

FINANCE COMMITTEE MEETING MINUTES

Thursday, August 3, 2023

3:30 P.M.

Present: Don Porter, Ken Albert, Lee Suskin, Joan Lenes, Matt Lawless (portion of meeting), Aaron DeNamur.

The meeting was called to order at 3:35 P.M. The consent agenda was approved unanimously. There was no public comment on items not on the agenda.

To increase the likelihood of a quorum at future Finance Committee meetings, it was recommended that a request be made to the Selectboard to change committee composition back to 5 members from the current 6 (which requires 4 members to be present for a quorum). Porter will speak with the Selectboard.

Porter provided an update on the status of the Wastewater Consolidation Project noting that additional relatively large rate increases, beyond the recent 9.1% adjustment, might be needed over the next few years depending on project cost and financing amount/terms. The Project is expected to be funded through the State Revolving Fund program (0% interest, 2% annual administrative fee). Chris Robinson, Wastewater Superintendent, is expected to present a status report on the Wastewater Project at the next Finance Committee meeting, September 7.

The Committee reviewed for discussion purposes a capital improvement plan template derived from the Town's FY 2018/19 to FY 2023/24 Draft CIP which is intended to identify capital improvements deemed necessary by Town Departments and Enterprise Funds, for the effective delivery of services and prospective sources of funding for those CIP projects/items such as Fund Balances, Property Taxes, Grants, ARPA, Local Option Taxes, Other Revenue (including potential impact fees), and Bonds/Loans. The illustrated planning horizon extended several years beyond the statutory 5-year period to capture those capital projects with lengthy development/planning cycles and large multi-year funding needs as well as to aid in formulating longer-term strategic financial plans.

The process by which capital projects and equipment are recommended/determined, prioritized, categorized, approved, sequenced for funding, executed and monitored appears to vary significantly. Further investigation and discussion is recommended on capital improvement planning and funding when all decisionmakers can provide input and clarity so that longer-term comprehensive financing plans can be developed around CIP needs.

Discussion moved to the general topic of impact fees for residential and commercial development. An overview of impact fees was presented with a range of example approaches from St. Albans and Oakland, CA. Shelburne currently does not utilize impact fees, paid by developers, to the extent of certain other municipalities. Several questions concerning the nature, application and extent of impact fees, particularly concerning charging fees for notional impacts that would be applied to specific impact mitigation measures in a different location (ex. sidewalks), were raised, but definitive answers were conditional. Since impact fees are complex, DeNamur offered to arrange to have our planning consultants attend our next meeting to provide input and assistance.

Discussion concerning strategic approach for the Finance Committee to best collaborate with and assist CBC's and other entities involved with Town financial decisions was moved from this month's agenda to next month when all interested parties can be present.

The Finance Committee agreed to lengthen its meeting next month to accommodate the Wastewater Project status update presentation and enable further detailed discussion on impact fees with our planning consultants. Our next meeting on Thursday, September 7 will begin a half hour earlier at 3:00 PM and conclude at 5:00 PM in Meeting Room 2 at the Town Offices.

With no further business, the meeting was adjourned at 5:10 P.M.

Respectfully submitted by Don Porter