

Finance Committee

Meeting Minutes

Meeting Information

Date: January 9, 2024

Time: 6:00 P.M.

Location: 31 Wakefield Street

Committee members present: Mayor Callaghan, Councilor Fitzpatrick, Councilor Sullivan, Councilor Turner, Councilor Walker, and Deputy Mayor Hamann

City staff present: City Manager Katie Ambrose. Finance Director Mark Sullivan. Cassie Givara, Deputy City Clerk.

Others Present:

Agenda & Minutes

1. Call to Order

Mayor Callaghan called the Finance Committee meeting to order at 6:00 PM.

Deputy City Clerk Cassie Givara took the roll call attendance. Councilors Fitzpatrick, Sullivan, Turner, Walker, Deputy Mayor Hamann, and Mayor Callaghan were all present.

2. Acceptance of Minutes: November 14, 2023

Councilor Hamann **MOVED** to **ACCEPT** the minutes of the November 14, 2023, Finance Committee meeting. Councilor Walker seconded the motion. The **MOTION CARRIED** by a unanimous voice vote.

3. Public Input

No members of the public came forward to speak.

4. Unfinished Business:

4.1.1 Waste Management Reserve Fund Draft – Review

Mark Sullivan, Finance Director, gave a brief overview of the reserve fund that the City has proposed to establish in anticipation of the Waste Management closure in 2034. The closure of the landfill will cause the host community fees to cease, and the City will experience a loss of assessed value as well

as fees necessitated from local resident waste needing to be transported to outside locations. Director Sullivan explained that the FY24 operating budget included \$4.6 million in host fee revenue and is anticipated to increase this year.

Director Sullivan explained the draft ordinance and the process that it has been through thus far in the Finance Committee. There had been some clarification requested within the ordinance regarding how the funds could be spent and what the triggers would be for expenditure. The fund would be established with a minimum amount of \$1 million being placed in the fund annually; with the interest, there could be approximately \$25-\$26 million by the end of the 10-year period. This money could be used to offset non-property tax revenue during the annual budget process.

Director Sullivan directed the committee to a revised draft ordinance as well as charts showing the growth of the account between 2024-2034, building the reserve balance. He explained that he was looking to answer questions in preparation for sending the revised ordinance to Codes and Ordinances for further review.

Councilor Walker asked if the goal of this reserve account is to offset the tipping fees in the annual budget. Director Sullivan confirmed that this is the intent; to ease the transition when this large non-property tax revenue is no longer collected and to avoid large increases in property tax in the year of the landfill closure. Councilor Walker questioned how long this fund would assist with offsetting these revenues. Director Sullivan clarified that these funds are not expected to be a replacement in perpetuity. He gave an overview of how this money would be invested and used in the budget.

Councilor Hamann stated that when the landfill closes, there will be costs to both the City and its residents to have trash transported out of the City; this would be a heavy impact if there is not a reserve fund set up ahead of time.

Councilor Fontneau asked if the funds would be “frozen,” or if there would be an option for Council to access those funds within the 10-year period at their discretion if there was need elsewhere. Councilor Fontneau also asked if there would be a cap put on the fund with a maximum balance in the instance that the landfill stays open beyond the expected closure date. Director Sullivan stated that there are conditions listed within the ordinance which would trigger the use of these funds. The intent is to narrow the use of the funds and disallow the use for the type of circumstance posited by Councilor Fontneau. Director Sullivan stated there is no cap on the fund, however Council could take a closer look at this if desired. City Manager Ambrose clarified that City Council would be voting annually on the allocation into this fund and reviewing the projections for the fund at the same time. Rather than setting a cap, Council could potentially opt to allocate a lesser amount if desired.

Mayor Callaghan asked if the Trustees of the Trust fund would have some flexibility to place this allocation into a higher interest account as needed. Director Sullivan stated that this conversation would occur with the Trustees when the fund was established, directing them to invest the fund in long-term, higher interest instruments.

Councilor Walker **MOVED** to send the Waste Management Reserve Fund to the Codes and Ordinances Committee. Councilor Hamann seconded the motion. The MOTION CARRIED by a unanimous voice vote.

5. New Business: None

Reports from Finance & Administration

5.2.1 Monthly Financial Report Summary-December 31, 2023

Director Sullivan stated that the financial reports, at 50% through fiscal year 2024, are trending well. Motor Vehicle registrations are at 51% of budget, Host Community fees are at 49% of the \$4.6 million. Building permits are slightly behind, but as mentioned at past Finance meetings, winter is a slow season for building and development. He summarized the remainder of the revenues and stated expenses are trending to budget.

6. Other

No Discussion.

7. Adjournment

Mayor Callaghan **ADJOURNED** the Finance Committee meeting at 6:18 PM.

Respectfully Submitted,

Cassie Givara
Deputy City Clerk