



**SPECIAL MEETING OF THE COMMON COUNCIL
MIDDLETOWN CONNECTICUT**

SMALL BUSINESS ECONOMIC DEVELOPMENT BRIDGE LOAN PROGRAM FUNDING

**MAY 18, 2020
5:00 PM**

MINUTES

The Special Meeting of the Common Council of the City of Middletown was held remotely via WebEx and livestreamed on the City of Middletown's Facebook page on Monday, May 18, 2020, at 5:00 PM.

Present: Councilwoman Meghan Carta
Councilman Grady Faulkner, Jr.
Councilman Darnell Ford
Councilman Edward Ford, Jr.
Councilman Anthony Gennaro, Sr.
Councilman Anthony Mangiafico
Councilman Edward McKeon
Councilman Eugene Nocera
Councilwoman Philip Pessina (5:13PM)
Councilwoman Linda Salafia (5:25PM)

Also Present: Mayor Benjamin D. Florsheim, Chair
Linda Reed, Council Clerk
Daniel Ryan, Esq., Corporation Counsel

Members of the Public: WebEx (6 attendees) and Facebook livestream (unknown number of viewers)

1. Call to Order

Mayor Benjamin Florsheim calls the meeting to order at 5:09 PM. He invites the Councilmembers to join him in the public in the Pledge of Allegiance.

The Clerk reads the Call of the Meeting and the Chair declares the call a legal call and the meeting a legal meeting.

The Chair calls on Councilman Eugene Nocera. Councilman Nocera reminds the Councilmembers that the budget workshop is scheduled to begin at 5:30 PM, limiting the time available for this meeting.

2. Accept/Amend the Agenda

There being no changes to the agenda, Councilman Eugene Nocera moves to accept the agenda. Councilman Vincent Loffredo seconds the motion.

The Chair asks if there is any discussion on this motion. There being none, the Chair calls for a roll call vote on the motion to accept the agenda, asking the Council Clerk to read the roll:

Councilwoman Blackwell	aye
Councilwoman Carta	aye
Councilman Faulkner	aye
Councilman Darnell Ford	aye
Councilman Edward Ford	aye
Councilman Gennaro	aye
Councilman Loffredo	aye
Councilman Mangiafico	aye
Councilman McKeon	aye
Councilman Nocera	aye
Councilman Pessina	aye
Councilwoman Salafia	absent

The Chair states that the motion to accept the agenda is approved unanimously with 11 aye votes (Councilmembers Blackwell, Carta, Faulkner, D. Ford, E. Ford, Gennaro, Loffredo, Mangiafico, McKeon, Nocera, and Pessina). The Chair states the matter is approved.

3. Public Hearing Opens

The Chair opens the public hearing at 5:15 PM. Any member of the public wishing to speak on an agenda item may indicate they may raise their hand using the WebEx function. When called on, they are asked to state their name and address for the record and that comments are limited to a five (5) minutes.

Jeff Puglisi (Middlesex Chamber of Commerce, Vice-President and the Middlesex County Revitalization Commission (MCRC)) thanks the Council and offers to answer any questions that Councilmembers may have. He thanks the Council for moving this process forward. He looks forward to being a partner with the City in this project moving forward.

4. Public Hearing Closes

There being no further public comment, the Chair closes the public hearing at 5:18 PM.

5. Resolutions, Ordinances, etc.

A. Approving that, to create the funding pool for the Middletown Small Business Economic Development Bridge Loan Program as described in Resolution No. 30-20, as approved May 4, 2020, (a) transfer \$83,170 from the Economic Development Fund Balance to the Economic Development Outreach Initiatives line and (b) transfer \$179,330 from Remington Rand Rent Income to the Economic Development Outreach Initiatives line. The transfers and resulting budget line item changes are as follows:

Decrease:

4330-00000-30310-0000-00000-0000-900 Economic Development Fund	\$ 12,598.32
4330-00000-30310-0000-00000-0000-901 Economic Development Fund	\$ 64,786.16
4330-00000-30310-0000-00000-0000-902 Economic Development Fund	\$ 5,785.52
4330-14000-99200-0000-35171-0000-000 Remington Rand Rent Income	<u>\$179,330.00</u>
TOTAL:	\$262,500.00

Increase:

4330-14000-99200-0000-35154-0000-000 Economic Development Outreach Initiatives	\$262,500.00
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and that this resolution was approved to move forward to the full Common Council by the Economic Development Commission on May 12, 2020.

