

# GFOA-CT

Government Finance Officers Association of Connecticut



Quarterly Newsletter

Spring 2005 Visit our Website at [www.gfoact.org](http://www.gfoact.org) Volume 12, Issue 3

## *President's Message*

*By Kate Clarke-Buch*

I want to thank the dedicated members of our Executive Board who I have had the good fortune to work with this year. You have made my job as President very easy. This has been a very good, very productive year for the GFOA-CT.

Special thanks go to Bob Curry for organizing the quarterly meetings. They have been informative. It's been gratifying to see them so well attended. I also thank all those who spoke or served on panels. The GFOA-CT appreciates your giving of your time and energy.

With Ann Harter as Education Chair, the GFOA of Connecticut once again sponsored a full slate of educational programs. The Fall of 2004, saw a six-part mentoring program as well as a course covering a variety of topics, from Fund Balance to Risk Management.. This spring, we presented an eight-week workshop on "How to write a Policies and Procedures Manual." In addition to these programs, we also conducted quarterly meetings, and many members participated in a two-day training seminar sponsored by the New England States GFOA. Demand for these programs remains high, with registration at maximum levels

The National GFOA conference will be held June 26-29 in San Antonio, Texas. I hope to see many of you there. Tom Hamilton has once again worked very hard to arrange for the annual Connecticut Night Event. It will be held on Monday night, June 27. See our website for further details. Thank you to our many sponsors Lockton Benefit Group, Murtha Cullina, UBS Financial Services, Unibank Fiscal Advisory Services, Webster Bank, Bank of America, Carlin, Charron & Rosen, Financial Investors Trust, First Southwest Co, Fitch Ratings, Hawkins, Delafield & Wood, Hudson United Bank, IBIC, ICMA Retirement COpr, JER Revenue Services, Kostin, Ruffkess & Co, MBIA CLASS, McGraw Hill Companies, Milliman USA, PaineWebber Prime Consulting, Peoples Bank, Pullman & Comley, Reich & Tang, Robinson & Cole, Roosevelt & Cross, RSM McGladrey, Sawicki & Lombardozzi, SEI Investments Co, Smith Affiliated Capital Corp, US Bank, Wachovia Bank. Your support is appreciated.

As my term ends, I would like to thank once again thank all of the Executive Board members and Committee Chairs for their dedication to this organization. I look forward to seeing all of you at Tunxis.

## *Legislative Committee*

*By Jim Finch & Mike Walsh*

OPEB Legislation Update:

The OPEB legislation (SB 1358) is making its way through the legislative process after successful votes in the Finance Revenue and Bonding Committee, and more recently the Planning and Development Committee. Despite these early victories, a formidable threat exists from legislators who feel municipalities are likely to abuse the added bonding powers that the legislation provides. Moreover, the bill's detractors have an advantage in that it is easier to attack this bill than to develop the understanding required to support it. This will undoubtedly complicate our efforts during floor debates. *Therefore, it is imperative for each of us to contact our respective state delegation and urge them to support this bill.* Please remind them that the vast majority of towns are fiscally responsible and stress the elements of the bill related to the oversight requirements of the Office of Policy and Management and any other arguments you feel are relevant to assuage their fears. As a final note, the legislative committee and the board committed time and financial resources to promote this legislation and therefore we must all remain steadfast in our resolve to ensure its success.

A copy of the legislation is attached to the newsletter

## ***GFOA National Conference – San Antonio, TX.***

***By Tom Hamilton***

The GFOA national conference will be held in San Antonio, Texas this year, from June 26, 2005 to June 29, 2005. The GFOA of Connecticut is planning a dinner event for Monday evening, June 27, 2005.

The event this year will be held at the Don Strange Ranch of Texas, located in Hill Country approximately 40 minutes outside of San Antonio. Although the ranch has an authentic look and feel, it was constructed as a full facility event venue. We have planned a Texas-style evening, complete with venison quesadillas, Hill Country sausage, Texas ribeye steak, and grilled chicken.

Our entertainment plans are still being formulated, but it will most certainly be appropriate to our western locale. Dress for the evening will be casual. Country/Western dress is encouraged!

