

MINUTES

For a special meeting of the Pittsfield Town Council held on Thursday, April 15, 2010 at 5:00 pm in the Council Chambers.

PRESENT: COUNCILORS: Mayor Tim Nichols, Bob Stackhouse, Caleb Curtis, Donna Chale, Christopher Carr, Louise Baker. **ABSENT:** Deputy Mayor Gary Jordan, Jr. Also present: Town Manager Kathryn Ruth and Town Clerk Nicole Nickolan. Audience members include: Scott Noble and Annaleis Hafford.

1. **Mayor Nichols** opened the meeting by leading the **Pledge of Allegiance**. The Council observed a moment of silence.
2. **NEW BUSINESS:**

RESOLUTION 10-44: Resolved that the Town Council Authorize the Town Manager to remove the financing application for sludge removal from the Maine Municipal Bond Bank Spring Sale for \$1.8 million dollars.

Moved by **Councilor Chale** and seconded by **Councilor Stackhouse** that Resolution 10-44 be adopted.

The Town Manager noted as of Tuesday, 04/13/2010, we have developed the following approach which has been confirmed by all of the agencies listed above to be workable in terms of requirements for the Town to meet and timing:

1. Remove the financing application from the MMBB Spring Bond Sale for \$1.8 million
2. Request the financing application to be switched to the SRF program for interim financing for \$1.9 million
3. Address the long-term financing for the sludge removal when the Town hears the final decision from the USDA. The Town will either finance the Sludge Removal through a long-term loan with a grant from the USDA or a long-term loan through the SRF Clean Water (DEP) fund. The long-term loan with a grant from the USDA remains at the 29 year term and the Clean Water SRF Program (DEP) fund loan remains at 20 years.

This would assist the Town as follows:

1. It would address the timing issues.
2. It would provide interim financing so that the Town can move forward to sign a contract with the low bidder in May. Therefore, sludge removal can be conducted at the appropriate period during the year. This will lower the chance for equipment problems, lower the possibility for violations of the Town's permit and/or environmental issues.

We can then await the decision of the USDA which as of last week, had not yet forwarded the Town's application for approval. I was advised that the application has just been forwarded to the approving agency with a recommendation for funding.

VOTE: UNANIMOUS AYE

RESOLUTION 10-45: Resolved that the Town Council Authorize the Transfer of the Town's financing application for sludge removal originally submitted for the Maine Municipal Bond Bank Spring Issuance to the Clean Water State Revolving Loan Fund (DEP) for interim financing for \$1.9 million dollars.

Moved by **Councilor Stackhouse** and seconded by **Councilor Baker** that Resolution 10-45 be adopted.

The Town Manager noted we have been told that the SRF interim financing can be moved over to a long-term SRF financing mechanism easily or can be moved over to the USDA grant/loan.

I have received verification in writing and the Town Attorney has approved the process. This is a good arrangement. All of the entities involved worked together to put together the best arrangement for the Town that was available and it eliminates some of the extensive coordination issues and steps that might be required of other arrangements.

This meeting will establish the process to move forward with the project through all of the requirements, deadlines and steps. At this point, we are not approving the final financing package as the USDA funding opportunity is up in the air. At this meeting, we are not approving a rate increase for the final financing package.

The cost of the interim financing would be paid for through the final financing mechanism. The interest that accrues under the SRF interim loan, if converted to a final SRF loan, rolls over into the loan. If the Town has available to it and chooses the USDA package, it contains an allocation to pay off the interest on the interim loan.

The interim financing listed at \$1.9 million so that it covers both the original sludge project and the amount that the Town needed to finance if it received the sludge project and accompanying sewer work

VOTE: UNANIMOUS AYE

Councilor Stackhouse questioned when the work would begin on the project. The Town Manager advised that Annaleis Hafford of Olver Associates, Scott Noble and herself met with the DEP today and once the paperwork has been signed and approved, after 04/28/2010, we could then schedule the approval of the contract in May. At that time we will approve the final solution and we will also set the sewer rate.

3. **ADJOURNMENT:**

Motion by **Councilor Chale** and seconded by **Councilor Stackhouse** that the meeting be adjourned at 5:12 p.m. All in agreement.

Nicole Nickolan, Town Clerk