

## Lenox Finance Committee Meeting Minutes

Date: May 27, 2021

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

Guests: Chris Ketchen (CK), Clarence Fanto (CF), Blaise Gregory (BG)

Absent: Joan Bruno (JB), David Neubert (DN), Andrea Pignatelli (AP)

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Meeting called to order at 7:05 PM.

BG introduced himself. The group discussed the role of the Finance Committee. DC discussed the role of the Finance Committee in neighboring towns.

CK provided an overview of the draft warrant. MF asked about a breakdown for the school budget in Article 3. While Article 2 is broken out by department because taxpayers are voting on individual line items, taxpayers only vote on the total for the school budget, so the school budget in detail is not provided. CK discussed the capital budget. Article 7 includes more routine capital expenditures, for instance replacement of Highway department equipment.

Funding required for the library dome project is expected to be significantly less than \$1M after contributions from CPA, LLA and other sources. The total project may end up costing less than \$1M. CK expects that the full cost of the Town Hall repairs will be borrowed, though total cost may be less than \$750k.

The funds for the library dome, Town Hall repair, wastewater treatment plant, and public safety building will be appropriated to the Permanent Building Committee. The Permanent Building Committee oversees the projects from design to bidding to completion. DC noted that there is risk that the designs will escalate, and that once the design process begins, it is more likely the project will proceed. Designs will be vetted by taxpayers before construction funds are appropriated at a future Town Meeting.

CK explained that the tax levy is increasing 2.9% over FY2021. The 2.9% is higher than recent pre-pandemic levy increases (around 2.5% in FY2020 and FY2019), partially due to undoing of cost FY2021's cutting measures. Impact on taxpayers will depend on total town assessment, including new construction, improvements, and changes in assessments.

DC suggests focusing on decisions on the horizon that will put pressure on residential tax bills in the future. MF believes the town will continue to see reduced room/meals tax revenue in FY2022 and FY2023 due to factors including labor shortages. MF asked CK how the tax levy will increase in future years due to the planned capital expenditures and asked CK for estimated interest expense and debt service from FY2022 expenditures. CK expects that we will not need to borrow as much as the warrant authorizes, and expects the future increases due to the FY2022 capital expenditures will be modest. The capital expenditures in FY2023 are currently projected to require borrowing \$37M, and if that borrowing occurs, the interest expense and debt service will impact the future tax levy.

While the wastewater plant is required, the public safety complex is more discretionary. DC expressed concern that once the design project starts, it will be challenging to stop the project in future years. CK described how the town has been patient with other projects, waiting until federal/grant funding becomes available before proceeding. DC suggests that the committee inform the taxpayers about our long-term concerns, focusing on the two big capital

projects and the upcoming teacher contract negotiation, as those items have significant potential to increase taxpayer bills in the near future.

MF made a motion to transfer the sum of \$40,508.22 from the Snow/Ice Removal account to the Town Building Capital account. The motion was unanimously approved. MF made a motion to approve the minutes from the prior two meetings. Motion was approved by KC, MF, and DC. MM abstained because she was not present at the prior meeting.

The committee will meet next week to vote on the warrant articles. Town Meeting is June 29<sup>th</sup>.

Meeting adjourned at 8:45pm.

Respectively Submitted,  
Kristine Cass, Interim Chair