

SPECIAL MEETING  
VERGENNES CITY COUNCIL  
AUGUST 13, 2013  
MINUTES

Mayor William Benton called the duly warned and posted special meeting to order at 6 p.m. in the City Manager's office at City Hall. The purpose of the meeting was to review, adopt, and sign documents associated with the Public Safety Building Improvement Bonds for the new police station. Those in attendance were:

Mayor William Benton  
Senior Alderman Randall Ouellette  
Alderman Lynn Donnelly  
Alderman Clara Comeau  
Alderman Lowell Bertrand

Alderman Renny Perry  
Alderman Joe Klopfenstein  
City Clerk Joan Devine  
City Manager Mel Hawley

City Manager Mel Hawley reported that the Merchants Bank is the only company that bid on the sale of bonds as advertised in the Addison Independent to finance the construction of public safety building improvements. He explained the schedule for bond payments that requires one bond payment a year for 20 years in the amount of \$72,500 beginning September 1, 2014. According to Paul Giuliani, by law, interest must be paid a minimum of twice a year on a bond. March 1, 2014 we will have interest due in the amount of around \$27,000. He advised the additional funds could come out of the Water Tower Fund. Mel suggested that the City Council consider using the Water Tower Fund for all interest payments in future years as it meets criteria and to minimize the effect on the budget.

Merchants Bank presented two options to the City for a 20-year fixed rate loan commitment in the amount of \$1,450,000. Option 1 offered an interest rate of 3.378 percent contingent upon the City placing the operating account with the Merchants Bank. Option 2 offered a rate of 3.443 percent if the City chose not to transfer the account to the Merchants Bank. Manager Hawley advised we are all about efficiency in the office and would find the Merchants Bank out of the way compared to the Citizens Bank that is one block over and on the way to the post office. Also, we currently do not pay any fees at the Citizens Bank. We go to the bank several times a day sometimes and find our bank convenient just one block away. Senior Alderman Randall Ouellette moved to accept the proposal from Merchants Bank, selecting Option 2, with an interest rate of 3.443 percent and to authorize Manager Hawley and Clerk Devine to sign all documents associated with the loan. Alderman Lowell Bertrand seconded the motion with all voting in favor.

Bond financing materials that required City Council adoption or signatures included a Resolution and Certificate, Bond Sale Notice Certificate, Loan and Bond Purchase Agreement, Tax Certificate, General Obligation Bond, and Certificate of Registration were all passed for signatures of approval.

Manager Hawley explained Merchants Bank's process for depositing funds into a construction account and the draw-down procedure for reimbursement.

As there was no more business to come before the Board; Mayor Benton declared the special meeting adjourned at 6:20 p.m.

Respectfully submitted,

Joan T. Devine  
Vergennes City Clerk