



CARVER CAPITAL OUTLAY COMMITTEE MINUTES OF March 28, 2022 MEETING

Present: Elizabeth Sulger; Chairman, Marie Zweigman; Vice Chairman, Members:
James Hoffman
Missing: Andy Cardaralli

Absent: Mark Brissette

Joint Session with Finance Committee

Present: Chairman Alan Germain, Vice-Chairman Adam Holmes: Bill Cullum, Ron Clarke, Walter Cole, Tony Macrina and Patrick Meagher.

Also Present: Bob Fennessy, Sue Moquin Recording Secretary Ashley Swartz.

Chairman Sulger opened the Capital Outlay Committee meeting at 7:12 p.m. with the Pledge of Allegiance

Meeting will be recorded by Area 58.

Capital Outlay Committee Report

Presented by Ms. Sulger. Meeting March 16 to review everything again and at that point, free cash had been certified. They narrowed down the options best for the town and they decided on one that would allow them to do all the items they forecasted with also pushing the brush breaker out to 2024. Short-term borrowing rather than bonding appears to be the best option. The short term borrow would be for the \$1.8M (for the HVAC project) with a 2.5% interest rate - only paying the interest until the project is completed. \$960,000 has been earmarked only for the library and when the 2024 budget is completed they will earmark the remaining funds. With the short-term borrowing, they can pay the note off early and at this time they should have all the money set aside to pay this off (although they will be paying interest on the \$1.8M). This is what Capital Outlay agreed upon and are presenting today. They also discussed the "wish lists" from each department but they agreed the library is the priority - other departments may have to take a look at what they really need. The heating system will be replaced in this project as well - not just the cooling. Mr. Germain said he was told they can use some of the existing duct work, but the rest of the system will be modular

units (making them more accessible and easier to repair). Mr. Meagher said he liked that this was "strategic and smart borrowing". Mr. Holmes asked what the payments will be for the \$960K and the \$840K. Mr. Holmes continued that there is a deficit this year and next year. Mr. Holmes was concerned about the impact of a decision like this over the upcoming years. He is concerned that this is a short-term plan rather than a long-term fix. There are funds that will be reallocated to Capital - Article 4, second paragraph. Mr. Germain asked where the money could come from if they didn't borrow using a short-term loan, Mr. Holmes argued that there are ways to come up with the money. He continued by saying that he didn't see relief coming and if they have a budget they should stay inside of the budget - his opinion was that there are a lot of wants on the list that are not needs. Mr. Clark asked Mr. Holmes if the belief was if we don't have the cash we shouldn't pay for it asking if the only projects that should be bonded are large projects. Maintain a level of dept - things come on things come off. Mr. Clarke noted this could be paid for by next year. If you kick the library to next year the project is really two years out since this is FY23 budget. It was already addressed five years ago. Borrowing if it is within scope of the plan. Year to year, things change. Mr. Clarke thinks if the project can be contained within the plan, it is not spending outside the means. He said that is why you implement these capitalization stabilization funds. This has now moved to the top of the needs since it has been seven years since the project was brought to their attention. Ms. Sulger said by the end of FY24 they still need to spend the ARPA money which has not been earmarked for any projects yet (\$1.7M). Mr. Macrina expressed his concern with continually borrowing money and they should have a range where they are willing to keep their debt at. Mr. Holmes said if the number wasn't at a significant deficit, he would not be arguing so much about this point. He thinks that borrowing \$700K is Mr. Clarke and Mr. Holmes went back and forth about whether or not they could maintain a deficit Voted & Approved Mr. Germain pointed out there was a \$1M expense for the fire department that is in the current budget that is for FY24. He elaborated on the point that a lot can change in 12 months. Mr. Clarke said if a financial team said they could do this - he said the plan proposed for the bond can cover three major projects in the town. Mr. Holmes argued that it is about prioritizing the projects. Mr. Clarke said he thinks if this was the plan every year he would be concerned too - he continued by saying that a solution has been found to make these projects happen. Mr. Germain explained the library project and how the evolution of technology is why the project originally was pushed - they would have had to take the whole roof off the library to make the upgrades. Ms. Sulger pointed out that in 2027 the fire trucks would be coming off. Mr. Germain asked if the fire trucks were originally bonded. They were - they were a separate bond for the fire trucks - the bonds had two different time frames. Mr. Holmes asked Sue and Bob about the North Carver Water district and whether they still needed the money. Bob said they were having a meeting tonight. Mr. Germain asked Bob and Sue to meet with North Carver Water District prior to the meeting April 5. There was further discussion about the actual Capital budget. Motion to recommend the Capital Outlay plan made by Mr. Meagher, seconded by Mr. Clarke, approved 6-1-1, with a no from Mr. Holmes and with Ms. Sulger abstaining. Capital outlay vote to

approve the budget for Article 4, 2-0-1. With Ms. Z abstaining. Capital Outlay approved minutes and adjourned.

Minutes submitted by Ashley Swartz.

Minutes Approved on 12/1/22, 2-0-2