

City of Derby

Board of Alderman

First Ward

Barbara L. DeGennaro
Stephen Iacuone
Felicia Monaco

Second Ward

Arthur T. Gerckens, President
Ronald M. Sill
Joseph DiMartino

Third Ward

David J. Anroman
Carmen T. DiCenso
Peter M. Olenoski, Jr.

Board of Alderman Minutes

Aldermanic Chambers City Hall

1 Elizabeth Street, Derby, CT.

March 26, 2015

1. Call to Order

Mayor Dugatto called the meeting to order at 7:00 P.M.

2. Pledge of Allegiance

Mayor Dugatto led the Pledge of Allegiance.

3. Roll Call

Mayor Dugatto requested roll call. Present were Ms. DeGennaro, Mr. Iacuone, Ms. Monaco, Mr. Gerckens, Mr. Anroman, Mr. DiCenso, Mr. DiMartino and Mr. Olenoski.

4. Additions, Deletions, Corrections and Adoption of Agenda.

A motion to delete 11.1 from the agenda was made by Mr. Gerckens and seconded by Mr. Anroman. **Motion Carried.**

Public Portion

Mrs. Rita Mammano of 5 Lombardi Drive, spoke regarding 153 Sentinel Hill Road. She wanted to thank everyone for their help, and those who came to check. She has spoken with the company and hopefully everything will be okay, otherwise, she will be back.

Mr. Marc Garofalo, Town/City Clerk, wanted read into the record that on behalf of the entire city, sympathy is extended to Mr. Ron Sill member of the Board of Alderman, and to Mr. Bruce Sill, former member of the Board of Alderman and former Registrar of Voters, in the loss of their brother Mr. Richard Sill.

Laura Brezina, 22 New Haven Avenue, member of the Cultural Commission. said, we have an extended group of volunteers that help us with all of our events, and we would like to offer our help with the new Derby Cares Project.

5. **Approval of Minutes**

A motion was made by Mr. DiMartino and seconded by Mr. Anroman to accept the minutes of February 26, 2015. **Motion Carried.**

6. **Administrative & Appointments**

A motion was made by Mr. DiCenso and seconded by Mr. Olenoski to approve the refund of excess taxes paid through March 17, 2015 in the amount of \$828.74. **Motion Carried.**

8. **Committee Reports**

8.1 Blight Committee

8.1.1 Mr. Dicenso asked Mr. Cota from the Blight Committee to Speak on this subject. Mr. Cota said we have come to a resolution on 226 Hawthorne Avenue. We have met with Corporation Council to accept the \$3000.00 and now we have to wait for the full approval of the Board.

Mr. DiCenso made the motion to accept \$3000.00 from the Bank of America as a full payment of the Blight Lien encumbering 226 Hawthorne Avenue provided the Blight conditions are remedied within sixty days of Bank of American taking title. If Bank of America does not take title by May 31, 2015, this compromise offer shall be void and the lien shall remain in full force and effect. Mr. Anroman seconded the motion. Ms. DeGennaro asked Attorney Welch, how we will know if this takes effect on the date, and he responded that the property is in strict foreclosure. He added that the lien will not come off until they comply. Ms. DeGennaro asked if we would know this information for sure by the June Meeting, and Attorney said it would be either May or June. **Motion Carried.**

8.2 Community Relations

8.2.1 Derby High School Post Prom Committee Food Truck Festival-

A motion was made by Mr. Gerckens and seconded by Mr. Olenoski to waive the general licensing requirements for Special Events on Saturday October 17, 2015 from 11:00 am to 6:00 pm at the Derby High School Campus.

Ms. DeGennaro questioned the ordinance. She said we have to recognize a special event as we have spelled it out. Attorney Welch stated that 2 months ago this was discussed and this was recognized as a special event, and the group was to get in contact with the police and the fire department. He went on to say he thought it was in the January minutes. Mr. Gerckens said he thought that the sub-committee also recognized it as a special event. Ms. DeGennaro stated that she still has concerns that everyone, i.e. Boy Scouts, Cheerleaders, Little League, etc., that their events are special events. She just wanted to be clear that she did not recall any vote on this. After the discussion, the motion was passed. **Motion Carried.**

8.2.2 Derby Cares. Mr. Gerckens stated that this was for discussion only. You probably have seen this in the newspapers, and sub-committee thought this should be brought to the full board. The elderly, the

widowed, and others where their circumstances have changed, they no longer have the ability to make those dump runs, cut the lawn or do any general maintenance. The thought brought before the sub-committee was as members of the community, we are not always out to get you, but there is another side of Derby, and that is to help these people get off the possibility of their property blighted. Sounds like a good idea, but we would do this outside the umbrella of the City, where they would be liable. We would like to put these groups together and act as a conduit to help these people get off of blight. There has been nothing but positive reactions from the community. I would like to recognize Mr. Cota, who offered a suggestion at one of the Discover Derby meetings. Mr. Cota said that we try to catch the blight problems early enough; the city can function in a capacity that would be legal to do, and the monies that are generated from the fines being paid. State statute which reflects our city ordinance says that we can use the funds that have been received from the blight, to do remediation. Even though it would be nice to use all the volunteers, these funds can be used for materials and things like that, and the ordinance does allow this. More research will be done by Corporation Council, but I think the City has the legal rights to participate. I believe we need a committee to look at this. We have a lot of good people and contractors in Derby that would be willing to help. Finally let's get some of this done before people get too far in. Mr. Gerckens agreed this needs more discussion, not as a committee, and obviously talking to Corporation Council getting his advice as how to proceed, perhaps bringing all the boards together. There is much work to be done, it's out there, and we're going to start it and make it happen. We will know more once we go down that road, and we will work together on this.

by **8.2.3 Absentee Landlord Registration Ordinance.** A motion was made Mr. Gerckens and seconded by Mr. Dicenso to refer this matter to the Operations & Procedures Committee. **Motion Carried.**

8.2.4 Building Department Fee Schedule. A motion was made by Mr. Gerckens and seconded by Mr. DiCenso to refer this matter to the Operations and Procedures Committee. Ms. DeGennaro stated that this item is already at the sub-committee... Mr. Gerckens rescinded his motion.

was **8.2.5 Spooner House Request to use the Derby Greenway.** A motion made by Mr. Gerckens and seconded by Mr. Olenoski to allow Spooner House to use the Derby Greenway for their 18th Annual for the Hungry and Homeless scheduled for Saturday, May 16, 2015 from 7:00 am to 1:00 pm. It was discussed that they must contact the Police and Ambulance Corp. **Motion Carried.**

