

**TOWN OF MILLVILLE
BOARD OF SELECTMEN**

MINUTES OF MEETING

January 20, 2015 - 5:30 p.m.

Board of Selectmen Members Present: Chairman Roland Barrett, Vice Chairman Joseph Rapoza, Selectmen Robert Baker and Jennifer Dean Wing

Board of Selectmen Members Absent: Selectman John Laura

Others Present: Executive Secretary Helen Coffin; Town Accountant Marilyn Mathieu; Lisa Larue, Treasurer/Collector; and Finance Committee Members Richard Crivello, Kelli Capozzoli and Brooks Herrick

Chairman Barrett calls the meeting to order at 5:35 p.m. at the Longfellow Municipal Center. The purpose of the meeting, at the request of the Finance Committee, is to meet with a Financial Advisor to discuss the Town's options for borrowing funds in order to address capital needs. Richard Crivello advises that Millville has never applied for a bond on the market and that all previous borrowing was done via state house notes. The Finance Committee would like to be familiar with the process and if there are any way to borrow.

Clarke Rowell of Unibank indicates that the Town needs to know: (1) the estimated capital needs cost and timeframe; and (2) what options will the Town be able to sell via debt exclusion and override. He explains the Town's statutory debt limit is \$15 million. Some of the borrowing techniques available are: (1) general obligation bonds which he discourages against; and (2) state qualified bonds for small projects which must be allowable under c.44A s.7&8. The state house note program is for smaller projects and has a higher interest rate. There is a lease/purchase on departmental equipment which can be used to circumvent Town Meeting. He explains the US Rural Development program. They are enthusiastic to lend money but there are many hoops in getting approved. These loans are primarily for infrastructure and a consulting engineer would prepare the application. These can go for a 40-year term and the issuance cost isn't too high.

The Town would need to obtain a bond rating for issue bond issued. It makes the most sense to bulk everything into one bond if possible. In order to obtain a bond rating the Town must have annual audits and must abide the GASB mandates. He also recommends a target reserve of 5-10% in Stabilization and the Town should adopt debt policies. Mr. Rowell went through some specific figures pertaining to the Town's revenue. His recommendation is that the Town not borrow in excess of about \$6 million. He cautions the Town to go through its Bylaws to ensure there are no other requirements. He estimates approximately \$500K in preliminary legal work.

Respectfully Submitted,
Helen M. Coffin, Executive Secretary

Roland P. Barrett, Chairman

Joseph G. Rapoza, Vice Chairman

Robert F. Baker, Selectman

John M. Laura, Selectman