

January 9, 2008

SPECIAL MEETING OF THE COMMON COUNCIL

JANUARY 9, 2008

Mayor Timothy T. Stewart called the Special Meeting of the Common Council to order on Wednesday, the 9th day of January 2008 at 6:55 p.m. in the Common Council Chambers, City Hall.

Thirteen members were present at roll call: Ald. Trueworthy, Black, Cruz, Collins, Magnuszewski, Hermanowski, Platosz, Gerratana, Sherwood, Salvio, Centeno, Bernacki, and Bielinski.

Two members were absent: Ald. Rocha and Ald. Catanzaro.

City Clerk, Peter J. Denuzze, read the Mayor's Warrant.

MAYOR'S WARRANT

TO THE CLERK OF THE CITY OF NEW BRITAIN:

BY THE AUTHORITY OF THE STATE OF CONNECTICUT, YOU ARE HEREBY COMMANDED TO NOTIFY Mark H. Bernacki, Suzanne Bielinski, Shirley A. Black, Paul D. Catanzaro, Tonilynn Collins, Silvia Cruz, Lawrence J. Hermanowski, Adam Platosz, Lori A. Rocha, Louis G. Salvio, Michael W. Trueworthy, Gregory J. Gerratana, Eva Magnuszewski, Phil Sherwood and Roy Centeno, Aldermen and Alderwomen of said city, that there will be a special meeting of the Common Council on Wednesday, January 9, 2008 at 6:45 p.m in the Council Chambers, 27 West Main Street, City Hall, for the following purpose:

1. To accept a report of the Bonding Subcommittee of the Committee on Administration, Finance and Law regarding a forward interest rate swap for 2009 in the amount of \$10 million, 2010 in the amount of \$12 million, and 2011 in the amount of \$14 million.
2. To act on a resolution regarding an interest rate swap for 2009 in the amount of \$10 million, 2010 in the amount of \$12 million, and 2011 in the amount of \$14 million.

HEREOF FAIL NOT, but due service and return make according to law.

Dated at New Britain, this 3rd. day of January 2008.

Timothy T. Stewart, Mayor

REPORT OF THE BONDING COMMITTEE

29949 RE: FORWARD INTEREST RATE SWAP AGREEMENT FOR : 2009 - \$10 MILLION, 2010-12 MILLION, 2011 - \$14 MILLION GENERAL OBLIGATION BONDS

To His Honor, the Mayor, and the Common Council of the City of New Britain: the undersigned beg leave to report the following:

At a meeting of the Standing Bonding Subcommittee of the Committee on Administration, Finance and Law ("Standing Bonding Subcommittee") held on January 2, 2008, on a motion by Committee member Suzanne Bielinski, and seconded by Committee member Lawrence J. Hermanowski, the following resolution was adopted:

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WHEREAS, on April 5, 2007, the City issued its \$18,685,000 City of New Britain, Connecticut General Obligation Bond Anticipation Notes to temporarily finance various projects approved by the Common Council, which Notes mature on April 4, 2008 (the "Notes"); and

WHEREAS, the City expects to issue bonds to permanently finance a portion of the Notes when they mature, and to issue additional bonds to finance other projects that have been approved by the Common Council, in an aggregate amount not to exceed \$36,000,000 (the "Bonds"); and

WHEREAS, the Standing Bonding Subcommittee has examined the rates of interest that are anticipated to be paid on the Bonds; and

WHEREAS, in connection with the selling and issuance of the Bonds, to place the obligation of the City, as represented by the Bonds, on an interest rate basis that is advantageous to the City, the Standing Bonding Subcommittee finds that the execution and delivery of a "Forward Interest Rate Swap Agreement" is in the best interest of the City.

NOW THEREFORE BE IT RESOLVED, that the Standing Bonding Subcommittee of the City of New Britain recommends to the Common Council that:

(a) The City enter into a "Forward Interest Rate Swap Agreement" (the "Swap Agreement") for the purpose of establishing the fixed rates of interest on the Bonds upon the sale and issuance of the Bonds, provided that (i) the Swap Agreement shall provide for a net interest cost of no more than 4.25%; and (ii) the Swap Agreement shall be executed no later than March 21, 2008. Payments under the Swap Agreement will commence on the date of issuance of said Bonds as follows:

April 15, 2009	\$10,000,000	General Obligation Bonds
April 15, 2010	\$12,000,000	General Obligation Bonds
April 15, 2011	\$14,000,000	General Obligation Bonds

and will terminate no later than April 15, 2031, the final maturity date of the April 15, 2011 bond issue, unless terminated at an earlier date. Pursuant to the Swap Agreement, the City will make fixed rate payments to the Swap Provider and the Swap Provider will make variable rate payments to the City, resulting in the City's net interest costs with respect to said Bonds effectively constituting a fixed rate. Notwithstanding the Swap Agreement, the City will remain liable to pay interest on said Bonds.

(b) The full faith and credit of the City be pledged to the prompt payment of the amounts due and owing by the City to the Swap Provider in accordance with the terms and conditions of the Swap Agreement.

(c) Pursuant to the terms and conditions of the Swap Agreement, the City waive any rights it may have to claim immunity on the grounds of sovereignty or other similar grounds with respect to itself or its revenues or assets, as provided in the Swap Agreement.

