

Capital Outlay Committee Meeting

Finance Commission Room

September 6, 2023, 6:30pm

MINUTES OF MEETING

COC Members Present: Myev Bodenhofer, Eric Fleming, Anne Marie Mazzola, Gerry Miller, Ernie Paciorkowski, Sarah Sullivan, Tim McDonough (remote), Bob Donnelly (remote)

Ex-Officio Members Present: Alex Haggerty, Tony Mazzucco, Clayton Cheever (remote)

Absent: Kevin Connolly

Guests present: Mark Ryan, Jason Adams, John Cianciarulo, Mike Rosen, Kevin Rutherford

Capital Outlay meeting called to order by Chair Donnelly at 6:30pm

Approval of August 3, 2023, minutes, Mr. McDonough motioned to approve, Mr. Fleming seconded, and the minutes were approved unanimously by roll call.

Update on Capital Projects

Mr. Donnelly asked if there were any questions on the updates submitted. There were none.

Discussion of the FY24 Capital Improvement Plan

Mr. Donnelly asked Mr. Mazzucco to update everyone regarding the memorandum between him and Mr. Cianciarulo, dated August 31. Mr. Mazzucco stated that he is looking to fund this with minimum effect to the General Fund. This includes moving items and anticipating ample free cash for next year.

Mr. Fleming asked Mr. Mazzucco to discuss how Forbes Estate money will affect funding of capital projects. Mr. Mazzucco stated that it needs to be spent on capital, buildings, or land. Proceeds from Forbes' property sale will be used to offset future expenses, bringing down debt service for future years.

Mr. Miller asked Mr. Mazzucco if there would be money left in Forbes Estate account. Mr. Mazzucco stated that money will be left over. Mr. Miller says to use Forbes money as insurance for future purchases. This would include various appropriations, and future property acquisitions.

Mr. Donnelly asks for clarification on Forbes appropriations. Mr. Mazzucco stated that while Town Meeting approved placing proceeds in one fund, the Commonwealth stated that it needs to be placed in a different fund, as the proceeds were not earmarked for a specific purpose, such as building, land, and capital. Town Counsel may need to become involved.

Ms. Bodenhofer mentions that the Finance Commission discussed this proposal in general during their meeting earlier in the night, but that no vote was taken. The consensus is that everyone is comfortable with the number, but only if it is increased temporarily. Further, they would like to hear back from the Budget Balancing Committee after they complete their next five-year projection, which would affect the approval timeline of projects. Mr. Donnelly asked if net debt service is the same as last year, which can be added to Fiscal Year 2025 to keep numbers level.

Mr. Paciorkowski asks that if we go with the Finance Commission recommendation to not add to the debt service, including how much of projected borrowing cut to get to ideal number. Ms. Bodenhofer stated that this is contingent on borrowing length. Mr. Mazzucco stated that this length is determined due to spreading out cost for taxpayers using infrastructure. Mr. Mazzucco stated that any cuts to cash projects would remove traffic signals on Washington Street or the Hawes Pool from the plan.

Mr. Donnelly seeks clarification on whether all cash opportunities are exhausted. Mr. Mazzucco stated we can reach that limit, but beyond that, it affects other decisions.

Ms. Bodenhofer asks for numbers, which would hamper decision making by the Finance Commission. She stated that the Finance Commission would like the Budget Balancing Committee to think of what would happen for the next five years before committing more. Mr. Mazzucco stated that we would be relying more on speculation than fact.

Mr. Donnelly asked if people are more comfortable with certain cash projects. If so, a motion to approve and move on borrowing and water projects. Mr. McDonough stated that he is comfortable with this, but it might not be everything tonight. Ms. Sullivan asks if we can take cash from cash projects and apply it towards borrowing projects, based on priority. Mr. Paciorkowski stated that we should look at cash projects and flag items for future deferment.

General discussion over capital projects ensues. Paciorkowski stated that he would rather defer Savage parking lot paving over Washington St. Bridge. Mr. Mazzucco asks for clarification on what is being worked on from Mr. Donnelly. Mr. Donnelly responded that doing this would have a small impact overall. Mr. Mazzucco clarifies borrowing rates, but that we might not save overall if costs increase in the coming years.

Discussion on priorities, as Savage Center lot paving will cost more than the bridge. Ms. Bodenhofer stated that we should wait for Budget Balancing, when we have answers, taking focus off big projects. Mr. Mazzucco stated that this might not benefit us in the long run.

Mr. Donnelly asks if we can move ahead tonight.

Mr. Paciorkowski asks for assurance that we have enough free cash left in the bank for emergency expenses.

Mr. Mazzucco asks if it would be worth meeting after the Budget Balancing Committee finishes, so that we can be sure of future work for the Committee. Concurrence to do so, but to potentially approve a few items during the period.

Discussion on various infrastructure projects.

Mr. Donnelly stated that Capital Outlay Committee consensus is to defer for 30 days. Asks to outline work to be done. Including further borrowing projects, debt service payments associated with them, more information from budget balancing.

Vote to approve FY'24 Capital Improvement Plan

Deferred to October

Discussion of fall meeting presentation

Deferred to October

Future Meetings

Next meeting scheduled for October 3, 2023 for 6:30pm, to be held remotely.

Adjournment

Motion made by Mr. McDonough. Seconded by Mr. Miller. Affirmed unanimously by roll call. Meeting adjourned at 7:55pm.

Respectfully submitted,

Kevin T. Rutherford