Bus transportation from one of the main conference hotels will be provided, leaving at 6:00 PM. Return buses will be staggered to accommodate both the early and late crowd.

We hope that you will be able to join us in San Antonio. Tickets are \$50 for active members, \$25 for children ages 4-10 and \$150 for Associates. Tickets will be available at the Annual Meeting on June 1<sup>st</sup>, or you can send your check to Sal Pandolfo, 45 Fort Hill Road, Groton, CT 06340.

## ***Education Committee***

***By Ann Harter***

### **Certified Public Finance Officer Program (CPFO)**

The CPFO examinations will be held on June 24, 2005, in conjunction with the GFOA Conference in San Antonio, Texas. The deadline for registration is June 17th. Visit the national GFOA website at <http://www.gfoa.org> and click **Certification** or visit <http://www.vgfoa.org/cpfo/> for all the details.

### **COURSES**

The Education Committee offered two courses this spring. A multi-session course on **Writing Policies and Procedures** was well attended. Thanks to Amy Stuart of Tyler Technologies for taking on this task and to the City of Middletown for hosting. Also, a half-day session on **Performance Measurement** with Lisa Parker, Director of Finance from Saco, Maine as our speaker.

### **SUGGESTIONS**

As the Committee prepares for another year we are looking suggestions from the membership. Please complete the following survey and return it to: [aharter@ci.newington.ct.us](mailto:aharter@ci.newington.ct.us)

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Place an "X" in the box to the right if you would like the course offered by the CT GFOA.

Other Post Employment Benefits	<input type="checkbox"/>	CPFO Review Course	<input type="checkbox"/>
Cash Management	<input type="checkbox"/>	Debt Management	<input type="checkbox"/>
Purchasing	<input type="checkbox"/>	Risk Management	<input type="checkbox"/>
Pension Fund Management	<input type="checkbox"/>	Communication Skills	<input type="checkbox"/>

Human Resources/Labor Relations		Leadership Skills	
Organizational Skills		Presentation Skills	
Management/Supervisory Skills		Writing	

Any additional topics?

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Would you be interested in a roundtable format for future topics? Yes No

If yes, which topics are of interest? \_\_\_\_\_

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Ann Harter, Town of Newington

Christine Hutton, Town of Tolland

Sal Pandolfo, Town of Groton

Tayna Oliver-Perry, City of Middletown

***John T. Walsh Scholarship Committee***

***By Bill Hogan***

The 2004-05 John T. Walsh Scholarship to the GFOA's Advanced Government Finance Institute this August at the University of Wisconsin was awarded to two GFOA- CT members: Ann Harter, Deputy Director of Finance -Town of Newington and Bob Curry Director of Finance for the City of Meriden.

The awards which were recommended by the John T. Walsh Scholarship Committee, were announced at the Spring quarterly meeting at Water's Edge. The committee cited both Ann and Bob's years of dedicated service and their active participation in the GFOA- CT. Ann and Bob have served on the executive board for several years and currently serve as chairpersons of the Education and Internet Committees, respectively.

The 5-day Institute was established by the GFOA to provide senior-level finance officers an opportunity to focus on long term issues in a stimulating academic environment. Past winners were Alan Desmarais of Manchester and Glenn Klocko of Bristol

The ***John T. Walsh Scholarship*** was established in 1996 by the Government Finance Officers Association of Connecticut (GFOA-CT). John T. Walsh, who passed away in 1996, was Director of Finance for the City of Hartford for approximately thirty years. Throughout his career he taught public administration at the graduate level at the University of Hartford and the University of Connecticut. He was an active member of the American Society of Public Administration and was President of the Government Finance Officers Association (GFOA) of Connecticut and the New England States GFOA. He served as national President of the GFOA of United States and Canada in 1985-86 and was instrumental in the development and adoption of the GFOA's Code of Ethics.

The John T. Walsh Scholarship Committee is comprised of Catherine S. Boone, Deputy State Treasurer, William J. Cochran, former Director of Finance with the City of Hartford and Bill Hogan, Director of Finance with the Town of Newington. All are former employees of Mr. Walsh.

