

SPECIAL MEETING OF THE AGAWAM CITY COUNCIL

Minutes dated April 2, 2020

Meeting was called to order by Council President Johnson at 6:30pm via remote telephone conference. Per Governor Baker's order suspending certain provisions of the Open Meeting Law, M.G.L. Chapter 30A, Section 20, the public is not allowed to physically access this meeting. Members of the public can access the meeting on Cable Access channel 15 and on the town website as soon as practicable.

Item A. Roll Call

ROLL CALL – 11 PRESENT, 0 ABSENT

Roll Call was taken with the following councilors remotely present: George Bitzas, Cecilia Calabrese, Paul Cavallo, Christopher Johnson, Gina Letellier*, Dino Mercadante, Robert Rossi, Rosemary Sandlin, Gerald Smith, Anthony Suffriti and Mario Tedeschi. With eleven present, there was a quorum. *Councilor Letellier arrived a few moments late as she was at an appointment. Council President Johnson explained details of how he will proceed with the remote meeting. He will alphabetically call upon each councilor for comment during the discussion portions of each item. He encouraged using the mute button when not speaking so it would help improve the quality of the audio recording.

Item B. Moment of Silence and the Pledge of Allegiance.

There was a moment of silence and the Pledge of Allegiance led by Councilor Cavallo.

Item C. Citizen's Speak Time

***SUSPENDED ***

Only electronically submitted comments from members of the public that are received prior to the meeting will be read into the record of the meeting

There were no comments or questions submitted to the City Council Office.

Item D. Presentation of Resolutions

- 1. TR-2020-29 - Emergency Preamble for TR-2020-30 appropriating funds from the Stabilization Fund for the Business Operating Loan Program (Sponsored by Mayor William Sapelli and Council President Christopher Johnson)**

Motion to approve made by Councilor Mercadante and seconded by Councilor Bitzas.

The vote was **11 YES, 0 NO** approving the item.

- 1. TR-2020-30 - A Resolution appropriating funds from the Stabilization Fund for the Business Operating Loan Program (Sponsored by Mayor William Sapelli and Council President Christopher Johnson)**

Motion to approve made by Councilors Cavallo, Mercadante and Smith and seconded by Councilor Sandlin, Letellier and Rossi. Council President Johnson stated that he and the Mayor had quite a few discussions relative to the plight of the small businesses in town. Some businesses have closed and others have been severely impacted by the COVID-19 pandemic. Both thought it would be a good idea to develop a loan program. They looked at what other towns are doing and came up with this program. It is an interest free loan program of up to \$10,000 per business in town. This is a loan program and not a grant. The concept is to allow businesses to use fund to hopefully maintain employment and pay bills so that when this passes, they would continue to be a viable business in town. There were some revisions

