairman and District Treasurer, or in their absence, the Vice Chairman or Deputy Treasurer, are authorized to appoint an escrow agent and other professionals and to execute and deliver any and all escrow, investment and related agreements necessary to provide for such payments on the Refunded Bonds and to provide for the transactions contemplated hereby. The Chairman and District Treasurer, or in their absence, the Vice Chairman or Deputy Treasurer, are authorized to prepare and distribute preliminary and final Official Statements of the District for use in connection with the offering and sale of the Refunding Bonds, and they are hereby authorized to execute and deliver on behalf of the District a Bond Purchase Agreement, a Continuing Disclosure Agreement, a Tax Regulatory Agreement, Escrow Agreement and such other documents necessary or desirable for the issuance of the Refunding Bonds and the payment of Refunded Bonds.

Section 2. This resolution shall be effective until December 31, 2016.

Respectfully Submitted,

Scott W. Jellison
Chief Executive Officer

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

ADJOURNMENT

The meeting was adjourned at 5:21 PM

ATTEST:

John S. Mirtle, Esq.
District Clerk

Date of Approval