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**BOARD OF SELECTMEN
REGULAR MEETING
May 6, 2020**

Present: Norman M. Needleman, First Selectman
Stacia R. Libby, Selectman
Bruce M. Glowac, Selectman

Others in Attendance: Kelly Sterner, Finance Director
Mary Ellen Barnes, Park and Recreation Director
Lisa Fasulo, Health Director and Deputy EMD

Stacia Libby called the meeting to order at 5:00 p.m.

First Selectman Needleman welcomed everyone to the Board of Selectmen remote public access meeting. This meeting was made available to the public via Zoom Meeting.

The Board of Selectmen and attendees went around the room and announced themselves.

First Selectman Needleman announced that audio attendees will be muted during the meeting except during public comment. Attendees were asked to please identify themselves for the record prior to making any comments.

Approval of Agenda:

Motion was made by Bruce Glowac to approve the Agenda. Stacia Libby seconded the motion. All in favor.

Approval of Minutes:

Motion was made by Stacia Libby to approve the April 15, 2020 Meeting Minutes. Bruce Glowac seconded the motion. All in favor.

Informational Items, Communications and Correspondence

Norman Needleman reported there are 16 confirmed cases and one coronavirus related death. Health Director Lisa Fasulo reported that Essex has done quite well due to the Governor's request that everyone maintain wearing masks and practicing social distancing. Ms. Fasulo reported the Town is working on re-opening businesses, but we must do it safely.

The Selectmen thanked Lisa and all Town Hall employees including Public Works, Police, the Transfer Station, Board and Commission members, everyone who is working every day whether it is in the office writing the daily newsletters, keeping people informed and educating on how to stay safe via social media, or out maintaining the roads and town property. Ms. Fasulo asked for everyone's continued patience and she thanked the residents who have all done their part.

Public Announcements / Comment:

Phil Beckman inquired if the Board of Selectmen would be approving the bonding tonight. Mr. Needleman explained that no, the bonding would not be approved tonight, but a borrowing resolution would be approved, and a Town meeting will be set.

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OLD BUSINESS: None

NEW BUSINESS:

Appointments and Resignations Board and Commissions None

Job Descriptions

Motion was made by Bruce Glowac to approve the one (1) job description listed below. Stacia Libby seconded the motion. All in favor.

1. Building and Grounds Superintendent

Essex Board of Education Special Appropriation Request from Capital Reserve Fund

Motion was made by Bruce Glowac to approve the appropriation of a sum not to exceed \$90,811.00 for various school projects (see list below). Said sum to be taken from the Essex Elementary Capital Improvement Sinking Fund. Stacia Libby seconded the motion and it was unanimously approved. Motion carried.

| 2020-21 HELICOPTER NOTES / CAPITAL RESERVE FUND | | | | |
|---|--------|--|---------------------|---|
| Listed In Priority | Object | Description | Cost | Updated 04/08/2020 Notes |
| 1 | 5430 | Replace 3" backflow on domestic water line | \$ 5,560.00 | 1. The Shaffer Co. \$5,095 2. New England Service Co. \$5,575 ***3. Ed Bartelli, Inc. \$5,560 |
| 2 | 5430 | Replace Outside water fountain(primary playscape) | \$ 1,470.00 | 1. Global \$1,680 *** 2. Beachum Recreation \$1,470 ***1. WB Mason \$13,650 |
| 3 | 5430 | Replace Furniture - grade 3 | \$ 13,650.00 | 2. School Specialty \$10,846 |
| 4 | 5430 | Continue Upgrade security camera system | \$ 5,000.00 | |
| 5 | 5430 | Repair Driveway (bus loop - repair asphalt, crack seal, & sealant) | \$ 14,581.00 | 1. Sullivan Paving \$17,500 ***2. Constantine Paving & Sealing \$14,581 |
| 6 | 5430 | Replace Playground walkway-black top area (kindergarten) | \$ 12,300.00 | ***1. Sullivan Paving \$12,300 ***1. Martin Laviero Contractor \$3,450 |
| 7 | 5430 | Replace Sidewalk (bus loop) | \$ 3,450.00 | 2. Giroux Landscaping \$3,425 ***1. New England Power Equipment \$3,800 |
| 8 | 5730 | Hitch Spreader and Sander | \$ 3,800.00 | ***1. Martin Laviero Contractor \$31,000 |
| 9 | 5430 | Replace Front walkway | \$ 31,000.00 | 2. K. E. Braza Construction \$35,873 |
| | | TOTAL | \$ 90,811.00 | |
| | | | | *** =use these companies/quotes |