Walk

8.2.6 Athletic Fields Feasibility Study. A motion was made by Mr. Gerckens and seconded by Mr. Olenoski, to approve a feasibility study

for the Athletic Fields and grounds at Ryan Athletic Complex and Marcucio Little League Complex. Ms. DeGennaro asked if there was more information. Mr. Gerckens called upon Mr. Izzo from the BOE to address the group. Mr. Izzo said they had indicated that they had gotten two quotes from two reparable firms both quotes were for the \$7,500.00. They had received approval from the BOAT on the 16th, and now have come to the Board of Aldermen for their approval. Mr. Izzo went on to show the proposed complex to the board, explaining about the turf, the 8 lane track, and the possibility of moving the baseball field to Bradley School, and there are hoping once they get the money for the study, they can get going and hopefully be fully operational in the fall. This is state funded project and there will be no cost to the City. This would also include a new field house, concession stand. Mr. Iacuone asked if anyone looked at the last feasibility study that was done, and Mr. Izzo said yes, and the two people that have submitted the studies are top notch. There is a lot going on right now, and that is why they need this feasibility study. Ms. DeGennaro asked if he had the money, and he said the BOAT approved it and he was here to get the approval from the BOA. Attorney Welch told Mr. Izzo that when a quote is under \$9,999.00, three quotes are needed. Mr. Izzo replied that now he has to get another quote, it would probably also come in at \$7,500.00. Ms. DeGennaro said she believed that Mr. Gerckens gave Dr. Conway this information. Mr. Izzo said he would get the additional quote. Mr. Olenoski asked if there is any way we could waive the quote. Attorney Welch said the quote must not exceed the \$7500.00. Mr. Gerckens made the amendment to his motion that it should not exceed \$7,500.00. Mr. Iacuone asked who had the final say on the bid. Mr. Izzo said it would be Dr. Conway. Ms. DeGennaro pointed out to Mr. Izzo that the City owns that field and it would not be Dr. Conway making the final decision, but the BOA makes the final decision in conjunction with the Parks and Recreation Commission. She said she was told that some property owners have been approached about selling their property, and she hoped that was not true. The \$7,500.00 being approved would just be for the feasibility study, and then it would have to come back to the board for any further action. **Motion Carried.**

9 Department Reports

9.1 Board of Education Ms. DeGennaro said she had not seen the budget, but asked

Mr. Izzo if they had the funding from the state for the Little Raiders University. Mr. Izzo said for this year yes, Dr. Conway had gone to Hartford for the grant, and as he understands it, they will go back up in May, and this grant will also take care of the renovations for 2 classrooms.

9.2 Cultural Commission No Discussion

9.3 Public Works No Discussion Ms. Monaco told Mr. DeFala that at the Discover Derby meeting, people were very pleased with the way Public Works handled all the storms. Mr. DeFala said he would pass that information on to his workers. Ms. Monaco also wanted to know when the water would be turned on at the Dog Park. Mr. DeFala said tomorrow.

9.4 Building Department No Discussion

9.5 Facilities Inspectors No Discussion

9.6 Fire Marshall No Discussion

9.7 Fire Department No Discussion

9.8 Office of Emergency Management No Discussion

9.9 Parking Authority No Discussion – will comment on 12.5

9.10 Police Department No Report was received- Have not received any report for months, the question was asked if the Police Commissioners were still meeting, and the answer was yes. Would ask for a report next month.

9.11 Water Pollution Control Authority No Discussion

9.12 Finance Director- Mayor Dugatto stated that Henry Domurad was working very hard doing both jobs.

9.13 Corporation Counsel Update Nothing to report.

9.14 Storm Ambulance Corp. No Discussion

9.15 Parks & Recreation Commission No Discussion

9.16 Revolving Loan Fund –

Presheva, LLC doing business as Bella’s Pizza. Pending lawsuit- have not appeared.

Benanto –has been turned over to an outside counsel.

Lucarelli- Proposed Plan- unsecured creditors rejected it. The court denied the proposed plan- they have 60 days from 3/11 to file a new report or convert it. That is still in bankruptcy. The court denied the plan because we asked for 100% payment to us, so that will sit until early May.

Break time at Jake’s just came to us.

The question was asked about due dates, and Attorney Welch said all loans have monthly payments and due dates. Mr. DiCenso pointed to a loan that was for \$60,000, and the monthly payment was only 237.00. Attorney Welch said he would send copies to all.

10.1 O’Sullivan Island Committee- There is no final report only a draft, Mr. Gerckens will request a copy sent to the BOA.

10.2 Capitol Planning Commission – Meeting will be held 4-1-2015

10.3 School Building Committee for Roof- No report

10.4 WPCA Infrastructure Committee Keith and Art working on this and will give a written report.

11.0 New Business

11.2 A motion was made by Mr. Gerckens and seconded by Mr. Olenoski. Authorize placement on one small 18” x 24” sign and up to 10-12” high stem with 6” pinwheels on Derby Green by SAARC during the month of April 2015. Ms. Degennaro said the request came in asking for the Derby Green or any other public location. Mr.

Gerckens said the request came in after the sub-committee met, and if we had to wait to the next sub-committee meeting it would be after April. **Motion Carried.**

- 11.3** A motion was made by Mr. Gerckens and seconded by Mr. Anroman to adopt a resolution entitled – AUTHORIZING THE ISSUANCE OF REFUNDING BONDS FOR PAYMENT OF ALL OR A PORTION OF THE OUTSTANDING PRINCIPAL OF AND INTEREST AND ANY CALL PREMIUM ON THE CITY OF DERBY’S \$6,190,000 GENERAL OBLIGATION BONDS, ISSUE OF 2006, AND COSTS RELATED THERETO”. Attorney Welch said that motion should be amended to read adopting the resolution as presented in its entirety as presented in the minutes and it should reflect the entire resolution. Mr. Gerckens amended his motion and Mr. Anroman seconded it. **Motion Carried.**

**RESOLUTION OF THE BOARD OF ALDERMEN
OF THE CITY OF DERBY**

AUTHORIZING THE ISSUANCE OF REFUNDING BONDS FOR PAYMENT OF ALL OR A PORTION OF THE OUTSTANDING PRINCIPAL OF AND INTEREST AND ANY CALL PREMIUM ON THE CITY OF DERBY’S \$6,190,000 GENERAL OBLIGATION BONDS, ISSUE OF 2006, AND COSTS RELATED THERETO

RESOLVED,

(a) That the City of Derby issue its refunding bonds, in an amount not to exceed FOUR MILLION DOLLARS (\$4,000,000), the proceeds of which are hereby appropriated: (1) to fund one or more escrows, and to apply the balance held in such escrows, together with the investment earnings thereon, to the payment in whole or in part, as to be determined by the Mayor and the Treasurer of the City, of the outstanding principal of and interest and any call premium on the City’s \$6,190,000 General Obligation Bonds, Issue of 2006 (consisting at original issue of \$6,190,000 General Purpose Bonds), including the payment of interest accrued on said bonds to the date of payment, and (2) to pay costs of issuance of the refunding bonds authorized hereby, including legal fees, consultants’ fees, trustee or escrow agent fees, underwriters’ fees, bond insurance premiums, net interest and other financing costs and other costs related to the payment of the outstanding bonds described above. The refunding bonds shall be issued pursuant to Section 7-370c of the General Statutes of Connecticut, Revision of 1958, as amended, and any other enabling acts. The bonds shall be general obligations of the City secured by the irrevocable pledge of the full faith and credit of the City.

(b) That the Mayor and the Treasurer of the City shall sign the bonds by their manual or facsimile signatures. The law firm of Day Pitney LLP is designated as bond counsel to approve the legality of the bonds. The Mayor and the Treasurer are authorized to determine the bonds to be redeemed and the amount, date, interest rates, maturities, redemption provisions, form and other details of the refunding bonds; to designate one or more banks or trust companies to be certifying bank, registrar, transfer agent and paying agent for the bonds and escrow agent with respect to the refunding escrow or escrows to be funded with proceeds of the bonds; to provide for the keeping of a record of the bonds; to

sell the bonds at public or private sale; to deliver the bonds; and to perform all other acts which are necessary or appropriate to issue the bonds.

