

WASHINGTON FINANCE COMMITTEE MINUTES

December 12, 2016

Meeting was called to order at 7:00 pm.

Meeting recessed at 7:01 pm. Meeting resumed at 7:05 pm.

In Attendance: Kent Lew, Dick Spencer, Sean Connors, and David Weissbrod

OLD BUSINESS

1. Finance committee meeting minutes from November 14, 2016 were approved as amended.

NEW BUSINESS

1. Ch. 90 Culvert Updates and Debt Planning.

(Phil Clark and Glen Grogan joined us for this discussion.)

A discussion regarding the status of the culvert projects and their payment schedules, along with our payment options, ensued.

A. Eden Glen Culvert.

Phil provided spreadsheet for us. Eden Glen construction phase will start this spring – March/April timeframe according to Phil. Pre-construction phase is basically done. Approx. \$20,000 outstanding for re-imbusement. Maximillan estimate of \$700,000 was lower than original estimate. Contractor will want monthly payments starting in spring when construction work begins. We need to look at MEMA funds availability and see if we can delay borrowing and still keep pace with billings on a monthly basis. As cash-flow problem seems imminent, we will have to borrow. Question: How much can we use from our existing borrowing (from Middlefield Rd) for Eden Glen?

B. Crossplace Rd. Culvert.

Original borings by Holden proved not representative of what they've found in field, so there is a \$20,000 to \$50,000 change order in place. In approx 2 months we will owe contractor funds. Can any of it be delayed until July 1 (new FY)? Crossplace Rd. construction will in part be accomplished this FY. This will impact our borrowing/cash-flow this FY, although work should be completed relatively soon in the new FY. Original bid is for \$248,000, to which the change order will be added.

C. Middlefield Rd. Culvert.

We will hold off work for now. We have a funded replacement in use for now. Question: Is there a way to use next FY Ch. 90 funding to pay for bills incurred

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C. Middlefield Rd. Culvert (Continued).

in previous FY? Again, this would help delay need for borrowing and ease cash-flow problem.

Dick mentioned the work on the Johnson Rd. culvert which was not part of the original culvert projects approved by the town, but will cost approx. \$25,000. This represents about half of this FY's Road and Bridge budget. We need to discuss this with our Highway Dept Superintendent, Tom Johnson by spring. Kirchner Road project was brought up as part of the discussion of Eden Glen. Phil needs to be reimbursed for his work on Kirchner Rd and his expenses from Eden Glen consulting work, as well as for work on Johnson Hill Rd. To remedy this, can we take money from Stabilization Account, or from free cash (has it been certified yet)? Kent will discuss this with Selectboard. There will need to be a Special Town Meeting to address this situation in our opinion. It is long overdue.

2. Long Range Planning.

The Finance Committee discussed goals for creating guidelines related to taking funds from Stabilization Account vs. borrowing and having to repay (with interest) over time. We discussed possible means of planning and saving funds while completely avoiding and/or just partially using funds from the Stabilization Account. One approach seems to protect the current tax rate while pushing off borrowing and higher tax rates, as well as risking towns bond rate and long-term overall economic health. We need to write guidelines for a general stabilization fund, a portion of which, may be required for a special purchase, as well as address depreciation reserve (3% per year).

Also, should we look into "umbrella" insurance coverage? Our present coverage seems expensive, especially in light of the tractor purchase last year and its affect on our insurance rate. Dick will contact Dominic Sinopoli, a FARM Family Insurance representative. Hopefully Dick can arrange for Dom or someone at Farm Family to talk to us about insurance options. We should invite Glen too, as he deals with MMI for town's present insurance coverage. We also need to define requirements imposed on us by the state.

Next meeting proposed for Jan 9, 2017.

Meeting adjourned at 9:05PM.

Respectfully,

David Weissbrod, Clerk