

Town of Heath

Meeting minutes

Heath Municipal Light Plant Advisory Board

Date/time: April 2, 2019 at 6:00 pm

Location: Sawyer Hall

Members present: Jan Carr, Art Schwenger, Ned Wolf, Sheila Litchfield with Clark Rowell and his replacement Brianne; BOS and FinCom and others present (note this was a BOS meeting that MLP Advisory Committee was invited to attend)

- Called to order at 6:00 pm
- Scheduled meeting with Clark Rowell who is retiring and came to introduce us to his replacement Brianne (need last name) and to discuss broadband borrowing for Heath)
- Clark recommends state house series of one year notes (aka. bond anticipatory notes; state house loan notes; 1-year notes) for up to 10 years followed by a 5-year serial loan for a 15 year amortization (pay off period)
 - We'd risk interest rate increases annually with 1-yr notes
 - Could put 30 K in an interest bearing account as a backup plan to cover interest rate increases if we want to assure a more consistent annual payment during pay back period.
- Clark recommends debt exclusion for broadband for Heath
 - Pay outside of ley limit if have debt exclusion
 - Heath's levy limit capacity is lower because our EQV has decreased by about 280K
 - Debt exclusion may open market to us better (more attractive to banks)
 - Enable Heath to get broadband built while still being able to make other purchases that would be impacted by levy limit such as truck, etc.
 - DOR won't certify our tax rate if over \$25 per thousand unless we have a debt exclusion
- Brianne can give us an estimate of what to borrow in FY20
- Kris suggests waiting until after July 1st to borrow; confirmed there is enough in broadband account to carry through until after July 1 without borrowing before then.
- Kris has good rapport with several local banks and can get note within few days
- Clark reminded that we can include interest only on the recap sheet in the line item for "debt services otherwise not provided for"; in budget include a line item for broadband borrowing.
- Clark indicated other options (for broadband borrowing) include a 15 year serial note right off the bat; or a 10 year note. These would enable a fixed interest rate.
- Town anticipates receiving approximately 56K annually in CAFII funding for 10 year beginning in 2022-2023.
- Heath Broadband may "go live" in August 2020

MLP Advisory Committee departed the BOS meeting at 7 pm.