

## TOWN MANAGER'S REPORT

TO: Honorable Town Council Members

FROM: Karl F. Kilduff, Town Manager

DATE: April 1, 2020

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Please find my report concerning various items of interest to the Town Council and community.

### 1. Council Business:

- a) FY2020-21 Budget: As you are aware, the Governor issued Executive Order 7-1 which, in part, gives the budget making authority (the Town Council) the ability to adopt a budget for FY2020-21 without an in-person meeting or vote. The Executive Order is not written to make this an option, rather it is written as a requirement. Obviously, this is a deviation from the community norm which creates more anxiety than is already present.

In implementing the Executive Order, the budget process starts to look very similar to what has happened in the past. The budget needs to be publicized and made available to the public. In Clinton, we would advertise the budget as has been done in the past in the local newspaper and on the Town website. Social media creates another method to raise awareness. The public needs to be given some means to provide comment on the budget. The Executive Order makes mention of an email box to receive comment. This is the one area that needs further exploration and how technology can provide assistance to the Town Council in receiving public comment. Since the Governor has now lowered the group meeting threshold to 5 people, any meeting of 5 or more would be breaking the law.

As the public comment component, as has been the norm, the Town Council has the means to amend the Proposed Budget. After that step, the Council would vote to adopt a budget rather than convey it to the Annual Town Meeting and public referendum. The local decision to delay the public hearing by 30 days give us the time to work through a local solution that strikes the right balance and learn from other communities.

- b) Town Attorney RFP: The Request for Proposal process to select a Town Attorney met a milestone on March 23, 2020 with any questions due from potential firms. The questions submitted focused on the ability to submit a proposal electronically instead of the printed version sought in the RFP. Proposals are due on April 6, 2020.
- c) Town Hall Status: As I reported previously, given the positive COVID-19 test result for a town hall employee, it was necessary to close the building and conduct a "deep clean" to disinfect the building as a safety precaution. Given the shortness of time and the potential risk, a vendor was brought in on an emergency basis without issuing a formal bid. The funds for the cleaning will have to be appropriated from contingency.

**2. Connecticut Conference of Municipalities:**

- a) It is unclear how the CCM Legislative Committee will meet as the General Assembly is out of session right now.
- b) CCM held a video conference to discuss the Governor's Executive Orders as well as technology solutions which might be best used to conduct Town business at public meetings. The primary thrust of the conference was to discuss budget adoption as provided under Executive Order 7-I. A number of attorneys participated on the call describing the Executive Order and their perspective.

**3. River COG:**

- a) The River COG conducted a virtual meeting on March 25, 2020. Topics of note that were discussed included;
  - TIP Amendments – In its role as the Metropolitan Planning Organization for the DOT, the COG is asked to make amendments to the Transportation Improvement Plan to provide funder for certain projects undertaken by the DOT in the region.
  - Transit Study – A report was given on an on-going transit study with the DOT which could lead to a merger of 9 Town Transit with Middletown Area Transit. The goal is for a system which serves both areas well and no interruption to the successes that 9 Town Transit has made in our region.
  - Natural Hazard Mitigation Plan Update - The current environment has forced the consultant hired by the COG to rethink the scope of work and to focus on different ways to gain community input without having a face-to-face meeting. Public outreach was planned for late April. Public engagement is being rethought at this point and might take the form of a web-based survey.
  - Regional Plan of Conversation and Development – Much like the Natural Hazards Mitigation Plan, the scope of work is being rethought with public engagement on the plan being revised.

**4. Miscellaneous:**

- a) A quote was obtained from CDR Maguire, if needed, to provide assistance in securing the greatest amount of FEMA reimbursement for expenses incurred as a result of the local COVID-19 response.

**5. Attachments and Information Sharing:**

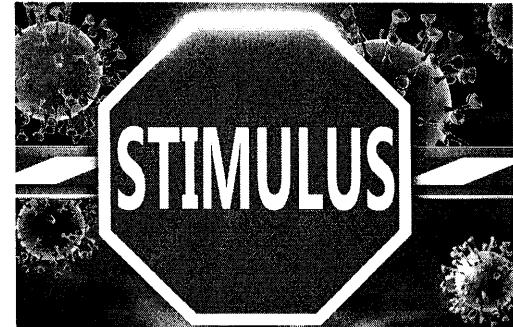
- a) Local Government Highlights from the Coronavirus Aid Relief and Economic Security Act (ICMA)

# President Trump Signs \$2 Trillion CARES Act – Local Government Highlights

Local governments gain access to additional disaster relief and a wide range of stimulus grant funding and loan programs.