already made i.e. they changed it to include businesses that had already closed due to COVID-19 and also pushed the repayment date from October 1, 2020 to January 1, 2021. The federal monies through MSBA probably wouldn't hit the streets until the end of April so the Mayor and Council President Johnson thought this would quickly help put money in the hands of businesses. If the Council is in agreement with this item, the Solicitor, Council President and other staff members are working on the online application process and hope to have it ready to accept applications by Monday getting this money out there as soon as possible. Council President Johnson then asked for alphabetical discussion. Councilor Bitzas began by thanking the Mayor and Council President Johnson for doing this. He thought it was a great idea but strongly suggested amending the last paragraph to change the amount from \$250,000 to businesses to apply for the \$10,000 and there are more businesses in town needing this money. He also would like to amend the length of time in business from 24 months down to 3 to 6 months to include newer businesses. Council Vice President Calabrese inquired who was on the committee to review these applications. Council President Johnson stated it would be Mayor Sapelli, Solicitor Buoniconti and Community and Planning Director Marc Strange. Council Vice President Calabrese also asked if they would be requiring any anticipated tax flow going forward. She like the concept in theory and was in support of it. Councilor Cavallo was also in agreement although he had an issue about how much was in the Stabilization Fund and how much we intended to use. Councilor Letellier expressed gratitude to Council President Johnson and the Mayor for their forethought on this. She noted she signed a Conflict of Interest Form and does not intend on applying for this loan. Councilor Mercadante asked how many businesses would fall into the less than 24 months in business category. He noted other loan programs available for small businesses and also stated he signed a Conflict of Interest Form and did not intend on applying for this loan. He was also in full support of this program and appreciated the town offering it to our businesses. Councilor Rossi was in full favor and support of this program however he believes the \$250,000 is a good starting point and as time goes by, the Council could increase the amount of add flexibility for the future. Councilor Sandlin asked about sole proprietors and how many employees would be required. What if businesses don't have employees? They should be able to apply as well. Council President Johnson noted that the object of this program is job preservation however he said they could look into that. Councilor Sandlin said hairdressers and barbershops are sole proprietors and pay rent but technically have no employees. It is important to look into this. Councilor Smith was 100% in full favor as it is worded. Money could always be added at a later date. Councilor Suffriti was also 100% in favor of this and applauded the Mayor and Council President for doing this. As the fund gets depleted, he wants to be able to come back for put additional funds in this program. He is flexible on the 24 month requirement. Councilor Tedeschi listened to everyone and noted the good points and appreciated all of the hard work. He also signed a Conflict of Interest Form and did not intend on applying for this loan. Councilor Tedeschi also thought the \$250,000 was a good starting point and can always come back for more. He encouraged everyone to apply but was not in favor of anything less than one year in businesses but would be supporting it 100%. Council President Johnson offered some suggestions after explaining that the Mayor and he discussed the amount of money. The City Council cannot amend the amount as an appropriation must originate with the Mayor however the Mayor is willing to add more money to the pot if we are inundated with applications. Regarding the length of time, Council President Johnson recapped saying we could consider a six month minimum rather than 24 months, and as Councilor Tedeschi pointed out, we would want to favor businesses with a track record in town. The shortest time frame should be not less than 6-12 months and no higher than 36 months and we are considering reducing the number of employee requirement from two down to one. Councilor Bitzas agreed with Council President's suggestions and agreed to wait to add more money if needed so he would withhold making the amendment. He would like to see the six month consideration. Council President Johnson offered an amendment to reduce the requirement from two employees down to one and the length of time in business from 24 months down to 6 months. Council Vice President Calabrese would like to see one year but she is okay with this amendment. She just thinks having a track record that is longer than six months is better. Councilor Cavallo also believed it should be one year as we need to see if a business has a good track record noting the Stabilization Fund is for emergencies and we needed to be careful to have this money available if something catastrophic happens. He raised additional concerns about the money in the Stabilization Fund. Councilor Letellier said she was fine with reducing the number of employees however she thought the requirement should be a minimum of one year as there needs to be the ability to repay. Councilor Mercadante agreed with the one person reduction but wanted it to be one year – not six months. Councilor Rossi was also in favor of a 12 month requirement but had no problem with one employee. Councilor Sandlin supported the \$250,000 in total, the one employee reduction and a one year minimum. Councilor Smith and Councilor Suffriti said the same. Councilor Tedeschi was also in agreement with \$250,000 to be reevaluated if necessary as well as the one employee and one year minimum. Council President Johnson noted that the Solicitor has been working hard on this and would review this case by case if deemed appropriate. Solicitor Buoniconti stated that

the Mayor and he anticipated these concerns and wanted businesses to be viable and anchored to the town. They agreed with the twelve month minimum but would review on a case by case basis. The town would be very cautious loaning money to a start-up business. We need to allow businesses to apply and consider them on a case by case business. Councilor Bitzas was very happy with this information and thought it was a good compromise. He personally would prefer the six months and doesn't want to see a business just opened for 8 months not be able to apply. For simplicity, Council President Johnson stepped from the Chair and offered the amendment reducing the number of months in business down to 12 months with the caveat of considering each on a case by case basis so businesses that have been in business less than 12 months can still apply as well as one person employee. So the amendment was moved by Councilor Johnson and seconded by Councilors Calabrese and Letellier. Council President Johnson asked if there was any further discussion. Council Vice President added that she signed a Conflict of Interest Form and did not intend on applying for this loan. She thought this amendment offered good flexibility. Councilor Bitzas said it was common sense and the language was clear and plain. He strongly urged everyone to support this.

