



## CARVER FINANCE COMMITTEE MINUTES OF MARCH 28, 2022, MEETING

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

Joint session with Capital Outlay: Chairman Ms. Sulger, Marie Zweigman, and James Hoffman  
Missing: Andy Cardarelli

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

Mr. Germain opened the meeting at 6:30 P.M. with the Pledge of Allegiance. Mr. Germain then asked if there were any public comments and heard none.

Meeting will be recorded by Area 58

Town Administrator, Finance Director update: Mr. Fennessy noted that the annual town report is in – he has copies for anyone interested. Negotiations with three collective bargaining unions – expire June 30 this year. Close to settling two and is hoping to get the final closed before Town Meeting. Reminder that the RDA is meeting tomorrow – discuss the North Carver Project (6PM). Planning board is holding a joint meeting with RDA Wednesday and Thursday night if needed – Cafeteria in Middle School starting at 7:00 PM.

The next meeting with the Select Board is with Finance Committee April 5 to finalize the warrant.

Sue Moquin - Discussions of questions asked by Adam Holmes of the ITA and Finance Director via email. Mr. Germain asked Mr. Holmes to discuss the email exchange back and forth. He noted it would be discussed later.

### **Discussion of DOR correspondence.**

Sue went on to discuss the meter funds for solar (solar net metering fund)– it needs to be part of a general fund and therefore shifted into that category and made up for the last five years. It needs to be reflected in the general fund and accounting for the revenue and increasing the utilities budget for about \$450K to pay for the net metering. Mr. Germain requested a copy of the email (which was provided by Sue). Mr. Germain addressed the email and asked if we were going to follow the guidelines put forward as stated by law. They will zero out the current account and will be added to the general account and given its own line item. Mr. Germain asked if auditors never caught this because the budget was always balanced. He questioned how this got exposed – Sue said it is because this was sent to DOR and it was explained to her that net



metering costs shouldn't be in its own fund. (It doesn't always zero out at the end of the year. Mr. Meagher and Ms. Sulger asked for clarification, and it was explained that the excess will go over to the general funds where it should be on the balance sheet.

### **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 debt – 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



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.**

#### **Discussion of warrant articles tabled from joint meeting with SB.**

Article 2: Tabled last time because it had not been populated with numbers. Mr. Macrina asked if a vote would be made without having the North Carver Water District. Mr. Germain agreed that he believed that was a major contributor to this being tabled.

Mr. Holmes asked why the free cash format was changed in the budget (he noted the old format allowed them to reference back and have an accurate number) – he didn't know if this was the *right* way or just a different way. Sue explained that she worked it out the way she could with the worksheets that were available to her. Mr. Clarke said maybe adding a note of money being transferred in. Mr. Germain said that should be resolved tonight since they were to approve the warrant articles tonight. They worked out a resolution with Sue to have a new line item which called out this money. Motion to add an "item 'I'" to the capital outlay budget to call out free cash transfer (or last item in future documents) made by Mr. Clarke, seconded by Mr. Holmes, approved unanimously 8-0-0.

Motion to table the North Carver Water District item in the Article made by Mr. Clarke, seconded by Ms. Sulger, approved unanimously 8-0-0.

Motion to approve Article 4 and put on the warrant, made by Mr. Clarke, seconded by Mr. Meagher, approved 6-1-1 – with Mr. Holmes opposing and Ms. Sulger abstaining.

Article 6 – formerly Article 7 – Sue explained she was not involved in this budget. Mr. Holmes said it looked like they were setting aside the minimum ten percent since there were not major projects that were being forecasted. Motion to table Article 6 and put on the warrant made by Mr. Homes, seconded by Mr. Clarke, approved unanimously 8-0-0.

#### **Discussion and comment of article in Carver Reporter**

Mr. Germain said this was only included because it was a "hit piece" and questionable journalism at best since the reporter did not see it fit to reach out to anyone. Mr. Meagher added that he does not understand how this could have ever been published.  
Read and approve minutes of meeting: 02-17-22, 02-24-22, 02-28-22.

Motion to approve the minutes of February 17 as amended, made by Mr. Meagher, seconded by Ms. Sulger, approved unanimously 8-0-0.

Motion to approve the minutes of February 24 as amended, made by Ms. Sulger, seconded by Mr. Meagher, approved unanimously 8-0-0.

Motion to approve the minutes of February 28 as written, made by Ms. Sulger, seconded by Mr. Meagher approved unanimously 8-0-0.

**Next meeting:** April 5 with the Select Board at 6PM.

Motion to adjourn the Finance Committee meeting, made by Mr. Clarke, seconded by Mr. Meagher, approved unanimously 8-0-0.

Meeting adjourned: 7:54  
Minutes submitted by Ashley Swartz.

Voted & Approved