

Town of Lunenburg

Finance Committee:

Terri Burchfield, Chairman
Mark Erickson, Vice-Chairman
Jay Simeone, Secretary
John Henshaw
Hannah Anderson
George Martin
Cindy Testa



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JUN 29 2017

Lunenburg Finance Committee
Minutes 04-13-17

BY: 6-28-17 EG

Location: Town Hall
Present: Terri Burchfield, Mark Erickson, Jay Simeone, John Henshaw
Absent: Hannah Anderson, George Martin, Cindy Testa
Guest: Heather Lemieaux – Town Manager, Dave Passios member of the public

1. Chairman called the meeting to order at 7:00 pm. Non televised. Recorder C04/04
2. Comments:
 - a. Public: The Chair asked if would be possible to hire Seniors from the tax work off program to write minutes from a recorded meeting? or hire part time employee's, student to write minutes? not just for FinCom, but any committee that doesn't have their own secretary. There was discussion with the TM.
 - b. New Communications: Lunenburg Planning board hearing May 1, 2017 at the Ritter building, regarding bylaw changes.
 - John H. registered for a Capital Planning course by ATFC in Bolton on May 18th
3. Review debt policy information:

John H. What prospective debt do we think we have or are anticipating? One big ticket item is the Turkey Hill school which is about 50 years old. John would like to consult with John Londa, the School Facilities Director regard maintenance repairs and capital cost to renovate the school so the Town can get feel for the long term expenses and debt. This is a large capital expense the town most likely will have to fund around FY2025 to FY2030. The Director is anticipating the roof will need about \$1M in repairs in about 7-10 years and about \$3.6M in critical repairs that will be needed in near future prior to a major renovation.

Mark E. feels we need to approach the issue from two different angles. One, what do we think our policy should be? The policy is largely founded on history and what we think we can afford. How much money do we think we have the capacity to borrow and spend? What do we think our appetite is for borrowing. There is regular borrowing and exempt borrowing. How much will the taxpayers tolerate? What is the cost to the Town to borrow? These are reasons for a policy.

Second, what other items are competing for the dollars? We need a solution to Turkey Hill school. Start by getting in the MSBA pipeline for funding.

The purpose of the debt policy is to have a bench mark against which we measure ourselves to the satisfaction of the rating agencies.

Dave Passios: The exempt borrowing increases yearly and by 2.5%, compounding of interest increases significantly.

Limits of borrowing based on a percentage, goes down if growth goes down.

New growth goes up and down, this year it is projected at \$300k. New growth usually comes with a demand for more services. Town Departments cannot keep up with growth now. What constitutes level service? Level resource. We should have a good definition of what level service is. Look at service across the town, combining services for multi use properties like the playing fields. Mark reviewed debt tracking from the Town Accountant. Look at the net debt after reimbursement. Definitions and calculation of debt policy.

Look at Total borrowing vs total value of the Town.

TM: Good idea to get a policy in place. Get a handle on capital request. Capture capital assets. Sewer, water, fields, town properties.

Dave P. question on solution to replacement of town offices? Has the re purposing of the old TC Passios school reached the capital plan? Probably not. The TC Passios is projected to need a new roof with in the next few years. Estimated at \$1M. Rehab of the school is estimated at \$4.5M. There was discussion on the demographics of the Town and the effect it has on town services and budget. There was also discussion around the schools and the school population. John to work on debt policy spreadsheet.

4. Review Collins Center Report (Capital Improvement Report): John reviewed the report and found it helpful to look at funding. The Capital plan documents are being consolidated with the use of google docs tools.
5. Review of minutes: None
6. Town Financial Officers report: None
7. Committee and Department Updates:

<u>Committee/Department</u>	<u>Update</u>
School Bldg. Comm. - Mark	Moved to next week.
Building Reuse - Mark	Meeting next week. Working on TM presentation. No response to RFP.

8. Next meeting:
April 27, 2017
May 6, 2017 Annual Town Meeting
9. Adjournment: Mark made a motion to adjourn. John seconded the motion. The committee approved the motion 4-0 at 8:44 pm

Submitted by Jay Simeone

Attachments (0):