There was discussion that the designated sinking funds should be used primarily for large capital projects and the small projects should come out of a maintenance budget line.

Health Insurance Region 4 Withdrawal Agreement

The Town of Essex is moving from Region 4 Health Insurance to the State Partnership Plan on July 1, 2020. The Selectmen discussed the possible withdrawal terms from the R4 insurance program and whether there is any anticipated supplemental payment to the health benefit reserve account.

Mr. Needleman reported that the current Town health insurance plan is very expensive. The Town looked at the State Partnership Plan and found the insurance to be the same or better and the cost was less than the current plan. Since there is no formal/written agreement between the Town and R4, a Health Insurance Region 4 Withdrawal Agreement has been drafted. Ms. Sterner discussed the

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proposed methodology and calculation of what run-off claims cost may be for the Town to exit the R4 plan.

Motion was made by Bruce Glowac to proceed with the withdrawal from the Region 4 Health Insurance plan with the proposed exit plan. Stacia Libby seconded the motion and it was unanimously approved. Motion carried.

Board of Selectmen Meeting will Consider Borrowing Resolution

It is currently unknown to what extent the circumstances surrounding the COVID-19 crisis will impact the various revenue sources for the Town at the beginning of next fiscal year 2020-2021, which begins on July 1, 2020. Local tax revenues and State funding may lag and impact the Town's cash flow and liquidity. The Town maintains a healthy fund balance which will serve as our primary resource to maintain our cash flow. Nonetheless, as the duration of this crisis is unclear and in an abundance of caution, the Town seeks to put in place a borrowing resolution to allow up to \$5,000,000 of borrowings in the event the need arises. The Board of Selectmen considered the borrowing resolution.

Town Attorney Joseph P. Fasi stated that this is a borrowing resolution which is a cash flow borrowing. Any amounts borrowed must be repaid in the fiscal year in which the borrowing occurs. Attorney Fasi stated that all the Towns that he works with are considering doing this in order to be prepared.

Finance Director Sterner reported the Town usually collects 55% of the tax revenue in July and August and typically 34% of our budget is expended by the end of September.

Mr. Needleman stated that the borrowing resolution is merely a safety measure being put in place and any funds will only be borrowed if they are necessary. The municipal borrowing, or tax anticipation notes (TANs) is a municipal borrowing facility in which payments are secured by future tax revenue. The funds can only be used to meet the cash flow needs of the Town.

Phil Beckman inquired about the current Town fund balance and possibly using those funds because he is uncomfortable with the Town setting up the Tax Anticipation Notes (TANs) which to him is like a blank check. Mr. Needleman assured Mr. Beckman that the Town is not borrowing anything right now, but the Town needs to be proactive and it is in the Town's best interest to have this plan in place if there is a worse case scenario.

Carolyn Field stated that although it is wise to be prudent and have plans in place, she was also concerned that the TANs will be perceived as a blank check. Mr. Needleman stated that this TANs is not a long-term bond, and anything borrowed must be paid back in the first year. Mr. Needleman stated that he does not anticipate the Town would have any extraordinary expenses, but these funds would be used if there is a shortfall on cash flow. It is a very conservative approach to managing cash flow shortage during a specific period of time.

Mike Hammond inquired whether this would impact the budget. Mr. Needleman reported it does not impact spending. Although there is an increase in spending for the personal protective equipment and any associated unusual expenses due to COVID, those expenses will most likely be reimbursed by FEMA.

