

**Williamsburg Board of Selectmen
Tuesday, September 24, 2019, 5:30 p.m.
Joint meeting with Finance Committee and OPM Steering Committee
Town Offices, Auditorium
141 Main Street, Haydenville, MA**

Minutes

The members of the Board of Selectmen met in special session on Tuesday, September 24, 2019, at 5:30 p.m.

Select Board members present: Denise Banister, William Sayre and David Mathers

Finance Committee members present: Paul Wetzels, Charlie Heath, Gil Loud, Dick Kisloski, Linda Kisloski, Jacqueline Dufresne, Charles Dudek

OPM Steering Committee members present: Jim Ayres, Brenda Lessard, Jean O'Neil, Denise Wickland

Others present: David Eisenthal (Unibank), Nate Rosewarne (Treasurer), Charlene Nardi (Town Administrator)

Meeting was called to order at 5:35 p.m. by Select Board Chair Denise Banister. Introductions were made.

David Eisenthal from UniBank Fiscal Advisory Services, Inc., presented and went through three borrowing scenarios for the public safety complex assuming a total project cost of \$4,000,000.

The three scenarios:

- 20-year term with a level debt service;
- 20-year term with a level principal;
- 30-year term with a level principal.

The assumptions used:

- Town will use \$1,000,000 from the stabilization fund towards design and construction prior to borrowing
- Proposed timeline is that design funds will be voted in December 2019 / January 2020 and construction funding authorized in fall of 2020.
- No other new long-term or short-term debt is built in for other items or projects

Short term bond anticipation notes (BANs) were built in for January 2021 and 2022 with a General Obligation Bond (GO Bond) issue in July 2022. First long-term interest would be due in January 2023 and first principal would be due in January 2024.

Notes from each scenario:

\$4,000,000 total project cost – Level Principal, 20-year term:

- Total cost of project with interest \$4,328,041.67
- Peak impact on the tax rate \$0.78 in 2024 and drops one to two cents per year to \$0.44 in 2034
- Peak cost for average single-family house assessed at \$275,121 is \$213 a year

\$4,000,000 total project cost, Level Debt Service, 20-year term:

- Total cost of project with interest \$4,531,922.45
- Peak impact on the tax rate \$0.64 beginning in 2023 and stays until 2034
- Peak cost for average single-family house assessed at \$275,121 is \$177 a year

\$4,000,000 total project cost – Level Principal, 30-year term:

- Total cost of project with interest \$4,853,791.87
- Peak impact on the tax rate \$0.70 in 2024 and drops a few cents each year afterwards
- Peak cost for average single-family house assessed at \$275,121 is \$193 a year

General Discussion / Notes:

- The interest rates used are very conservative
- The Town's Bond rating is AA+
- The BAN interest rates are lower than the interest rate for the final Bond
- The Bond rate will vary based on the term (20-year vs. 30-year)
- 30-year term will be a higher interest rate
- You may use temporary borrowing / BANs to pay off debt-service, may NOT use bond money
- Timeline for borrowing could be more aggressive if the town gets authorization from Town Meeting faster and interest rates are good.
- Borrowing is a bid process
- 30-year term borrowing is less marketable than 20-year term borrowing
- In graph for borrowing level principal there is a huge drop-off, it was asked if this could be leveled off by paying more principal up front and less at the end – it was noted you can play around with it a bit; however, the extreme drop off is more a reflection of not showing probable other future borrowings.
- Which option the town chooses will depend on what we wish to accomplish – easier hit on taxpayers or lowest payback amount over long-term.
- One person noted that their personal preference as a tax-payer would be to have larger hit up front on their taxes and pay less overall.
- Requested to include the Capital plan future items into the spreadsheet – Charlene to send the information to David E.
- David E to review the financial sheet done by Finance Committee Chair Paul Wetzel which is to be presented at the public safety complex forums
- Meet again in the next year to further define timeline and numbers

Adjourned: 6:20 p.m.

Approved:

Clerk