

**Town Planning/Building Committee for Salem School Renovation**  
**March 10, 2009**  
**Salem School Media Center**  
**7:00 P.M.**

**MINUTES OF MARCH 10, 2009 REGULAR MEETING**

**PRESENT:** Dinis Pimentel, Jim Choquette, Stuart Gadbois, Kevin Lyden, Monica McIntyre, Bill Weinschenker, Richard Asafaylo (arrived at 7:05 P.M.), Donna Leake (arrived at 7:08 P.M.)

**ABSENT:** Donald Bourdeau, Chris LaRose, Mike Siebert, Jenifer Lee, Horace Lindo

**GUESTS:** Charles Boos, KBA, Chris Martin and Chrissy Caruolo from Webster Bank

CALL TO ORDER: Meeting called to order at 7:03 P.M. by Dinis Pimentel, Chariman.

M/S/C (Choquette/Weinschenker) to approve the February 24, 2009 minutes as presented. Vote: Yes-6 No-0 Abstain-1 (S. Gadbois)

C. Martin and C. Caruolo from Webster Bank's Government Finance Group joined the meeting. They offer financial advisory services to state and local governments and state agencies. The following reflects their comments from their presentation to the committee:

- They use an hourly consultant fee. There is no fee for ongoing interactive work on bonds or notes, and usually no charge pre-referendum.
- They usually engage with a town's Selectmen, Board of Finance, and/or Treasurer.
- It's necessary to have a tax opinion from a bond lawyer recognized the Red Book prior to a referendum.
- The potential impact on the homeowner and grand list can be determined by Webster.
- A 100% reimbursable audit to the Town can be done within six months.
- Webster can develop a disclosure statement for selling bonds.
- Money for design costs could come from the Town until there is bond money to pay back to the Town.
- Grant money is funded over the project process.
- Borrow only for the Town's share. Ten percent is retained until the CT DOE audit is complete.
- There are bond costs and note interests that are not reimbursable. The note cost is about \$20,000 and the bond cost about \$75,000.
- Bond rates have been ~3.75%-4% for twenty years and 3.5% for fifteen years. Note rates have been ~.7%-1.5%.
- Payments could be 2x/year with interest or 1x/year principal.
- Contracts are required within six months of bond issue because of the low interest of the tax exempt bond.
- The Town's debt service can be managed with regard to our existing Town debt. This can be managed locally by preparing for the increase in debt service.

- Project contingency money is not bonded until spent and is not reimbursable and is identified on the ineligible cost summary.
- Mil rate projections can be developed.

C. Boos recommended having a financial advisor and bond attorney before the referendum.

R. Asafaylo recommended having the committee present to the Board of Selectmen at their next meeting, April 7, 2009. This will be added to the BOS agenda.

Next meeting will be March 24, 2009 at 7:00 P.M. at Salem School.

M/S/C (Weinschenker/Choquette) adjourn. Vote: All in favor. Meeting adjourned at 8:22 P.M.

Respectfully submitted by:  
Lindsay K. Chester  
Recording Secretary