

Capital Outlay Committee Meeting

Drummey Room

July 25, 2022, 6:30pm

MINUTES OF MEETING - Approved

Members present: Kevin Connolly, Vice Chair, Clayton Cheever, Alex Haggerty, Meg LaMay, Tim McDonough, Tom McQuaid, Gerry Miller, and Sarah Sullivan,

Members absent: Myev Bodenhofer, Bob Donnelly, Anne Marie Mazzola, Tony Mazzucco, and Ernie Paciorkowski,

Guests present: Jason Adams, Cathy Carney, Joe Collins, and Michael Rosen

Meeting called to order at 6:30 pm by Kevin Connolly, Vice - Chair.

Distribution of Materials:

Mr. Rosen, Assistant General Manager, prepared and delivered the agenda, a FY22 Capital Progress worksheet and an updated 5-Year Capital Plan at the start of meeting.

Election of Chairperson:

Mr. Connolly called for nominations for Chair of Capital Outlay. Mr. McDonough nominated Mr. McQuaid, seconded by Mr. Miller, and the committee voted unanimously in favor of Mr. McQuaid as Chair.

Review of FY22 Capital Projects:

Mr. Rosen began a review of the Capital FY22 projects approved at last October's Town Meeting. He introduced Mr. Collins, Budget Analyst from the General Manager's Office and Mr. Adams, Budget Analyst from Purchasing. Mr. Collins is in the process of turning the tracking of projects over to Mr. Adams, so both were present to answer questions. Some projects need further updates, and they will have more complete information at the next meeting. Mr. Rosen indicated that due to supply chain issues, bids on projects are coming in close to the authorized amounts or higher than original costs estimated for the Town Meeting vote. Projects are also moving more slowly for these reasons as well. Ms. Carney, Director of Administration and Purchasing explained in more detail the reasons why bids are higher than estimates. The challenges the purchasing department is facing include very short windows on bids as contractors will only guarantee rates for 30 days. Discussion followed on what latitude the town departments have to change projects. Does Town Meeting vote on dollars or projects? Ms. LaMay, Director of Finance and Chief Financial Officer will research and report back at the next meeting.

Look ahead at FY23 Capital Projects and 5 Year Plan

The Committee reviewed proposed projects and asked for more detail on funding and prioritization of projects. Mr. McQuaid specifically requested:

- Projects be grouped and totaled by funding source
- Projects should be separated by those affecting the Tax Rate, Utility Rates, and Grants
- A separate schedule that shows the projected debt service on those projects which incorporates amounts already obligated
- How does the anticipated debt compare to the Town's Fiscal Policy Goal of no more than 5% of the Operating Budget

At the suggestion of Mr. McDonough, the Committee focused on FY23, but requested that staff look at out years as the Committee must approve a five-year plan. Ms. Sullivan pointed out that the proposed amounts for FY24 and FY25 do not seem realistic given past practice. The Committee tabled further discussion until department heads attend next meetings to discuss the requests on the plan.

The next two meetings are scheduled for Monday, August 15 and Monday, August 29. Mr. Rosen will send out information as it becomes available.

On a motion by Ms. Sullivan, seconded by Mr. Miller, the meeting was adjourned at 7:40 pm.

Respectfully submitted,

Sarah E. Sullivan

Clerk, Capital Outlay Committee