Congratulations to both Ann and Bob from everyone at GFOA-CT....study hard!

## ***GFOA Mentoring Program***

***By Alan Desmarais***

Free Beer and Pretzels

Well, ok I lied about the free beer and pretzels but it might be the next best thing.....

At its April meeting, The GFOA Executive Board adopted a GFOA Mentoring Program. The purpose of the Program is to "provide one to one professional assistance to new or veteran government finance employees (active members) on a voluntary basis." Upon completion of the initial membership application, new members will be given the opportunity to indicate their interest in the Program. Should they desire, current GFOA

members also have the opportunity to request a mentor.

The Mentor is to provide the new member with professional support. This support could take the form of introduction of the new member to peers at a GFOA quarterly meeting, discussion of available professional financial services providers, and a resource for discussion of professional issues. Each Mentor/ Mentored relationship will be different and will be defined by the participants.

I'd like each of you to think back to your first GFOA meeting. Unless you are an extremely outgoing person and comfortable in new settings, you found probably found meeting all the individuals and remembering their names a very daunting task. A mentor can help you avoid introducing your self to the same person three times that first meeting.

What is being described in this Program is an effort we all have extended to a new member at some time or another. What this proposal seeks to do is formalize those relationship opportunities and match participants in areas of concern. While this may sound like an eHarmony.com advertisement (and all you patent attorneys mea culpa for

the probable trademark violation), I believe it makes a lot of sense.

As I mentioned before the Program also applies to current members. If there are areas of expertise that you seek guidance, you can request a mentor on that topic only. Personally, I might have been able to benefit from a mentor on Clean Water Fund issues when I arrived in Manchester twelve years ago.

So please consider being a mentor. You can volunteer for either new or existing members or both. The choice is yours. My hope is to have a full complement of participants in order to be able to select the best match for the mentored member. If you are interested in either becoming a mentor or being mentored please contact Alan Desmarais at 860 647 3101, or by email at [aland@ci.manchester.ct.us](mailto:aland@ci.manchester.ct.us)

### ***AN ACT CONCERNING THE CREATION, MANAGEMENT AND FUNDING OF MUNICIPAL POST-EMPLOYMENT HEALTH AND LIFE BENEFIT SYSTEMS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 7-450 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Any municipality or subdivision thereof may, by ordinance, establish pension[ and ], retirement or other post-employment health and life benefit systems for its officers and employees and their beneficiaries, or amend any special act concerning its pension[ or ], retirement or other post-employment health and life benefit system, toward the maintenance in sound condition of a pension, retirement or other post-employment health and life benefit fund or funds, provided the rights or benefits granted to any individual under any municipal pension, retirement or pension]other post-employment health and life benefit system shall not be diminished or eliminated. The legislative body of any such municipality, by a two-thirds vote, may provide for pensions to persons, including survivors' benefits for widows of such persons, not included in such pension or retirement [or pension ]system.

(b) (NEW)The provisions of subsection (a) shall not operate to invalidate the establishment of any post-employment health and life benefit system duly established prior to the effective date of section 1 of this act by any municipality or subdivision thereof pursuant to the provisions of any public or special act, charter, special act charter, home-rule ordinance, local ordinance or local law.

Sec. 2. Section 7-450a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) Any municipality, in which a pension[ or], retirement [or other post-employment health and life benefit](#) system applicable with respect to any employees of such municipality has been established by ordinance or under the authority of any [public or special act, charter or special act charter](#), shall have prepared, no less often than once every five years commencing July 1, 1977, an actuarial evaluation of such system, including evaluation of accumulated or past service liability and the annual liability related to benefits currently earned under such system. Such evaluation shall be prepared by an actuary enrolled by the joint board for the enrollment of actuaries established under Subtitle C of Title III of the federal act entitled Employee Retirement Income Security Act of 1974, and such evaluation shall be prepared on the basis of such assumptions as to interest earnings, mortality experience, employee turnover and any other factors affecting future liabilities under such system, which in the judgment of such actuary represent the best estimate as to future experience under such system.