The vote on the amendment was **11 YES, 0 NO**. Main Motion as amended was already moved and seconded.

The vote was **11 YES, 0 NO** approving the item as amended.

Item E. Adjournment.

The Motion to adjourn was moved and seconded around the house. Meeting was adjourned at 7:11pm.

Please note that this meeting will be audio recorded and be available on the town's public access channel as soon as practicable as well as on the town's website (www.agawam.ma.us)

Approved

Approved

TR-2020-29

EMERGENCY PREAMBLE FOR TR-2020-30 APPROPRIATING FUNDS FROM THE STABILIZATION FUND FOR THE BUSINESS OPERATING LOAN PROGRAM

(Sponsored by Mayor William P. Sapelli and Council President Christopher C. Johnson)

WHEREAS, the nation and the Commonwealth of Massachusetts are coping with the COVID-19 pandemic; and

WHEREAS, it is in the best interests of the Town of Agawam to assist its local businesses during this national emergency dealing with the COVID-19 pandemic; and

WHEREAS, TR-2020-30 will provide much needed assistance to small businesses in the Town of Agawam to help them retain employees during the COVID-19 pandemic; and

NOW THEREFORE, the Agawam City Council hereby declares pursuant to Section 2-9(b) of the Agawam Home Rule Charter that an emergency exists and hereby approves this Emergency Preamble for TR-2020-30 allowing the Agawam City Council to act on this agenda item at its April 2, 2020 Special Meeting.

DATED THIS 2nd DAY OF APRIL, 2020.

PER ORDER OF THE AGAWAM CITY COUNCIL

Christopher C. Johnson, President

APPROVED AS TO FORM AND LEGALITY

Stephen J. Buoniconti, City Solicitor

Orig: The Clerk
cc: Council
cc: Auditor
cc: Treasurer
cc: Law Dept
cc: Mayor

TR-2020-30

A RESOLUTION APPROPRIATING FUNDS FROM THE STABILIZATION FUND FOR THE BUSINESS OPERATING LOAN PROGRAM

(Sponsored by Mayor William P. Sapelli and Council President Christopher C. Johnson)

WHEREAS, the nation and the Commonwealth of Massachusetts is coping with the COVID-19 pandemic; and

WHEREAS, due to social distancing requirements, the COVID-19 pandemic has forced the closure of many small local businesses; and

WHEREAS, many of these small local businesses which have been forced to close are without sufficient resources to keep their workforce employed during the COVID-19 pandemic; and

WHEREAS, the Town of Agawam values its small local businesses and desires to offer no interest loans to help prevent the loss of jobs in Agawam; and

WHEREAS, the City Council has previously adopted the local option provision of MGL c. 40 Section 5B paragraph 4 in 2018; and

WHEREAS, it is in the best interests of the Town of Agawam to assist its local businesses during this national emergency dealing with the COVID-19 pandemic.

NOW THEREFORE, BE IT RESOLVED that the Agawam City Council hereby appropriates the sum of Two Hundred Fifty Thousand (\$250,000.00) Dollars from its Stabilization Fund to fund the Town of Agawam Business Operating Loan Program; and provides further that all loan payments shall be appropriated back to the Stabilization Fund pursuant to MGL c. 40 Section 5B, paragraph 4.

Dated this 2nd day of April, 2020.

PER ORDER OF THE AGAWAM CITY COUNCIL

Christopher C. Johnson, President

APPROVED AS TO FORM AND LEGALITY

Stephen J. Buoniconti, City Solicitor

Orig: The Clerk
cc: Council
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