

A Special Meeting of the **Capital Improvement and Strategic Planning Committee** was held on Monday, February 5, 2024 at 4:00 p.m. in Council Chambers, City Hall, 111 North Main Street, Bristol, Connecticut.

Members Present: Mayor Caggiano, John Smith, Glenn Heiser, Tom Hislop, Sebastian Panioto, Marie O'Brien, Susan Tyler, Cheryl Thibeault and Diane Waldron.

Also Present: Robin Manuele, Jessica Pilgrim, Peter Fusco, and Josh Medeiros (Zoom)

1. Call to order

Mayor Caggiano called the meeting to order at 4:00 p.m.

2. Public Participation

3. To review Debt Projections with the Comptroller and to take any action as necessary

Diane reviewed the Authorized but Unissued debt and outstanding projects. The City has \$40.3 million in authorized but unissued general purpose debt. However, the Firehouse 3 project was just increased which isn't reflected until the Joint Meeting approves the authorizations as well as the NEMS increase under the BOE. Memorial Boulevard has \$10 million outstanding however Diane does not anticipate bonds will be necessary as this amount should be covered by the remaining school grant for this project. Total authorized but unissued debt, net of anticipated grants is, \$114 million. This does not include any items requested in the current 24-25 CIP.

Diane reviewed Debt Service projections for financing the current authorized projects. The impact for the 24-25 budget is a \$1 million increase using bond premiums from the 2023 bond issue to mitigate and smooth out the increases. It is anticipated that there is enough of a premium that can be used over the next few years to keep the annual increase at \$1 million. Diane is projecting issuing notes (BANs) in November 2024, 2025, and 2026. Each note issuance does have interest payments that affect each of those years. In 2027 the City would issue BANS and Bonds. Diane tried to keep the annual increase around \$1 million, however 2028-2029 is projecting a \$2 million + increase. Debt Service as a percentage of budget is in the 5-8% range. Northeast Middle School represents the majority of the Debt Service increase as the financing, net of grants, is approximately \$50 million for that project. Diane estimated 3.75% interest rate for bonds and notes, as the current market is at around 4% for Bonds and Notes. A 2.5% budget increase was estimated.

Commissioner Panioto questioned the authorized but unissued amount of \$114 compared to previous years. Diane stated this has been the average for the past few years.

Commissioner Heiser questioned if \$50 million of debt was added how would that affect the overall Debt Service, which Diane explained it is roughly \$3.5 million in debt service, depending on the interest rate.

Mayor Caggiano stated the October 1, 2023 grand list growth for the FY24/25 fiscal year is the smallest the City has seen in a long time.

4. To review the Capital Budget for 2024-2025 and to take any action as necessary

Mayor Caggiano asked all members to send in the score card ratings. Mayor Caggiano wanted everyone to consider what happens if certain projects are delayed for one, two or three years. He would like all members to think about this as they review the requests. Commissioner Heiser questioned if there was any room to ask for community help on these projects. Mayor Caggiano stated it's a slippery slope with liability. Commissioner Smith stated he does not know of that ever being done. Commissioner Smith stated it may be beneficial to hold back for a year or two unless something absolutely needs to be done by mandate. Pete said the funding has to be in place by January 2025 for the IAQ Commissioning. Commissioner O'Brien stated if there are findings in the IAQ, the BOE would need funding to address the issues.

Commissioner Thibeault stated she felt the Lake Ave Culvert was necessary for that area due to flooding. Commissioner Panioto stated O'Sullivan Storm Draining will improve the drainage for the residents.

Mayor Caggiano stated once a project is approved, some of these projects like NEMS balloons to a larger scaled project with increases requested down the road. Commissioner Smith questioned if a project is not funded this year when would the Department be able to do the project.

The next meeting of the Committee is February 20 at 4:00 p.m. Mayor Caggiano would like Department Heads to attend to discuss delaying their projects if not funded this year.

5. Adjournment

Commissioner Smith made a motion seconded by Commission Heiser "to adjourn" at 5:10 p.m. Motion approved.

Jodi A. McGrane
Recording Secretary