(b) No ordinance or act altering the pension[ or], retirement [or other post-employment health and life benefit](#) system shall be enacted until the legislative body, as defined in subsection (3) of section 7-425, has requested and received a qualified cost estimate from such enrolled actuary.

(c) Any municipality subject to the requirements in subsection (a) of this section shall have prepared, within six months following the adoption of any amendment to such system increasing benefits to any extent, in addition to such evaluations as required under subsection (a), a revision of the last preceding evaluation reflecting the increase in potential municipal liability under such system. If such amendment is adopted within one year preceding a date on which an actuarial evaluation is required under subsection (a), an additional evaluation shall not be required.

(d) Any actuarial evaluation prepared for a municipality in accordance with this section shall be delivered to the chief fiscal officer of such municipality who shall file a certified copy thereof with the town or city clerk for custody in the manner of other public records. A summary of such evaluation, including a statement prepared by the actuary as to the amount of annual payment that should be made for proper funding on the basis of such evaluation with respect to benefits currently earned and the accumulated or past service liability, shall be included in the first annual report of the municipality next following completion of each such evaluation.

Sec. 3. Subsection (a) of section 7-403a of the general statutes, as amended by section 1 of public act 04-116, is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) [\[Upon\]Notwithstanding the provisions of section 7-450\(a\), as amended by section 1 of this act, upon](#) the recommendation of the chief executive officer of a municipality and approval of the budget-making authority of the municipality, the legislative body of any municipality, as defined in section 7-369, may, by a majority vote, create a loss and retiree benefits reserve fund.

Sec. 4. Subsection (b) of section 7-374b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) [\[Any\]Notwithstanding the provisions of section 7-374\(c\), as amended by section 5 of this act, any](#) municipality may authorize the issuance of bonds, notes or other obligations in accordance with the provisions of this chapter for the purpose of funding a loss and retiree benefits reserve fund established pursuant to section 7-403a.

Sec. 5. Section 7-374c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) For purposes of this section:

(1) "Actuarial valuation" means a determination certified by an enrolled actuary, in a method and using assumptions meeting the parameters established by generally accepted accounting principles, of the normal cost, actuarial accrued liability, actuarial value of assets and related actuarial present values for a pension [or post-employment health and life benefit](#) plan of a municipality as of a valuation date not more than thirty months preceding the date of issue of the pension [or other post-employment benefit](#) deficit funding bonds, together with an actuarial update of such valuation as of a date not more than three months preceding the date of notification of the secretary by the municipality, in accordance with subdivision (1) of subsection (c) of this section, of its intent to issue the pension [or other post-employment benefit](#) deficit funding bonds.

(2) "Actuarially recommended contribution" means the lesser of the annual employer normal cost or the recommended annual required contribution to the pension [or post-employment health and life benefit](#) plan of the municipality, each of which is established by the actuarial valuation and determined by an enrolled actuary in a method and using assumptions meeting the parameters established by generally accepted accounting principles provided such contribution shall, in a time and manner to be prescribed by regulations adopted by the secretary, in consultation with the Treasurer, be at least equal to the amount actuarially determined necessary to maintain the pension [or post-employment health and life benefit](#) plan's funding ratio substantially the same as immediately succeeding the deposit of the proceeds of the pension [or other post-employment benefit](#) deficit funding bonds in such pension [or post-employment health and life benefit](#) plan.

(3) "Chief executive officer" means such officer as described in section 7-193.

(4) "Enrolled actuary" means a person who is enrolled by the Joint Board for the Enrollment of Actuaries established under subtitle C of title III of the Employee Retirement Income Security Act of 1974, as from time to time amended.

(5) "General obligation" means an obligation issued by a municipality and secured by the full faith and credit and taxing power of such municipality.

(6) "Municipal Finance Advisory Commission" means the Municipal Finance Advisory Commission established pursuant to section 7-394b.

(7) "Municipality" means a municipality, as defined in section 7-369.

(8) "Obligation" means any bond or any other transaction which constitutes debt in accordance with both municipal reporting standards in section 7-394a and the regulations prescribing municipal financial reporting adopted by the secretary pursuant to said section 7-394a.