(c) That the City hereby declares its official intent under Federal Income Tax Regulation Section 1.150-2 that costs of the refunding may be paid from temporary advances of available funds and that (except to the extent reimbursed from grant moneys) the City reasonably expects to reimburse any such advances from the proceeds of borrowings in an aggregate principal amount not in excess of the amount of borrowing authorized above for the refunding. The Mayor and the Treasurer are authorized to amend such declaration of official intent as they deem necessary or advisable and to bind the City pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds authorized by this resolution, if issued on a tax-exempt basis, including covenants to pay rebates of investment earnings to the United States in future years.

(d) That the Mayor and the Treasurer are authorized to make representations and enter into written agreements for the benefit of holders of the bonds to provide secondary market disclosure information, which agreements may include such terms as they deem advisable or appropriate in order to comply with applicable laws or rules pertaining to the sale or purchase of such bonds.

(e) That the Mayor, the Treasurer and other proper officers and officials of the City are authorized to take all other action which is necessary or desirable to enable the City to effectuate the refunding of all or a portion of the City's outstanding \$6,190,000 General Obligation Bonds, Issue of 2006, and to issue refunding bonds authorized hereby for such purposes, including, but not limited to, the entrance into agreements on behalf of the City with underwriters, trustees, escrow agents, bond insurers and others to facilitate the issuance of the refunding bonds, the escrow of the proceeds thereof and investment earnings thereon, and the payment of the outstanding bonds in whole or in part.

(f) That the above authorization to issue refunding bonds shall lapse on June 30, 2016.

11.4 A motion was made by Ms. DeGennaro and seconded by Mr. Olenoski to adopt Obligor Resolution re: Government Obligation Contract between KS State Bank (obligee) and the City of Derby, Connecticut-regarding fire Truck Lease for New Engine 12. Ms. DeGennaro read the motion into the minutes. **Motion Carried.**

OBLIGOR RESOLUTION

RE: Government Obligation Contract between
KS StateBank (Obligee)and City of Derby, Connecticut (Obligor)

BE IT RESOLVED by the Board of Aldermen of the City of Derby:

1. **Determination of Need.** The Board of Aldermen of the City of Derby has

determined that a true and very real need exists for the acquisition of the Equipment described on Exhibit A of this Government Obligation Contract between City of Derby, Connecticut (Obligor) and KS StateBank (Obligee).

2. **Approval and Authorization.** The Board of Aldermen of the City of Derby determined that the Contract, substantially in the form presented to the meeting, is in the best interests of the Obligor for the acquisition of such Equipment, and the Governing Body hereby approves the entering into of the Contract by the Obligor and hereby designates and authorizes the following person to execute and deliver the Contract on Obligor's behalf with such changes thereto as such person deems appropriate, and any related documents, including any Escrow Agreement, necessary to the consummation of the transaction contemplated by the Contract.

Authorized Individual: Mayor Anita Dugatto.

GOVERNMENT OBLIGATION CONTRACT

Obligor
City of Derby, Connecticut
1 Eliza beth Street
Derby, Connecticut 06418

Obligee
KS StateBank
1010 Westloop; P.O. Box 69
Manhattan, Kansas 66505-0069

Dated as of March 10, 2015

This Government Obligation Contract dated as of the date listed above is between Obligor and Obligee listed directly above. Obligor desires to finance the purchase of the Equipment described in Exhibit A to Obligor and Obligee desires to have Obligee finance the purchase of the Equipment subject to the terms and conditions of this Contract which are set forth below.

I. Definitions

Section 1.01 Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Additional Schedule" refers to the proper execution of additional schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by the Obligee all of which relate to the financing of additional Equipment.

"Budget Year" means the Obligor's fiscal year.

"Commencement Date" is the date when Obligor's obligation to pay Contract Payments begins.

"Contract" means this Government Obligation Contract and all Exhibits attached hereto, all addenda, modifications, schedules, refinancings, guarantees and all documents relied upon by Obligee prior to execution of this Contract.

"Contract Payments" means the payments Obligor is required to make under this Contract as set forth on Exhibit B.

"Contract Term" means the Original Term and all Renewal Terms.

"Exhibit" includes the Exhibits attached hereto, and any "Additional Schedule", whether now existing or subsequently created.

"Equipment" means all of the Items of Equipment listed on Exhibit A and any Additional Schedule, whether now existing or subsequently created, and all replacements, restorations, modifications and Improvements.

"Government" as used in the title hereof means a State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended ("Code"), or a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.

"Obligee" means the entity originally listed above as Obligee or any of its assignees.

"Obligor" means the entity listed above as Obligor and which is financing the Equipment through Obligee under the provisions of this Contract.

"Original Term" means the period from the Commencement Date until the end of the Budget Year of Obligor.

"Renewal Term" means the annual term which begins at the end of the Original Term and which is simultaneous with Obligor's Budget Year and each succeeding Budget Year for the number of Budget Years necessary to comprise the Contract Term.

"State" means the state in which Obligor is located.

II. Obligor Warranties

Section 2.01 Obligor represents, warrants and covenants as follows for the benefit of Obligee or its assignees:

- (a) Obligor is an "issuer of tax exempt obligations" because Obligor is the State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1985, as amended, (the "code") or because Obligor is a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.
- (b) Obligor has complied with any requirement for a referendum and/or competitive bidding.
- (c) Obligor has complied with all statutory laws and regulations that may be applicable to the execution of this Contract; Obligor, and its officer executing this Contract, are authorized under the Constitution and laws of the State to enter into this Contract and have used and followed all proper procedures of its governing body in executing and delivering this Contract. The officer of Obligor executing this Contract has the authority to execute and deliver this Contract. This Contract constitutes a legal, valid, binding and enforceable obligation of the Obligor in accordance with its terms.
- (d) Obligor shall use the Equipment only for essential, traditional government purposes.
- (e) Should the IRS disallow the tax-exempt status of the interest portion of the Contract Payments as a result of the failure of the Obligor to use the Equipment for governmental purposes, or should the Obligor cease to be an issuer of tax exempt obligations, or should the obligation of Obligor created under this Contract cease to be a tax exempt obligation for any reason, then Obligor shall be required to pay additional sums to the Obligee or its assignees so as to bring the after tax yield on this Contract to the same level as the Obligee or its assignees would attain if the transaction continued to be tax-exempt.
- (f) Obligor has never non-appropriated funds under a contract similar to this Contract.
- (g) Obligor will submit to the Secretary of the Treasury an information reporting statement as required by the Code.
- (h) Upon request by Obligee, Obligor will provide Obligee with current financial statements, reports, budgets or other relevant fiscal information.
- (i) Obligor shall retain the Equipment free of any hazardous substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9501 et. seq. as amended and supplemented.
- (j) Obligor hereby warrants the General Fund of the Obligor is the primary source of funds or a backup source of funds from which the Contract Payments will be made.
- (k) Obligor presently intends to continue this Contract for the Original Term and all Renewal Terms as set forth on Exhibit B hereto. The official of Obligor responsible for budget preparation will include in the budget request for each Budget Year the Contract Payments to become due in such Budget Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Budget Year sufficient to pay the Contract Payments coming due therein. Obligor reasonably believes that moneys can and will lawfully be appropriated and made available for this purpose.
- (l) Obligor has selected both the Equipment and the vendor(s) from whom the Equipment is to be purchased upon its own judgment and without reliance on any manufacturer, merchant, vendor or distributor, or agent thereof, of such equipment to the public.
- (m) Obligor owns free and clear of any liens any additional collateral pledged, subject only to the lien described herein; Obligor has not and will not, during the Contract Term, create, permit, incur or assume any liens, liens or encumbrances of any kind with respect to the Equipment and any additional collateral except those created by this Contract.

