

Other concern's; Town buildings repairs and maintenance \$34,792 over expended, Fire Department buildings repairs and maintenance \$5,568 over expended, Police department boiler was replaced for 24,800. Overtime Town Building \$9,632 over expended and Town Buildings general supplies \$1,027 over expended. Fire abatements over budget 16,326.

Projected over expended accounts are; Town Buildings Regular wages \$25,200 and Trash hauling \$24,000.

The Operations director will be transferring the Town Buildings improvement fund to the town buildings accounts. The line item has \$100,000. Other funding areas are the contingency fund of \$20,000, SRO funding \$37,500 and EDC salary line item of \$35,000 is not being expended.

The Accounting Manager went out for surgery January 30, 2020 and will not be returning until June 1, depending on doctor's approval.

Software Update

Training on the new system continues, all training is performed on internet. All purchasing areas will be trained to enter purchase requisitions and approval

- Doug Thomas said that we are doing better than expected due to no one spending as much. Our Collections are close to budget so far. Other Revenues are doing well. We do expect to have a loss for the current year – about \$268,000 – this is due to a budgeted use of Fund Balance of \$228,000 and a grant for the closeout of Chatfield/LoPresti School that we may not get in this budget of \$300,000. Sherry (Holmes) is working on this grant with an outside consultant and we SHOULD get it in by the end of the summer – no specific date when yet. It's been in the budget for three years now. Doug will get more information on when this will happen.
- Bill Sawicki said the S&P (Rating) Agency is looking at Towns in Connecticut various governmental units due to COVID and its effect on municipalities and their finances and the local economies. We have retained our AA+ long-term rating. Which is VERY good considering what is going on economically in the outside world. The outlook has been changed from stable to negative. Not that it's something negative to do with the Town, but the general state of affairs economically in Connecticut because we have been hit so hard by this virus. I believe that this it's almost going to be a universal characteristic as the ratings are reviewed by the agencies for every municipality. There is just no guarantee on what's happening and what's going to happen with Federal monies and reimbursements. Keeping a AA+ rating considering the economics that are out there and what everybody's dealing with is quite an accomplishment and is a credit to everyone on this Board, the Finance Department and the First Selectman's Office for watching over the pennies & dimes for the Town.

Item #7 – Comments from the First Selectman

None

Item #8 – Approval of 2020/2021 Town General Fund Budget & Setting of Mill Rate

- The Rating Agency has a concern over Fund Balance and Expenditures. So, what was done was we took various amounts from the General Fund Budget in different categories and reclassified them to CONTINGENCY line items. These are for positions or activities that may or may not occur. Overall, they will happen, but in order to keep control and make it such that if something did not happen, the expense would definitely drop back to the bottom line. A total of about \$324,000 was taken out of various line items.

Item #9 – Discussion & Act on Resolution Regarding Tax Anticipation Notes
TOWN OF SEYMOUR
BOARD OF FINANCE

RESOLUTION AUTHORIZING THE ISSUANCE OF TAX ANTICIPATION NOTES IN AN AMOUNT NOT TO EXCEED \$4,000,000 TO PAY THE TOWN'S EXPENSES AND OBLIGATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2020

WHEREAS, Section 6 of Governor Ned Lamont's Executive Order No. 7S dated April 1, 2020, as amended by Executive Order No. 7W dated April 9, 2020 (the "Executive Order"), and issued in connection with his declaration of public health and civil preparedness emergencies on March 10, 2020, provides that Connecticut municipalities shall participate in either the Deferment Program or the Low Interest Rate Program, or both, in connection with the collection of certain municipal taxes, charges and assessments due and payable for the period from March 10, 2020 through and including July 1, 2020; and

WHEREAS, the Deferment Program provides that the municipality shall offer to eligible taxpayers, businesses, nonprofits and residents a deferment by 3 months of any taxes on real property, personal property or motor vehicles, and other municipal charges and assessments (collectively, the "Taxes"), from the time that the Taxes became due and payable; and

WHEREAS, the Town of Seymour (the "Town"), by a vote of its Board of Selectmen as required by the Executive Order, has determined to participate in the Deferment Program; and

WHEREAS, a significant portion of the Town's Taxes are due and payable on July 1, 2020 and therefore, pursuant to the Deferment Program, such Taxes are not due and payable until October 1, 2020; and

WHEREAS, the Town expects to incur costs and expenses of \$4,000,000 or more for the Town and Board of Education programs and operations, pursuant to its 2020-2021 budget, for the period July 1, 2020 through October 1, 2020, including but not limited to costs to provide police, fire and emergency services, educational opportunities and services and operational and financial management services, all of which protect public health and welfare, prevent significant financial loss, and protect persons and property within the Town (the "Essential Services"); and

