

Why Not Stop All Projects and Catch our breath so we can figure out what's next?

A question asked by many during these uncertain times....

The Finance Committee of the Town Council and the full Council has had several discussions around this topic.

Project Overview and Timeline

- Projects were analyzed over the past 3-5 years and in August of 2019 were voted to go to Bond
- Jan 2020 Bonds were issued at 1.83% interest rate for 20 years- money arrived in our bank in the end of January 2020
- Sand Salt Shed, Compost Pad (built) , Town Council Chambers have all been bid and designed and in some stage of the building process.
- Town Garage and School bus garage have been designed and bid once 45 days ago. They will be re- bid shortly and the preliminary numbers are showing close to a \$1.5 M dollar savings from the original bids.
- \$1.4 M Ladder Truck will be here in August –ordered in January

Bonding

- We have 1 year to spend 60% of the bond proceeds. We will be very close to meeting that goal.
- The bonds are not eligible for refunding for 10 years. Meaning the money would need to be set aside and placed in a interest bearing account capped at 1.83% for the next 9+ years. This type of refunding will have a negative impact on our bond rating and increase our interest rates for future borrowing.

There are multiple other reason to proceed with the approved projects. I agree with your premise it would be nice to be able to catch our breath and re-prioritize.

The cheap money makes these projects easier to defend, but our future capital programs are currently being reassessed and delayed for at least 1 year until we can refocus on a new normal.