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AGENDA ITEMS FOR THE STATE BOND COMMISSION

AUGUST 6, 2002

ROOM 1E LEGISLATIVE OFFICE BUILDING

10:30 A.M.

SOURCE OF FUNDS	ITEM NO.	GENERAL OBLIGATION ALLOCATIONS	REVENUE BONDS/OTHER TRANSACTIONS
SPECIAL ACT #3, 2001 JUNE SPECIAL SESSION SECTIONS 13 THROUGH 17	Item 1	=====	\$147,000,000 =====
SECTION 10-287d CONNECTICUT GENERAL STATUTES	Items 2	\$100,000,000 =====	=====
GENERAL OBLIGATION BOND SALE	Item 3	=====	\$631,000,000 =====
APPROVAL OF DECLARATION OF OFFICIAL INTENT PURSUANT TO FEDERAL INCOME TAX REGULATIONS	Item 4		

AUGUST 6, 2002

FINDINGS

AGENDA ITEMS FOR THE STATE BOND COMMISSION  
AUGUST 6, 2002  
ROOM 1E LEGISLATIVE OFFICE BUILDING  
10:30 A.M.

UNLESS OTHERWISE NOTED, THE SECRETARY OF THE STATE BOND COMMISSION HAS ON FILE THE FOLLOWING MATTERS WITH RESPECT TO EACH REQUEST MADE TO THE STATE BOND COMMISSION FOR TODAY'S MEETING AS DETAILED THROUGH THE ATTACHED AGENDA ITEMS.

1. ANY HUMAN SERVICES FACILITY COLOCATION STATEMENT IF SO REQUESTED BY THE SECRETARY OF THE OFFICE OF POLICY AND MANAGEMENT PURSUANT TO CGS §4B-23.
2. ANY PROJECT WHICH INVOLVES THE USE OF 25 ACRES OR MORE OF PRIME FARMLAND FOR NONAGRICULTURAL PURPOSES HAS BEEN REVIEWED IN ACCORDANCE WITH THE PROVISIONS OF PUBLIC ACT NO. 83-102 (AN ACT CONCERNING STATE PROJECTS WHICH TAKE PRIME FARMLAND) AND THAT THE COMMISSIONER OF AGRICULTURE HAS FILED A STATEMENT INDICATING THAT EACH SUCH PROJECT PROMOTES AGRICULTURE OR THE GOAL OF AGRICULTURAL LAND PRESERVATION, OR THERE IS NO REASONABLE ALTERNATIVE SITE FOR THE PROJECT, OR THE PROJECT IS NOT APPLICABLE UNDER THE ACT.
3. ANY CAPITAL DEVELOPMENT IMPACT STATEMENT REQUIRED TO BE FILED WITH THE SECRETARY OF THE OFFICE OF POLICY AND MANAGEMENT, IF SO REQUIRED BY THE SECRETARY, PURSUANT TO CGS §4B-23.
4. ANY ADVISORY STATEMENT REGARDING THE STATE CONSERVATION AND DEVELOPMENT POLICIES PLAN REQUIRED BY CGS §16A-31 FOR EACH ITEM FOR WHICH AN ADVISORY STATEMENT IS REQUIRED BY CGS §16A-31, AND THE ITEM IS EITHER IN CONFORMITY WITH THE PLAN OR NOT ADDRESSED THEREIN.

AUGUST 6, 2002

SPECIAL ACT #3, 2001  
JUNE SPECIAL SESSION  
SEC. 7-12

ITEM NO. 1

DEPARTMENT OF TRANSPORTATION

SPECIAL TAX OBLIGATION BONDS

REQUESTED:	1) An Allocation and Bond Authorization (to Agency)	\$147,000,000
	2) Approval to authorize the Secretary of the State Bond Commission to accept reports and statements on behalf of the Commission as required by the Act	
	3) Authorization to revise or modify projects, if required, within specific subsections of the Act.	

FROM: Sec. 8

Total Authorized	\$147,000,000
Previous Allocations	-0-
Balance Unallocated	<u>\$147,000,000</u>

<u>From</u>	<u>Description</u>	<u>Requested</u>
<u>Bureau of Engineering and Highway Operations</u>		
Sec. 8(1)(A)	Interstate Highway Program	\$ 11,500,000
Sec. 8(1)(B)	Urban Systems Projects	12,000,000
Sec. 8(1)(C)	Intrastate Highway Program	31,500,000
Sec. 8(1)(D)	Soil, Water Supply And Groundwater Remediation At/ or In The Vicinity Of Various Maintenance Facilities And Former Disposal Areas	6,000,000
Sec. 8(1)(E)	State Bridge Improvement, Rehabilitation And Replacement Projects	20,000,000

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ITEM NO. 1 (Cont'd.)

