

# TOWN OF GILL

MASSACHUSETTS



[www.gillmass.org](http://www.gillmass.org)

## SELECTBOARD MEETING MINUTES

*May 6, 2011*

Call to Order: The meeting was called to order at 8:05am.

Present: Randy Crochier, Ann Banash, and John Ward, Selectboard members; Ray Purington, Administrative Assistant.

Others Present: Ronnie LaChance (Collector-Treasurer, Finance Committee), Tupper Brown (Finance Committee & Energy Commission)

The meeting was also a posted meeting of the Finance Committee and the Energy Commission, but neither group had a quorum, and were not called to order.

Siemens Energy Improvement Project at Gill Elementary School: Ray and Ronnie presented information about various financing options that are available for temporary and long-term financing of the Energy Savings Performance Contract with Siemens for improvements at the school.

An application has been submitted to the USDA Rural Development office for a \$121,230 Community Facilities loan. Jay Healy, the regional director, has promised a pre-commitment letter to Gill that will indicate funds will be awarded as soon as the local office receives additional funding from the national office. The downsides to this loan are its 20-year term, uncertain interest rate (3.75% currently), and extra layers of project oversight from the USDA.

An application has also been submitted to DOER for an allocation of funds for a Qualified Energy Conservation Bond (QECB), which is a federally authorized bond in which the buyer receives tax credits rather than interest payments. No official award has been made yet, but there are strong indications from DOER that Gill will be successful in its application. The QECB has the potential of being a low interest rate (2.19% based on initial calculations), which will also allow a 15-year term due to reduced interest costs. However, it is up to the Town to find a buyer for the bond – the buyer can be a financial institution, business, individual, or any other entity that can benefit from tax credits.

Ronnie reported that a traditional commercial loan would not be feasible to finance this project, as no banks are willing to go more than 10 years on this kind of loan.

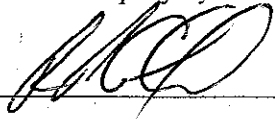
If suitable long-term financing cannot be arranged soon, the Town will be forced to make a decision – cancel the project and return the \$150,000 EECBG grant to DOER, or scale back the scope of work and do a self-managed project capped at the grant-funded \$150,000. Neither option is desirable – the grant is a sizable amount of money and the school needs a new boiler and energy management system, plus there are strong doubts about the human resources available from the Town to adequately manage such a construction project.

In the ensuing discussion, it was felt that the USDA loan, while not ideal, provides the necessary financial backstop to allow the town to tentatively move forward with the roughly \$275,000 project with Siemens. Ann made a motion, seconded by Randy, to approve the Energy Management Services Agreement (EMSA) contract in its current form between the Town of Gill and Siemens Building Technologies for execution by the Town, and to authorize the Chair to sign the EMSA at his discretion in order to implement the contract. The vote was unanimous in the affirmative.

Noting that it will likely take some time before the funds are available from whatever long-term financing is chosen, the Board asked Ronnie to get three quotes for a \$200,000 convertible line of credit, so that funds will be available in order to implement the project.

Adjournment: The Selectboard meeting adjourned at 9:03 a.m.

*Minutes respectfully submitted by Ray Purington, Administrative Assistant.*



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Randy Crohier, Selectboard Clerk

