

**TOWN COUNCIL MINUTES  
BUDGET/MANAGEMENT COMMITTEE  
Town Hall Council Chambers  
April 2, 2018, Monday**

Present: Michael Molisse, Chairman  
Jane Hackett, Vice Chairman  
Christopher Heffernan, Councilor

Absent: Brian McDonald, Councilor  
Thomas J. Lacey, Councilor

Also Present: Brian Connolly, Chief Financial Officer  
Richard Swanson, Town Auditor  
Joseph Callanan, Town Solicitor  
John MacLeod, Asset Management  
Peter Frasier, Southwest Securities Bond Counsel

Recording Secretary: Mary Barker

Chairman Molisse called the meeting to order at 6:00 PM.

**18 009-Application of Bond Premium**

This matter was referred to the Budget/Management Committee on February 5, 2018. It was tabled on March 5, 2018 pending further deliberation.

Vice Chair Hackett asked Brian Connolly and Peter Frasier to walk through the changes as the result of the Municipal Modernization Act. Mr. Frasier reported that the way bond premiums can be handled going forward has changed. Underwriters used to provide the amount on top, raise the interest rate and pay it at closing. Towns were therefore paying an artificially high premium. In the past it would drop to free cash and allocated to pay operating costs.

Vice Chair Hackett noted that historically it was budgeted to receive it in local receipts. It's a risky proposition to count on it as revenue. Now it doesn't drop to free cash. It either can be reserved and appropriated for another capital project, or, with the passage of this measure, reduce the size of the borrowing on the day of closing. Nothing would be remaining to reserve and this approach makes the most sense, so that a project that was borrowed does not subsidize others. They have the flexibility to use the day of the closing on items like the park and fields bids. The last bond for park and fields improvements was used as an example. This premium will be up for action later at the Council meeting.

Vice Chair Hackett asked how long the authorization is good for. Mr. Frasier responded that going forward, they would include a clause in each borrowing that specifies. The authorization stays on the books until either the money is borrowed or expended. It gives some flexibility if and when borrowing. Vice Chair Hackett asked how many bonds this

affects? Not all projects have been completely borrowed and Mr. Frasier noted that this applies to those that have not been permanently financed. Vice Chair Hackett summarized then that the administration has the ability to choose whether to reduce the size of the borrowing, or reserve the premium for a future appropriation for a similar term project that would require Town Council approval.

A motion was made by Councilor Hackett to forward measure 18 009 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Heffernan. UNANIMOUSLY VOTED.

### **18 015-Street Light Replacement**

This matter was referred to the Budget/Management Committee on March 19, 2018.

Mr. MacLeod presented the measure. Chairman Molisse noted there is a typo in the reference to Ch. 44 on the measure.

The measure requires purchasing LED lights from National Grid. With the engineering oversight and other costs it will exceed the grant. This measure is for funding to do the retrofit. They went out on an RFP for product and controls.

Chairman Molisse asked the reason for the measure. Mr. MacLeod responded that a mandate would be coming forward, but the town can see substantial savings by doing it now. Chairman Molisse asked who would maintain the lights. Mr. MacLeod responded that it will be a contracted service and will be all automated. Chairman Molisse asked if they've heard any feedback from other towns. Mr. MacLeod responded not yet.

Auditor Swanson asked whether the \$1 on page 4 of the accompanying analysis was correct. Mr. MacLeod responded yes; they were required to enter an amount.

A motion was made by Vice Chair Hackett to forward measure 18 015, as amended, to the full Town Council with a recommendation for favorable action and was seconded by Councilor Heffernan. UNANIMOUSLY VOTED.

### **18 016-School Boiler Replacement**

This matter was referred to the Budget/Management Committee on March 19, 2018. Mr. MacLeod presented the measure for boiler replacements at Hamilton and Wessagusset Schools that was part of an accelerated program through MSBA. (Johnson School could not be included because it is not an accredited K-12 program.) Mr. MacLeod reviewed the application process. The project has gone out to bid pending approval of funding.

A motion was made by Vice Chair Hackett to forward measure 18 016 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Heffernan. UNANIMOUSLY VOTED.

**18 018-Appointment to the Board of Zoning Appeals, Alternate Seat, Robert Christian**

This matter was referred to the Budget/Management Committee on March 19, 2018. Chairman Molisse reported that he reached out to the candidate who was unable to be present and sent a letter of interest. He is willing to appear at a later date.

A motion was made by Councilor Hackett to forward measure 18 018 to the full Town Council with a recommendation for favorable action and was seconded by Councilor Heffernan. UNANIMOUSLY VOTED.

**ADJOURNMENT**

At 6:36PM, there being no further business, a MOTION was made by Vice Chair Hackett to adjourn and was seconded by Councilor Heffernan. UNANIMOUSLY VOTED.

Respectfully Submitted by Mary Barker as Recording Secretary

Approved by Michael Molisse as Budget/Management Committee Chairman  
Voted unanimously on 7 May 2018