APPROVED, AS AMENDED

RESOLUTION 32-20; K: review/resolution. PCD bridge loan funding – RES 32-20 18 May 2020

WHEREAS, the City of Middletown is interested in supporting the Small Business community during the COVID-19 Recovery, and;

WHEREAS, at the May 4, 2020 Common Council Meeting the Common Council adopted a resolution (Resolution No. 30-20) authorizing the City to contract with the Middlesex County Revitalization Commission (MCRC) to administer the Middletown Small Business Economic Development Bridge Loan, and;

WHEREAS, at the same meeting, the Common Council committed to identifying a funding sources in the amount of \$262,500.00 to cover the costs associated with the loan program, and;

WHEREAS, once funding is authorized, funds will be transferred to MCRC’s banking institution, and;

WHEREAS, MCRC’s banking institution will only release funding once the Common Council has authorized individual loans, and;

WHEREAS, part of the proposed funding will come from 180 Johnson Street (Remington Rand) Revenues, and;

WHEREAS, if there is additional funding needed for 180 Johnson Street, the Planning Conservation and Development Department would come forward with a potential future appropriation, and;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MIDDLETOWN: that to create the funding pool for the Middletown Small Business Economic Development Bridge Loan Program as described in Resolution No: 30-20, (a) transfer \$83,170 from the Economic Development Fund Balance to the Economic Development Outreach Initiatives line and (b) transfer \$179,330 from Remington Rand Rent Income to the Economic Development Outreach Initiatives line. The transfers are as follows:

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4330-14000-99200-0000-35171-0000-000 Remington Rand Rent Income	\$179,330.00
TOTAL:	\$262,500.00

Increase:

4330-14000-99200-0000-35154-0000-000 Economic Development Outreach Initiatives	\$262,500.00
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FINANCIAL IMPACT: Decrease in Economic Development Fund Balance of \$83,170 and in Remington Rand Revenue of \$179,330, for a total decrease of \$262,500.

The Chair calls on Councilman Vincent Loffredo for this resolution.

Councilman Vincent Loffredo begins to read the resolution in its entirety.

The Council Clerk offers a point of order, indicating that the entire resolution need not be read; rather, only the text on the agenda is read for the motion for this meeting. In other words, there is no need to read all of the “Whereas” clauses.

Councilman Loffredo moves to approve the resolution to create the funding pool for the Middletown Small Business Economic Development Bridge Loan Program as described in Resolution No: 30-20, (a) transfer \$83,170 from the Economic Development Fund Balance to the Economic Development Outreach Initiatives line and (b) transfer \$179,330 from Remington Rand Rent Income to the Economic Development Outreach Initiatives line. The transfers are as follows:

Decrease:

4330-00000-30310-0000-00000-0000-900 Economic Development Fund	\$ 12,598.32
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TOTAL:	\$262,500.00

Increase:

4330-14000-99200-0000-35154-0000-000 Economic Development Outreach Initiatives	\$262,500.00
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Councilman Philip Pessina moves to approve the resolution.

Councilwoman Jeannette Blackwell seconds the motion

Councilman Loffredo states that he has a point of clarification. He notes that this resolution just refers to Resolution 30-20. He states that the Economic Development Commission held a special meeting on May 12, 2020 and made changes. As a point of order, he asks why that particular resolution, which was approved by the Economic Development Committee, should be referenced within this resolution. This resolution, as proposed, refers to a resolution approved by the Common Council on May 4, 2020. I does not take into account that the resolution was approved by the Economic Development Commission on May 12, 2020.

The Chair calls on the Council Clerk.

