

**REPORT OF THE FINANCE COMMITTEE OF THE 17<sup>TH</sup> CHARTER REVISION COMMISSION OF THE CITY OF STAMFORD, REGARDING THE ISSUE OF BONDING.**

The Finance Committee of the Charter Commission met with the Director of OMB and the Bond Council. It was determined at this meeting that:

1. Stamford has a more robust and complex capital project schedule than any other major city in Connecticut.
2. There is unnecessary redundancy in the process of approving and issuing bonds.
3. There are parts of the Charter dealing with bonding that are in conflict.
4. The current Charter does not allow management the flexibility to take advantage of opportunities in the financial marketplaces.
5. The current Charter does not incorporate current “best practices” in the bonding process.

The Finance Committee asked the Bond Council to perform a markup of the current Charter that would take into account and address the items listed above. The proposed changes are shown below and are noted by the following color codes:

Insertion  
Deletion  
Moves

All of the proposed changes shown were unanimously agreed upon by the members of the Finance Committee as well as Commissioner Williams who attended the meeting held to review the proposals.

If the proposed changes are accepted the following will be the effect:

The Board of Finance will retain the authority to approve bonds as part of its responsibilities to set a safe debt limit. At that point the Board of Finance would serve in an advisory capacity only with the authority to issue the bonds resting with the Board of Representatives and the Mayor.

The issuance of Bond Anticipation Notes shall fall under the authority of the Mayor and Director of Administration. The authorized maximum length of Bond Anticipation Notes would be increased from one to three years to provide flexibility in the financial marketplaces.

Short Term Capital Project is defined as having a useful life of seven years or less and can be funded with bonds with maturities no longer than five years from date of issuance.

Emergency Bond Issues would fall under the authority of the Board of Representatives.

**BOND COUNCIL MARKUP OF RECOMMENDED CHANGES**

**Sec. C1-10-4. – Definitions.**

Whenever used in this Charter: (1) “Public Notice” means a notice published in an official newspaper which is a newspaper of general circulation published at least once weekly in Stamford. A public notice of a meeting or a hearing shall state the time and place thereof, and shall be published at least once not more than thirty days nor less than three days prior to the meeting or hearing unless otherwise provided in this Charter; (2) “Data” includes all public books, records, papers, files, correspondence and other recorded information pertaining to the affairs of Stamford, in the custody of any person holding public office or employment or in the custody of any department or agency; (3) “Department or agency” shall include, but not be limited to, any department, office, bureau, board,

commission, authority, agency, program or part thereof within the government of Stamford; (4) "Municipality and/or City" means the City of Stamford; (5) "Capital Project" means (a) any permanent physical public betterment or improvement, or any preliminary studies or surveys relative thereto; (b) the acquisition of real property or other property of a permanent nature; (c) the purchase of equipment ~~for any public betterment or improvement when first erected or acquired which cost is~~ machinery, vehicles and furniture and fixtures with an aggregate cost of \$25,000 or such greater amount set by the Board of Finance more; or (d) any lease which commits the City to more than one year of payments aggregating \$25,000 or ~~such greater amount set by the Board of Finance~~ more; (6) "Short Term Capital Project" means a capital project with a useful life of seven (7) years or less under Federal tax guidelines; (7) Where an officer or office is mentioned in this Charter, the Stamford officer or office is meant; ~~(78)~~ "General Statutes" shall mean the General Statutes of Connecticut; as amended; and ~~(89)~~ Where reference is made to action to be taken by a Director, the specified action may be taken by that Director or his designee

#### **Sec. C8-20-6. – Submission of Proposed Capital Program.**

The Planning Board shall thereupon prepare its capital projects budget and submit it to the Mayor on or before the first day of March. The Mayor may revise this budget, but may not include therein any new projects without first submitting them to the Planning Board. If the Planning Board is opposed to such new project, that fact shall be recorded by the Mayor when submitting ~~recommendations such project~~ to the Board of Finance and the Board of Representatives. A capital project shall consist only of those purposes defined in Sec. C1-10-4 of this Charter.

#### **Sec. C8-20-7. – Restrictions on Capital Project Authorizations at Other Times.**

No obligations of the City shall be authorized for any capital project not included in the capital projects budget as finally recommended by the Mayor. Upon the request of the Mayor, following the recommendation of the Board of Finance ~~the Board of Representations~~ may amend the capital projects budget to increase the amount appropriated or the amount of obligations which may be authorized for any project previously authorized if such increase is, in the opinion of the Board of ~~Finance~~ Representatives, necessary for the completion of the project, or to add new capital projects. (Referendum 11-7-1995)

However, before any such action can be taken, an advisory opinion of the Planning Board shall be obtained. ~~When~~ After the Board of Finance ~~adopts an amendment~~ makes its recommendation adding a project to the capital projects budget, or increasing the expenditures or the obligations which may be authorized on account of any project, such amendment shall be submitted to the Board of Representatives. If the Board of Representatives adopts it, the capital projects budget shall be deemed amended accordingly. Not later than five days after such adoption, the amendment to the capital projects budget shall be filed in the Office of the Town and City Clerk and public notice thereof shall be given.