Section 2.02 Escrow Agreement. In the event both Obligor and Obligee mutually agree to utilize an Escrow Account, then immediately following the execution and delivery of this Contract, Obligor and Obligee agree to execute and deliver and to cause Escrow Agent to execute and deliver the Escrow Agreement. This Contract shall take effect only upon execution and delivery of the Escrow Agreement by the parties thereto. Obligor shall deposit or cause to be deposited with the Escrow Agent for credit to the Equipment Acquisition Fund the sum of N/A, which shall be held, invested and disbursed in accordance with the Escrow Agreement.

III. Acquisition of Equipment, Contract Payments and the Purchase Option Price

Section 3.01 Acquisition and Acceptance. Obligor shall be solely responsible for the ordering of the Equipment and for the delivery and installation of the Equipment. Execution of the Certificate of Acceptance or, alternatively, Payment Request and Equipment Acceptance Form, by a duly authorized representative of Obligor, shall constitute acceptance of the Equipment on behalf of the Obligor.

Section 3.02 Contract Payments. Obligor shall pay Contract Payments exclusively to Obligee or its assignees in lawful, legally available money of the United States of America. The Contract Payments shall be sent to the location specified by the Obligee or its assignees. The Contract Payments shall constitute a current expense of the Obligor and shall not constitute an indebtedness of the Obligor. The Contract Payments, payable without notice or demand, are due as set forth on Exhibit B. Obligee shall have the option to charge interest at the highest lawful rate on any Contract Payment received later than the due date for the number of days that the Contract Payment(s) were late, plus any additional accrual on the outstanding balance for the number of days that the Contract Payment(s) were late. Obligee shall also have the option, on monthly payments only, to charge a late fee of up to 10% of the monthly Contract Payment that is past due. Furthermore, Obligor agrees to pay any fees associated with the use of a payment system other than check, wire transfer, or ACH. Once all amounts due Obligee hereunder have been received, Obligee will release any and all of its rights, title and interest in the Equipment.

Section 3.03 Contract Payments Unconditional. Except as provided under Section 4.0 THE OBLIGATIONS OF OBLIGOR TO MAKE CONTRACT PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS CONTAINED IN THIS CONTRACT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF, OR SUBJECT TO DEFENSE OR COUNTERCLAIM.

Section 3.04 Purchase Option Price Upon thirty (30) days written notice, Obligor shall have the option to pay, in addition to the Contract Payment, the corresponding Purchase Option Price which is listed on the same line on Exhibit B. This option is only available to the Obligor on the Contract Payment date and no partial prepayments are allowed. If Obligor chooses this option and pays the Purchase Option Price to Obligor, then Obligor will transfer any and all of its rights, title and interest in the Equipment to Obligor.

Section 3.05 Contract Term The Contract Term shall be the Original Term and all Renewal Terms until all the Contract Payments are paid as set forth on Exhibit B except as provided under Section 4.01 and Section 9.01 below. If, after the end of the budgeting process which occurs at the end of the Original Term or any Renewal Term, Obligor has not non-appropriated as provided for in this Contract then the Contract Term shall be extended into the next Renewal Term and the Obligor shall be obligated to make all the Contract Payments that come due during such Renewal Term.

Section 3.05 Disclaimer of Warranties. OBLIGEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER WARRANTY WITH RESPECT TO THE EQUIPMENT. OBLIGEE IS NOT A MANUFACTURER, SELLER, VENDOR OR DISTRIBUTOR, OR AGENT THEREOF, OF SUCH EQUIPMENT; NOR IS OBLIGEE A MERCHANT OR IN THE BUSINESS OF DISTRIBUTING SUCH EQUIPMENT TO THE PUBLIC. OBLIGEE SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE ARISING OUT OF THE INSTALLATION, OPERATION, POSSESSION, STORAGE OR USE OF THE EQUIPMENT BY OBLIGOR.

IV. Non-Appropriation

Section 4.01 Non-Appropriation. If insufficient funds are available in Obligor's budget for the next Budget Year to make the Contract Payments for the next Renewal Term and the funds to make such Contract Payments are otherwise unavailable by any lawful means whatsoever, then Obligor may non-appropriate the funds to pay the Contract Payments for the next Renewal Term. Such non-appropriation shall be evidenced by the passage of an ordinance or resolution by the governing body of Obligor specifically prohibiting Obligor from performing its obligations under this Contract and from using any moneys to pay the Contract Payments due under this Contract for a designated Budget Year and all subsequent Budget Years. If Obligor non-appropriates, then all obligations of the Obligor under this Contract regarding Contract Payments for all remaining Renewal Terms shall be terminated at the end of the then current Original Term or Renewal Term without penalty or liability to the Obligor of any kind provided that if Obligor has not delivered possession of the Equipment to Obligor as provided herein and conveyed to Obligor or released its interest in the Equipment by the end of the last Budget Year for which Contract Payments were paid, the termination shall nevertheless be effective but Obligor shall be responsible for the payment of damages in an amount equal to the amount of the Contract Payments thereafter coming due under Exhibit B which are attributable to the number of days after such Budget Year during which Obligor fails to take such actions and for any other loss suffered by Obligor as a result of Obligor's failure to take such actions as required. Obligor shall immediately notify the Obligor as soon as the decision to non-appropriate is made. If such non-appropriation occurs, then Obligor shall deliver the Equipment to Obligor as provided below in Section 9.04. Obligor shall be liable for all damage to the Equipment other than normal wear and tear. If Obligor fails to deliver the Equipment to Obligor, then Obligor may enter the premises where the Equipment is located and take possession of the Equipment and charge Obligor for costs incurred.

v. Insurance, Damage, Insufficiency of Proceeds

Section 5.01 Insurance. Obligor shall maintain both property insurance and liability insurance at its own expense with respect to the Equipment. Obligor shall be solely responsible for selecting the insurer(s) and for making all premium payments and ensuring that all policies are continuously kept in effect during the period when Obligor is required to make Contract Payments. Obligor shall provide Obligor with a Certificate of Insurance which lists the Obligor and/or assigns as a loss payee and an additional insured on the policies with respect to the Equipment.