The Council Clerk explains that Resolution 30-20 is the actual resolution, which the Common Council approved at its May 4, 2020 meeting. The resolution was not specific to Economic Development. This resolution is what created the program and which includes the provision that the Common Council needs to finds a funding source. This resolution is now the second part of the action, which is why Resolution 30-20 is referenced in the text of the pending resolution. This is the language that the Finance Department recommended be included in the pending resolution as a cross-reference to the underlying resolution while this resolution created the funding source.

Councilman Loffredo states that he is not comfortable, as a member and chair of Economic Development Committee, that thus resolution, as drafted, (*inaudible*) He approves what they suggest; however, he suggests, as described in the resolution adopted by the Economic Development Committee on May 12, 2020. If that action had not occurred, the Council would not be meeting this evening. For the record, he asserts that the resolution, as written, fails to recognize that here was another meeting, a special meeting, which occurred on May 12th and brought about the meeting tonight May 18th. He does not think that there is any harm in reflecting the history of this particular issue. He strongly suggest that this should be referenced. He proposed to amend the resolution to indicate that it was further discussed and amended at the May 12th meeting of the Economic Development Committee.

The Chair calls on Councilman Philip Pessina.

Councilman Pessina states that he proposes an amendment as a member of the Economic Development Commission, adding that he would feel more comfortable doing what Councilman Loffredo proposes. He sees no harm in doing so, adding some verbiage to reflect back to (*inaudible*)

Councilman Loffredo interjects, asking if Councilman Pessina is making an amendment.

The Chair calls on the Council Clerk.

The Council Clerk reminds the body that this is a special meeting and the, typically, one cannot amend anything. She suggests that this question might best be addressed by Corporation Counsel Dan Ryan, Esq. The Council Clerk is unsure if an amendment is permitted.

The Chair calls on Corporation Counsel Dan Ryan, Esq.

Attorney Ryan replies that any amendment requires eight (8) votes to amend the resolution.

Councilman Loffredo interjects, saying that he seconds the amendment proposed by Councilman Pessina.

The Chair calls on Councilman Eugene Nocera.

Councilman Nocera states that he wishes to comment on the history. The Council had this conversation at the last Council meeting (May 4, 2020) to get where it is now. It is important to move this forward so he supports the amendment so it can be expedited and not delayed. He notes that consensus that he is hearing is that we all want to work with what Councilman Loffredo has read in terms of the funding. We support the resolution, so let's dot our "is" and cross our "t's."

Councilman Philip Pessina interjects, saying that, as the maker of the resolution, he understand what the Council Clerk is coming from; however, we are not adding anything to change them meaning of the resolution They are making a language change to reflect what he Economic Development Commission did vote. It shows the root in the resolution of where this came about so that the public has full understanding he notes that Corporation Counsel Ryan is correct and that we simply need the eight (8) votes.

The Chair points out that, as pointed out to him by Planning, Conservation & Development Director Samolis, which is referenced in the full text of the resolution. What is on the agenda is the motion, reiterating that the full text of the resolution does reference it.

Councilman Nocera states that is the text that Councilman Loffredo started to read.

Councilman Loffredo laughs, stating that was not the resolution that they approved, adding, "That is another story and we will deal with that another day."

The Chair states that the Council will now vote on the alternative amended resolution, including language clarifying that, in addition to the May 4, 2020 Council meeting, this matter was also discussed at the May 12, 2020 meeting of the Economic Development Commission.

Councilman Vincent Loffredo interjects, saying it is he resolution adopted on May 12, 2020

The Chair asks if there is any further discussion. There being no further discussion on this on the motion to approve the amendment to the proposed resolution, the Chair calls for a roll call vote, asking the Council clerk to read the roll.

The Council Clerks asks for clarification for the minutes: when Councilman Loffredo read the resolution, it is not clear who seconded the motion. Councilman Pessina states that he seconded the motion. Councilman Pessina corrects that information, stating that, after he moved to amend the proposed resolution, Councilman Loffredo seconded his motion.

The Council Clerk thanks Councilman Pessina, adding that it is a little confusing since the resolution often have the reference to the councilmanic committee that is advancing the resolution forward to the full Council for consideration. It is unusual because that notation is ordinarily not made part of the resolution and read aloud on the floor; but the "now therefore" clause is read, not the text of the whole resolution. Councilman Loffredo interjects, saying that, for the record, we will deal with that practice another time.

