Budget and Finance Committee Meeting – May 13, 2016

Draft Discussion Document – Funding Options for Proposed Building Expansions

1. The responsibility to determine the need for the projects, conduct any related advocacy and/or approval activities, and develop and implement plans to fund and execute the projects belongs to the Town Council. The task for the committee is to develop a funding recommendation for Council's consideration. To that end, the committee will address funding options and options regarding the timing and order of the two projects.

2. It is the sense of the committee that the community would be more favorably inclined to support the proposed expansions of the police and town hall buildings if the projects could be financed without having to raise taxes or use loans. Thus, the committee will consider an approach which uses a combination of available reserves, operating revenue, and in the case of the police building, grant money. It is the committee's understanding that the projects have been estimated to cost $200,000 each, or a total of $400,000.

3. The committee's tentative recommendation regarding timing is to start with the police building in FY18, beginning May 1, 2017 and complete the project during FY18.

4. The police building could potentially be funded with the $50,000 Panco donation, $25,000 from the FY18 Sussex County grant ($75,000 of resources already dedicated for police purposes) and $125,000 of special projects reserves. To ensure adequate funding, the committee could recommend that any annual operating surplus in excess of a threshold amount (e.g., $100,000) be assigned to special projects reserves.

5. The committee's tentative recommendation for the town hall expansion is to start and complete the project in FY19 using a combination of reserves and operating revenue. The committee expects that the experience gained from the police building project will help inform the planning process for the town hall building in terms of structuring a workable and acceptable funding plan.