

**Community Development Finance Authority
Credit Committee Meeting**

**CDFA Office
14 Dixon Avenue
Concord, NH 03301**

**March 5th, 2024
8:35 AM**

CDFA CREDIT COMMITTEE PRESENT: Ross Bartlett *Acting Committee Chair*, Cynthia Harrington, *CDFA Board Chair*, Connor Theroux, Kyle Schneck, *CDFA Credit Committee*.

STAFF: Ian Hart, *Chief Financial Officer*, Scott Maslansky, *Director of Clean Energy Finance*, Felicity Winters, *Executive and Marketing Assistant*.

Mr. Bartlett called the meeting to order at 8:35 AM. Mr. Bartlett noted there were no announcements; there were no members of the public in attendance. There was no public comment.

Motion – 8:35 AM

Mr. Hart moved to approve the meeting agenda, as presented. Ms. Harrington seconded, and the motion was carried by a unanimous vote of the Committee.

A. Consent Agenda – 8:36AM

Mr. Bartlett called for questions or comments on the February 13th, 2024 draft minutes. None were offered.

Motion – 8:36 AM

There being no questions or comments, Mr. Hart moved to approve the Credit Committee minutes, as presented. Mr. Maslansky seconded, and the motion was carried by a unanimous vote of the Committee, with Ms. Harrington abstaining due to her absence at the last meeting.

B. Review & Consideration: Town of Sandwich Municipal Energy Reduction Fund (MERF) Loan – 8:36 AM

Mr. Maslansky stated that The Town of Sandwich is requesting a \$364,000 MERF loan to support 100% of the cost to install a 120 kW (DC) array on the north end of the town-owned property that includes the municipal sewer leach field. The array was originally sized (40kW) to offset existing electrical use and then increased in consideration of expected increases in electric use as the town converted more facility heating to heat pump technology. Based on a clearer understanding of the limitations in net metering in the NH Electric Coop (NHEC) service area, the final system size was then significantly increased in order to offset the cost of electricity used by the town. The array is expected to offset approximately 75% of the town's electricity costs (\$26,000 annually). The Committee asked if the town would be able to pay this

loan back, and Mr. Maslansky stated their current ratio is strong and do believe the town will pay this back.

The Borrower is requesting that CDFA support 100% of project costs with the loan until the town can pay down the loan using the federal Investment Tax Credit (approximately \$109,000) and NH Commercial & Industrial Solar Incentive Program proceeds (\$10,000). The Town is expected to receive the federal tax credit via the federal elective pay program in the year following the construction of the solar array. These paydowns represent 32% of the requested loan amount.

Motion – 8:40 AM

There being no further questions or comments, Mr. Schneck moved to approve the loan, as presented. Ms. Harrington seconded, and the motion was carried by a unanimous vote of the Committee.

C. Review & Consideration: Guarino Enterprises dba Mill Village Country Store Clean Energy Fund (CEF) Loan – 8:42 AM

Mr. Maslansky explained that the Mill Village Country Store is requesting a \$119,521 loan from the Clean Energy Fund to complete energy upgrades, add renewable energy infrastructure, and make associated improvements to their convenience store and deli, which also hosts a US Postal Service facility and is located at 984 Rt 123 N in Stoddard, NH.

The project includes weatherization, added ventilation, moisture reduction, conversion to LED lighting, conversion to air source heat pumps, and more efficient hot water heating, with improvements based on their 2023 energy audit. The combination of efficiency improvements is expected to yield approximately \$3,800 in annual energy cost savings.

The project also includes a 10.53 kW rooftop solar array, which will cover approximately 18.6% of existing building electrical use (limited due to roof area). The array will provide approximately \$2,100 of annual avoided electrical costs.

Upgrading the building and saving on operational costs will help ensure the success and sustainability of the business. The current electric bill is double the mortgage. The building lacks sufficient heating and has outdated equipment, electrical systems, and has comfort issues. ~~Once the loan has been repaid, this project's savings will allow the business to focus on growth, with more inventory, general goods, and resources for the community.~~

The Borrower has requested a loan from CDFA in the amount of \$119,521 (90% of project costs). They will receive \$8,371 in a federal solar Investment Tax Credit (ITC), and are applying for approximately \$32,600 (CDFA estimate) in USDA REAP grants for efficiency and solar.

The Committee suggested that CDFA speak with Bangor Savings Bank regarding the applicant's loan and see which position CDFA would be in after the bank or if there are opportunities for the applicant.

The Committee asked if the 2099 postal service rent is a normal arrangement for postal services, and Mr. Maslansky explained that it is. Mr. Hart explained that this application was expedited so that the applicant could also qualify for the USDA REAP grant application.

Mr. Maslansky asked the Committee if it would be helpful to ask for the financials of the business from the previous owner, and the Committee believes it would be. The Committee decided to approve the motion with the contingencies that CDFA will contact Elisabeth Branch, the applicant, and ask who her contact at the bank is and notify them of the loan, review previous business history, confirm that Elisabeth is the only one listed on the loan and mortgage, the payment history with Bangor, and previous sales and revenue trends from the previous owner.

With no further questions, Ms. Harrington called for a motion to approve these contingencies.

Motion – 9:26 AM

Ms. Harrington moved to approve the motion, with the above-listed contingencies, Mr. Theroux seconded, and the motion carried by a unanimous vote of the Committee.

D. Report-backs on February 13 Committee meeting items – 9:27 AM

Mr. Hart updated the Committee on two items. Payment continued to be overdue on the BEDC Laconia Colonial Theater Predevelopment Fund loan, which was in its second extension. Further, CDFA was not selected to present at the Tri-State Bank CFO conference; however, Mr. Hart reported that the application was a valuable learning experience.

With no further questions, the Committee proceeded to the following Agenda item.

E. State of New Hampshire Economy – What do you see are the risks and opportunities for CDFA? – 9:08 AM

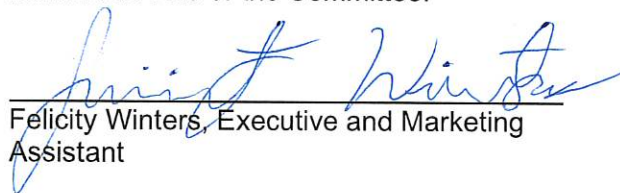
Mr. Hart asked the Committee to delay this conversation till the May meeting due to time. The Committee agreed to move this agenda item to May.

Mr. Hart asked if there were any further questions, none were offered.

F. Adjourn

Motion – 9:32 AM

Mr. Bartlett motioned to adjourn the meeting. Ms. Harrington moved to adjourn, Mr. Bartlett seconded, and the motion was carried by a unanimous vote of the Committee.



Felicity Winters, Executive and Marketing
Assistant



Ross Bartlett, Acting Chair
CDFA Credit Committee