11/24/23 Questions from Matt Raimondi with answers in red:

- Memo
  - Why did we use different consultants for school and town infrastructure? (first 2 bullet points) Two consultants allowed the assessments to be performed simultaneously, rather than sequentially. There wasn't a perceived benefit from using one consultant. The municipal assignment is both a needs assessment and a master plan.
  - What are the amount of the grants that we are now eligible to receive with a new 10Y plan? Certain State of CT school construction grant funds. Are there any other conditions for accessing these grants (i.e., actually meeting the objectives outlines in the grant)? (third sub-bullet of first bullet point) The Office of Grants Administration within the CT Department of Administration Funding is responsible for administration of public school grants for school construction. They have a webpage, which will give you a sense of requirements. Erik and Jeff Pardo will speak briefly about the grant program at Monday's meeting. https://portal.ct.gov/DAS/Services/For-Agencies-and-Municipalities/Municipal-and-Other-Public-Entity-Resources/Office-of-Grants-Administration. As an example, if the funding for the Cider Mill HVAC is approved at the May ATM, we plan to apply for a grant under the HVAC Indoor Air Quality Improvement Program. Here is the guidance document for that program: https://portal.ct.gov/-/media/DAS/Office-of-Grants-Administration/HVAC-Forms/FY-24-HVAC-Indoor-Air-Quality-Grant-Program-for-Public-Schools-Program-Guidance.pdf
  - How long does it take us to be reimbursed? Does the cash need to be fronted by the town? Yes, we are required to front the expenditures. The Office of Grant Administration accepts progress payment requests and issues checks on a monthly basis. This is similar to the bridge grant program. https://portal.ct.gov/DAS/Office-of-Grants-Administration/School-Construction-Progress-Payments
- Internal Presentation
  - P.6 – is there any downside to bundling? Besides possible additional costs due to triggering prevailing wage, the downside to bundling projects into a bondable renovation is the cost of borrowing. But realistically, budgetarily we need the 20-year payment period for the bulk of the work.
  - Data Request: can you please share the data behind the chart on p.9?
    - Additionally, if possible, it would be great to also see break out beginning total debt, new debt additions, debt retirement, ending debt, and annual interest. See chart below for debt principal. It's also added it to the PowerPoint presentation.

Fiscal Year	Beg Debt	New Bonds	Principal Payments	Ending Debt
2025F	$ 77,448	$ 12,142	$ (8,063)	$ 81,528
2026F	$ 81,528	$ 11,055	$ (7,943)	$ 84,640
2027F	$ 84,640	$ 9,672	$ (8,591)	$ 85,722
2028F	$ 85,722	$ 6,181	$ (8,917)	$ 82,986
2029F	$ 82,986	$ 11,750	$ (9,147)	$ 85,589
2030F	$ 85,589	$ 20,050	$ (9,479)	$ 96,160
2031F	$ 96,160	$ 11,150	$ (9,457)	$ 97,854
2032F	$ 97,854	$ 11,850	$ (9,734)	$ 99,969
		$ 93,850	$(71,329)	

- P.10: does this option also require an operating expenditure increase as well? Or does the bonding increase suffice? As per slide 5 and the memo, the Board of Education budget is assumed to continue to carry a budget for building repairs, $400,000 of which will be expended on work identified in the consultant's report. If completed over 10 years, that's $4 million, leaving a balance of $101.2 million to be funded through bonding or another line item(s) in the budget. Obviously $ 2million less, if the work is performed over 15 years.

  The purpose of providing this option was to document the possibility exists to fund the entire amount through reasonable increases in debt service (initial .4% increase in the mill rate and decreasing with each year). The first 8 years shown included $59.6 for school buildings. That amount is about $5.5 million more for the first 8 years than if the total spend was straight-lined over 15 years.

  In FY2027, it will be fairly painless to allocate the unused 1% reserve to the school and municipal building fund and use for these needs, as we would have already discontinued using the unused reserve to reduce future year taxes. This would generate $11 million to $18 million of available funds depending on the 10 vs 15 years.

  It is noteworthy that the 8 years of borrowings include a combined $73.1 million in estimated school and municipal building needs. If the .4% or less mill rate increase from new borrowing can't be absorbed in future budgets, it is likely as in the past, that school building renovations will be funded and the municipal buildings' non critical needs will be deferred.

  - Does this include in other bonding needs aside from this plan? Roading paving, etc. Will we need any of that going forward? Yes and Yes. As below it includes items contained in the May 2023 ATM 5-year plan at updated amounts plus paving, bridges and turf through 2032. There may be other misc. items for 2029-2032 that haven't yet been identified.

	8-year Total
Town 20 Year	
Bridge replacement	$ 3,475,348
Municipal Buildings Infrastructure	$ 13,500,000
Ambler Farm Yellow House	$ 350,000
Hwy Garage Oil Tank Replacement	$ 1,000,000
Scribner Hill Road Rebuilding	$ 1,700,000
Subtotal	**$ 20,025,348**
Town 10 Year	
Paving	$ 13,000,000
Town Hall Parking Lot	$ 250,000
Replace Turf at WHS and Lilly	$ 1,500,000
Excess borrowing close out	$ (500,000)
Subtotal	**$ 14,250,000**
BOE 20 Year	
All School Infrastructure Improvements-10-year Study	$ 59,575,000
Total	**$ 93,850,348**

- Would you be able to share the math / spreadsheet behind this analysis? Yes.

- P.13 – legal question: would we need to have a charter amendment to not hold 1% back in reserve? The Town's Charter allows the BOF to appropriate up to .75% of total budgeted operating expense for additional spending in any given year. The Charter also authorizes the Board of Selectmen to appropriate up to .25%. As a result, the Board of Finances generally includes in the recommended budget a line item, Reserve (aka Charter Authority), equal to 1% of operating expenses. This recommendation doesn't suggest the BOF no longer do such, rather it assumes the BOF will continue to do so. Rather than allowing any unused reserve to fall to the bottom line as savings, the recommendation is for Boards of Finance and Selectmen to vote to allocate the .25% and .75% to the school and municipal building fund for fund the needs and build a reserve for future needs.

  Regarding the proposed school and municipal building fund, it's worth noting, off and on we have discussed the concept of funding school building needs outside of the BOE budget and in a manner that allows the monies to be expended over multiple years.

- P.15: second bullet point. Does this assume grand list growth which is already scheduled to happen, or does it assume new, as yet unplanned development? This comment refers to projects that have been publicly discussed both multi-family and ASML, expected further development by ASML and other possibilities not yet discussed publicly.

- External Presentation -Erik Kaeyer will address both within his presentation. Please note, the bulk of the Miller Driscoll spending was contracted during calendar year 2015.
  - P.7: Priorities 1, 2, and 3 - apologies for getting semantic, but what does "need" vs "should" mean? (i.e,, "infrastructure related projects the *need* to be addressed" vs "infrastructure related projects the *should* be completed"
  - P.8: Why has the cost per sq. ft. escalated so much in 6Y? Cost / sq ft is up ~50%