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[CE SBAC] Time value of money

1 message

Kevin Justh <kevinjusth@gmail.com>
To: cesbac@capeelizabethschools.org

Thu, Feb 15, 2024 at 2:54 PM

Dear SBAC - As you consider costs and projects over time, and especially the long term implications of various proposals, I thought you might benefit from how PV/TVM concepts impact that from a municipal perspective and why it's different than a corporation.

Bottom line: because a town can borrow at or below the rate of inflation, maximal impacts come from larger up front investments, and there is little to no benefit from deferring or delaying capital investments. That's a feature of municipal finance, not a bug, and it's important for the community to understand that interaction.

Please see the attached comment.

Warmly,
Kevin Justh

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