

DRAFT

MUNICIPAL EQUIPMENT LOAN FUND COMMITTEE MEETING MINUTES December 18, 2019

Committee Members Present: Will Kriewald, designee for Beth Pearce, State Treasurer
Via phone: Wayne Gammell, designee for Joe Flynn, Secretary of
Transportation
Via phone: Wanda Minoli, Commissioner of Motor Vehicles
Absent: Christopher Herrick, Deputy Commissioner Public Safety

Treasurer's Staff Members Present: John Booth, Director, Treasury Operations
Matt Jenkins, Financial Manager, Treasury Operations

- Meeting called to order by Kriewald at 1:05 PM.
- Kriewald asked Committee members to approve the minutes of the June 12, 2019 meeting; motion was made by Minoli, seconded by Gammell, and motion was approved unanimously.
- Booth presented an overview of the purpose of the Municipal Equipment Loan Fund for the benefit of designees.
- Financials were presented by Booth. All existing loans are current. The Fund is good condition with \$3.5M in assets and \$2M in cash & equivalents. The cash balance is slowly increasing, and a projection indicates the loan fund could soon support the statutory maximum yearly approvals of \$1.5M and still stay cash positive. Yearly approvals have not reached the \$1.5M maximum for many years because of the low interest environment we have been experiencing. The 2% interest rate for MELF is more attractive to municipalities when interest rates are rising.
- Kriewald noted that the interest rate for MELF loans is 0% when the equipment purchase is shared by two municipalities and encouraged the increased use of this option.
- Kriewald asked Committee if there were any questions regarding the financials, there were none.
- Booth indicated he had reviewed the three loan applications for the current meeting and all reflected appropriate approval by town voters or the town select board. Recommendation made for the committee to approve the three loan applications.
- Motion to approve the following three loans totaling \$243,663 was made by Minoli, seconded by Gammell, and approved unanimously. Minoli noted the small number of applications relative to the seven approved at the prior meeting in June. Booth suggested that the current interest rate environment provides municipalities with other attractive options.

Town Name	Loan Amount Requested	Type of Equipment	Joint Purchase	Total Purchase Amount
Ferrisburg	\$ 51,663	Ford 550 W Plow Truck		\$ 68,885
Jericho	\$ 110,000	John Deere Grader		\$ 251,450
Wallingford	\$ 82,000	Caterpillar 926M Loader		\$ 141,000
	\$ 243,663			

- Kriewald indicated there was an additional subject to discuss which had not been warned. The MELF program governance is provided by state statute and rules adopted by the committee. The rules allow for applications to be reviewed and approved twice a year with no provision to address an emergency hardship situation for a municipality. Franklin recently lost their town garage to fire which destroyed plow trucks and possibly a loader. Booth to reach out to Franklin to determine if the MELF program can be of assistance. The Assistant Attorney General has recommended that the rules & statute be amended to allow for an emergency approval process outside of the twice a year meeting, and for any other discrepancies between the rules & statutes be aligned. Booth to send out proposed rule changes to committee members within 2 weeks for review and comment.
- Kriewald asked if there was any other existing or new business for the committee. There was none.
- Gammell moved to adjourn, seconded by Minoli, motion approved unanimously. Meeting adjourned at 1:19 PM.

Respectfully Submitted,
Matt Jenkins
Financial Manager, Treasury Operations