

# Brattleboro Town Finance Committee

## Minutes

4:30 PM  
28,2012

August  
Selectboard Mtg Rm

Present: Committee members Kathleen Turnas, Bob Rottenberg, John Wilmerding, Tim Cuthbertson,  
Spoon Agave (Chair)

Absent: Committee member Michael Bosworth

Others: Bob Giroux, Executive Director Vermont Municipal Bond Bank; John O'Connor, Town Finance  
Director

1. Call to order: 4:32 PM

2. Agenda

1. Discussion about debt limit policy, with bond bank director
2. Discussion about CDBG program, with town finance director

3. Announcements: Fin Dir O'Connor distributed copies of Town Manager's proposed policies to  
Selectboard. Very similar text to our recommendations but more generous terms  
and limits. Ex. \$1,500 per capita (see next item)

Police Chief Wrinn confirmed for September 25<sup>th</sup> meeting

4. Debt limits

Bank (an instrumentality of the state) has one employee (Exec Dir) who works with five-  
person board (4 governor appointees confirmed by Senate) and State Treasurer.

Delivers annual report to Governor.

Bond bank director Giroux explained how bank works - all loan applications statewide are  
pooled and sold on Wall Street as one bond. Smaller pieces of this bond are then  
resold to various investors

Bond bank has never turned down an application tho some applicants have been persuaded  
to withdraw

No municipality has defaulted in 40 year history of bank. Bank has AA+, AA ratings (S&P,

Moody's respectively), thus receives most favorable interest rates

Bank does not evaluate the quality of the intended use of the loan but only the ability of the municipality to repay. Criteria include local history of budget deficits, debt per capita, debt as percent of budget, debt to personal income and others

Per capita debt in Vermont averages \$700, very rough estimate. Highest in state is

Montpelier at \$1,200

5. Community Development Block Grants (CDBG)

Grant money is awarded by Federal gov't to states which in turn make loans to

municipalities for approved projects.

No grant money or matching funds are directly generated by town taxpayers

Borrowers expected to repay all with interest. 50% of principal and interest to state, 50%

kept by municipalities to build local fund for further loans

Town policy to limit Small Business loans to \$40,000.

Industrial and housing loans can run

to \$700,000 (Commonwealth Yoghurt) or more

Not known if there is a complete policy for use of program funds

6. Adjourn: 6:50 PM