(d) The Swap Agreement may be terminated by the Mayor and Treasurer upon their determination that such termination is in the best interest of the City.

BE IT FURTHER RESOLVED, that the Mayor and Treasurer choose the Swap Provider, determine the terms and conditions of the Swap Agreement not otherwise provided by this resolution, execute and deliver the Swap Agreement and any and all supporting documentation in relation thereto as may be necessary or desirable to accomplish such purposes, and upon such execution and delivery, the obligations of the City under said Swap Agreement shall, in accordance with the City Charter, be obligatory upon the City and its inhabitants in the same manner as debts contracted by municipal corporations in the State of Connecticut.

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Michael Trueworthy, Acting
Chairman, Standing Bonding Subcommittee of
the Committee on Administration, Finance and
Law

Ald. Trueworthy moved to accept, seconded by Ald. Salvio. So voted. Approved January 11, 2008 by Mayor Timothy T. Stewart.

RESOLUTION

29949-1 RE: FORWARD INTEREST RATE SWAP AGREEMENT FOR : 2009 - \$10 MILLION, 2010-12 MILLION, 2011 - \$14 MILLION GENERAL OBLIGATION BONDS

To His Honor, the Mayor, and the Common Council of the City of New Britain: the undersigned beg leave to recommend the adoption of the following:

At a special meeting of the Common Council held on January 11, 2008 on a motion by Council member Trueworthy and seconded by Council member Salvio the following resolution was adopted:

WHEREAS, on April 5, 2007, the City issued its \$18,685,000 City of New Britain, Connecticut General Obligation Bond Anticipation Notes to temporarily finance various projects approved by the Common Council, which Notes mature on April 4, 2008 (the "Notes"); and

WHEREAS, the City expects to issue bonds to permanently finance a portion of the Notes when they mature, and to issue additional bonds to finance other projects that have been approved by the Common Council, in an aggregate amount not to exceed \$36,000,000 (the "Bonds"); and

WHEREAS, the Standing Bonding Subcommittee has examined the rates of interest that are anticipated to be paid on the Bonds; and

WHEREAS, in connection with the selling and issuance of the Bonds, to place the obligation of the City, as represented by the Bonds, on an interest rate basis that is advantageous to the City, the Standing Bonding Subcommittee finds that the execution and delivery of a "Forward Interest Rate Swap Agreement" is in the best interest of the City; and

WHEREAS, the Standing Bonding Subcommittee at its meeting held on January 2, 2008, recommended that the resolutions set forth below be approved.

IT IS HEREBY RESOLVED THAT:

(a) The City enter into a "Forward Interest Rate Swap Agreement" (the "Swap Agreement") for the purpose of establishing the fixed rates of interest on the Bonds upon the sale and issuance of the Bonds, provided that (i) the Swap Agreement shall provide for a net interest cost of no more than 4.25%; and (ii) the Swap Agreement shall be executed no later than March 21, 2008. Payments under the Swap Agreement will commence on the date of issuance of said Bonds as follows:

April 15, 2009	\$10,000,000	General Obligation Bonds
April 15, 2010	\$12,000,000	General Obligation Bonds
April 15, 2011	\$14,000,000	General Obligation Bonds

and will terminate no later than April 15, 2031, the final maturity date of the April 15, 2011 bond issue, unless terminated at an earlier date. Pursuant to the Swap Agreement, the City will make fixed rate payments to the Swap Provider and the Swap Provider will make variable rate payments to the City, resulting in the City's net interest costs with respect to said Bonds

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effectively constituting a fixed rate. Notwithstanding the Swap Agreement, the City will remain liable to pay interest on said Bonds.

(b) The full faith and credit of the City be pledged to the prompt payment of the amounts due and owing by the City to the Swap Provider in accordance with the terms and conditions of the Swap Agreement.

(c) Pursuant to the terms and conditions of the Swap Agreement, the City waive any rights it may have to claim immunity on the grounds of sovereignty or other similar grounds with respect to itself or its revenues or assets, as provided in the Swap Agreement.

(d) The Swap Agreement may be terminated by the Mayor and Treasurer upon their determination that such termination is in the best interest of the City.

BE IT FURTHER RESOLVED, that the Mayor and Treasurer choose the Swap Provider, determine the terms and conditions of the Swap Agreement not otherwise provided by this resolution, execute and deliver the Swap Agreement and any and all supporting documentation in relation thereto as may be necessary or desirable to accomplish such purposes, and upon such execution and delivery, the obligations of the City under said Swap Agreement shall, in accordance with the City Charter, be obligatory upon the City and its inhabitants in the same manner as debts contracted by municipal corporations in the State of Connecticut.

Michael Trueworthy, Acting Chair

Ald. Trueworthy moved to accept and adopt, seconded by Ald. Salvio. Roll call vote – 13 in favor, 0 opposed. In favor: Ald. Trueworthy, Black, Collins, Magnuszewski, Hermanowski, Cruz, Platosz, Gerratana, Sherwood, Salvio, Centeno, Bernacki, Bielinski. RESOLUTION ADOPTED. Approved January 11, 2008 by Mayor Timothy T. Stewart.

There being no further business to come before the Council, Ald. Trueworthy moved to adjourn, seconded by Ald. Bielinski. So voted. Meeting adjourned at 6:59 p.m.

ATTEST: Peter J. Denuzze, City Clerk