- Obligor shall insure the Equipment against any loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Obligor in an amount at least equal to the then applicable Purchase Option Price of the Equipment. Alternatively, Obligor may insure the Equipment under a blanket insurance policy or policies.
- The liability insurance shall insure Obligor from liability and property damage in any form and amount satisfactory to Obligor.
- Obligor may self-insure against the casualty risks and liability risks described above. If Obligor chooses this option, Obligor must furnish Obligor with a certificate and/or other documents which evidence such coverage.
- All insurance policies issued or affected by this Section shall be so written or endorsed such that the Obligor and its assignees are named additional insureds and loss payees and that all losses are payable to Obligor and Obligor or its assignees as their interests may appear. Each policy issued or affected by this Section shall contain a provision that the insurance 1. company shall not cancel or materially modify the policy without first giving thirty (30) days advance notice to Obligor or its assignees. Obligor shall furnish to Obligor certificates of evidencing such coverage throughout the Contract Term.

Section 5.02 Damage to or Destruction of Equipment Obligor assumes the risk of loss or damage to the Equipment. If the Equipment or any portion thereof is lost, stolen, damaged, or destroyed by fire or other casualty, Obligor will immediately report all such losses to all possible insurers and take the proper procedures to obtain all insurance proceeds. At the option of Obligor, Obligor shall either (1) apply the Net Proceeds to replace, repair or restore the Equipment or (2) apply the Net Proceeds to the applicable Purchase Option Price. For purposes of this Section and Section 5.03, the term Net Proceeds shall mean the amount of insurance proceeds collected from all applicable insurance policies after deducting all expenses incurred in the collection thereof.

Section 5.03 Insufficiency of Net Proceeds. If there are no Net Proceeds for whatever reason or if the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement of the Equipment, then Obligor shall, at the option of Obligor, either (1) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds or (2) apply the Net Proceeds to the Purchase Option Price and pay the deficiency, if any, to the Obligor.

Section 5.04 Obligor Negligence. Obligor assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Equipment and for injury to or death of any person or damage to any property whether such injury or death be with respect to agents or employees of Obligor or of third parties, and whether such property damage be to Obligor's property or the property of others (including, without limitation, liabilities for loss or damage related to the release or threatened release of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act or similar or successor law or any State or local equivalent now existing or hereinafter enacted which in any manner arise out of or are incident to any possession, use, operation, condition or storage of any Equipment by Obligor), which is proximately caused by the negligent conduct of Obligor, its officers, employees and agents.

Section 5.05 Indemnification. Obligor hereby assumes responsibility for and agrees to reimburse Obligor for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Obligor that in any way relate to or arise out of a claim, suit or proceeding, based in whole or in part upon the negligent conduct of Obligor, its officers, employees and agents, or arose out of installation, operation, possession, storage or use of any item of the Equipment, to the maximum extent permitted by law.

VJ. Title and Security Interest

Section 5.01 Title. Title to the Equipment shall vest in Obligor when Obligor acquires and accepts the Equipment. Title to the Equipment will automatically transfer to the Obligor in the event Obligor non-appropriates under Section 4.01 or in the event Obligor defaults under Section 9.01. In such event, Obligor shall execute and deliver to Obligor such documents as Obligor may request to evidence the passage of legal title to the Equipment to Obligor.

Section 6.02 Security Interest. To secure the payment of all Obligor's obligations under this Contract, as well as all other obligations, debts and liabilities, plus interest thereon, whether now existing or subsequently created, Obligor hereby grants to Obligor a security interest under the Uniform Commercial Code constituting a first lien on the Equipment described more fully on Exhibit A, including any and all additional collateral listed on any other Exhibit A. The security interest established by this section includes not only all additions, attachments, repairs and replacements to the Equipment but also all proceeds therefrom. Obligor authorizes Obligor to prepare and record any Financing Statement required under the Uniform Commercial Code to perfect the security interest created hereunder. Obligor agrees that any Equipment listed on Exhibit A is and will remain personal property and will not be considered a fixture even if attached to real property.

VII. Assignment

Section 7.01 Assignment by Obligor. All of Obligor's rights, title and/or interest in and to this Contract may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees by Obligor at any time without the consent of Obligor. No such assignment shall be effective as against Obligor until the assignor shall have filed with Obligor written notice of assignment identifying the assignee. Obligor shall pay all Contract Payments due hereunder relating to such Equipment to or at the direction of Obligor or the assignee named in the notice of assignment. Obligor shall keep a complete and accurate record of all such assignments.

Section 7.02 Assignment by Obligor. None of Obligor's right, title and interest under this Contract and in the Equipment may be assigned by Obligor unless Obligor approves of such assignment in writing before such assignment occurs and only after Obligor first obtains an opinion from nationally recognized counsel stating that such assignment will not jeopardize the tax-exempt status of the obligation.

VIII. Maintenance of Equipment

Section 8.01 Equipment. Obligor shall keep the Equipment in good repair and working order, and as required by manufacturer's and warranty specifications. If Equipment consists of copiers, Obligor is required to enter into a copier maintenance/service agreement. Obligor shall have no obligation to inspect, test, service, maintain, repair or make improvements or additions to the Equipment under any circumstances. Obligor will be liable for all damage to the Equipment, other than normal wear and tear, caused by Obligor, its employees or its agents.

Obligor shall pay for and obtain all permits, licenses and taxes related to the ownership, installation, operation, possession, storage or use of the Equipment. If the Equipment includes any titled vehicle(s), then Obligor is responsible for obtaining such title(s) from the State and also for ensuring that Obligee is listed as First Uenholder on all of the title(s). Obligor shall not use the Equipment to haul, convey or transport hazardous waste as defined in the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et. seq. Obligor agrees that Obligee or its Assignee may execute any additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Obligor which Obligee deems necessary or appropriate to protect Obligee's interest in the Equipment and in this Contract. Obligor shall allow Obligee to examine and inspect the Equipment at all reasonable times.

X Default

Section 9.01 Events of Default defined. The following events shall constitute an "Event of Default" under this Contract:

- (a) Failure by Obligor to pay any Contract Payment listed on Exhibit B for fifteen (15) days after such payment is due according to the Payment Date listed on Exhibit B,
- (b) Failure to pay any other payment required to be paid under this Contract at the time specified herein and a continuation of said failure for a period of fifteen (15) days after written notice by Obligee that such payment must be made. If Obligor continues to fail to pay any payment after such period, then Obligee may, but will not be obligated to, make such payments and charge Obligor for all costs incurred plus interest at the highest lawful rate.
- (c) Failure by Obligor to observe and perform any warranty, covenant, condition, promise or duty under this Contract for a period of thirty (30) days after written notice specifying such failure is given to Obligor by Obligee, unless Obligee agrees in writing to an extension of time. Obligee will not unreasonably withhold its consent to an extension of time if corrective action is instituted by Obligor. Subsection (c) does not apply to Contract Payments and other payments discussed *above*.
- (d) Any statement, material omission, representation or warranty made by Obligor in or pursuant to this Contract which proves to be false, incorrect or misleading on the date when made regardless of Obligor's intent and which materially adversely affects the rights or security of Obligee under this Contract.
- (e) Any provision of this Contract which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Obligee.
- (f) Except as provided in Section 4.01 above, Obligor admits in writing its inability to pay its obligations.
- (g) Obligor defaults on one or more of its other obligations.
- (h) Obligor becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies for or consents to the appointment of a receiver, trustee, conservator, custodian, or liquidator of Obligor, or all or substantially all of its assets, or a petition for relief is filed by Obligor under federal bankruptcy, insolvency or similar laws, or is filed against Obligor and is not dismissed within thirty (30) days thereafter.

