

Minutes  
RTM-Finance and Budget Committee  
Regular Meeting  
Monday, March 12, 2018

**PLACE:**

Mather Center Cafeteria  
Meeting Start: 7:35pm

**F&B MEMBERS PRESENT:**

Banks, Carter, Davis, Duffy, Heitz, Howe, Martin, Patelli, Tie, Von Stuelpnagel

**MEMBERS ABSENT:**

Mix, Orpanos, Silsby, Sload, Yarnell

**OTHERS PRESENT:**

Jon Zagrodsky, BOF Chairman

**CALL TO ORDER SPECIAL MEETING**

Jack Davis called the RTM F&B Committee meeting to order at 7:35pm with a quorum of 10 of 15 members present.

Newest member Mike Heitz was introduced to the group and committee went round the table with introductions.

The committee discussed the Crown Atlantic cell tower lease. The following items relative to the lease was discussed:

- Lease is two 5 year terms
- Current revenue per lease is \$9600 or \$115.2m annually
- Proposed lease is 60% of sublet revenue, Exec Summary did not state why transitioned to revenue share nor did it have current or
- Verizon is tenant not sub lessee –

There were several concerns raised, they were:

- What are the financials associated with the 60% of sublet
- Why is Verizon not included
- Is town taking credit risk as clause states that a sublessee can default and thereby reduce payments to town
- Is there a general liability policy on this lease? If so, for how much?
- What prompted the switch from a fixed rent to a revenue sharing agreement
- What if tower operator acquires other tower lessee's with respect to revenue sharing
- Is Crown keeping the entirety of the Verizon lease payments

Decision was made to contact BOS and Kate B. and ask for delay of BOS vote on lease. Committee does not want a "gotcha" moment at the RTM.

BOE Budget:

- Now at 2.34% down from original 2.75% and 3.02% after pension numbers
- Hard to find things to nit pic about – 65% tied to contracts
- Overall opinion is that Fitch is a good investment – although financial numbers cannot be done now but rather if OOD placements decrease. Growth of Fitch is concern to BVS
- BOE overview/overhall of the sports program necessary – not sure adding Asst Ath Dir now makes sense. ST had conversation with Div 1 football coach with Boise State and Harvard – that coach said based upon the number of athletes and sports, the town should have the AAD
- Brief discussion on OR school – need to be large enough to handle new developments
- Discussion of ELP needs to happen – large potential savings by consolidation – also more effective delivery of services
- Security – can't tell too much about it or it will not be effective

#### BOE Capital Budget

- Holmes roof (\$900m) and skylight (\$124m), artificial turf (\$575m), panel for Ox Ridge (\$300m)
- Is panel really reusable – there is cost to install – need more information MB
- Question – need to smooth capital. Turf fields should be bonded (which has never occurred) or accruals (three fields plus oval track is about \$1.8mm) similar to fire engines and many BOS capital initiatives

#### BOS Budget

- ST discussed civilian dispatch which will continue next year. ST discussed with BOF members the necessary data from police to move this initiative forward.
- Library budget reduced due to Friends now being assigned benefits (pension) associated with the salaries paid by the Friends. This area needs much additional work during the summer with the BOF and the Kate B and Jenn C. Last operating agreement was in 1960's

#### BOS Capital Budget

- Discussed Grinding/Mulcher machine that is not in budget. Between \$450-600m with 4 year payback
- MB asked if police cars replaced every three years – all under warranty – what is police mechanic doing? Could he put in technology and reduce costs? Will address later with police?

#### BOF discussion

- Consistent with our January mtg with Jenn C. the RTM should expect a clean up of the capital accounts in the June timeframe. It appears that the BOF will use the bonding approved last year and some of the capital reserves to address this issue.
- The Volpe report is the standard report used to calculate the mill rate and review the budget. The BOF is discussing no longer putting in the drawdown of the General Fund for \$1.1MM and instead having the tax collection rate better reflect actual. The current method places that \$1.1MM as restricted General Funds which is not favorable to the rating agencies – even though the town has never drawn those funds.
- BOF is also looking to increase the balance in the General Fund – the BOF has purposely reduced the percentage of funds as it had been extremely high a number of years ago. Most on the BOF believe it is time to increase the Fund.

#### Pensions

- Down the road the town might buy out the pension funding – to convert from defined benefit to defined contribution. Town is not able to discuss in the current round of union discussions. That was agreed when Town capped pensions last cycle.

#### School Tour

The committee was reminded about the BOE school tour on Saturday. This is a great event and provides significant understanding of the priority 1 initiatives. Committee will meet to discuss after tour.

### **ADJOURNMENT**

A motion was made to adjourn the meeting. It was seconded. Meeting adjourned at 9:15 p.m.

Respectfully submitted,

By Jack Davis for Lisa F. Yarnell, Clerk