By Elizabeth Kellar | Mar 26, 2020 | ARTICLE

What can local governments expect now that President Trump has signed the Coronavirus Aid Relief and Economic Security (CARES) Act on March 27? The next order of business is to await clarifications on the new law and the agency guidance required to implement it. We already know, for example, that HR 6201 (Families First Act, passed March 18), requires local government employers to provide two weeks of paid sick leave to their employees, effective April 1. Employers also are expected to e-mail a DOL Poster to all employees or display it in a prominent place. Department of Labor Guidelines DOL FAQs. Here is what we know so far about HR 748 (CARES Act):



**Community Development Block Grant (CDBG) receives \$5 billion in supplemental funding.** \$2 billion will be distributed according to the 2020 allocation formulas within 30 days. \$1 billion will be distributed to states to combat the spread of COVID-19 within 45 days; the amounts will be determined by the Secretary of HUD based on best available data and need. The balance of the supplemental funding will be distributed to states based on a formula determined by the Secretary of HUD using best available data on COVID-19 and associated economic and housing disruptions.

**\$150 billion in direct aid to state and local governments.** All states are to receive at least \$1.5 billion. Local governments with a population of over 500,000 also may receive direct grants for COVID-19-related expenses. It does not cover lost revenues. Cities and counties with a population under

500,000 are expected to seek aid from their state government. The inspector general of the Treasury is charged with conducting oversight of receipt and distribution.

**\$454 billion in emergency loans for businesses, states, and local governments.** The legislation permits the U.S. Treasury to "purchase obligations {of States, local governments, instrumentalities and political subdivisions of them} or other interests in secondary markets or otherwise." It allows the Federal Reserve to participate as an institutional investor in securities that mature in greater than 6 months. Municipal bonds were added to the package after the municipal bond market froze last week as rates rose in the secondary market. Guidelines from Treasury are required within 10 days after enactment, but are needed immediately to stabilize the \$3.8 trillion municipal bond market.

This emergency loan fund was created primarily to provide loans and loan guarantees to small businesses. SBA Coronavirus Resources Loans are for COVID-19 losses and there are restrictions on eligibility. Loans may be used for cash flow, among other needs. Some loans may be forgiven in three years if the business meets certain requirements. The Small Business Administration also will receive \$240 million for small business development centers and technical assistance for women's business centers. One unique difference for business owners is that they may be eligible to apply for unemployment in this public health crisis, unlike in prior economic downturns..

**\$45 billion added to FEMA's Disaster Relief Fund.** Reimbursable activities include medical response, personal protective equipment, National Guard deployment, logistics coordination, safety measures, and community services. \$200 million is included for shelter, food, and services; \$100 million for enhanced sanitation at airport security checkpoints and other airport costs.

**Personal Protective Equipment (PPE).** The Defense Production Act allows \$1 billion for the Department of Defense to invest in manufacturing capabilities to increase the production rate of personal protective equipment and medical equipment to meet the demand of healthcare workers all across the nation. The bill also provides \$100 million in firefighter grants for first responders' PPE needs.

**Economic Development Administration (EDA) receives \$1.5 billion** in supplemental funding, directed to the Economic Adjustment Assistance account. The agency also receives surge hiring authority to allow EDA to properly staff the agency during this crisis; a 2% carve out of the supplemental funds is directed toward 'salaries and expenses' to support the surge.

**Provides \$100 billion in funding for local hospitals** to address medical surge capacity issues and offset the cost of increased healthcare related expenses and loss revenue. Eligible health care providers include public entities, Medicare or Medicaid enrolled suppliers or providers and other health care facilities. The bill would delay statutory cuts to Medicaid Disproportionate Share Hospital (DSH)

payments until FY 2021 to help hospitals, including eligible local government-owned hospitals, serving indigent and underinsured people make up for revenue losses.

**Community health centers can access \$1.32 billion in FY2020.**

**\$450 million is provided to support 2020 elections.** Funds can be used for increase in paper ballots, on-line voting, and more poll workers.

**USDA Rural Development (USDA-RD) receives \$145.5 million.** \$20.5 million for the Rural Business-Cooperative Service that will make \$1 billion in lending authority available, \$100 million in grants for rural broadband service, \$25 million in grants for distance learning and telemedicine.

**No fix for unfunded mandate related to additional paid sick leave.** Despite intense efforts to persuade Senators, local governments still cannot get the benefit of a tax credit that is provided to private sector employers subject to the mandate. Governments are required to provide two weeks of paid sick leave and paid emergency family leave (required in HR 6201).

**\$10 billion to maintain operations at the nation's airports.** Funds will be distributed by formula through the Federal Aviation Administration's Airport Improvement Program. \$56 million is provided to maintain existing air service to rural communities.

**\$25 billion in transit infrastructure grants for transit providers, including local governments, for operating and capital expenses.** Funding will be distributed using existing Federal Transit Administration formulas.

**\$900 million to help lower income households heat and cool their homes through the Low Income Energy Assistance Program**

**\$700,000 for Superfund program to prevent, prepare for, and respond to the coronavirus.**

**HUD program increases include \$4 billion in homeless assistance grants, \$1.25 billion for tenant-based rental assistance, \$650 million for the public housing operating fund, \$50 million in housing for the elderly and \$15 million in housing for persons with disabilities.**

**Byrne-Justice Assistance Grant Program (Department of Justice) receives \$850 million;** Family Violence Prevention Services receives \$45 million to support families during this uncertain time, and to prevent and respond to family and domestic violence.

**Real ID deadline for enforcement extended to October 1, 2021.**