

Lenox Finance Committee Meeting Minutes

Date: February 25, 2021

Members Present: Kristine Cass (KC), Michael Feder (MF), Mark McKenna (MM), Elliott Morss (EM), David Neubert (DN)

Guests: Chris Ketchen (CK), William Gopp (WG), Clarence Fanto (CF)

Absent: Joan Bruno, David Carpenter, Mindi Morin, Andrea Pignatelli

Meeting called to order at 5:02 PM. The Zoom meeting was recorded.

Public Works

CK provided a budget overview. For Public Works, the budget includes anticipated costs, but if costs are not required, expenses will not be incurred.

Highway salaries declined due to a reduction in hours for one employee. Highway budget is otherwise flat, with the exception of two very minor reductions.

The **Snow and Ice** budget is flat as usual because Snow and Ice is the only budget line item that is allowed to carry a deficit.

The **Cemetery** budget includes minor cost of living adjustments for salaries and benefits, but is otherwise flat. The Cemetery budget previously included the full costs for an employee that only spends part time on cemetery maintenance, and that was adjusted to better

The **Wastewater** budget includes a new position. Electricity costs are budgeted to decline by 15% due to an anticipated increase in 2021 that did not come to fruition. Electricity costs are in line with 2020 actual costs. The Wastewater budget is funded by user charges. The Selectboard agreed to a 0% rate increase for the next 12 months. The **Water** budget is down \$21k. Rates will remain flat for the next 12 months.

Federal standards will require improvements to the town wastewater treatment plant on Crystal Street. The current plant is 45 years old and past the end of its useful life. The town now knows the standards to which the upgraded plant must adhere, so planning is starting. DN asked when we can borrow funds for this project and whether we can borrow in advance to lock in lower interest rates. CK reported that 90% of proceeds from bonds must be spent within 18 months. A new plant cannot be built in 18 months, so now is too soon issue debt.

DN recommended accelerating capital projects as soon as feasible to take advantage of lower interest rates. MF questioned whether we can lock in rates and/or group capital projects together. MM doesn't anticipated big interest rate changes in the near future, but beyond 12 months is uncertain. EM expressed interest in reviewing all capital projects and their financing requirements in more detail. MF supported the idea of the Finance Committee playing a bigger role in capital projects planning.

EM asked about town-negotiated electricity rates. CK explained the municipal aggregation program, in which the town can negotiate electricity rates for town residents and businesses. The rates have historically been more competitive than

National Grid or other offers. The program is expected to continue. The program has no impact on the budget – the town negotiates a separate contract for electricity costs incurred by the town.

Town Revenues

MF asked for an update on third party revenues. CK expect to receive updated data on meals and rooms tax next month. The town is currently running about \$100k above budget for meals and rooms tax as of end of 2nd quarter (fall). The 2nd quarter data did not reflect the temporary closure at Canyon Ranch, which will impact the 3rd quarter. MF expects the 3rd quarter data to look dismal. EM noted that Tanglewood's summer plans will have a big impact on meals and rooms tax.

EM moved to accept the minutes for the prior two meetings. The motion passed unanimously.

Meeting adjourned at 5:43pm.

Respectively Submitted,
Kristine Cass, Acting Secretary