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Norman M. Needleman introduced and read the following resolution:

RESOLVED: That the resolution entitled “RESOLUTION AUTHORIZING THE ISSUANCE OF BONDS, NOTES AND OTHER OBLIGATIONS IN AN AMOUNT NOT TO EXCEED \$5,000,000 TO MEET THE CASH FLOW NEEDS OF THE TOWN OF ESSEX FOR FISCAL YEAR JULY 1, 2020- JUNE 30, 2021” is hereby approved and recommended for adoption by the Town.

Motion was made by Bruce Glowac to waive the reading of the entitled resolution and that its full text be incorporated into the minutes of the meeting. Stacia Libby seconded the motion and it was unanimously approved. Norman Needleman thereupon declared the motion carried.

Motion was made by Bruce Glowac that said resolution be adopted as introduced. Stacia Libby seconded the motion and it was unanimously approved. Norman Needleman thereupon declared the motion carried and the resolution adopted. The resolution is attached hereto.

Motion was made by Bruce Glowac that that a Town meeting be held July 1, 2020 at 4:30 pm to consider and act on the resolution. Stacia Libby seconded the motion and it was unanimously approved. Norman Needleman thereupon declared the motion carried

Schedule Public Hearing None

Set Town Meeting

Motion was made by Norman Needleman to set a Town Meeting on Wednesday, July 1, 2020 at 4:30 p.m. in Conference Room A. Bruce Glowac seconded the motion. All in favor.

SELECTMEN GENERAL DISCUSSION:

Long Term Recovery Committee

The Selectmen discussed setting up a Long-Term Recovery Committee in order to identify and address unmet needs resulting from the COVID 19 pandemic. Members would be someone from the Economic Development, Harbor Commission, Police, Board of Education, Health Department, Social Services, and a Board Clerk. The Long-Term Recovery Coordinator for the Town of Essex will be Selectman Bruce Glowac.

Bruce Glowac said there needs to be broader cooperation and we all need to maintain a safe Town and figure out what can be opened or allowed, or not be opened. For instance, how do you play basketball safely? Or how do you hold a safe summer camp program and still give the campers a good experience while maintaining social distancing and wearing masks.

Position Announcement – Finance Director

The Town is currently accepting applications for the position of a full-time Finance Director.

Public Comment / Announcements:

There was discussion of opening restaurants and discussion on whether any zoning regulations would need to be changed or updated. Mr. Needleman reported this is all short term. There was

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also discussion of making sure the Town receives good legal advice because even with all the best intentions we want to avoid liability.

Mike Hammond suggested the Town continue to treat this as a public health issue and the Town should take direction from the Department of Public Health.

Mr. Needleman stated that the Town will get through this and we are just trying to find our way like everyone else. We are a lot luckier than many other Towns. Mr. Needleman believes relaxing anything now could cause a spike in cases and asked that everyone be vigilant over the next six months.

There being no further business to conduct, a motion to adjourn was moved and seconded and unanimously adopted, and the meeting adjourned at 6:40 pm.

Respectfully submitted,
Maria Lucarelli

RESOLUTION AUTHORIZING THE ISSUANCE OF BONDS,
NOTES AND OTHER OBLIGATIONS IN AN AMOUNT NOT
TO EXCEED \$5,000,000 TO MEET THE CASH FLOW NEEDS
OF THE TOWN OF ESSEX FOR FISCAL YEAR JULY 1, 2020-
JUNE 30, 2021

Section 1. The sum not to exceed \$5.0 Million is authorized to be borrowed as set forth in this resolution for the purpose of funding the Town of Essex' expenses and obligations during the fiscal year commencing July 1, 2020 and ending June 30, 2021. The expenses to be finance pursuant to this authorization include expenses incurred by the town during the course of its governmental operations, including but not limited to expenses and obligations authorized to be financed pursuant to section 7-405a of the Connecticut General Statutes.

