

ORDINANCE No: 07-24
DATE: February 21, 2024

AN ORDINANCE APPROPRIATING \$750,000 FOR FILTER UPGRADES AT THE JOHN S. ROTH WATER TREATMENT PLANT AND AUTHORIZING THE ISSUE OF \$750,000 BONDS OF THE CITY TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

Section 1. The sum of \$750,000 is hereby appropriated for the cost of filter upgrades at the John S. Roth Water Treatment Plant, such costs including, without limitation, the planning, investigation, preliminary and final engineering design of the filter rehabilitation and/or replacement of the existing filters and appurtenances related thereto, and all other costs necessary or appropriate for the project, including licenses and permits, equipment testing, surveying, paving, engineering, project administration, inspecting, advertising, printing, legal, and financing costs related thereto (hereinafter the "Project"). Said appropriation shall be inclusive of state and federal grants in aide thereof.

Section 2. The expected useful life of the Project is in excess of twenty (20) years. The total estimated cost of the Project is \$750,000, no portion of which is expected to be paid from sources other than the proposed bond issue.

Section 3. To meet said appropriation, \$750,000 bonds of the City, or so much thereof as may be necessary for said purpose, may be issued, maturing not later than the twenty (20th) year after their date, or such later date as may be allowed by law. The bonds may be issued in one or more series as shall be determined by the Mayor and the City Treasurer, and the amount of bonds of each series to be issued shall be fixed by the Mayor and the City Treasurer. The bonds shall be issued in an amount necessary to meet the City's share of Project costs determined after considering the estimated amounts of grants in aid of the Project and will provide funds sufficient with other funds available for such purpose to pay the principal of and the interest on all temporary borrowings in anticipation of the receipt of the proceeds of said bonds outstanding at the time of the issuance thereof, and to pay for the administrative, printing and legal costs of issuing the bonds. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, or, be combined with other bonds of the City and such combined issue shall be in the denomination per aggregate maturity of \$1,000 or a whole multiple thereof, be issued in bearer form or in fully registered form, be executed in the name and on behalf of the City by the manual or facsimile signatures of the Mayor and the City Treasurer, bear the City seal or a facsimile thereof, be certified by a bank or trust company designated by the Mayor and the City Treasurer, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by the Mayor and the City Treasurer, and be approved as to their legality by Bond Counsel. The bonds shall bear such rate or rates of interest (whether fixed or floating) as shall be determined by the Mayor and the City Treasurer. The bonds shall be general obligations of the City 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 City are pledged to the payment of the principal thereof and the interest thereon and paid from property taxation to the extent not paid from other funds available for the payment thereof. The aggregate principal amount of the bonds of each series, the annual installments of principal, maturity dates, prices, redemption provisions, if any, time of issue and sale, and other terms, details and particulars of such bonds, including the terms of any reserve that might be established as authorized herein, shall be determined by the Mayor and the City Treasurer in the best interests of the City and in accordance with the requirements of the General Statutes of Connecticut, as amended.

Section 4. Said bonds shall be sold by the Mayor and City Treasurer in a competitive offering or by negotiation, in their discretion. If sold at competitive offering, the bonds shall be at not less than par and accrued interest on the basis of the lowest net or true interest cost to the City, or comparable method. If the bonds are sold by negotiation, the purchase contract shall be approved by the Mayor and City Treasurer.

Section 5. The Mayor and the City Treasurer are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of any series of said bonds. Notes evidencing such borrowings shall be signed by the manual or facsimile signatures of the Mayor and the City Treasurer, have the seal of the City or a facsimile thereof affixed, be payable at a bank or trust company designated by the Mayor and the City Treasurer, be certified by a bank or trust company designated by the Mayor and the City Treasurer pursuant to the General Statutes of Connecticut, as amended, and be approved as to their legality by Bond Counsel. They shall be issued with maturity dates which comply with the provisions of the General Statutes governing the issuance of such notes, as the same may be amended from time to time. The notes shall be general obligations of the City and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with, that such note is within every debt and other limit prescribed by law, and that the full faith and credit of the City are pledged to the payment of the principal thereof and the interest thereon. The net interest cost on such notes, including renewals thereof, and the expense of preparing, issuing and marketing them, to the extent paid from the proceeds of such renewals or said bonds, shall be included as a cost of the Project. Upon the sale of said bonds the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on any such temporary borrowings then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 6. In connection with the issuance of any bonds or notes authorized herein, the City may exercise any power delegated to municipalities pursuant to Section 7-370b, as may be approved and executed by the Mayor and the City Treasurer, including the authority to enter into agreements moderating interest rate fluctuation, provided any such agreement or exercise of authority shall be approved by the Common Council.

Section 7. With respect to the receipt of original issuance premium or bid premium upon the sale of the bonds or notes herein authorized, the Mayor and City Treasurer are authorized, but not required, to apply original issuance premium and bid premium, if applicable, to fund future debt service payments on such bonds or notes or to fund any purpose for which bonds of the City are authorized to be issued, and such application shall reduce the amount of authorized and unissued bonds of the purpose to which the premium was applied, in the amount so applied.

