



Special Council Meeting
Wednesday, July 2 · 5:00 – 5:30pm
Google Meet joining info
Video call link: <https://meet.google.com/drt-ueuu-vpf>
Or dial: (US) +1 423-430-8094 PIN: 835 810 086#

Mayor Rick Ufford-Chase, President Kevin Charboneau, Council Members, Carter Finegan, John Monette and Andrew Touchette

1. Call the Meeting to Order
2. Additions/Deletions
3. Approval of Non-Revolving Line of Credit from Passumpsic Bank for \$2,725,000. Expected vote assuming approval by Passumpsic Board of Directors in advance of the Special Council Meeting
4. Public Comment
5. New Business
6. Old Business
7. Next meeting of the Council - Regular Meeting July 7, 2025 at 6 pm
8. Adjournment



TERM SHEET

June 26, 2025

City of Newport
222 Main Street
Newport, VT 05855

Dear Rick and Council Members:

Passumpsic Savings Bank is pleased to provide you with the following terms for the City's borrowing needs. Please note this is a term sheet and not a commitment for financing.

Loan #1

Borrower: City of Newport

Amount: Up to \$53,917.00

Purpose: Purchase a 2025 Chevy Tahoe for the police department

Type of Loan: Municipal General Obligation Note

Security: Title to 2025 Chevy Tahoe, VIN# 1GNS6UED9SR293607

Term: 3 Years

Interest Rate: Fixed at **4.97%** for the term of the Note

Amortization: Monthly principal and interest payments in the estimated amount of **\$1,615.21**

Loan #2

Borrower: City of Newport

Amount: \$2,725,000.00 Based on cash flow certificate

Purpose: Working capital in anticipation of collection of taxes

Type of Loan: Municipal TAN-Non Revolving Line of Credit

Security: Unsecured

City of Newport
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Term: Maturity 06/30/2026

Interest Rate: Fixed at **5.24%** for the term of the Note

Amortization: Eleven (11) months interest only payments, then principal and interest due at maturity

Loan #3

Borrower: City of Newport

Amount: \$1,800,000.00

Purpose: Finance deficit created by miscalculation of tax rate 2018 - 2025 proceeds to be applied to principal of 2025/26 TAN note of \$2.725M

Type of Loan: General Obligation Note

Security: Unsecured

Term: Up to 240 months

Interest Rate: **5.29%** fixed for 5 years, adjusting every 5 years thereafter based on the Federal Home Loan Bank of Boston 5 year rate + 1.15

or

5.69% fixed for 10 years, adjusting for the remaining 10 years based on the Federal Home Loan Bank of Boston 5 year rate + 1.45 fixed for remaining 10 years

Amortization: Monthly Principal and interest payments

Loan #4

Borrower: City of Newport

Amount: \$1,000,000.00

Purpose: Repay general funds for Water and Sewer deficit

Type of Loan: General Obligation Note

Security: Unsecured

Term: Up to 240 months

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Interest Rate: 5.29% fixed for 5 years, adjusting every 5 years thereafter based on the Federal Home Loan Bank of Boston 5 year rate + 1.15
or
5.69% fixed for 10 years, adjusting for the remaining 10 years based on the Federal Home Loan Bank of Boston 5 year rate + 1.45 fixed for remaining 10 years

Amortization: Monthly Principal and interest payments

Other Conditions and Covenants:

- The City will maintain their operating/general fund account with the Bank for the life of the loans.
- Opinion from City's Legal Counsel regarding the City's authority to borrower under proposed structure for loans 2, 3, and 4; Opinion as to loans 3 and 4 will be required after voter approval.
- Bank Counsel review of Legal Opinion from City's Counsel.
- City to provide quarterly balance sheet and statement of financial activities which have been reviewed and approved by the City Council.
- City to remain under contract for services with NEMRC until significant deficiencies are not identified within City Audit.
- 5 year projections for the Water and Sewer department prior to funding loan 4.
- Certified copy of the Council Meeting Minutes where the TAN LOC was approved.
- Certified copy of Meeting Minutes at which the City Budget was approved.
- Certified copy of the Meeting Minutes at which the voters approved the borrowings for Loan 3 and Loan 4.
- The City agrees to reimburse Passumpsic Savings Bank for all out-of-pocket expenses it incurs in documenting these loans, including but not limited to: legal fees, including Bank Counsel for review and preparation of any documents, or any such customary and reasonable expenses as are normally and reasonably incurred in connection with the loan.
- Any additional documentation that the Bank may require in connection with the above loan request. If the requested information is not received, then the terms and conditions of this commitment letter are deemed null and void.

Term Sheet Expiry: Please indicate your acceptance on the copy and return to my attention on or before by July 15, 2025, when this offer will otherwise expire.

We appreciate our relationship with the City of Newport and the opportunity to work with the City to ensure their financial needs are met.

Sincerely,

Ellen Stanley
Vice President/Commercial Banking

City of Newport
June 26, 2025

The terms and conditions are hereby accepted and agreed to this _____ day of _____, 2025.

City of Newport

Rick Ufford-Chase, Mayor

Kevin Charbonneau, Council Member

Carter Finnegan, Council Member

John Monette, Council Member

Andrew Touchette, Council Member

OFFICER'S INITIALS	RATE	LOAN NUMBER
ES/KS	5.24%	7061003449

**PASSUMPSIC SAVINGS BANK
MUNICIPAL NON REVOLVING LINE OF CREDIT NOTE**

NEWPORT, VERMONT

DATED: July 2, 2025

For value received, the undersigned City of Newport promises to pay to PASSUMPSIC SAVINGS BANK, St. Johnsbury, Vermont, or order, the sum of Two Million Seven Hundred Twenty Five Thousand Dollars (\$2,725,000.00), with interest thereon at the rate of 5.24% percent per year, from the date hereof, payable in monthly interest payments, of all accrued unpaid interest commencing on August 2, 2025 and continuing monthly, with One (1) final payment of all unpaid principal and interest due on July 2, 2026. This instrument is executed and delivered in consideration of the above sum of money loaned this date by PASSUMPSIC SAVINGS BANK for the purpose of: (Check one).

Paying current expenses or in anticipation of taxes, pursuant to a vote of the legislative body of the said municipal corporation, as authorized by Title 24, Vermont Statutes Annotated, Section 1786 or in anticipation of bond proceeds or grants-in-aid pursuant to Section 1773. If this box is checked, this instrument shall become due and payable no later than 365 days from the date hereof.

Financing public improvements, which improvements have been duly authorized by a properly warned public meeting of the voters of the municipal corporation indebted herein, as authorized by Title 24, Vermont Statues Annotated, Section 1786a.

This note may be prepaid at any time, either in whole or in part, with out penalty. If a payment is late more than 10 days, a Late Charge of 5% of the payment amount may be assessed.

City of Newport

Rick Ufford-Chase, Mayor

Kevin Charbonneau, Council Member

Carter Finnegan, Council Member

John Monette, Council Member

Andrew Touchette, Council Member

BY ALL OR A MAJORITY

ARBITRAGE CERTIFICATE

On the basis of present facts and circumstances, it is not expected the

CERTIFICATE OF CLERK

I hereby certify that execution and delivery of the forgoing instrument was