TOWN OF GILL, MASSACHUSETTS  
Qualified Energy Conservation Bonds

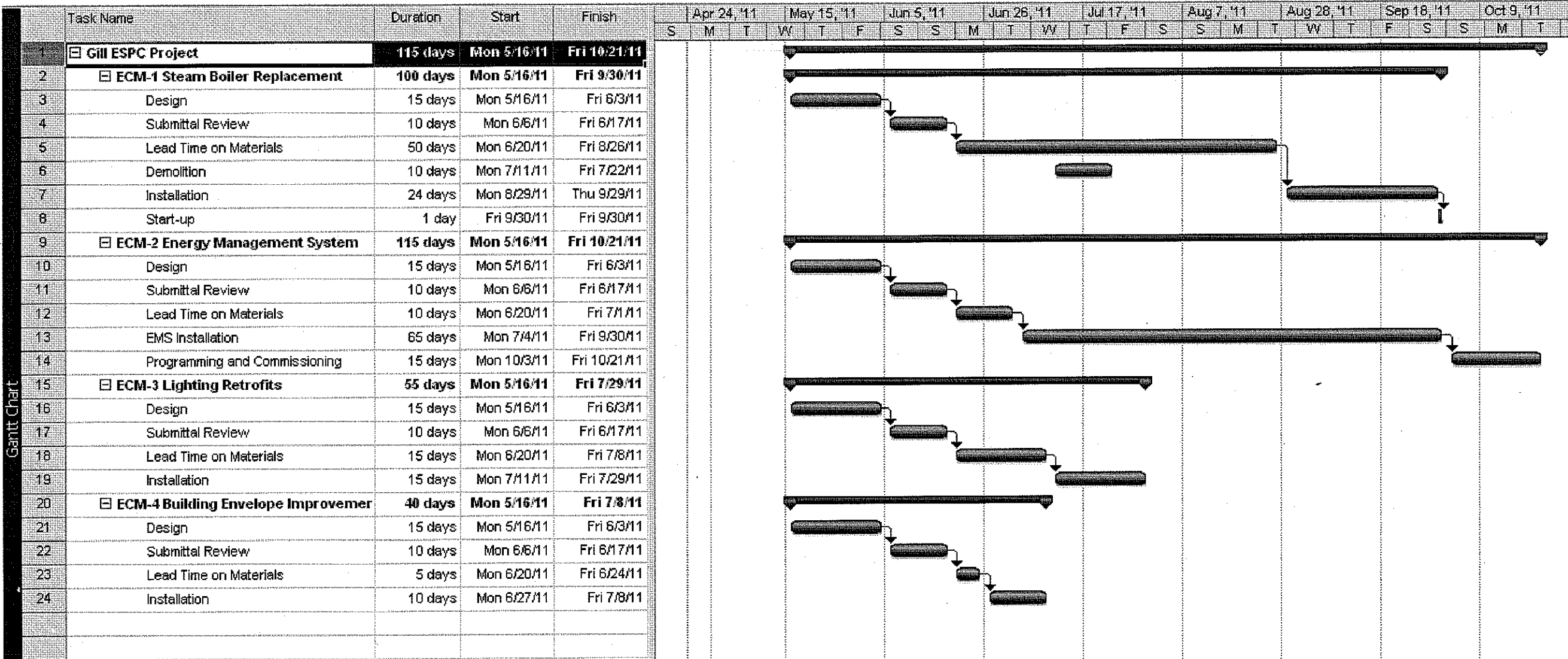
Economics - Town

UniBank Fiscal Advisory Services, Inc.

5/6/2011

		<b>Ray's Notes</b>
Project	271,484.00	Program Price from Siemens EMSA
Utility Rebates	(4,250.00)	WMECO lighting rebates
DOER	(150,000.00)	EECBG grant
Cost Of Issuance COI	14,000.00	bond counsel = \$4,500/financial advsr = \$5,000/buyer's atty = \$1,000/escrow agent = \$3,500
Financed	131,234.00	Amount we need to finance = Project + COI - Rebates - Grant
Max COI Fin	(10,194.24)	max issuance costs that can be financed = COI x COI%
Net Financed	121,039.76	
Upfront	3,805.76	127,428.24 (3,805 is portion of issuance costs that can't be financed, must pay up front)
Par	(127,428.00)	amount of the bond
COI %	8.00%	max percentage of bond amount that can be used for issuance costs
Supplemental	2.00%	additional interest paid by Town to Buyer to make it an attractive investment
PV Rate Value	2.19%	present-value interest rate for Town
	(56.44)	