#### **Sec. C8-20-9. – Approval Requirements for Increasing Capital Projects Budget.**

The procedures outlined in Section C8-20-7 for increasing an existing capital projects budget shall require ~~the affirmative vote of four members of the Board of Finance, and its adoption by the Board of Representatives shall require~~ a two-thirds vote of those present at the meeting of the Board of Representatives, which two-thirds shall not be less than a majority vote of the entire membership.

#### **Sec. C8-50-1. – Bonds.**

##### **A. Bond Issue Generally.**

If so requested by the Mayor and approved by ~~the~~ Board of Finance pursuant to Section C8-20-4, the Board of Representatives may authorize the ~~issuance of~~ Mayor and Director of Administration to issue bonds under the corporate name and seal and upon the faith and credit of the City, registered or with coupons attached, bearing interest at a rate or rates ~~not greater than the maximum rate approved by the Board of Finance~~ determined by the Mayor and the Director of Administration, payable semi-annually. The bonds shall not be sold at less than par, and accrued interest and the funds realized from the sale of the bonds shall be applied solely for the purpose of

~~paying for public improvements or other municipal works of a permanent character and paying for land taken for the purpose of such improvements or municipal works~~financing capital projects and costs of issuance related thereto. The bonds so authorized shall be issued in the manner and in the principal amount determined by the Mayor and the Director of Administration; provided that short term capital projects shall be financed by bonds maturing not later than five (5) years after the date of issuance. Refunding bonds shall be authorized solely by the Board of ~~Finance may prescribe from time to time~~Representatives and issued and sold in the manner prescribed by the Connecticut General Statutes. The bonds or other obligations shall be signed by the Mayor and countersigned by ~~the Controller, and any coupons attached shall bear the facsimile signature of~~ the Controller. The bonds when so executed and delivered shall be obligations of the City and of all of the inhabitants and property thereof according to the tenor and purport of the same, and said bonds or other obligations, if properly signed by officials in office on the date of execution, shall be valid notwithstanding that before delivery thereof such officials shall have ceased to hold office.

#### **Sec. C8-50-2. – Bond Anticipation Notes.**

Whenever the Board of Representatives shall have authorized the issue issuance of bonds to finance a capital project or projects pursuant to the provisions of Section C8-50-1, the ~~Board of Finance may, by at least a majority of all its members, authorize the making of a~~Mayor and Director of Administration may issue temporary ~~loan or loans by the issue of a temporary note or~~ notes, for a period of not more than ~~one year~~three years, in anticipation of the money to be derived from the sale of such bonds for designated capital projects. Temporary notes issued for a shorter period than ~~one year~~three years may be renewed from time to time by the issuance of other temporary notes maturing within the required period of ~~one year~~three years, provided the period from the date of issue of the original loan to the date of maturity of the renewal loan shall not be more than ~~one year~~three years. Except as herein otherwise provided, the term, rate of interest, form, manner of sale and other particulars of such temporary notes shall be determined by ~~at least a majority of all the members of~~Mayor and the ~~Board of Finance or the determination thereof may be delegated by said Board of~~ Director of Administration ~~with the approval of the Mayor.~~ Notes shall be signed and countersigned in the manner provided in Section C8-50-1 for bonds, and the amount of any temporary loan or loans shall not exceed the principal amount of bonds in anticipation of which they are issued. All outstanding temporary notes or renewal notes issued hereunder shall be included in the aggregate indebtedness of the City when ascertaining the City's borrowing capacity under any general or special statute, unless the bonds in anticipation of which such notes are issued would not be so included, but temporary notes or renewal notes which have become due and for the payment of which adequate funds have been provided shall not be deemed to be outstanding. All temporary notes and renewal notes issued hereunder and the debts evidenced thereby shall be obligations of the City and of all the inhabitants and property thereof according to their tenor. The proceeds of bonds in anticipation of which temporary notes or renewal notes have been issued shall first be applied to the payment of any such notes, and the period during which any such notes shall be outstanding shall not be included in computing the term for which such bonds may be issued.

#### **Sec. C8-50-3. – Emergency Bond Issues.**

In case of a public emergency which shall require abnormal expenditure on the part of the City, the City may issue bonds for the payment of such emergency expenditure. An issue of bonds under this section shall require the affirmative vote ~~of five members of the Board of Finance and~~ of three-fourths of the entire membership of the Board of Representatives. The earliest maturity shall be not more than two years from date of issue and all such bonds shall be paid in full and retired at the expiration of not more than ten years from the date of issuance.

#### **Sec. C8-50-4. – Revenue Anticipation Notes and Tax Anticipation Notes.**

The Mayor may, in the name of the City, with the approval of the Board of Representatives, borrow such monies as may be necessary to meet the temporary financial requirements of the City or such as may be borrowed in anticipation of the collection of special assessments. The monies so borrowed shall be evidenced by notes given in the name of the City and signed by the Mayor and countersigned by the Controller. These notes shall be repaid, so far as may be possible, from the income of the City received during the current fiscal year. If any of the monies so borrowed shall remain unpaid at the end of the fiscal year the amount thereof shall be included in the estimates and appropriations for the succeeding fiscal year.