

# DRAFT

## MUNICIPAL EQUIPMENT LOAN FUND COMMITTEE MEETING MINUTES June 18, 2024

### Committee Members Present:

Via phone:

Gavin Boyles, Deputy Treasurer  
Wanda Minoli, Commissioner, Dept of Motor Vehicles  
Daniel Batsie, Deputy Commissioner, Dept of Public Safety  
Candace Elmquist, CFO, Agency of Transportation

### Treasurer's Staff Members Present:

John Booth, Director, Treasury Operations  
Justin St. James, General Counsel, Office of the State Treasurer  
George Steelman, Financial Director, Treasury Operations

- Meeting called to order by Deputy Treasurer Boyles at 3:05 PM.
- Deputy Treasurer Boyles asked Committee members if they had had time to review minutes and asked for a motion to approve the minutes of the June 22, 2023, meeting. The motion was made by Commissioner Minoli, seconded by Deputy Commissioner Batsie. The motion was approved unanimously.
- General Counsel St. James provided an overview of MELF and recent statutory changes:
  - After contact from DMV's attorney, a review of current rules and statutes and potential update was considered to potentially have one statutory source of information and guidance for equipment loans to municipalities.
  - Small changes were enacted with the Budget Adjustment Act increasing the maximum loan amount to \$150,000 and asking the Treasurer to submit a report for recommendation on loan size at least every 5 years.
  - Further changes and updates are expected allowing for one statutory source that could be amended if necessary.
  - Commissioner Minoli expressed support for this initiative further aligning statute.
- Financials were presented by Director Booth. The original seed money for the MELF program provided by the State was \$2M. The balance sheet is currently in a strong position with \$3.8M in assets which includes \$2.5M in cash and \$1.3M in outstanding loans. There is \$2.768 million available for new loans currently. The program is approaching a crossover point where it will have earned more than the initial \$2 million in seed monies. All loans are performing as expected with no delinquencies. The statutory limit for annual loan capacity is \$1.5M and the program is under this threshold. Through March 2024, the fund had almost \$90,000 in interest earnings (\$89,613) because of the change in the interest rate environment. Four loans for a total of \$440,000 were issued over the previous 12 months and current cash amounts are \$2.7 million.
- Director Booth advised that because of the anticipated change in loan limit applicants were advised that they could resubmit applications at the new limit of \$150,000. The Townshend loan applications were explained as an initial loan for an excavator and then a new emergency loan for a grader; rescinding the previous loan and it was suggested Townshend be considered separately. The remaining nine applications were presented as a slate of loans (See Chart). Staff recommendation is for approval of slate of "Non-Townshend" loans. Deputy Treasurer Boyles asked if there were any towns that presented concerns. Director Booth explained that the Treasurer's Office had reviewed

the loans and the scoring of each of the towns and would recommend approval. Deputy Treasurer Boyles asked for a motion to approve the slate of “Non-Townshend” loans as a package. Commissioner Minoli made a motion for approval and CFO Elmquist seconded. Loans were approved by acclamation.

<u>Municipality</u>	<u>Loan Amount</u>	<u>Equipment</u>	<u>Purchase Price</u>
PANTON	\$ 110,000.00	International Dump Truck	\$ 277,185.00
EDEN	\$ 110,000.00	Western Star Truck	\$ 279,350.00
BRAINTREE	\$ 150,000.00	Western Star Dump Truck	\$ 283,123.00
HOLLAND	\$ 127,675.00	International HV613 Truck	\$ 170,233.00
BENSON	\$ 118,635.00	International HV613 Truck	\$ 158,181.00
MOUNT HOLLY	\$ 110,000.00	John Deere Loader 2023	\$ 193,700.00
PAWLET	\$ 110,000.00	Freightliner Truck 2024	\$ 156,446.00
WALLINGFORD	\$ 110,000.00	Caterpillar Grader	\$ 266,500.00
MARSHFIELD	\$ 110,000.00	International HV613 Truck	\$ 263,588.00
TOWNSHEND	\$ 299,600.00	John Deere Grader	\$ 399,600.00

- Townshend’s request to waive the \$150,000 maximum loan limit and the 75% of purchase price was discussed. Commissioner Minoli observed that this application shows a high need base. Director Booth observed that there had been a few requests as the result of fires, but that the need had been addressed through insurance payments and other means. Commissioner Minoli suggested that an exception up to 75% of purchase price seemed appropriate. CFO Elmquist clarified that it would waive the \$150,000 maximum loan limit, but not the 75% of purchase price limit. Deputy Commissioner Batsie made a motion for the approval to the Townshend request and Commissioner Minoli seconded. Motion was unanimously approved.
- Commissioner Minoli observed that some of these approvals may be utilized to increase bargaining power for municipalities as they try to acquire equipment.
- Deputy Treasurer Boyles asked for the total approved which was \$1,355,910.

Respectfully Submitted,

George Steelman  
 Financial Director, Treasury Operations