

Subject: Fwd: RTM Finance and Budget Committee regularly scheduled minutes 2/10/2014

Attendees:

J. Palen, M. Banks, D. Ritchie, A. Rycegna, B. Hayes, B. Ball, T. Duffy, R. Cardone

Absent:

A. Millar, J. Boulton, M. Thorne, S. Anderson, K. Hoffman, G. DuPont, J. Davis

Guest:

RTM Moderator- Sarah Seelye (had to leave the meeting early to go to the rules committee meeting)

With 8 of 15 members present consisting of quorum the meeting was called to order by Chairman Palen at 7:35 p.m.

A motion to approve the agenda was made by D. Ritchie and seconded by A. Rycenga.

A motion to accept the minutes of the regularly scheduled RTM F&B committee minutes from 01/13/2014 was made by D. Ritchie and seconded by T. Duffy. The minutes were unanimously approved with A. Rycenga abstaining.

Due to school vacation the F&B meeting could not be held one week before the upcoming RTM meeting. As a result of this scheduling, the rules committee had not yet met to present the expected resolutions for the regularly scheduled RTM meeting February 24, 2014. It was noted the following items would potentially be presented to the RTM on February 24, 2014:

1) RTM Acceptance of Small Parcel of Land for Pumping Station on Andrews Drive (F&B is not expected to be Primary or Secondary)

- The acceptance of this property for \$1 is part of an settlement agreement with the sewer commission.

2) Hoyt Court (F&B is not expected to be Primary or Secondary)

- The Town will grant the owners of 50 Hoyt Street an easement to gain access to their property.

3) C-PACE Program (Highly likely that F&B will be Primary)

- A two page summary of the mechanics of the C-PACE program and how the Town of Darien would be involved.

- There is no real financial impact to the town (no costs)

- There are some "hypothetical" risks associated with the program (subordination of sewer fees to C-Pace payments), but the risks are generally remote.

A very brief description of items 1 & 2 was presented by Chairman Palen. F&B is not expected to be the primary or secondary committee reporting on either matter so neither was discussed with any detail.

The remainder of the meeting was spent discussing item 3, the participation in the C-Pace program.

- The underlying goal of the C-Pace program is to allow the ability to obtain low cost loans for "green improvements" for commercial and multi-unit residential properties.
- The loans could range from \$80,000 up to \$2.5 million dollars, limited to 25% of the overall property loan.
- There was discussion on how the loans would take primary position in the lien process should there be a bankruptcy case. This would put them ahead of primary mortgages and sewer liens on the property.
- Loans would transfer with the property ownership.
- The town would be eligible to receive \$500 per loan application to cover costs and could apply for further payments if it deemed the costs to be more than \$500 per lot.
- The town tax collector would send the property tax bills and provide a separate line item for the loan payments.
- The opinion of the Darien tax collector"s is they have the required software in place to participate in the program which would not create any significant increase to their workload as they are not administering the loan and not responsible for administering the program and the loans provisions are the loan issuer responsibilities.
- While the town may not foresee any net gains or negative financial impact from participating in the program there was some concern over potential liabilities to the town in the event of a bankruptcy hearing and sewer liens becoming subordinated to the program loans. While it is a remote possibility of this occurring it was discussed.
- It was noted that the Board of Selectmen had approved participating in the agreement and town counsel had said there would not be a significant potential for liability in participating.
- The general consensus was there would not be a significant financial gain or loss to the Darien for participating in the program but would like to gain further assurances from town counsel and the tax collector office this is accurate.
- The committee would also like to have a representative from the state give further input on the lien priorities on a property with a C-Pace loan in the event of bankruptcy.
- Many committee members were reluctant to vote on the matter without having a resolution from the rules committee before them.

-A motion was made by B. Hayes and seconded by R. Cardone to take a sense of the meeting vote should a resolution from the rule committee come before the committee. Four members voted in favor (J. Palen, R. Cardone, B. Ball, and B. Hayes); one opposed- M. Banks; Abstentions- T. Duffy, D. Ritchie, A. Rycenga.

It was agreed the committee would seek clarity on the points mentioned above from town counsel, the tax collector's office, and from the state representative. The committee will meet prior to the RTM meeting on February 24,2014 to discuss further and vote on the final resolution from the rules committee to be presented to the RTM on February 24,2014.

A motion to adjourn was made at 8:35 p.m. by chairman Palen and seconded by all.