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# TOWN OF BURLINGTON

## *Meeting Minutes*

DEPT./BOARD: Ways and Means Town Hall 1 Subcommittee  
DATE: April 6, 2022  
TIME: 8:00 AM  
PLACE: Town Hall Conference Room

MEMBERS and INVITED OFFICIALS:

**Present:**

John Danizio – Assistant Town Administrator / Town Accountant  
Gary Gianino – Treasurer/Collector  
Frank Monaco – Town Hall 1  
Paul Sagarino – Town Administrator  
David Tait – Chairman Town Hall 1

**Absent:** None

**Meeting Purpose:**

Discuss Proposed FY23 Debt Service and Free Cash Plan

**Debt Service Debt 710; \$7,605,697 12.19% increase**

Based on the current 10 Year Capital Plan the Administration presented to SelectBoard, Capital Budget, and TH1 an example 10 year bonding schedule. The Administration plans to further refine the schedule once they have more information starting with the Fox Hill project. Other future major projects in the 10 year plan are schools, water treatment plant, and police station. Better detail is needed on scope and timing of these projects so we can create a more realistic 10 year plan. The goal is to maintain the percent of debt service no higher than 8 percent of the annual operating budget and to have a fairly smooth year-to-year increase. The strategy to achieve this is a combination of project spacing and use of free cash or other available sources.

The FY23 budget is composed of \$5,935,184 of existing obligations from prior years and \$2,137,613 of proposed projects for FY23. The FY23 proposed projects include a new central communications system for fire and police estimated at \$1,280,300 which will most likely be retired as a BAN (Bond Anticipation Note) in a year or two. The TH1 committee agrees with the administration that the communications center is a major improvement and should not be delayed. In addition several items are funded with money collected from non-tax dollars and hence do not require bonding.

The FY23 debt service represents about 5% of the proposed operating budget which is well within our operating plan. The 12% increase this year is primarily a result of a low number last year.





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Vote: 2-0-0

### **Free Cash**

As of 7/21/21 Burlington was certified to have \$18,749,255 free cash. After deducting free cash used in the January 22 Town Meeting and all proposed FY23 capital warrant articles we will have a \$11,027,626 balance to carry after May 22 Town Meeting. It was recommended to not use any free cash to supplement either OPEB or Stabilization. Stabilization is currently at about at \$10,000,000.

Discussion about a possible policy for the combined free cash carry over and stabilization was conducted. With the FY23 proposed numbers we would be at about 6% of the FY23 operating budget which we may consider as a future policy guideline.

We left all further actions for free cash to be voted on as individual warrant articles at our next meeting. The current published capital articles total \$6,669,589.

**Adjourned 10:15 AM**

