

Town of Seymour ~ Board of Selectmen
MINUTES
Special Meeting
Friday, May 22, 2020 at 5:30pm
Zoom Teleconference - Call #646-558-8656 – ID#813 6232 7877

COPY RECEIVED
DATE: 6/11/20
TIME: 8:00AM
TOWN CLERK'S OFFICE

Members Present: Trisha Danka, Robert Findley, Annmarie Drugonis, Kurt Miller, Al Bruno, Rob VanEgghen, and Chris Bowen

Members Absent: None

Others Present: Richard Buturla, Rory Burke, John Healey, Matt Ritter

Item #1 – Call Meeting to order

First Selectman Kurt Miller called the meeting to order at 7:04pm.

Item #2 – Pledge of Allegiance

Everyone saluted the Flag and recited the Pledge of Allegiance.

Item #3 – Public Comment

None

Item #4 – Resolution to Authorize, Issue & Sell General Obligation Refunding Bonds

Kurt Miller introduced John Healey, our Town Underwriter and Matt Ritter, one of our two Bond Counsels.

- **John Healey** gave an update on the situation. We were supposed to be executing a bond transaction for the Town of Seymour back on March 9th. But on March 9th & 10th, the market went down due to the hit of Coronavirus. So, we put the transaction on hold. We have since delayed pricing until now in order to find an optimum market to get the transaction done. At the time we were operating with \$5.8 million in new money that the residents had authorized in order to finance the Telecommunications Upgrades and fund the Roads Program. Because of the delay, the bonds that had been issued back in 2010 became “currently callable” as of May 1st. When bonds become “currently callable” it means we can re-fund them at a very, very high efficiency in order to generate savings for the Town. This is different from an “advance refunding” where you are more susceptible to market conditions; this is a “current refunding” which is very advantageous thing to do. We believe under the current conditions we should be netting the Town about \$300,000 in net present value savings. So, we would like to undertake this and in order to do that we would need to receive an expansion of the authorization from the Board of Selectmen in order to be able to sell those bonds. Right now, the authorization we were working under was for about \$6.4 million. The bonds that we are looking to refund are about \$3.9 million so we have requested additional latitude in the authorization to be able to capture that savings for you.
- **Matt Ritter** added that the only question that should be answered in talking to the finance seniors of the Town was “Why ONLY the Board of Selectmen vote is required”. The statute is different with normally issued bonds than with Refunding Bonds. Refunding Bonds save the Town money. “Net present value savings” is the term that is used in the statute. Under 7-370C the Board of Selectmen can unilaterally authorize it. There are no further steps under the Board of Finance or the Charter. The Statute overrides all that because they want you to be able to do deals like this quickly if there are savings to be had. So that’s why its just the Board of Selectmen authorizing this.

- **John Healey** said that for the past six years the Town has had a bond rating of AA+ from Standard & Poors. We all know how hard this is to attain and maintain – mostly due to the financial decisions made by this Board. Because of the delay in the transaction – we received the rating back on 2/26/20 – plus the fact that we have been going through – and continue to go through a unique crisis – that has created a material change and so S&P wanted to take a fresh look at Seymour before we priced again. So a week and a half ago, Kurt Miller, Doug Thomas, Tony Caserta, Rory Burke, and myself had a call with S&P and took them through not only where the Town is, where we’re looking to finish this fiscal year, but also what we are projecting for FY21 and all the steps we have taken and will take to protect the people of Seymour personally, economically, and health-wise in the fact of this pandemic. They came back this week and re-affirmed the AA+ rating for the Town. The one change, though, is that they have changed the outlook to NEGATIVE. And they very explicitly state that this negative outlook is due SOLELY to external economic factors that are encumbering New Haven County in the state of Connecticut – most importantly unemployment and projected fallout from the unemployment both now and into the new fiscal year. Certainly, in the future we expect that STABLE outlook to be returned. For now, that is what they are hanging on most ratings, indeed many have been downgraded. Congratulations on being reaffirmed AA+.

QUESTIONS/COMMENTS

- Rob VanEgghen asked two questions
 - The first time this came up it was “not to exceed \$6.5 million” and then most recently was \$6 million. So, I was wondering why that changed.
 - Secondly, Mr. Healey, you had mentioned more money? \$9 million?

John Healey said that the original authorization was for \$6.5 million for the Emergency Telecommunications System (for \$1.4 million) and \$3.5 million (for the Roads Program). That was already approved. Now we are asking for authorization for another \$3.9 million in refunding bonds for the 2010 B’s that are now refundable. So, we are asking for authorization for an ADDITIONAL \$6 million. Matt said that we need more authorizations, so we are limiting you to what you have authorized. John is saying that with the current structure we had in March we were refunding bonds about \$5.7 million and then more bonds came into money which could save the Town money. That is about \$4 million. So, we are asking you to authorize an additional \$6 million. So, under the current transaction, as priced, the Town will be issuing about \$10 million of refunding bonds. So, it’s \$6.5 million plus \$6 million. Why are we doing \$12 million? We just wanted to build in some “wiggle room”. It doesn’t hurt to do that – doesn’t count against your debt. This is NOT adding new debt to the Town. This is just re-issuing to SAVE money. Refunding bonds do not count against your debt cap.

- Chris Bowen asked if Bill Sawicki had any input on this. Kurt Miller said that Bill Sawicki is 100% on board.

Motion to approve the Resolution to Authorize, Issue, & Sell General Obligation Refunding Bonds as presented by Town Bond Counsel Matt Ritter that was in the packet for the Meeting of Friday, May 22, 2020

Motion: Al Bruno

Second: Trisha Danka

Vote: 7 – Yes

0 – No

0 – Abstain

Trisha Danka – Yes

Robert Findley – Yes

Annmarie Drugonis – Yes

Kurt Miller – Yes

Al Bruno – Yes

Robert VanEgghen – Yes

Chris Bowen – Yes

Item #5 – Public Comment

None

Item #6 – Adjournment

Motion to adjourn at 5:46pm

Motion: Chris Bowen

Second: Al Bruno

Vote: 7 – Yes

0 – No

0 – Abstain

Trisha Danka – Yes

Robert Findley – Yes

Annmarie Drugonis – Yes

Kurt Miller - Yes

Al Bruno – Yes

Robert VanEgghen – Yes

Chris Bowen – Yes

Submitted by:

Monica Dimon

Monica Dimon
Recording Secretary

Reviewed by:



W. Kurt Miller
First Selectman