<u>From</u>	<u>Description</u>	<u>Requested</u>
<u>Bureau of Aviation and Ports</u>		
Sec. 8(2)(A)	Reconstruction And Improvements To The Warehouse And State Pier, New London, Including Site Improvements And Improvements To Ferry Slips	300,000
Sec. 8(2)(B)	Development And Improvements Of General Aviation Airport Facilities Including Grants-in-aid To Municipal Airports (Excluding Bradley International Airport)	2,000,000
<u>Bureau of Public Transportation</u>		
Sec. 8(3)	Bus And Rail Facilities And Equipment, Including Rights-of-Way, Other Property Acquisition And Related Projects	34,000,000
<u>Bureau of Administration</u>		
Sec. 8(4)(A)	Department facilities	6,400,000
Sec. 8(4)(B)	Cost of Issuance of Special Tax Obligation Bonds and Debt Service Reserve	<u>23,300,000</u>
Total, This Request		<u>\$147,000,000</u>

## REASON FOR REQUEST:

These funds are requested to finance various transportation related improvements and other related costs, in accordance with the provisions of the Act and the nineteenth year of the Transportation Infrastructure Program.

The scope of work will depend upon the project's design and final costs will be based upon bids received. However, the Department of Transportation is requesting the flexibility to revise or modify projects, if required, within specific subsections of the Act. The projects in the nineteenth year of the plan would be revised or modified, as necessary, due to such occurrences as delays in any phase of project development, actual costs being revised based on final design or bids received, emergency work, or unforeseen/unanticipated projects. Project revision or substitution would occur only within that subsection of the Act and not between subsections.

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ITEM NO. 1 (Cont'd)

In accordance with Section 13b-79a C.G.S., the Commissioner of Transportation, not later than October 1, 1984 and annually thereafter, shall report to the joint standing committees having cognizance of matters relating to the Department of Transportation, to Finance, Revenue, Capital Bonding and Taxation, and to Appropriations and the Budgets of State Agencies on the status and progress of the transportation program authorized.

The release of these funds will be controlled through the allotment process: 1) subject to the filing of all reports and statements required to be filed with the Secretary of the State Bond Commission and any revisions, modifications or further project definition to the nineteenth year of the plan; and 2) under the program contingency and/or for projects to be determined these will be controlled through the allotment process subject to detailed definition by the Department.

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SECTION 10-287d  
CONNECTICUT GENERAL STATUTES

ITEM NO. 2

STATE BOARD OF EDUCATION

SCHOOL BUILDING PROJECTS (PRINCIPAL AND CURRENT PAYMENTS)

REQUESTED: An Allocation and Bond Authorization  
(to Agency) \$100,000,000

Acct. No. 3090 7001 010

Total Authorized	\$1,693,275,000
Previous Allocations	<u>1,201,275,000</u>
Balance Unallocated	<u>\$ 492,000,000</u>

REASON FOR REQUEST:

These funds are requested to finance grants-in-aid for fiscal year 2002-03 for the State's share of the cost of the principal and current payments for the construction of local school building projects in accordance with section 10-287d C.G.S, as amended, as detailed on the following page. These projects include expansion, renovations and improvements, safety and health related projects, vocational agricultural centers authorized under Section 10-65 C.G.S., and cooperative regional special educational facilities authorized under Section 10-76e C.G.S.

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ITEM NO. 2 (Cont'd.)

Summary of State Bond Commission Request  
Local School Construction  
Principal and Current Payment Requirements

Scheduled Principal Payments:

FY 2003:	
Magnet Schools	\$ 86,800,000
Non-Magnet Schools	415,500,000
Principal, Calculated	87,400,000
Reserve for Projects in Audit	5,300,000
Charter Schools	2,300,000
Less: Delayed/Cancelled Projects	<u>67,000,000</u>
Total, FY 2003	<u>\$530,300,000</u>
Total Estimated Payments	\$530,300,000
Less: Previous Funds	85,300,000
Future Funding	<u>345,000,000</u>
Total, This Request	<u>\$100,000,000</u>

AUGUST 6, 2002

ITEM NO. 3

STATE TREASURER

REQUESTED: Authorization to issue and sell general  
Obligation bonds of the State in an amount not to  
Exceed \$631,000,000

SUGGESTED RESOLUTION:

The State Treasurer is authorized to issue and sell general obligation bonds of the State, which were previously authorized to be issued by this Commission, or which may be authorized to be issued by this Commission prior to their sale, in an aggregate principal amount not to exceed \$631,000,000.