Section 8. In order to meet the capital cash flow expenditure needs of the City, the Director of Finance, with notice to and advice from the Mayor and the City Treasurer, is authorized to allocate and reallocate expenditures incurred for the Project to any bonds or notes of the City outstanding as of the date of such allocation, and the bonds or notes to which such expenditures have been allocated shall be deemed to have been issued for such purpose, including the bonds and notes and Project herein authorized.

Section 9. The issue of the bonds aforesaid and of all other bonds or notes of the City heretofore authorized but not yet issued, as of the effective date of this Ordinance, would not cause the indebtedness of the City to exceed any debt limit calculated in accordance with law as shown by the "Debt Statement" attached hereto.

Section 10. The Mayor is hereby authorized to spend a sum not to exceed the aforesaid appropriation for the purposes set forth herein, and the Mayor is specifically authorized to make, execute and deliver any contract or contracts, and any other documents necessary or convenient to complete the improvements authorized herein and the financing thereof.

Section 11. The Mayor, the City Treasurer, the Director of Finance and any other proper City official are each hereby authorized to apply for and accept any available State or Federal grant in aid of the financing of the Project, and to take all action necessary or proper in connection therewith.

Section 12. The City hereby expresses its official intent pursuant to 1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid 60 days prior to and after the date of passage of this ordinance in the maximum amount and for the Project with the proceeds of bonds, notes, or other obligations authorized to be issued by the City. Such obligations shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the Project, or such later date as the Regulations may authorize. The City hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Director of Finance or his designee is authorized to pay project expenses in accordance herewith pending the issuance of any such reimbursement obligations, and to amend this declaration.

Section 13. The Director of Finance is hereby authorized to exercise all powers conferred by Section 3-20e of the general statutes with respect to secondary market disclosure and to provide annual information and notices 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 ordinance.

Section 14. This ordinance shall become effective fifteen days after its publication in a newspaper of general circulation in the City pursuant to Section 5 of the City Charter.

SEE ATTACHED DEBT LIMITATION SCHEDULE

DEBT STATEMENT			
February 28, 2024			
CITY OF MIDDLETOWN, CONNECTICUT			
ANNUAL RECEIPTS FROM TAXATION AND REIMBURSEMENTS ("BASE")			
Fiscal Year Ended June 30, 2022			148,233,619
BORROWING CAPACITY FOR EACH CLASS			
2-1/4 times base for General Purposes			333,525,643
4-1/2 times base for Schools			667,051,286
3-3/4 times base for Sewers			555,876,071
3-1/4 times base for Urban Renewal			481,759,262
3 times base for Unfunded Past Benefit Obligations			444,700,857
MAXIMUM AGGREGATE BORROWING CAPACITY			
7 times Base			1,037,635,333
INDEBTEDNESS BONDS AND NOTES:			
GENERAL PURPOSES		93,022,143	
SCHOOLS		33,860,100	
SEWERS		17,436,096	
URBAN RENEWAL		-	
UNFUNDED PAST BENEFIT OBLIGATIONS		-	
BONDS AND NOTES AUTHORIZED BUT UNISSUED:			
GENERAL PURPOSES		54,360,678	
SCHOOLS		8,374,115	
SEWERS		15,169,884	
URBAN RENEWAL		-	
UNFUNDED PAST BENEFIT OBLIGATIONS		-	
CLEAN WATER FUND LOANS:			
SEWERS		20,864,565	
SUB-TOTAL INDEBTEDNESS		243,087,581	
LESS			
FEDERAL AND STATE OF CONNECTICUT BUILDING GRANTS, COMMITMENTS AND RECEIVABLES			
GENERAL PURPOSE		-	
SCHOOLS		7,684,681	
SEWERS		-	
URBAN RENEWAL		-	
TOTAL DEDUCTIONS		7,684,681	
NET INDEBTEDNESS			235,402,900
TOTAL DEDUCTIONS			
BALANCE OF BORROWING CAPACITY FOR EACH CLASS:			
GENERAL PURPOSE		186,142,822	
SCHOOLS		632,501,752	
SEWERS		502,405,526	
URBAN RENEWAL		481,759,262	
UNFUNDED PAST BENEFIT OBLIGATIONS		444,700,857	
BALANCE OF MAXIMUM AGGREGATE BORROWING CAPACITY AVAILABLE			
			802,232,433

1ST PUBLIC HEARING: MARCH 4, 2024

2ND PUBLIC HEARING: APRIL 1, 2024

Status: APPROVED

**By Common Council, City of Middletown
at its meeting held on: APRIL 1, 2024**

K: review/ ordinance/ BOND ORD - W&S - \$750K John Roth filter upgrades -- ORD 07-24 – 1 April 2024