



**Finance Committee Regular Meeting
Special Meeting of the Town Council
July 19, 2022 - 3:00 p.m.
Virtual Meeting
Minutes**

Finance Committee members participating remotely: Griesemer, Schoen, Steinberg, Hegner, Holloway, Kubiak, Walker

Finance Committee members absent: Miller

Councilors participating remotely: Bahl-Milne, De Angelis, Hanneke, Lopes

Others participating remotely: Town Manager Bockelman, Clerk of the Council O’Keeffe, Finance Director Manganò

1. Call to Order, review agenda

Steinberg declared the presence of a quorum of the Finance Committee present, called the Finance Committee meeting to order at 3:00 pm, confirmed members could hear and be heard and announced audio and video recording.

Griesemer declared the presence of a quorum of the Town Council present, called the Town Council meeting to order at 3:05 pm, and confirmed Councilors could hear and be heard.

2. Public Comment

3. Financial model for the four major building projects

Finance Director Manganò presented on the following:

- Goals:
 - Reintroduce the financial model for financing the four major building projects
 - Update on modeling options
 - Next steps/recommendations
- Initial model assumptions for the Jones Library, new school, Public Works building, and new fire station: costs, borrowing term, interest rate, debt exclusion, debt payment schedule, project end date, tax levy reserved for capital, use of reserves, and reserves for other capital needs
- Changes since the presentation of the initial model:
 - Increased construction costs, and MSBA reimbursement funding limit for the school building project
 - Interest rates
 - Operating costs, capital costs, approval of reparation funding plan
- Guiding principles for evaluating models:
 - Affordable
 - Minimize impact on taxpayers
 - Complete projects expeditiously
 - Maintain focus on asset maintenance

- Flexibility
- Working prerequisites
 - Taxpayer approval of debt exclusion
 - Funding of capital at 10% of the levy
 - Project budgets
 - Use of reserves
 - Impact on future operating and capital budgets
 - Impact on the debt load of the Town
- Financial modeling scenarios including estimated costs to the Town, fiscal year when debt payments begin, borrowing terms, interest rates, and debt exclusion needed
- Variables/other factors
 - Debt financing
 - Reserves
 - Operating and capital budgets
 - Construction costs
- Cautionary considerations such as volatile economic conditions
- Next steps including securing a location for the Department of Public Works, and building reserves

Schoen commented that she thinks we need to rethink the plan to continue with all four building projects and suggested a time to discuss rethinking the current plan for all four projects. Schoen suggested looking at ARPA funding that could be used and looking at other resources before going for a debt exclusion. Schoen suggested a goal for a debt exclusion to set a limit not to be exceeded for a debt exclusion.

Mangano offered to model with different assumptions if members would like to use different assumptions such as removing a project.

Hegner asked what the debt exclusion would look like for taxpayers if the increase in taxes become a baseline for the 2.5% increase each year.

Griesemer asked about ARPA funds available for project costs.

Members discussed the use of ARPA funds for project costs, and Mangano spoke about precautions when using ARPA funds, including reporting requirements.

Griesemer spoke about the importance of all of the building projects and the costs of staying in buildings that are unsuitable.

Bockelman spoke about the current conditions of the DPW and Fire Station buildings.

Steinberg commented that the operation budget assumptions for future years need review.

Mangano spoke about the importance for economic growth in Town to fund the vision for the community in the future.

Hegner suggested consideration for a debt exclusion for one or two of the building projects.

Mangano spoke about the goal of paying debt more quickly.

Griesemer spoke about the critical need to consider the funding models and ongoing conversations and updates from Town staff to the Council.

Bockelman spoke about the Council reviewing the models in the fall so that a decision can be made regarding a debt exclusion in the spring.

4. Approval of Minutes

O’Keeffe suggested designating a member to review and approve the outstanding minutes on behalf of the committee so they can be approved in a timely manner.

Schoen spoke in support of dividing the minutes between members to review and approve.

Steinberg stated minutes to be reviewed will be divided among members to review.

5. Future meeting planning

Steinberg stated he does not see a need to meet again before September.

Griesemer stated the regional schools are putting together a guardrail committee; appointments to the committee will be on the August 15 Town Council agenda.

6. Items not anticipated by the Chair 48 Hours in advance

7. Adjourn

Griesemer declared the Town Council meeting adjourned at 4:40 p.m.

Steinberg declared the Finance Committee meeting adjourned at 4:40 p.m.

Minutes prepared by Clerk of the Council A. O’Keeffe

Record of Agenda Packet Materials and Documents Presented:

- 07-19-2022 Finance Committee Agenda
- 2022-04-12 DRAFT Finance Committee Minutes
- 2022-04-26 DRAFT Finance Committee Minutes
- 2022-05-03 DRAFT Finance Committee Minutes
- 2022-05-10 DRAFT Finance Committee Minutes
- 2022-05-12 DRAFT Finance Committee Minutes
- 2022-05-17 DRAFT Finance Committee Minutes
- 2022-05-19 DRAFT Finance Committee Minutes
- 2022-05-24 DRAFT Finance Committee Minutes
- 2022-05-26 DRAFT Finance Committee Minutes
- 2022-05-31 DRAFT Finance Committee Minutes
- 2022-06-07 DRAFT Finance Committee Minutes
- 2022-06-21 DRAFT Finance Committee Minutes
- Four Building Project Planning 7.13.22