

## **RTM Finance & Budget Committee - Special meeting minutes 02//24/2014**

Present: A. Rycenga, J. Davis, M. Banks, J. Boulton, R. Cardone, S. Anderson, G. DuPont, T. Duffy, K. Hoffman, M. Thorne, J. Palen, D. Ritchie, B. Ball

Absent: A. Millar and B. Hayes

Guests: Town Counsel - Wayne Fox. Will McCalpin- Clean Energy Finance and Investment Authority representative.

With 8 of 15 members present consisting of quorum Jack Davis called the special meeting to order at 7:20 p.m. Several other members joined shortly thereafter bringing those in attendance to 13 of 15 committee members.

The purpose of the meeting was discuss and vote on RTM resolution 14-5 for Consideration and action in the Town of Darien participating in the C-PACE (Commercial Property Assessed Clean Energy Program). The special meeting was called in response to the previous RTM F&B Committee meeting held on 2/10/2014. The committee had some additional questions and requested an official resolution before taking any votes, the original discussions were based on a resolution draft and had not yet gone through the rules committee at the time of the prior meeting

Further details of the program were provided by Mr. McCalpin.

-The loans for the program are bundled into a \$40 million credit facility. The credit facility is backed from revenues associated with a mill rate assessed on utility bills and overseen by REGI ( Regional Greenhouse Gas Initiative).

- Currently 77 other Connecticut towns are part of the program. Connecticut is the first state to offer the "green loan improvements" to commercial and multi family residential properties. The program has been in place for a little over a year now. There are \$20 million worth of loans approved to date with approximately \$5 million closed and completed. There are currently three applications from Darien property owners, 16 loans in the pipeline of which 10 are close to approval for \$60 million dollars.

- Discussions centered on the cost and responsibilities to the Town of Darien. Both town counsel and the tax collector said they have the necessary software to add an additional line to tax bills for the loans. The town is not responsible for the collection of the loans and would be reimbursed \$500 per application with the ability to additional reimbursement should the costs exceed \$500. There would not be any anticipated negative financial impact to the Town of Darien for participating in the C-PACE program, no gain, cost neutral.

- Further discussions were held with regard to the placement of the loans in the event of a bankruptcy case. The tax liens would remain the primary, "green loans" second, and sewer third. To

date there have not been any bankruptcy cases to set precedence as to how the process would unfold. The total loan amounts on a property applying could not be more than 80% of the loan to value of the property, liens could not total more than 35% of the value. There was some concern the sewer liens would move down the priority line in the case of a bankruptcy.

-The amount of money involved with sewer liens should be nominal relative to the overall financial picture. The "green loans" transfer with the property should it change ownership. There were some questions how the 35% lien ratio would be maintained should there be a refinance situation.

- It was noted that the Board of Selectmen had previously unanimously approved participating in the program. The Board of Finance did not hold a vote as there were no perceived financial implications to the Town of Darien.

- A motion was made to waive the reading of resolution 14-5 and call to vote on RTM resolution 14-5 was made by J. Boulton and seconded by M. Thorne. It was approved with 7 in favor (J. Davis, R. Cardone, G. DuPont, B. Ball, M. Thorne, J. Palen, J. Boulton), 5 against (T. Duffy, A. Rycenga, M. Banks, D. Ritchie, S. Anderson), and 1 abstention- K. Hoffman.

- A motion to call the meeting to an end was made by J. Davis and seconded by J. Boulton at 7:50 p.m.