



TOWN OF KILLINGLY

OFFICE OF THE TOWN MANAGER
172 Main Street
Killingly, CT 06239
Tel: 860 779-5335 Fax: 860 779-5382

SPECIAL TOWN COUNCIL MEETING

DATE: Saturday, December 5, 2020

TIME: 1:00 PM

**PLACE: 172 Main Street, Killingly
(Council members Only)**

Public can view the meeting on Facebook Live or Channel 22. Go to www.killinglyct.gov click on Facebook Live

1. Call to Order

2. Roll Call

3. Citizens' Statements and Petitions

Pursuant to Governor's Executive Order 7B, all public comment can be emailed to publiccomment@killinglyct.gov or mailed to Town of Killingly, 172 Main Street, Killingly, CT 06239 on or before the meeting. All public comment received prior to the meeting will be posted on the Town's website www.killinglyct.gov.

4. New Business

- a. Consideration and action on a resolution to introduce and set a date of December 12, 2020 for a public hearing on an ordinance amending the appropriating and borrowing authorization for improvements to Killingly Memorial School Project, for an aggregate appropriation and borrowing authorization of \$34,000,000

5. Adjournment

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Agenda Item #4a

AGENDA ITEM COVER SHEET

ITEM: Consideration and action on a resolution to introduce and set a date of December 12, 2020 for a public hearing on an ordinance amending the appropriating and borrowing authorization for improvements to Killingly Memorial School Project, for an aggregate appropriation and borrowing authorization of \$34,000,000

ITEM SUBMITTED BY: Mary T. Calorio, Town Manager

FOR COUNCIL MEETING OF: December 5, 2020

TOWN MANAGER APPROVAL:

ITEM SUMMARY: This item is to introduce and schedule a public hearing, on an ordinance to amend the original appropriation of \$16,550,000 for the replacement of the modular classroom space at Killingly Memorial School to include substantial renovation of the main school building and appropriate an additional \$17,450,000 for said work. This would bring the total project authorization to \$34,000,000. The State School Construction Office contacted the Town in early November requesting the Town to expand the project to include the needed renovations within the main building. The State was concerned with the existing heating/make up ventilation system, the lack of central cooling, cafeteria kitchen condition and hallways. They requested the Town consider performing a more comprehensive project while addressing the portable classrooms. Typically, the replacement of a heating system in a school is not eligible for state grant reimbursement. That cost is generally borne by the Town directly. The replacement of the KMS heating system to a new HVAC system is estimated at \$6 million. The State has offered to make the full project, including the addition, reimbursable at the Town's standard reimbursement rate of 72%. This would provide a substantial economic savings to the Town if we performed the work as a comprehensive project.

In general, a school construction project must be submitted by the Town to the State by June 30th each year. The State School Construction Office will vet the projects and then submit the projects on a priority list to the Governor's office to begin the State funding process. The priority list is submitted to the Governor's office on December 15th. After submission to the Governor's office, the priority list is considered by State legislators to approve for funding. The funding authorization of State grant funds is then effective the following July 1st. As you can see this is a lengthy process to receive the State grant funding. The State School Construction office has offered to keep the expanded KMS project on the current year priority list submission if the Town Council has authorized funding prior to December 15th.

The Town engaged with Antinozzi Associates to evaluate the main structure and provide cost estimation for the work necessary to meet the State's 20-year life cycle requirements. Antinozzi identified the following estimated scope of work:

- Removal and replacement of existing heating system with a heating/cooling system to include make up ventilation
- Removal of all old heating registers in classrooms and new case work.
- Installation of a fire suppression system throughout the main building (note the addition project already included a fire suppression system)

- Replacement of the electrical system
- Renovation of cafeteria kitchen
- Final ADA requirements
- Replacement of hallway floors
- Abatement of hazardous materials throughout the structure.

Antinozzi provided the Town with a cost estimation of \$15,000,000 for this expanded scope. Recognizing the additional scope will require additional design and engineering time and therefore add more time to the project, the original project cost would need to be increased for escalation in the amount of \$1,655,000. We also recommend adding an escalation factor of one year to the proposed new scope due to the uncertainty of the timing of State funding. This escalation cost is estimated at \$750,000.

FINANCIAL SUMMARY: The original portable classroom replacement project was approved at \$16,550,000 with an anticipated State grant reimbursement rate of 60%. This resulted in a Town share of \$7,500,000.

The expanded project cost estimation is \$15,000,000. With the additional escalation factored in, the request is to amend the project to authorize \$18,450,000. The new project total cost would be \$34,000,000 and reimbursable by State grants at 72%. This results in a Town share of \$9,520,000. This is an increase in Town share of \$2,020,000 from the original project. I have included a projected debt service schedule, mil rate impact and proposed construction project schedule.

STAFF RECOMMENDATION:

Approval of the Resolution

TOWN ATTORNEY REVIEW:

Reviewed by Bond Counsel

COUNCIL ACTION DESIRED:

Action on the Resolution

SUPPORTING MATERIALS:

Resolution

- Projected Debt Service & Mil Rate Impact
- Proposed calendar

RESOLUTION TO INTRODUCE AND SET A DATE OF DECEMBER 12, 2020 FOR A PUBLIC HEARING ON AN ORDINANCE AMENDING THE APPROPRIATING AND BORROWING AUTHORIZATION FOR IMPROVEMENTS TO KILLINGLY MEMORIAL SCHOOL PROJECT, FOR AN AGGREGATE APPROPRIATION AND BORROWING AUTHORIZATION OF \$34,000,000

BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF KILLINGLY that the following ordinance be introduced and set down for a public hearing on Saturday, December 12, 2020 at 1:00 p.m. The public hearing will be held virtually on WebEx. Call information will be posted on the Town's website at www.killinglyct.gov. Public comments may also be submitted in writing to publiccomment@killinglyct.gov:

ORDINANCE AMENDING THE APPROPRIATING AND BORROWING AUTHORIZATION FOR IMPROVEMENTS TO KILLINGLY MEMORIAL SCHOOL PROJECT, FOR AN AGGREGATE APPROPRIATION AND BORROWING AUTHORIZATION OF \$34,000,000

BE IT HEREBY ORDAINED,

Section 1. That the Town of Killingly amend the Ordinance entitled "ORDINANCE APPROPRIATING \$16,550,000 FOR IMPROVEMENTS TO KILLINGLY MEMORIAL SCHOOL, INCLUDING REMOVAL OF PORTABLE STRUCTURES, SITE RECONFIGURATION, UPGRADES TO EXISTING STRUCTURE, ADDITION OF AN ELEVATOR, AND CONSTRUCTION OF AN ADDITION AND AUTHORIZING THE ISSUANCE OF BONDS AND NOTES IN THE SAME AMOUNT" approved by the Town Council pursuant to Executive Order 7S on June 9, 2020, to increase the appropriation for the project by SEVENTEEN MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$17,450,000), for an aggregate appropriation of \$34,000,000. The increased appropriation shall provide for improvements to the existing structure, including replacement of the HVAC system, replacement of the electrical system, full renovation of the cafeteria kitchen, replacement of hallway floors, abatement of all hazardous materials, removal of current heating registers and installation of new casework. Not more than \$2,500,000 of the increased appropriation shall be expended on the portion of the project described in this paragraph until the State has approved grants of not less than 69% of eligible costs for such portion of the project. The Killingly Permanent Commission on Public Buildings shall determine the particulars and scope of the project and may reduce or modify the project, and the entire appropriation may be expended on the project as so reduced or modified.

Section 2. That the amount of bonds, notes and temporary notes authorized for that project shall be increased by SEVENTEEN MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$17,450,000), for an aggregate borrowing authorization of \$34,000,000. The bonds or notes shall be issued pursuant to Sections 7-369 and 10-289 of the General Statutes of Connecticut, Revision of 1958, as amended, and any other enabling acts. The bonds or notes shall be general obligations of the Town secured by the irrevocable pledge of the full faith and credit of the Town.

Section 3. That the Town hereby declares its official intent under Federal Income Tax Regulation Section 1.150-2 that project costs may be paid from temporary advances of available funds and that (except to the extent reimbursed from grant moneys) the Town 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 project. The Town Manager and the Treasurer are authorized to amend such declaration of official intent as they deem necessary or advisable and to bind the Town 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, notes or temporary notes 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.

Section 4. That the adoption of this Ordinance in reliance on the provisions of Executive Order No. 7S, without submission to voters at Special Town Meeting and Referendum, is necessary to permit the orderly operation of the Town of Killingly and that there is a need to act immediately and during the duration of the public health and civil preparedness emergency in order to avoid endangering public health and welfare, prevent significant financial loss, and that action is otherwise necessary for the protection of persons and property within the municipality.

Section 5. That this Ordinance shall become effective on a date fifteen (15) days after publication of the title of this Ordinance in a newspaper having a general circulation in the Town of Killingly after final adoption by a majority of the Town Council.

KILLINGLY TOWN COUNCIL

Jason Anderson
Chairman

Dated at Killingly, Connecticut
this 5th day of December 2020

Attest: I, Elizabeth Wilson, Town Clerk of the Town of Killingly, do hereby certify that the above is a true and correct copy of a resolution adopted by the Killingly Town Council at its duly called and held meeting on December 5, 2020, at which a quorum was present and acting throughout, and that the resolution has not been modified, rescinded, or revoked and is at present in full force and effect. I further certify that Mary T. Calorio now holds the office of Town Manager and that she has held that office since March 11, 2019.

Elizabeth Wilson, Town Clerk

Date

(Seal)

Killingly Memorial School Renovation Project

Expanded Scope

Estimated Project Costs	34,000,000
Anticipated State Reimbursement Rate	72.0%
Estimated Reimbursement amount	24,480,000
Estimated Town Share	9,520,000
Estimated Town Share of Portable Classroom Project	7,500,000
Increased Town Share	2,020,000

Original Authorization	16,550,000
Estimated new project	15,000,000
	31,550,000
Escalation - 2 years original project at 5% per year	1,655,000
Escalation - 1 year new project at 5%	750,000
	33,955,000
Requested Authorization	34,000,000

Killingly Memorial School Renovation Project

Expanded Scope

Estimated Project Costs	34,000,000
Anticipated State Reimbursement Rate	69.0%
Estimated Reimbursement amount	23,460,000
Estimated Town Share	10,540,000
Estimated Town Share of Portable Classroom Project	7,500,000
Increased Town Share	3,040,000

Original Authorization	16,550,000
Estimated new project	15,000,000
	31,550,000
Escalation - 2 years original project at 5% per year	1,655,000
Escalation - 1 year new project at 5%	750,000
	33,955,000
Requested Authorization	34,000,000

**Killingly Memorial School Renovation Project
Town of Killingly**

Approval of project by State of CT	7/1/2021	
Review and development of new work scope	Spring 2021	
Completion of final Design	Early 2022	
Construction begins	Summer 2022	FY 22/23
First Debt Issuance	Fall 2023	FY 23/24
Completion of Project	Spring 2024	
Final Debt Issuance	Fall 2024	FY 24/25