Section 9.02 Remedies on Default. Whenever any Event of Default exists, Obligee shall have the right to take one or any combination of the following remedial steps:

- (a) With or without terminating this Contract, Obligee may declare all Contract Payments and other amounts payable by Obligor hereunder to the end of the then current Budget Year to be immediately due and payable.
- (b) With or without terminating this Contract, Obligee may require Obligor at Obligor's expense to redeliver any or all of the Equipment and any additional collateral to Obligee as provided below in Section 9.04. Such delivery shall take place within fifteen (15) days after the Event of Default occurs. If Obligor fails to deliver the Equipment and any additional collateral, Obligee may enter the premises where the Equipment and any additional collateral is located and take possession of the Equipment and any additional collateral and charge Obligor for costs incurred. Notwithstanding that Obligee has taken possession of the Equipment and any additional collateral, Obligor shall still be obligated to pay the remaining Contract Payments due up until the end of the then current Original Term or Renewal Term. Obligor will be liable for any damage to the Equipment and any additional collateral caused by Obligor or its employees or agents.
- (c) Obligee may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights. Obligor shall be responsible to Obligee for all costs incurred by Obligee in the enforcement of its rights under this Contract including, but not limited to, reasonable attorney fees.

Section 9.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to Obligee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or shall be construed to be a waiver thereof.

Section 9.04 Return of Equipment and Storage.

- (a) **Surrender:** The Obligor shall, at its own expense, surrender the Equipment, any Additional Collateral and all required documentation to evidence transfer of title from Obligor to the Obligee in the event of a default or a non-appropriation by delivering the Equipment and any Additional Collateral to the Obligee to a location accessible by common carrier, and designated by Obligee. In the case that any of the Equipment and any Additional Collateral consists of software, Obligor shall destroy all intangible items constituting such software and shall deliver to Obligee all tangible items constituting such software. At Obligor's request, Obligor shall also certify in a form acceptable to Obligee that Obligor has complied with the above software return provisions and that they will immediately cease using the software and that they shall permit Obligee and/or the vendor of the software to inspect Obligor's locations to verify compliance with the terms hereto.
- (b) **Delivery:** The Equipment and any Additional Collateral shall be delivered to the location designated by the Obligee by a common carrier unless the Obligee agrees in writing that a common carrier is not needed. When the Equipment and any Additional Collateral is delivered into the custody of a common carrier, the Obligor shall arrange for the shipping of the item and its insurance in transit in accordance with the Obligee's instructions and at the Obligor's sole expense. Obligor at its expense shall completely sever and disconnect the Equipment and any Additional Collateral and its component parts from the Obligor's property all without liability to the Obligee. Obligor shall pack or crate the Equipment and any Additional Collateral and all of the component parts of the Equipment and any Additional Collateral carefully and in accordance with any recommendations of the manufacturer. The Obligor shall deliver to the Obligee the plans, specifications, operation manuals or other warranties and documents furnished by the manufacturer or vendor on the Equipment and any Additional Collateral and such other documents in the Obligor's possession relating to the maintenance and methods of operation of such Equipment and any Additional Collateral.
- (c) **Condition:** When the Equipment is surrendered to the Obligee it shall be in the condition and repair required to be maintained under this Contract. It will also meet all legal regulatory conditions necessary for the Obligee to sell or lease it to a third party and be free of all liens. If Obligee reasonably determines that the Equipment or an item of the Equipment, once it is returned, is not in the condition required hereby, Obligee may cause the repair, service, upgrade, modification or overhaul of the Equipment or an item of the Equipment to achieve such condition and upon demand, Obligor shall promptly reimburse Obligee for all amounts reasonably expended in connection with the foregoing.
- (d) **Storage:** Upon written request by the Obligee, the Obligor shall provide free storage for the Equipment and any additional collateral for a period not to exceed 60 days after the expiration of the Contract Term before returning it to the Obligee. The Obligor shall arrange for the insurance described to continue in full force and effect with respect to such item during its storage period and the Obligee shall reimburse the Obligor on demand for the incremental premium cost of providing such insurance.

X Miscellaneous

Section 10.01 Notices. All notices shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business as first set forth herein or as the parties shall designate hereafter in writing.

Section 10.02 Binding Effect. Obligor acknowledges this Contract is not binding upon the Obligee or its assignees unless the Conditions to Funding listed on the Documentation Instructions have been met to Obligee's satisfaction, and Obligee has executed the Contract. Thereafter, this Contract shall inure to the benefit of and shall be binding upon Obligee and Obligor and their respective successors and assigns.

Section 10.03 Severability. In the event any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.04 Amendments, Addenda Changes or Modifications. This Contract may be amended, added to, changed or modified by written agreement duly executed by Obligee and Obligor. Furthermore, Obligee reserves the right to directly charge or amortize into the remaining balance due from Obligor, a reasonable fee, to be determined at that time, as compensation to Obligee for the additional administrative expense resulting from such amendment, addenda, change or modification requested by Obligor.

Section 10.05 Execution in Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.06 Captions. The captions or headings in this Contract do not define, limit or describe the scope or intent of any provisions or sections of this Contract.

Section 10.07 Master Contract. This Contract can be utilized as a Master Contract. This means that the Obligee and the Obligor may agree to the financing of additional Equipment under this Contract at some point in the future by executing one or more Additional Schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by Obligee. Additional Schedules will be consecutively numbered on each of the exhibits which make up the Additional Schedule and all the terms and conditions of this Contract shall govern each Additional Schedule.

Section 10.08 Entire Writing. This Contract constitutes the entire writing between Obligee and Obligor. No waiver, consent, modification or change of terms of this Contract shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations, conditions, or warranties, express or Implied, which are not specified herein regarding this Contract, the Equipment or any additional collateral, financed hereunder. Any terms and conditions of any purchase order or other documents submitted by Obligor in connection with this Contract which are in addition to or inconsistent with the terms and conditions of this Contract will not be binding on Obligee and will not apply to this Contract.

Obligee and Obligor have caused this Contract to be executed in their names by their duly authorized representatives listed below.