The Treasurer is authorized to consolidate for sale bonds authorized to be issued under two or more bond acts and issue the same as a single bond issue provided that a separate maturity schedule for the bonds authorized under each bond act shall be established and filed with the Secretary of the State Bond Commission prior to the delivery of the bonds.

The Treasurer is authorized to sell such bonds at public sale on sealed proposals or by negotiation, in such manner, at such price or prices, at such time or times, and on such terms and conditions as the Treasurer shall determine to be in the best interests of the State.

The Treasurer is authorized to enter into agreements on behalf of the State with respect to the issuance and sale of said bonds, including financial advisory agreements, bond purchase agreements, secondary market disclosure agreements, tax regulatory agreements containing the provisions set forth in Section 3-20(r) of the Connecticut General Statutes and agreements with respect to the issuance, sale and securing of such bonds.

The Treasurer is authorized to determine the form, date or dates, maturities of serial or term bonds, date and manner of sale, interest rate or rates and due dates thereof (including the issuance of such bonds at fixed rates or variable rates, and as capital appreciation or current interest bonds), the denominations and designation of such bonds, registration, conversion and transfer privileges, the terms of redemption with or without premium, and all other terms and conditions of such bonds and of the issuance and sale thereof, as she shall determine to be in the best interests of the State, provided that she shall file a certificate of determination with the Secretary of the State Bond Commission on or before the date of delivery of such bonds setting forth the details and particulars of such bonds determined by her in accordance with this delegation.

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ITEM NO. 3 (Cont'd)

The Treasurer is authorized to enter into on behalf of the State such reimbursement agreements, remarketing agreements, standby bond purchase agreements and any other necessary or appropriate agreements in connection with obtaining any liquidity facility or credit facility with respect to such bonds, and to determine the terms and conditions of any such agreement. The Treasurer may pledge the full faith and credit of the State to the State's payment obligations under any such agreement.

The Treasurer is authorized to enter into on behalf of the State such swap or other contracts with respect to such bonds and any other necessary or appropriate agreements in connection with obtaining any such contract, with such terms and conditions and parties as the Treasurer may determine, as provided in and subject to the requirements of Section 3-20a(c) of the Connecticut General Statutes. The Treasurer is authorized to pledge the full faith and credit of the State to the State's payment obligations under any such contract.

ITEM NO. 4

STATE TREASURER/OFFICE OF POLICY AND MANAGEMENT

REQUESTED: Approval of Requests and Certificates and Resolutions and the Filing of the State Treasurer's Certificate as to State Indebtedness and the Declaration of Official Intent Pursuant to Federal Income Tax Regulations

SUGGESTED MOTION:

RESOLVED, (1) that the requests and certificates and the appropriate resolutions to effect the bond authorizations and bond sale approved today are hereby approved and adopted; (2) that the resolutions and the State Treasurer's certificate as to state indebtedness made in accordance with section 3-21 of the general statutes, as amended, be made a part of the record of today's meeting; (3) that the State hereby declares the official intent of the State required pursuant to Section 1.150-2 of the Federal Income Tax Regulations, Title 26, with respect to each of the agenda items approved today, to the effect that the State reasonably expects to reimburse from the proceeds of borrowings any and all expenditures paid from the bond fund accounts designated and functionally described in each such agenda item or bond authorization resolution, in an amount anticipated not to exceed the amount of the authorization contained in such item or bond authorization resolution, and that the Secretary of the Office of Policy and Management and the Treasurer are authorized to amend this declaration of official intent on behalf of the State for any such item; and (4) that the State Treasurer is authorized to make representations and enter into agreements to provide secondary market disclosure information with respect to borrowings by State authorities or other entities, or by the State itself, in connection with which the State may be an obligated party under Rule 15c2-12 of the Securities and Exchange Commission.

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