

**ORDINANCE AUTHORIZING AN APPROPRIATION OF \$365,000,000 TO FUND ALL OR A PORTION OF THE TOWN'S UNFUNDED ACTUARIAL ACCRUED LIABILITY WITH RESPECT TO THE TOWN'S EMPLOYEE PENSION PLAN AND AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION PENSION BONDS IN AN AMOUNT NOT TO EXCEED \$365,000,000 TO FINANCE SUCH APPROPRIATION**

**WHEREAS**, the Town of West Hartford has established the Town of West Hartford Pension Plan for the benefit of certain employees and their beneficiaries (the "Pension Plan"); and

**WHEREAS**, retirement benefits for members of the Pension Plan are paid from the Pension Fund; and

**WHEREAS**, the assets of the Pension Fund consist of pooled monies that include appropriations from the Town and contributions from members of the Pension Plan; and

**WHEREAS**, the Pension Plan has a large unfunded actuarial accrued liability, and as a result the Town's annual actuarially determined contribution to the Pension Fund is projected to increase significantly each year; and

**WHEREAS**, the General Statutes authorize municipalities to issue general obligation pension bonds to fund all or a portion of an unfunded past benefit obligation, as determined by an actuarial valuation, and the payment of costs related to the issuance of such bonds; and

**WHEREAS**, due to historically low interest rates for municipal debt, it is anticipated that the proceeds from the issuance of such bonds, when invested as part of pension assets in higher yielding asset classes, should achieve a long-term rate of return that is greater than the interest rate owed over the term of the bonds; and

**WHEREAS**, the Director of Finance projects that the issuance of such bonds shall significantly lower the net cost of the Pension Plan, thereby improving the Town's fiscal stability.

**NOW THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF WEST HARTFORD:**

Section 1. There is hereby appropriated by the Town of West Hartford (the "Town") the sum of \$365,000,000 for the purpose of funding all or a portion of the unfunded actuarial accrued liability with respect to the Town's employee retirement plan (the "Pension Plan"), and to pay certain costs of issuance of the Bonds (as defined below), including, but not limited to, legal, advisory, escrow, verification and investment fees, trustee costs, underwriters' discount and printing and administrative expenses. The net proceeds of the sale of the Bonds, after payment of costs of issuance, shall be deposited in the Pension Fund and invested in appropriate legal investments permitted by

the Connecticut General Statutes in accordance with the terms of the Pension Plan. To meet said appropriation, general obligation pension bonds of the Town shall be issued pursuant to Section 7-374c of the Connecticut General Statutes, as amended, in an amount not to exceed \$365,000,000 (the "Bonds").

Section 2. The Bonds shall be general obligations of the Town, and shall be serial bonds maturing in annual or semiannual installments of principal, or shall be term bonds with mandatory annual or semiannual deposits of sinking fund payments into a sinking fund. The first installment of any series of the Bonds shall mature or the first sinking fund payment of any series of the Bonds shall be due not later than eighteen months from the date of issue of such series, provided that such first installment shall mature or such first sinking fund payment shall be due not later than the fiscal year of the Town next following the fiscal year in which such series is issued. The last installment of such series shall mature or the last sinking fund payment of such series shall be due not later than thirty years from such date of issue.

Section 3. The Bonds shall be issued in fully registered form and shall be sold in such principal amount and in such manner as shall be approved by the Town Manager and Director of Finance. The Bonds may be issued in one or more series and shall be executed in the name and on behalf of the Town by the facsimile or manual signature of the Town Manager and the manual signature of the Director of Finance, bear the Town seal or a facsimile thereof, be certified by and be made payable at a bank or trust company, which bank or trust company may also be designated the registrar and transfer agent, and be approved as to their legality by nationally recognized bond counsel. The Bonds shall be general obligations of the Town and each of the Bonds shall recite that every requirement of law relating to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and interest thereon. The aggregate principal amount of the Bonds of each series to be issued, the annual installments of principal, redemption provisions, if any, the certifying, registrar and transfer agent and paying agent, the date, time of issue and sale and other terms, details and particulars of such Bonds, including the approval of the rate or rates of interests, shall be determined by the Town Manager and the Director of Finance.

Section 4. The Bonds shall be sold by the Town Manager and Director of Finance in a competitive offering or by negotiation, in their discretion. If sold in a competitive offering, the Bonds shall be sold at not less than par and accrued interest on the basis of the lowest net or true interest cost to the Town. If sold on a negotiated basis, the Town Manager and Director of Finance are authorized to execute a bond purchase contract or similar agreement for the sale of the Bonds.

Section 5. The Bonds may bear interest which is includable in the gross income of holders thereof for Federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended, and the issuance of such taxable bonds is hereby determined to be in the public interest.

Section 6. The Town Manager and Director of Finance are authorized to prepare and distribute a Preliminary Official Statement and a final Official Statement of the Town for use in connection with the offering and sale of the Bonds and are further authorized to execute and deliver a Continuing Disclosure Agreement in connection with the issuance and sale of the Bonds on behalf of the Town in such form as they shall deem necessary and appropriate.

Section 7. The Town Manager and Director of Finance are authorized to execute and deliver any and all additional agreements, documents and certificates necessary to effect the issuance, sale and delivery of the Bonds.

Section 8. As long as the Bonds or any bond refunding the Bonds are outstanding, the Town shall (i) in each fiscal year, commencing with the fiscal year in which the Bonds are issued, appropriate funds in an amount sufficient to meet the actuarially required contribution and contribute such amount to the Pension Plan, and (ii) notify the Secretary of the Office of Policy and Management annually of the amount or the rate of any such actuarially recommended contribution and the amount or the rate, if any, of the actual annual contribution by the Town to the Pension Plan to meet such actuarially recommended contribution.

(HART)  
January 12, 2021