	<u>Proceeds</u>	<u>Sinking Fund</u>	<u>Supplemental Interest</u>	<u>Interest Earnings</u>	<u>Total</u>	<u>Annual Debt Service</u>	<u>Performance Assurance</u>	<u>Savings</u>	<u>Net Change</u>
6/15/2011	(117,233.76)	3,805.76			(113,428.00)	3,805.76			3,805.76
9/15/2011					0.00				
12/15/2011			1,274.28		1,274.28				
3/15/2012					0.00				
6/15/2012		2,000.00	1,274.28		3,274.28	4,548.56	2,000.00	(7,196.64)	(648.08)
9/15/2012				(12.66)	(12.66)				
12/15/2012			1,274.28	(14.96)	1,259.32				
3/15/2013				(24.99)	(24.99)				
6/15/2013		6,000.00	1,274.28	(15.12)	7,259.16	8,480.83	2,060.00	(11,119.90)	(579.07)
9/15/2013				(32.71)	(32.71)				
12/15/2013			1,274.28	(60.49)	1,213.79				
3/15/2014				(60.49)	(60.49)				
6/15/2014		6,000.00	1,274.28	(58.52)	7,215.76	8,336.34	2,121.80	(11,453.50)	(995.36)
9/15/2014				(47.51)	(47.51)				
12/15/2014			1,274.28	(105.86)	1,168.42				
3/15/2015				(105.86)	(105.86)				
6/15/2015		6,500.00	1,274.28	(103.56)	7,670.72	8,685.77	2,185.45	(11,797.10)	(925.88)
9/15/2015				(87.45)	(87.45)				
12/15/2015			1,274.28	(129.74)	1,144.54				
3/15/2016				(153.33)	(153.33)				
6/15/2016		6,500.00	1,274.28	(151.64)	7,622.64	8,526.40	2,251.02	(12,151.01)	(1,373.60)
9/15/2016				(156.70)	(156.70)				
12/15/2016			1,274.28	(127.36)	1,146.92				
3/15/2017				(204.16)	(204.16)				
6/15/2017		7,000.00	1,274.28	(204.16)	8,070.12	8,856.18	2,318.55	(12,515.54)	(1,340.82)
9/15/2017				(197.51)	(197.51)				
12/15/2017			1,274.28	(144.00)	1,130.28				
3/15/2018				(257.10)	(257.10)				
6/15/2018		7,500.00	1,274.28	(257.10)	8,517.18	9,192.86	2,388.10	(12,891.01)	(1,310.04)
9/15/2018				(251.51)	(251.51)				
12/15/2018			1,274.28	(212.38)	1,061.90				
3/15/2019				(282.64)	(282.64)				
6/15/2019		8,500.00	1,274.28	(310.40)	9,463.88	10,011.63	2,459.75	(13,215.25)	(743.87)
9/15/2019				(306.99)	(306.99)			0.00	
12/15/2019			1,274.28	(313.81)	960.47				
3/15/2020				(240.21)	(240.21)				
6/15/2020		9,500.00	1,274.28	(378.08)	10,396.20	10,809.48	2,533.54	(13,676.07)	(333.06)
9/15/2020				(378.08)	(378.08)				
12/15/2020			1,274.28	(369.86)	904.42				
3/15/2021				(262.40)	(262.40)				
6/15/2021		10,000.00	1,274.28	(449.92)	10,824.36	11,088.30	2,609.55	(14,020.05)	(322.21)
9/15/2021				(449.92)	(449.92)			0.00	
12/15/2021			1,274.28	(440.14)	834.14				
3/15/2022				(371.67)	(371.67)				
6/15/2022		10,500.00	1,274.28	(439.85)	11,334.43	11,346.98	2,687.83	(14,508.95)	(474.13)
9/15/2022				(519.82)	(519.82)				
12/15/2022			1,274.28	(514.11)	760.17				
3/15/2023				(525.53)	(525.53)				
6/15/2023		11,000.00	1,274.28	(388.15)	11,886.13	11,800.94	2,768.47	(14,944.21)	(574.80)
9/15/2023				(604.93)	(604.93)				
12/15/2023			1,274.28	(604.93)	669.35				
3/14/2024				(585.21)	(585.21)				
6/14/2024		11,500.00	1,274.28	(414.66)	12,359.62	11,838.83	2,851.52	(15,392.54)	(702.19)
9/14/2024				(688.11)	(688.11)				
12/14/2024			1,274.28	(688.11)	586.17				
3/15/2025				(680.63)	(680.63)				
6/15/2025		12,000.00	1,274.28	(568.44)	12,705.84	11,923.27	2,937.07	(15,779.69)	(919.35)
9/15/2025				(648.70)	(648.70)			0.00	
12/15/2025			1,274.28	(766.64)	507.64				
3/15/2026				(749.79)	(749.79)				
6/15/2026		12,929.00	1,274.28	(783.49)	13,419.79	12,528.93	3,025.18	(16,253.08)	(698.98)
								0.00	
Totals	(117,233.76)	131,234.76	38,228.40	(17,882.10)	34,347.30	151,581.06	37,197.83	(196,914.56)	(8,135.67)



Gantt Chart