

MEETING MINUTES

Town of Heath Finance Committee April 2, 2019

Called to order at 6:00pm with BOS by Chair Ned Wolf with Paul Dabrody, Ken Gilbert and Jan Carr present. Kahy Inman arrived later. Present: BOS, Town Treasurer, Bob Bourke and MLP members, Sheila & Art, Clark Rowell & Brianne Susel from Unibank, Bob Dane, Sue Lively and Pam Porter.

Meeting with Financial Advisors. Clark does not advise selling bonds as they are subject to annual audits. However, he believes that within five years any note borrowing will require yearly audits at \$14,000 per audit.

He recommends issuing a series of one-year notes for ten years followed by a five-year serial bond. This method carries the risk of higher interest rates in later years and also, banks may stop bidding. You can issue notes for two years before payments are due. The legal fees are included in the first year charge of \$2,600. The good news is local banks are “buy and hold” (in-house) and have been in this state kind-of-guaranteed program for years. The state will make sure that the town pays the bank. You might go longer than a five-years, but there isn’t much market for that. The interest rate for one-years has not been over 4% in the last eighteen years, since Clark has been with Unibank.

Every year, the full amount is due with a new note issued the following year on paid-down balance.

Advantages of Debt Exclusion - Broadband

Heath has a \$284,000 excess levy capacity which could affect our ability to obtain financing – we may not have market access. We could offer to give lending bank our business by having all of our accounts there. Debt Exclusion gives us the flexibility to continue operating if we go over \$25.00. The state will not certify the tax rate above \$25.00. We do not know when we will start having broadband invoices. The state now has a direct advance payment system for towns that go over their make-ready costs as three have done so far.

How to start process? Three weeks to get notes. Debt exclusion vote on May 11th. Bond counsel should go over town counsel’s wording. This would probably be included in the \$2,000 legal fees charge. We cannot renew our five-year serial bond. Another borrowing option, Rural Development, is not viable for Heath.

A fifteen-year serial loan is an option but many banks don’t bid on them. The interest would probably be in the 5% range but we would have the security of a fixed rate. With the one-year notes, the fee doesn’t change from \$600.00 even if at a later time, we borrow more.

Caff II funding has a high probability of coming through in FY2021-FY2022. This would be \$56,000 for ten years. Heath has sixty-four contested poles. Broadband should be up and running by August 2020. A drop policy will be determined once make-ready cost is in. Standard drop is 175’ but it is up to each town to decide. The more generous the policy, the higher the take-rate.

Clark reiterated the importance of debt exclusion.

Eric Sumner, as moderator, requested the ATM be held in the school.

Bob Dane offered his services to set up an advisory board for HCA.

Returned to Assessors’ Office at 7:35

Recap of borrowing options. Discussion of \$124,590 truck and \$57,606 tractor – both may not be needed this year, also possibly could fall under Community Impact Fee. A suggestion was made that we starts cuts now rather than wait until we are at \$25.00 threshold as a less harsh method. How we use the \$50,000 free cash was considered – which stabilization accounts and how much into each. We also discussed vehicle depreciation as a tool.

We discussed the Town Clerk’s request for a raise and why the need for a petition. Wondered if the bylaws have been digitized or is it an ongoing process? We discussed increased responsibilities and pay grade. Jan made a motion to adjourn from BOS, Paul seconded. Passed unanimously.

Returned to BOS at 8:10

Reviewed warrant with BOS. Robin reported on the OSHA meeting. She was pleased with the visit and stressed the importance placed by them on writing and policy. Perhaps a Community Impact Fee could help with purchase of chassis next year - \$110,000. Paul made a motion to pay off the Three-Town Landfill \$21,540.34, this year; Ken seconded. Passed Unanimously. Article 27 was discussed – Kara to check with town counsel. All warrant articles due next week. Warrant has to be posted by 5/4; Insurance rate is being voted on 4/17. Article 3 has a 2% COLA; awaiting WiredWest and Pre-School numbers.

Meeting with Town Clerk

The digitized project was completed two years ago. The \$3,000 line item is not for the project, but for supplies. A 35% salary increase was discussed. Reevaluation of job description was discussed along with the need to go through grade system and possibility of a merit raise. Hilma is a pay grade 10, she estimates fees at \$2,000 - \$2,500 per year.

Brian stated that Citizen Petitions should not be used for salary increases.

The state has imposed unfunded mandates that should be entered in job description. There are no performance reviews for elected officials.

Hilma is requesting a \$5,200 raise but from that will turn over \$2,600 in fees to the town resulting in a \$2,600 actual pay increase. Town Clerks are now the records access to voters and are also unpaid for early voting (only election workers are compensated). Furthermore, Hilma has received state certification. A decision that everyone requesting raises will be reviewed.

Ned made a motion to adjourn, Paul seconded. Unanimous vote to adjourn at 9:30.

Respectfully submitted,
Jan Carr