City of Derby, Connecticut

KS StateBank

Signature

Signature

Marsha Jarvis, Senior Vice President

Printed Name and Title

Printed Name and Title

EXHIBITA
DESCRIPTION OF EQUIPMENT

RE: Government Obligation Contract dated as of March 10, 2015, between KS StateBank (Obligee) and City of Derby, Connecticut (Obligor)

Below is a detailed description of all the items of Equipment including quantity, model number and serial number where applicable:

One (1) 2015 Pierce Pumper mounted on Arrow Chassis, VIN: 4P1BMGFOFA015145

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1*

Physical Address of Equipment after Delivery : 1Elizabeth St., Derby, CT06418

EXHIBIT S
PAYMENT SCHEDULE

RE: Government Obligation Contract dated as of March 10, 2015, between KS StateBank (Obligee) and City of Derby, Connecticut (Obligor)

Date of First Payment: July 15, 2015
Original Balance: \$578,000.00
Total Number of Payments: Six (6)
Number of Payments Per Year: One (1)

Pmt No.	Due Date	Contract Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
1	15-Jul-15	\$103,785.11	\$5,464.67	\$98,320.44	\$486,641.71
2	15-Jul-16	\$103,785.11	\$12,855.41	\$90,929.70	\$393,465.39
3	15-Jul-17	\$103,785.11	\$10,418.49	\$93,366.62	\$298,257.83
4	15-Jul-18	\$103,785.11	\$7,916.27	\$95,868.84	\$200,974.74
5	15-Jul-19	\$103,785.11	\$5,346.98	\$98,438.13	\$101,570.88
6	15-Jul-20	\$103,785.11	\$2,708.84	\$101,076.27	\$0.00

City of Derby, Connecticut

Signature

Printed Name and Title

*Assumes all Contract Payments due to date are paid

EXHIBIT C

CERTIFICATE OF ACCEPTANCE

RE: Government ObligatiOn Contract dated as of March 10,2015, between KS StateBank (Obligee) and City of Derby, Connecticut (Obligor)

I, the undersigned, hereby certify that I am a duly qualified representative of Obliger and that I have been given the authority by the Governing Body of Obliger to sign this Certificate of Acceptance with respect to the above referenced Contract. I hereby certify that:

1. The Equipment described on Exhibit A has been delivered and installed in accordance with Obliger's specifications.
2. Obliger has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. Obligor has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay_ all Contract Payments required to be paid under the Contract during the current Budget Year of Obliger, and such moneys will be applied in payment of all Contract Payments due and payable during such current Budget Year.
4. Obligor has obtained insurance coverage as required under the Contract from an insurer qualified to do business in the State.
5. No event or condition that constitutes or woUld constitute an Event of Default exists as of the date hereof.
6. The governing body of Obliger has approved the authorization, execution and delivery of this Contract on its behalf by the authorized representative of Obliger who signed the Contract.
7. Please list the Source of Funds (Fund Item in Budget) for the Contract Payments that come due under Exhibit B of this Contract.

Source of Funds : GeneralFund

By signing below, Obliger hereby authorizes the General Fund of the Obliger as a backup source of funds from which the Contract Payments can be made.

City of Derby, Con necticut

Signature

” ”

Printed Name and Title

EXHIBIT D
OBLIGOR RESOLUTION

RE: Government Obligation Contract dated as of March 10, 2015, between KS Statesank (Obligee) and City,of Derby, Connecticut (Obligor)

At a duly called meeting of the Governing Body of the Obliger (as defined in the Contract) held on _____ the following resolution was introduced and adopted:

BE IT RESOLVED by the Governing Body of Obliger as follows:

1. Determination of Need. The Governing Body of Obliger has determined that a true and very real need exists for the acquisition of the Equipment described on Exhibit A of the Government Obligation Contract dated as of March 10, 2015, between City of Derby, Connecticut (Obligor) and KS StateBank (Obligee).
2. Approval and Authorization. The Governing Body of Obliger has determined that the Contract, substantially in the form presented to this meeting, is in the best interests of the Obligor for the acquisition of such Equipment, and the Governing Body hereby approves the entering into of the Contract by the Obligor and hereby designates and authorizes the following person(s) to execute and deliver the Contract on Obliger's behalf with such changes thereto as such person(s) deem(s) appropriate, and any related documents, including any Escrow Agreement, necessary to the consummation of the transaction contemplated by the Contract.

Authorized Individual(s): _____
(Printed or Printed Name and Title of individual(s) authorized to execute the Contract)

3. Adoption of Resolution. The signatures below from the designated individuals from the Governing Body of the Obligor evidence the adoption by the Governing Body of this Resolution.

Signature: _____
(Signature of Secretary, Board Chairman or other member of the Governing Body)

Printed Name & Title: _____
(Printed Name and Title of Individual who signed directly above)

Attested By: _____
(Signature of one additional person who can witness the passage of this Resolution)

Printed Name & Title: _____
(Printed Name of individual who signed directly above)

EXHIBITE

BANK QUALIFIED CERTIFICATE

RE: Government Obligation Contract dated as of March 10, 2015, between KS StateBank {Ollgee} and City of Derby, Connecticut (Obliger)

Whereas, Obliger hereby represents that it is a "Bank Qualified" Issuer for the calendar year in which this Contract is executed by making the following designations with respect to Section 265 of the Internal Revenue Code. (A "Bank Qualified Issuer" is an issuer that issues less than ten million {\$10,000,000) dollars of tax-exempt obligations during the calendar year).

Now, therefor, Obliger hereby designates this Contract as follows:

1. Designation as Qualified Tax-Exempt Obligation. Pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986 as amended (the "Code"), the Obliger hereby specifically designates the Contract as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Obliger hereby represents that the Obligor will not designate more than \$10,000,000 of obligations issued by the Obliger in the calendar year during which the Contract is executed and delivered as such "qualified tax-exempt obligations".
2. Issuance Limitation. In compliance with the requirements of Section 265(b)(3)(C) of the Code, the Obligor hereby represents that the Obliger (including all subordinate entities of the Obliger within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the Contract is executed and delivered, obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "private activity bonds" as defined in Section 141 of the Code) in an amount greater than \$10,000,000.

City of Derby, Connecticut

Signature

PrintedNameandTitle

..

--,

OPINION OF COUNSEL

{Must be Re-typed onto attorney's letterhead}

(Date, must be on or after the meeting date listed on Exhibit D, Obliger Resolution)

KS StateBank
1010 Westloop; P.O. Box 69
Man'attan, Kasa 66505-0069

RE: over'l)ment Ol_igatio Contract datd as of March 10, 2015, between KS StateBank (Obligee) an,d City of Der.y,
Coi;inecvcut {Obliger}

Ladies and Gentlemen:

As legal counsel to Obligor, I have examined the foregoing Contract and such other opinions, documents and matters of Law as I have deemed necessary in connection with this Contract. Based on the foregoing, I am of the following opinions:

1. Obliger is a political subdivision of the State of Connecticut, or a constitutd authority authorized to issue obligations on behalf of a political subdivision of the State.
2. Obliger has the requisite power and authority, to purchase the Equipment and to 'execute and deliver the Contract and to perform its obligations under thf! Contract. ThEf Contract and the other documents eithr attC!_hed hereto or required herein have been--duly authorized, apprOved and exectlted by and on, behalf of Obliger, and the Contract is a legal, valid and binding obligation of Obliger enforceable in accordance with its terms. in '...
3. The authorization, approval and execution of the Contract and all other proceedings of Obliger relating to the transactlons contemplated thereby have been performed in accordance with all open meeting laws, public bid_H,ng laws and all other applicable state anCf federal laws.
4. There is no litigatlon, action, suit Or-Proceeding pending or before any court, administrative agency, arbitratof Or governmental "body that challenges the authority of the Obliger or anY of the Obliger's officers or employees to enter into the Contracts.
5. The above opinion is for the sole benefit of the Obligee listed above and can only be relied upon by the Obligee or any permitted assignee or subassignee or successor of Obligee under the Contract.