(9) "Pension [or other post-employment benefit](#) deficit funding bond" means any obligation issued by a municipality to fund, in whole or in part, an unfunded past benefit obligation. "Pension [or other post-employment benefit](#) deficit funding bond" shall not include any bond issued by a municipality pursuant to and in accordance with the provisions of subsection (g) of this section to pay, fund or refund prior to maturity any of its pension [or other post-employment benefit](#) deficit funding bonds previously issued, or any bond issued prior to January 1, 1999, but may include any bond issued by a municipality prior to January 1, 1999, for the sole and exclusive purposes of (A) applying the provisions of subsection (f) of this section in lieu of subsection (c) of section 7-403a as the municipality may determine, and (B) requiring the municipality to apply and comply with the provisions of subsections (c) and (d) of this section.

(10) "Secretary" means the Secretary of the Office of Policy and Management or the secretary's designee.

(11) "Treasurer" means the Treasurer of the state of Connecticut or the Treasurer's designee.

(12) "Unfunded past benefit obligation" means the unfunded actuarial accrued liability of the pension [or post-employment health and life benefit](#) plan determined in a method and using assumptions meeting the parameters established by generally accepted accounting principles.

(13) "Weighted average maturity" means (A) the sum of the products, determined separately for each maturity or sinking fund payment date and taking into account any mandatory redemptions of the obligation, of (i) with respect to a serial obligation, the principal amount of each serial maturity of such obligation and the number of years to such maturity, or (ii) with respect to a term obligation, the dollar amount of each mandatory sinking fund payment with respect to such obligation and the number of years to such payment, divided by (B) the aggregate principal amount of such obligation.

(b) Except as expressly provided in this section, no municipality shall issue any pension [or other post-employment benefit](#) deficit funding bond.

(c) Any municipality [\[which\] may in accordance with the following requirements authorize and issue pension or other post-employment benefit deficit funding bonds to fund the payment of costs related to the issuance of such bonds and all or a portion of an unfunded past benefit obligation: \(i\) with respect to a pension plan, provided that the municipality has no outstanding pension or other post-employment benefit deficit funding bonds\[, other \] issued to fund in whole or in part an unfunded past pension obligation, other than an earlier series of such obligations issued under subsection \(b\) of section 7-374b or this section to partially fund an unfunded past pension obligation, or \(ii\) with respect to a post-employment health and life benefit plan, provided that the municipality has no outstanding pension or other post-employment benefit deficit funding bonds issued to fund in whole or in part an unfunded past post-employment health and life benefit obligation, other than an earlier series of such obligations issued under this section to partially fund an unfunded past post-employment health and life benefit obligation](#) [\[may authorize and issue pension deficit funding bonds to fund all or a portion of an unfunded past benefit obligation, as determined by an actuarial valuation, and the payment of costs related to the issuance of such bonds in accordance with the following requirements\].](#)

(1) The municipality shall, within the time and in the manner prescribed by regulations adopted by the secretary or as otherwise required by the secretary, notify the secretary of its intent to issue such pension [or other post-employment benefit](#) deficit funding bonds and shall include with such notice (A) the actuarial valuation, (B) an actuarial analysis of the method by which the municipality proposes to fund any unfunded past benefit obligation not to be defrayed by the pension [or other post-employment benefit](#) deficit funding bonds, which method may include a plan of issuance of a series of pension [or other post-employment benefit](#) deficit funding bonds, (C) an explanation of the municipality's investment strategic plan for the pension [or post-employment health and life benefit](#) plan with respect to which the pension [or other post-employment benefit](#) deficit funding bonds are to be issued, including, but not limited to, an asset allocation plan, (D) a three-year financial plan, including the plan of finance for such pension [or other post-employment benefit](#) deficit funding bonds, prepared in the manner prescribed by the secretary, (E) documentation of the municipality's authorization of the issuance of such pension [or other post-employment benefit](#) deficit funding bonds, and (F) such other information and documentation, as defined in regulations, as is required by the secretary or the Treasurer to carry out the provisions of this section.

