

# **Capital Planning and Investment Committee Meeting**

## **April 3, 2017 @ The Bromfield School – Cronin Auditorium**

**Members present:** Teresa Jardon, Debbie Ricci, Pat Wenger, John Seeley, David Nalchajian

Meeting called to order at 6:15 pm by Debbie Ricci

As part of Prep for Town Meeting – Debbie wanted Committee to be able to respond to funding questions regarding the 3 debt articles reviewed by CPIC: Fire Ponds, DPW Dump Truck & Bromfield Science Labs.

Debbie had previously sent all voting members a summary of changes since we originally made the decision to fund the articles via debt; we had reviewed them and the impact on our Capital Stabilization Fund and Debt Service Payment projections at our last meeting.

The summary of changes distributed follows:

1. School Feasibility Study is planned to be paid off over the next 4 years, instead of the normal process of combining the study debt with the building debt and bonding over 20 years. In that case we would have had BAN interest only for the next 4-5 years. We did learn this just before our Feb 23<sup>rd</sup> meeting and the chart in the book reflects that scenario. As a result there is no longer a reduction a reduction in the debt payment schedule over the next 5 years.
2. The School construction completion date is scheduled for fall of 2021, not the fall of 2022 as we were told last fall. This means the debt payments for the 3 articles we are proposing debt funding overlaps with the start of the school debt.
3. Free Cash is higher than anticipated.

Dave informed us that Free Cash was now certified, as of March 31, and was \$1,664,335. However, we still have the issue with the Health Insurance payment from FY16 (which accounts for \$175K of the free cash) being paid in FY17, therefore impacting the FY17 budget.

After some discussion – including Debbie reading Alice von Loesecke's comments, each member responded to the following questions:

- If you knew in Feb what you know now (the 3 items stated above) would you have made the same recommendation?
  - PW & DBR-would pay for at least 2 out of 3 from Capital Fund
  - TJ & JS (also Alice's submitted comments – yes
- If the articles passes at Town meeting and at the ballot, would we recommend at the next Special or Annual Town Meeting that the debt be paid off from the Capital Stabilization Fund, provided the Town follows the process of transferring free cash to the Capital Stabilization Fund?
  - All yes , except Alice commented that only if FY17 Free Cash also comes in at a robust amount
- There may be a motion to pass over the articles until a special Town Meeting: Do you support this?
  - DBR = yes, all others = no
- If the articles fail at either the Town Meeting or the ballot, would we request a Special Town meeting before June 30<sup>th</sup> to re-submit the warrant articles with funding from the Capital Stabilization Fund, provided the Town follows the process of transferring free cash to the Capital Stabilization Fund?
  - PW & DBR = yes
  - JS & TJ (and Alice's submitted comment) = no

Discussion ended at 6:40 pm and members took a break until the Town Meeting was called to order.

Respectfully submitted,  
Deborah Ricci