Section 2. Bonds, notes or other obligations are authorized to be issued to finance its cash flow needs including but not limited to:

- a. Revenue Anticipation Notes authorized pursuant to section 7-405a of the General Statutes; or
- b. Loan, Letter or line of credit, or other form of financing issued by a bank, or other financial institution; or
- c. Chapter 117 deficit obligations; or
- d. Any state or federal government program now or hereafter enacted or implemented to assist municipalities with funding financial operation challenges as a result of the Covid-19 pandemic;
collectively the "obligations".

Section 3. To meet said appropriation \$5,000,000 principal amount of obligations or so much thereof as may be necessary for such purpose, shall be issued, maturing not later than the June 30, 2021 for tax anticipation notes, and the end of the fiscal year in which such federal or state grant anticipation note are payable, or such later date as may be allowed by law with respect to such obligation. The obligations may be issued in one or more series as determined by the First Selectman and the Town Treasurer, (the "Town Officials") and the amount of obligations of each series to be issued shall be fixed by the Town Officials. The obligations shall be issued in bearer form or in fully registered form, be executed in the name and on behalf of the Town by the manual or facsimile signatures of the First Selectman and the Town Treasurer, bear the Town seal or a facsimile thereof, be certified by a bank or trust company designated by the First Selectman, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by the First Selectman, and be approved as to their legality by Joseph Fasi LLC, Bond Counsel, of Hartford. They shall bear such rate or rates of interest, and premium or discount pricing, as shall be determined by the Town Officials. The obligations shall be general obligations of the Town and each of the obligations shall recite that every requirement of law relating to its issue has been duly complied with, that such obligation is within every debt and other limit prescribed by law, that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon and shall be paid from property taxation to the extent not paid from other funds available for the payment thereof. The aggregate principal amount of the obligations to be issued, the annual installments of principal, redemption provisions, if any, the date, time of and manner of issue and sale and other terms,

details and particulars of such obligations, shall be determined by the Town Officials in accordance with the General Statutes of the State of Connecticut, as amended. In connection with the issuance of any obligations or notes authorized herein, the Town may exercise any power delegated to municipalities pursuant to Section 7-370b

Section 4. The Town Officials are authorized on behalf of the town to make representations with respect to existing or past conditions, future expectations, and covenants for future actions, including but not limited to: representations required of any government program currently or as may hereafter become available to the town with respect to cash flow or deficit financing, including Chapter 117 of the Connecticut General Statutes, and to comply with requirements imposed by bank or other financial institutional lenders including but not limited to the conveyance of security interests of funds or accounts, trust agreements or indentures, depository agreements, and provisions for maintenance of reserves or sinking funds.

Section 5. Resolution of Official Intent to Reimburse Expenditures with Borrowings. The Town (the "Issuer") hereby expresses its official intent pursuant to §1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty days prior to and after the date of passage of this resolution in the maximum amount and for the purpose set forth in Section 1 with the proceeds of obligations authorized to be issued by the Issuer. The obligations shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the project or purpose, or such earlier or later date the Regulations may authorize. The Issuer hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Director of Finance or her designee is authorized to pay project expenses in accordance herewith pending the issuance of reimbursement obligations, and to amend this declaration.

Section 6. The First Selectman or his designate is hereby authorized to exercise all powers conferred by section 3-20e of the general statutes with respect to secondary market disclosure and to provide annual information and notices of material events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the obligations and notes authorized by this ordinance.

Section 7. It is hereby found and determined that it is in public interest to issue all, or a portion of, the obligations of the Town as qualified private activity bonds, or with interest that is includable in gross income of the holders thereof for purposes of federal income taxation. The Town Officials are hereby authorized to issue and utilize without further approval any financing alternative currently or hereafter available to municipal governments pursuant to law including but not limited to any "tax credit bonds" or "Build America Bonds" including Direct Payment and Tax Credit versions, federal reserve loans, State of Connecticut loans.