WHEREAS, under the Deferment Program, the Town may not collect Taxes in sufficient amounts to pay for the Essential Services during the period July 1, 2020 through October 1, 2020; and

WHEREAS, Section 7 of the Executive Order provides that Connecticut municipalities may, notwithstanding any municipal charter, ordinance or resolution that conflicts with the Executive Order, authorize tax anticipation notes ("TANs") to be issued under Section 7-405a of the Connecticut General Statutes, if approved by a majority vote of its board of selectmen and the budget-making authority, and the municipality finds that the issuance of the TANs is necessary to permit the orderly operation of the municipality, 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 or that action is otherwise necessary for the protection of persons and property within the municipality.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Finance, as the budget-making authority of the Town, hereby finds that the issuance of its TANs is necessary to permit the orderly operation of the Town, and that there is a need to act immediately and during the duration of the public health and civil preparedness emergency in order to provide the Essential Services to avoid endangering public health and welfare, prevent significant financial loss and protect persons and property within the Town.

BE IT FURTHER RESOLVED, that the Town issue its TANs in an amount not to exceed \$4,000,000 to pay the Town's expenses and obligations for the Essential Services during the Town's fiscal year beginning July 1, 2020, including financing and interest costs related to the TANs, which costs are hereby appropriated for such purposes. The TANs and the interest thereon shall be repaid from tax collections to be received during said fiscal year. The TANs shall be issued pursuant to Section 7-405a of the Connecticut General Statutes, as amended, shall bear the Town seal or a facsimile thereof, and the Treasurer shall keep a record of the TANs. The TANs shall each recite that every requirement of law relating to its issue has been fully complied with, that such TANs are within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon. The First Selectman and Treasurer are authorized to determine the terms, details and particulars of the TANs, to sell the TANs at public sale or by negotiation in their discretion, to sign and deliver the TANs in the name and on behalf of the Town, and to execute and deliver all documents and instruments in connection with the issuance of the TANs. The First Selectman, Treasurer and other Town officials and employees are authorized to take all other actions necessary and proper to issue the TANs.

- Bill Sawicki said we talked last month about the fact that due to the virus situation, no one really knows how much we will be able to collect in taxes in July and August. There are options for residents to pay taxes quarterly and the option to defer taxes for 90 days. The above resolution was in the packets. This Resolution would authorize the issuance of Tax Anticipation Notes in an amount NOT to EXCEED \$4 million to pay the Towns expenses and obligations for the Fiscal Year beginning July 1, 2020.
- Tax Anticipation Notes would be a borrowing to cover any shortfalls in collections that we experience, in this case due to the COVID 19 virus and the general economics. We can borrow UP TO \$4 million. If a little luck is with us, maybe we don't need to borrow anything. But the Town wants to have the Resolution there simply because if things fall short then it would be a simple matter of going to the bank we deal with and borrowing the money. Interest rates are not horrible at this time. So, it would be a cushion or fail safe to guard against a really rapid drop, if any, in our tax collections. If we do borrow, we have up to 13 months to pay it back. It's a safety net for the Town.

Motion to approve the Resolution above authorizing the issuance of Tax Anticipation Notes in an amount NOT to EXCEED \$4 million

Motion: Richard Demko

Second: Jim Cretella

DISCUSSION/COMMENTS:

- Richard Demko said he thinks this is a good move to have a security blanket in the event that we do fall short in the tax collection due to the pandemic. However, with this being said, it should only be used if ABSOLUTELY needed, correct? Bill Sawicki said that yes. That is the intent is to have a mechanism for temporary financing - IF you need it. It's not going to be something that we are going to go right out

and borrow \$4 million. If the collections not held up and they meet the benchmarks that we like, then this Resolution never gets used and fades away. We won't know anything probably until mid to late July or August to see how things are trending. Rich said that at least we have the option to not use this money; only use it if the tax collection falls short and only the amount needed to level us out.

- Paul Wetowitz asked how this would be paid back by the taxpayers. Bill Sawicki said it would be part of the general debt that the Town pays and what would go on would be that the checks would get cut out of the General Fund as usual. Bill said that he feels that that our Town is not going to be the only one in this State who is going to use this financing mechanism or have it available given the economy and everything else going on in the outside world due to the virus.

Vote: Yes: 7 No: 0 Abstain: 0

Item #10 – Transfers

None

Item #11 – New Business

None

Item #12 -- Correspondence

None

Item #13 – Adjournment

Motion to adjourn

Motion: Richard Demko

Second: Bettyann Peck

Vote: Yes: 7

No: 0

Abstain: 0

Meeting was adjourned at 7:33pm.

Submitted by:

Monica Dimon

Recording Secretary