(2) So long as the pension [or other post-employment benefit](#) deficit funding bonds or any bond refunding such bonds are outstanding, the municipality shall (A) meet any actuarially recommended contribution in each fiscal year of the municipality commencing with the fiscal year in which the bonds are issued, and (B) notify the secretary annually, who shall in turn notify the Treasurer, of the amount and the rate of any such actuarially recommended contribution and the amount and the rate, if any, of the actual annual contribution by the municipality to the pension [or post-employment health and life benefit](#) plan to meet such actuarially recommended contribution.

(3) The municipality shall not issue pension [or other post-employment benefit](#) deficit funding bonds prior to, nor more than six months subsequent to, receipt of the written final review required under subsection (d) of this section. A municipality may renotify the secretary of its intention to issue pension [or other post-employment benefit](#) deficit funding bonds and provide the secretary with updated information and documentation in the manner and as described in subdivision (1) of this subsection, and request an updated final review from the secretary if more than six months will elapse between the receipt of the prior final review of the secretary and the proposed date of issue of the pension [or other post-employment benefit](#) deficit funding bonds.

(d) Upon receipt of notification from a municipality that it intends to issue pension [or other post-employment benefit](#) deficit funding bonds, the secretary shall inform the Treasurer and the Municipal Finance Advisory Commission of such notification. The secretary and the Treasurer shall review the information and documentation required in subsection (c) of this section and within fifteen days shall notify the municipality as to the adequacy of the materials provided and whether any additional information is required. The secretary and the Treasurer shall issue a written final review to the municipality verifying that the

municipality has complied with the provisions of subdivision (1) of subsection (c) of this section and, including any recommendations to the municipality concerning the issuance of pension [or other post-employment benefit](#) deficit funding bonds, not later than thirty days following the receipt of such information and documentation. The secretary shall file a copy of such final review with the chief executive officer of the municipality and the Municipal Finance Advisory Commission. If the secretary and the Treasurer fail to provide a written final review to the municipality by the forty-fifth day following the receipt of such information and documentation, such final review shall be deemed to have been received by the municipality.

(e) Except as otherwise provided by this section, the provisions and limitations of this chapter shall apply to any pension [or other post-employment benefit](#) deficit funding bonds issued pursuant to the provisions of this section. Such pension [or other post-employment benefit](#) deficit funding bonds shall be general obligations of the municipality, 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. Notwithstanding the provisions of any other general statute or of any special act, charter, special act charter, home-rule ordinance, local ordinance or local law, (1) the first installment of any series of pension [or other post-employment benefit](#) deficit funding bonds shall mature or the first sinking fund payment of any series of pension [or other post-employment benefit](#) deficit funding bonds shall be due not later than eighteen months from the date of the 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 municipality next following the fiscal year in which such series is issued, and 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, (2) any such pension [or other post-employment benefit](#) deficit funding bonds may be sold at public sale on sealed proposal, by negotiation or by private placement in such manner at such price or prices, at such time or times and on such terms or conditions as the municipality, or the officers or board of the municipality delegated the authority to issue such bonds, determines to be in the best interest of the municipality, and (3) no municipality shall issue temporary notes in anticipation of the receipt of the proceeds from the sale of its pension [or other post-employment benefit](#) deficit funding bonds.

(f) Proceeds of the pension [or other post-employment benefit](#) deficit funding bonds, to the extent not applied to the payment of costs related to the issuance thereof, shall be deposited in the pension [or post-employment health and life benefit](#) plan of the municipality to fund the unfunded past benefit obligation for which the bonds were issued, and, notwithstanding any limitations on the investment of proceeds received from the sale of bonds, notes or other obligations set forth in section 7-400 may be invested in accordance with the terms of said pension [or post-employment health and life benefit](#) plan, as such terms may be amended from time to time.

(g) A municipality may authorize and issue refunding bonds to pay, fund or refund prior to maturity any of its pension [or other post-employment benefit](#) deficit funding bonds in accordance with the provisions of section 7-370c, provided, notwithstanding the provisions of said section 7-370c, the weighted average maturity of such refunding bonds shall not exceed the weighted average maturity of the outstanding pension [or other post-employment benefit](#) deficit funding bonds being paid, funded or refunded by such refunding bonds. The municipality shall notify the secretary, who shall in turn notify the Treasurer, of its intention to issue refunding bonds pursuant to this subsection, not less than fifteen days prior to the issuance thereof, and shall provide the secretary with a copy of the final official statement, if any, prepared for the refunding bonds, not more than fifteen days after the date of issue of such bonds.

