

Williamsburg Finance Committee
Tuesday, September 24, 2019, 5:30 p.m.
Joint meeting with Select Board 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.

Finance Committee members present: Paul Wetzell, Charlie Heath, Gil Loud, Dick Kisloski, Linda Kisloski, Jacqueline Dufresne, Charles Dudek
Finance Committee members absent: Linda Rowley, Eric Cerreta

Select Board members present: Denise Banister, William Sayre and David Mathers
OPM Steering Committee members present: Jim Ayres, Brenda Lessard, Jean O'Neil, Police Chief 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 \$315 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 \$315 a year

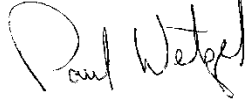
General Discussion / Notes:

- 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 Wetzels which is to be presented at the public safety complex forums
- Meet again in the next year to further define timeline and numbers

Minutes from the 11 July 2019 meeting were considered. J. Durfesne made a correction. She then moved to accept the minutes as corrected. C. Dudek seconded the motion. The motion passed unanimously.

There being no further business before the Committee, J. Dufresne moved to adjourn the meeting and the motion was seconded by C. Heath. The motion passed unanimously and the meeting was adjourned at 6:45 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Paul Wetzel". The signature is written in a cursive style with a large, looped initial "P".

Paul R. Wetzel