Signature of Legal Counsel

11.5 A motion was made by Mr. Gerckens and seconded by Mr. Olenoski to waive bidding requirements pursuant to Section 66 of the City Charter for School Transportation with All-Star Transportation for the fiscal years ending June 30, 2016 through June 30, 2020 with per day

per bus price of \$280.00 in year 2016, \$295.00 in year 2017, \$310.00 in year 2018, \$325.00 in year 2019, \$340.00 in year 2020 subject to the approval of the Board of Apportionment and Taxation.

Ms. DeGennaro said that we have the price, but I never recall ever seeing a bus contract. If we did, I'm assuming it is the one that is expiring. Attorney Welch said the BOE approves the contract, but to waive the bidding process, they must go the BOA and the BOAT.

Ms. DeGennaro said she understood, however, her other concern is the BOE is spending a lot of money and we don't see those contracts, now we are seeing a bunch of contracts, and we are talking about waiving the bid, are there other things not getting to this board that need to be waived. One of my concerns is that I don't recall anything coming to this board before. Mr. Gerckens asked if could call upon Mr. Izzo, who Dr. Conway said was well versed on this speak.

Mr., Izzo said the last contract was a 5 year contract, and he could not speak of anything previous as he was not here. He went on to say that information was in the packages of all the prices in the area. Mr. Iacoune asked why we were being asked to waive this bid. Mr. Izzo said that the All-Star Bus Company is running buses in all the four cities, using the same dispatcher, and all the contracts expire around the same time. We are doing a 3 year contract with a 5 year option. Ms. DeGennaro said we don't have a copy of the contract, so she can't ask a question about the contract. Mr. Izzo said this is all the information he had, and wanted to give you what he had. Ms. Monaco asked how long the last contract was, and Mr. Izzo said 5 years. Mayor Dugatto asked the secretary to send an email to Mr. Sill, as the full board approval was need. Secretary sent the email to Mr. Sill and he responded on 3.27.2015 voting in favor of the waiver. **Motion Carried.**

:

12-1 thru 12.4 Attorney Teodosio gave an update on the following:

- 12.1** 245 Francis Street-Dworkin Property- All the pleading has been done and all parties that had to be served, have been served. I tried to combine this with the other Dworkin property, but it was a no go. The appraisal was ordered 3 weeks ago, and it takes approximately six weeks to get an answer. If you want to foreclose, the taxes and blight will be in excess of the liens on the property. There is a third-party interested in buying the property.
- 12.2** 196 Derby Avenue – When the building was demolished, the value of the property went up. It went from \$30,000 to \$40,000. The owner did the demolition himself. Cannot due anything about the blight liens. If the city wants the property for the taxes and sewer usage fees, they do not exceed the value of the property. The appraiser indicated that someone from the city wanted to put units on it, I put it as a foot

note. I can forward with a judgment if the city wants it. The board agreed for Attorney Teodosio to go ahead.

- 12.3** 189 Derby Avenue – The current owner is an active owner. Ms. DeGennaro stated that this is the property that the person bought without a Title Search. The new owner have been in touch with the Building Department, taxes are paid in full as are the WPCA fees. There is a proposal of \$20,000 plus remediation and Mr. Cota from the Blight Department concurred that they have been working with the new owner and reached the proposal amount. The owner is preparing engineering reports. Part of the remediation is that the porch must be redone. They had started work on the property and the material was stolen, so there was a stop order issued. The appraisal on the property is \$50,000. Pleadings done.
- 12.4** 105 Hawkins Street –The property is presently being serviced by OCWEN, there is a mortgage on it from Bank of America. As recently as this week, the attorney for OCWEN approached the Building Department and asked if they can make a plan about remediating the property. They are familiar with the other Bank of America properties here in town and some of the deals that have been made they recognize they have been dilatory, but they are willing to forward a proposal that is a combination of remediation as well as payment. I need to speak to Carlos about this, since I spoke to the attorney for OCWEN because I think what they are requesting is for the Building Department to tell them what is wrong with the property. I don't think we would do it that way, I think they have to get their own people. Ms. DeGennaro asked if they are serving for the Bank of America. Attorney Teodosio said yes. All the specifics have been given.
- 12.5** Recommendations from the Parking Authority- Mr. Dulla from the Parking Authority said he sent a memo to the Mayor and the Board of Aldermen, recommending the disbanding of the Parking Authority. He stated that he knows they have not discussed this yet. Ms. DeGennaro said we have talked about it before, procedurally repealing the ordinance and what we are going to do, and what responsibility the City would have and how that would be structured. Attorney Welch said the group is a creature of statute and ordinance and the board would have to repeal an ordinance and if you were to say that you wanted to start a parking commission, obviously you will have to draft a new ordinance. It would be under you control and direction. The Parking Commission can't say we are disbanding. We are bound by Statue- Title 7- if we would take it back, we are still bound as a city. Mr. Gerckens spoke on the 3 points which created the parking Commission, 1) Repeal the ordinance which created the ordinance. 2) Cost savings resulting there from; and 3) Future infrastructure costs

and expenses which the commission could not accommodate. That's a lot to take in. Ms. DeGennaro said it has been months since we have received any minutes, have received no financial report. Mr. Dulla said he has the financials through January, and the minutes are posted. Ms. DeGennaro said we used to get them. Mr. Dulla will follow up. Mayor Dugatto suggested a "special meeting", and Ms. Gerckens said we should send some of the information to the sub-committee to start looking at it. Ms. DeGennaro said the board has discussed this before. Mr. Gerckens it is a lot to soak in, and we will digest the information and report back.

13. Adjournment

A motion was made by Mr. Gerckens and seconded by Mr. Anroman to adjourn. The meeting was adjourned at 8:10 pm. **Motion Carried.**

Respectfully submitted,

Louise Pitney

These minutes are subject to the Board's approval at their next meeting.

1

Marc Garofalo

From: Louise Pitney

Sent: Friday, March 27, 2015 1:27 PM

To: Marc Garofalo

Subject: FW: Approval of waiver for BOE

From: rjsill@prodigy.net [mailto:rjsill@prodigy.net]

Sent: Friday, March 27, 2015 12:49 PM

To: Louise Pitney

Subject: Re: Approval of waiver for BOE

I vote YES in favor of the waiver. Ronald M. Sill 3/27/15.

Sent from my iPhone

On Mar 27, 2015, at 11:55 AM, Louise Pitney <lpitney@derbyct.gov> wrote:

Ron,

First of all, let me say I am sorry for the loss of your brother. If there is anything I can do, please do not

hesitate to call me.

Next, and may I say I am sorry to send this to you, but last night I did the minutes for the BOA meeting. on the agenda was the following:

Waive Bidding requirements pursuant to Section 66 of the City Charter for School

Transportation with All-Star Transportation for the fiscal years ending June 30, 2016 through June 30, 2020

with a per day per bus price of \$280.00 in year 2016, \$295.00 in year 2017, \$310.00 in year 2018, \$325.00 in year 2019, \$340.00 in year 2020 subject to the approval of the Board of Apportionment and Taxation.

A full board approval is needed for the waiver, and your vote is needed for a full board approval.

You

can either email me or Marc.

Again, I am sorry to bother you with this at this time. but as the saying goes, don't shoot the messenger.

Thanks,

Louise