

HB 6602

My name is Kurt Miller and I currently serve as the First Selectman of the Town of Seymour. I come before you today to voice my support of proposed bill 5860, An Act Concerning Renewal of Temporary Notes by the Town of Seymour. This is a very important piece of legislation that will very much benefit all of the residents of the town of Seymour.

If I could, I would like to give some quick background. The Seymour Middle School construction project was conceived in 1998 due to the inadequacy of the then existing facility at 20 Pine Street. The old facility was erected in 1923 and used first as the town's high school. The building sustained significant damaged during the flood of 1955. When a new high school was built in 1958, the facility became the town's Middle School, housing grades 6-8. Because the building was so old, as with most that age, it contained several hazardous materials including lead and asbestos. In order to ease congestion in the elementary schools in town and to provide a safer, more modern space for our students, it was decided that a new facility was required.

Unfortunately, the project was plagued from the outset with legal issues involving the architects, engineers and contractors. While the building was opened in 2002, these issues delayed the final acceptance of the building by the Board of Education until just recently. To further complicate the problems, there was a series of changes in administration, within both the Town and the Board of Education throughout the course of the lawsuits that required an exhaustive search to recover early project documentation. This further delayed the formal closing of the project and the final acceptance of the building. The Town had anticipated receiving the State grants within the statutory limit but these unanticipated setbacks interrupted the schedule.

All of the necessary paper work has been submitted to Paige Farnham at the Bureau of School Facilities. Paige expects to have her review finished by April 1, 2013. She will then submit her report to the Internal Audit Department to complete the audit. As you know, this process could take up to six months to complete. Once the audit is done, the Bureau of School Facilities will then be able to issue the final reimbursement assuming there is a clean audit.

As you know, State statute (C.G.S. Sec. 7-378a) limits the renewal of temporary notes to 10 years from the date of initial issuance. The Town of Seymour has temporary notes maturing on May 1, 2013, financing the aforementioned Middle School project that will have reached their limit on renewal. We currently have \$1.3 million of notes outstanding that mature on May 1st as we wait for the final reimbursement for the state. The Town of Seymour is seeking authority to renew the maturing notes for up to one year so that it may apply the anticipated State grants towards retirement of the renewal notes.

While this may not seem like much, if the Town where not to be granted this extension, the town would be forced to pay \$552,070 on May 1st prior to receiving the State's reimbursement. This money would need to come from the Town's General Fund and would cause significant cash flow issues in a fiscal year that has seen an unbudgeted major hurricane and a blizzard. While not having any direct impact on the mill rate or taxes to our residents, it will severely limit our financial flexibility.

Having only been in office for a little over a year, this has certainly come as a shock to me. It was not something that I had considered or planned for. Since the completion of the Middle School, we have completed a \$21.9 million addition to our High School in 2005 as well as just completing a \$32.5 million renovation to one of our elementary schools in 2012. Both renovations were completed without issue and we have ensured that similar issues will not arise in the future. The system we have implemented is organized and allows us to handle these reimbursements in a timely fashion.

On behalf of all of the residents of the Town of Seymour, I ask for your support on this bill. We ask only for the ability to renew these notes for up to one year so that we can apply the expected State reimbursement. Thank you.