

MINUTES

TOWN FINANCE COMMITTEE

Monday – December 8, 2025

Hybrid

4:00 P.M.

Item 1. Call to Order. L. Cain – Chair, called the meeting to order at 4:00 p.m.

Item 2. Those Present. Finance Committee members present: Councilors Larry Cain – Chair, Jonathan Anderson and Karin Shupe. Others present: Thomas J. Hall, Town Manager, Liam Gallagher, Assistant Town Manager and Norman Kildow, Finance Director,

Item 3. Approval of Minutes: October 9, 2025. Motion by J. Anderson, seconded by J. Anderson, seconded by K. Shupe, to move approval of the October 9, 2025 meeting minutes, as written.

Vote: 3 Yeas. Motion Passes

Item 4. Discussion and possible action relating to 2026 Bond Issue, Series A & B.

The Finance Committee met to discuss the 2026 bond issue, which was being split into two series: Series A for regular annual CIP funding of \$12.9 million, and Series B for advanced funding of \$4.7 million for school renovations. The Finance Director explained that Series A included the voter-approved projects and various capital improvements, while Series B is for soft costs related to the school renovations, with spending required within 18 months to avoid arbitrage issues. The Committee agreed to review completed projects and potentially rescind bond authority for those that are fully funded, with the Town Manager committed to provide an updated list by the end of the second quarter next year.

The Finance Director explained the process of issuing bonds through a competitive sale, noting the flexibility in maturity options like 20-year or 30-year terms, though final rates remain unknown until bids are opened. He described how competitive sales typically yield better rates than negotiated sales, with decisions often made the same day bids are opened. He further stated that upcoming rating calls with Standard & Poor's and Moody's, scheduled for December 19th and pending confirmation respectively, which would involve financial advisors and town staff.

With separating Series A and Series B bonds, it would improve record-keeping and research, while potentially offering better rates due to the longer-term nature of Series A bonds. The financial differences would be minimal, with savings likely in the range of 2-3 basis points. The town's progress in reducing its debt load from \$120 million to \$71 million, demonstrating its ability to manage borrowing effectively was also highlighted.

It was reported that the town's unassigned fund balance increased to \$18.8 million, achieving a 16.18% percentage against budgeted expenditures, which is close to the aspirational goal of 16.67%. This improvement had been driven by the full collection of the Haigis Parkway Fund advance and better-than-expected operations results. While the town has made significant progress, future improvements would depend on annual evaluations of budget performance and re-evaluation of assigned funds.

There was discussion on the town's financial performance, highlighting a doubling of unassigned fund balance over five years and a successful resolution of the Haigis Parkway debt deficit. It was noted that Moody's values unassigned fund balance highly and that the town's policy and performance had led to a ratings upgrade.

The Finance Committee discussed the town's fund balance policy, agreeing to maintain the current target of 16.67% while exploring the possibility of using excess funds as a tax rate stabilizer, especially during the first three years of the school project bonding. They also reviewed the implementation of a new budget software system and addressed questions about tracking contingency funding for the school project.

Motion by J. Anderson, seconded by L. Cain, to move approve to the Town Council that the Finance Committee recommends this item for approval at second reading.

Vote: 2 Yes. Motion Passes [K. Shupe excused herself from the meeting at 4:30 p.m.]

Item 5. Discussion and action to set the date and time for future Finance Committee Meeting.

After a brief discussion, the Committee agreed to keep the meetings on the second Thursday on each month at 5:00 p.m. The next meeting would be scheduled for Thursday, January 8, 2026 at 5:00 p.m.

For the next agenda we will add the possible amendment to the Fiscal Policy and rescinding bonding authority would probably be after the budget is completed.

Item 6. Public Comments. None at this time.

Item 7. Adjourn. Motion by J. Anderson, seconded by L. Cain, to move approval to adjourn the regular meeting of the Finance Committee.

Vote: 2 Yeas. Motion Passes.

Meeting adjourned at 4:57 p.m.

Respectfully submitted,

Yolande P. Justice
Clerk to the Council.

[Not present at meeting, transcribed by Video]