

Brattleboro Town Finance Committee

Minutes

October 2, 2012

4:00 PM

HC Mtg Rm

Present: Committee members Tim Cuthbertson, John Wilmerding, Michael Bosworth, Spoon Agave (Chair)
Others: John O'Connor, Town Finance Director (departed 4:30)
Absent: Committee members Bob Rottenberg, Kathryn Turnas

1. Call to Order: 4:15 PM

2. Agenda Review: no changes

3. Approve minutes of Oct 25, 2012: MOTION to approve Bosworth/Wilmerding PASSED 4-0

4. Discussion with John O'Connor

On Police/Fire project – bond could be approved in June. Almost no chance bond would not be approved if application is submitted on time (by May 15th). Entire amount of money would be delivered by July 1st. Town could take out a bond anticipation note any time after RTM approves bond, probably Oct 20th. Bond payments are equal over life of bond but interest amount diminishes with each payment.

Was phasing of project considered? No, phasing inefficient. Increases soft costs and all other costs due to inflation

Can projected bonding for capital needs be shifted to operations budget? Yes.

Is placing the P/F bond in a restricted account beneficial? No, the town is liable for the bond any way its financed.

5. General discussion:

What is the role of FC regarding the P/F project and the RTM?

1. Wilmerding - to provide information without an opinion and let them decide

2. Agave, Cuthbertson, Bosworth - to provide both information and advice

Agreement to provide a pro and con report with conclusions and a recommendation

We should have the town present its "level 1" needs.

What does the FC do right now? Two policies, the P/F project and sales tax are all on the table. Suggestion to do Reserve policy immediately since Undesignated fund is currently high. Try to prevent it from being depleted by P/F project. We need a response to P/F project and sales tax now too. Debt management policy can wait.

Pros

Increase in public safety
Interest rates are currently low
Spending stimulates local economy
New buildings more energy efficient
Pleases town employees
School debt is decreasing
Income sensitivity program mitigates
Some soft costs already incurred

Cons

citizens ultimately have to bear all costs
property taxes effect business negatively
lack of long range capital plan
lack of financial analysis particularly trends
higher overall operating costs
large water/sewer increases adding to burden
voters are not given alternatives

TASK - Cuthbertson will do chart of pros and cons on our website

TASK - Agave will cancel school board guests previously scheduled for our next meeting

6. Adjourn 6:05 PM