The Clerk asks the Chair that the amendment is that the language was approved by the Economic Development Commission at it special meeting in May, 2020, noting that the date can be confirmed.

Councilman Loffredo interjects, saying that the resolution can be obtained from Planning, Conservation & Development Director Samolis, if the Clerk does not have it.

The Council Clerk confirms that they all have the document and that it is also posted on Granicus along with the main resolution. The Cork thanks Councilman Loffredo.

There being no further discussion, the Chair asks the Council Clerk to read the roll call vote for the amendment:

Councilwoman Blackwell	aye
Councilwoman Carta	aye
Councilman Faulkner	aye
Councilman Darnell Ford	aye
Councilman Edward Ford	aye
Councilman Gennaro	aye
Councilman Loffredo	aye
Councilman Mangiafico	aye
Councilman McKeon	aye
Councilman Nocera	aye
Councilman Pessina	aye
Councilwoman Salafia	aye

The Chair states that the motion to amended language for the proposed resolution is approved unanimously with 12 aye votes (Councilmembers Blackwell, Carta, Faulkner, D. Ford, E. Ford, Gennaro, Loffredo, Mangiafico, McKeon, Nocera, Pessina, and Salafia). The Chair states the matter is approved

The Chair thanks everyone for attending this meeting allowing this resolution to move forward, depending on the vote. The chair states that they will now take a second roll call vote on the underlying resolution, as

amended. The Chair asks if there is any further discussion. The Chair calls on Councilman Grady Faulkner, Jr.

Councilman Faulkner asks for clarification, as discussed at the last Council meeting, there is an entity handling the loan program. He understands that it is a private organization. He asks about the payment: is it based on how much is loaned or a flat fee.

Councilman Loffredo replies that it is five percent (5%) of the total.

The Council Clerk notes that, at the outset of the meeting, the motion to approve the resolution was made by Councilman Loffredo and seconded by Councilman Pessina. The Council Clerk asks, for purposes of the minutes, whether or not the same parties have moved and seconded the approval of the resolution, as amended.

Councilman Loffredo and Councilman Pessina reply, saying “yes.”

There being no further discussion, the Chair calls for a roll call vote on the motion to approve the resolution, as amended, asking the Council clerk to read the roll:

Councilwoman Blackwell	aye
Councilwoman Carta	aye
Councilman Faulkner	aye
Councilman Darnell Ford	aye
Councilman Edward Ford	aye
Councilman Gennaro	aye
Councilman Loffredo	aye
Councilman Mangiafico	aye
Councilman McKeon	aye
Councilman Nocera	aye
Councilman Pessina	aye
Councilwoman Salafia	aye

The Chair states that the motion to approve the resolution, as amended, is approved unanimously with 12 aye votes (Councilmembers Blackwell, Carta, Faulkner, D. Ford, E. Ford, Gennaro, Loffredo, Mangiafico, McKeon, Nocera, Pessina, and Salafia). The Chair states the matter is unanimously approved.

The Chair thanks the Council for its work tonight, adding that is a very exciting program that they are pursuing for Middletown. He thanks everyone for their diligence in building this from scratch. Details will be worked on by the Chamber of Commerce in conjunction with Planning, Conservation & Development Department, the Mayor’s Office, and the Common Council. It is an important and exciting program.

6. Meeting Adjournment

There being no further business, Councilman Vincent Loffredo moves to adjourn. Councilman Grady Faulkner, Jr. seconds the motion.

There being no discussion, the Chair calls for a vote. The motion to adjourn is unanimously approved by voice vote with 12 aye votes (Councilmembers Blackwell, Carta, Faulkner, D. Ford, E. Ford, Gennaro, Loffredo, Mangiafico, McKeon, Nocera, Pessina, and Salafia). The motion to adjourn is approved.

The Chair declares that the meeting is adjourned at 5:40 PM.

ATTEST:

LINDA S.K. REED,
COMMON COUNCIL CLERK