(h) The secretary, in consultation with the Treasurer, shall adopt regulations, in accordance with the provisions of chapter 54, as necessary to establish guidelines concerning compliance with the provisions of subsections (c), (d) and (g) of this section.

Sec. 6. Subsection (b) of section 7-374 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) Limitation of indebtedness. No town and no municipality coterminous with or within such town shall incur any indebtedness in any of the following classes through the issuance of bonds which will cause the aggregate indebtedness, in that class, of such town and of all municipalities coterminous with and within such town, jointly, to exceed the multiple stated below for each class times the aggregate annual receipts of such town and of all municipalities coterminous with and within such town, jointly, from taxation for the most recent fiscal year next preceding the date of issue: (1) All debt other than debt for urban renewal projects, water pollution control projects, school building projects, as defined in section 10-289, and the funding of an unfunded past benefit obligation, as defined in section 7-374c, two and one-quarter; (2) debt for urban renewal projects, three and one-quarter; (3) debt for water pollution control projects, three and three-quarters; (4) debt for school building projects, as defined in section 10-289, four and one-half; (5) debt for the funding of an unfunded past benefit obligation, as defined in section 7-374c, ~~three; and (6) with respect to a pension plan, three; (6) debt for the funding of an unfunded past benefit obligation, as defined in section 7-374c, with respect to a post-employment health and life benefit plan, three; and (7)~~ total debt including subdivisions (1), (2), (3), (4), ~~(5)~~ and ~~[(5)](6)~~ of this subsection, seven. In the computation of annual receipts from taxation, there shall be included as such receipts interest, penalties, late payment of taxes and payments made by the state to such town and to municipalities coterminous with and within such town under section 12-129d and section 7-528. In computing such aggregate indebtedness, there shall be excluded each bond, note and other evidence of indebtedness (i) issued in anticipation of taxes; (ii) issued for the supply of water, for the supply of gas, for the supply of electricity, for the construction of subways for cables, wires and pipes, for the construction of underground conduits for cables, wires and pipes and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments which have been levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from any state or federal grant for which the town or municipality has received a written commitment or for which an allocation has been approved by the State Bond Commission or from a contract with the state, a state agency or another municipality providing for the reimbursement of capital costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for water pollution control projects in order to meet the requirements of an abatement order of the Commissioner of Environmental Protection, provided the municipality files a certificate signed by its chief fiscal officer with the commissioner demonstrating to the satisfaction of the commissioner that the municipality has a plan for levying a system of charges, assessments or other revenues which are sufficient, together with other available funds of the municipality, to repay such obligations as the same become due and payable; and (vi) upon placement in escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient, together with such investment earnings thereon as are to be retained in said escrow, to provide for the payment when due of the principal of and interest on such bond, note or other evidence of indebtedness. "Urban renewal project", as used in this section, shall include any project authorized under title 8, the bonds for which are not otherwise, by general statute or special act, excluded from the computation of aggregate indebtedness or borrowing capacity. In the case of a town that is a member of a regional school district, a portion of the aggregate indebtedness of such regional school district shall be included in the aggregate indebtedness of such town for school building projects for the purposes of this section. Such portion shall be determined by applying to the indebtedness of the district, other than indebtedness issued in anticipation of the receipt by the district of payments by its member towns or the state for the operations of such district's schools and of proceeds from any state or federal grant for which the district has received a written commitment or for which an allocation has been approved by the State Bond Commission or from a contract with the state, a state agency or another municipality providing for the

reimbursement of capital costs but only to the extent such indebtedness can be paid from such proceeds, such member town's percentage share of the net expenses of such district for the most recent fiscal year next preceding the date of issue payable by such town as determined in accordance with subsection (b) of section 10-51.