**Lenox Finance Committee Meeting Minutes**

Date: November 4, 2021

Members Present: Dave Carpenter (DC), Kristine Cass (KC), Michael Feder (MF), Mindi Morin (MM), Andrea Pignatelli (AP)

Guests: Clarence Fanto (CF), Chris Ketchen (CK)

Absent: Blaise Gregory (BG) David Neubert (DN),

Meeting called to order at 6:05

MM distributed to the group the memo sent to the school committees finance committee and our meeting minutes with a follow up email to them

KC Kicked off the meeting with (CK) giving us an overview of Capital projects for the town hall and library. These items are being evaluated and going out to bid. CK is looking to start the library project in early April through the summer and fall. Original budget was $1M for this and may come in lower. Received state grants, CPA grant, LLA grant. Reviewed the water main which is almost fully designed and will go out to bid in January. This is a $2M project. Discussed Brushwood project as the possible site for the safety building and the affordable housing site.

DC asked if Lenox would typically get an appraisal for this, CK mentioned with this site being unique we would forgo an appraisal and start negotiation. DC mentioned that we should consider the seller pay for this appraisal as a cost savings to the town and based on experience, this may assist in the approval of this site. KC asked about the timeline for this project, and this is set to be completed in three years with 1 year to build. Outside finding is not currently available for this project. Another large project is our wastewater treatment plant, which is a mandated projected.

CK explained that we are borrowing $3.75M for the town hall project and library. MF spoke about the importance of us informing the town of what we borrow and spending. DC asked about the bond rating, and this will be received by 11/10/2021 and the sale is Monday. Discussion regarding the duration of these notes and who we use as our financial planner.

KC asked about excess $$ when we are under for a project. CK let us know this can be reallocated to another capital improvement. MF suggested we ask our financial advisor what a 2-year rate lock would cost. This would protect ourselves a significantly higher interest rate 2-3 years from now.

MM asked about how can we be sure we can inform the town about the fiscal repairs that will impact their taxes. Our Capital projects will be significant for the next 5 years not only for the town but also the school. MF reiterated the importance of this. Discussion around how we will inform people of the fiscal impact the capital projects will have on taxes. DC suggested a sensitivity analysis on tax rates and KC mentioned that a creation of that number will assist in their understanding. Ex.$1M means X and this is how many million we are sending.

Discussion around what the fire station and police building will become when these spaces move. DC used a neighboring town as something that did not work for their building. MM suggested this become a revenue stream for the town with weddings, events, etc.

MM and MF started a discussion about our meeting from 9/22/2021 with the schools committee, finance committee. We suggested a zero-based budget, we are not assuming they are over or understaffed, but ensure they go into negotiations with what they need not what they currently have. As a committee, it will be important for us to understand these numbers so that we can bring this to our town meeting. Discussion around the negotiation and budget process with MF and KC. Clarified that if the town votes no on the budget, it reverts to the last budget. KC asked what guidance

the school committee or the administration has as they go into the negotiations, CK is still working on this and if the future resembles the past, they will increase by 3% to LY. DC summarized our discussion and things are certainly moving forward with the school budget with negotiations started. MF and KC suggested that we ask the school to remain flat to LY or 2%. KC asked if CK gives guidance on the labor contract, he does not.

Addition of resources for the chamber and public safety with the assignments in the below grid.

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| **Member** | **Permanent Building** | **Public Works** | **Genl Govt.** | **Community Center** | **Library** | **School** | **Treas, Acct** | **Chamber** | **Public Safety** |
| DN |  | X | X | X |  |  | X |  |  |
| AP |  |  |  | X | X |  |  | X |  |
| KC | X |  |  |  | X |  |  | X |  |
| DC | X |  |  |  |  |  |  |  |  |
| MF |  |  |  |  |  | X |  |  | X |
| MM |  | X |  |  |  | X |  |  |  |
| BG |  | **X** |  |  |  |  |  |  | X |

MF moved to accept the minutes from September 9, 2021, AP second that and all approved.

Meeting adjourned at 7:24

Respectively Submitted,

Mindi Morin, Interim Secretary