

Maureen G. Valente
Town Manager

TOWN OF SUDBURY

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To: Honorable Capital Improvement Planning Committee

From: Maureen G. Valente, Town Manager 

Date: December 11, 2014

It is my pleasure to transmit to your committee the Town Manager's Preliminary FY16 Capital Budget plan for the Municipal Government, Sudbury Public Schools (SPS), and Lincoln Sudbury Regional High School (LSRHS) of the Town of Sudbury. The development of the annual Capital Budget begins with a solicitation from the Town Manager to all departments to prepare and submit capital requests so that she can determine and submit an overall budget request that is coordinated among departments and represents the highest priority needs of the Town for the next year.

The main body of this report provides summary tabulations and rankings for all project requests that are candidates for funding by either capital within the operating budget, special stabilization fund, capital exclusion, debt exclusion, CPA or other funding source. The summary report provides separate tabulations for capital project requests subject to CIAC review (over \$50,000 in a single year or over \$100,000 in multiple years) and requests under that threshold subject to Town Manager review. Detail descriptions (Form A's) and justifications for all FY16 project requests are included in the attachment.

The Strategic Financial Planning Committee for Capital funding has developed an interim report with a number of recommendations for FY16 capital funding. This interim report has not been finalized by the Committee, but a majority of committee members voted to approve the recommendations in the interim report in the hope that the CIAC would find this information useful as they undertook their review of the project submissions. In particular, I would point out that the Committee recommended that overall the Town's spending for capital should not exceed \$4.9 million from the tax levy. However, overall spending for capital could be higher than that amount, when use of grants, Free Cash and similar non-tax levy sources are used to offset those amounts above \$4.9 million.

Additionally, the Committee recommended up to \$1.8 million in spending for smaller capital projects for FY16 and the use of up to \$800,000 in Free Cash in connection with funding available for that category of projects. Attached is a summary listing of those smaller capital projects that was provided to the Strategic Planning Committee for Capital Financing. And if the CIAC supports any DPW Rolling Stock items over \$50,000, the funding for those should come from the new established Special Stabilization Fund for DPW Rolling Stock, even though that fund has no receipts yet. The Committee has recommended that the Board of Selectmen seek an Operating Override to annually provide funding to this Special Stabilization Fund.

The Capital Financing Committee has made their recommendations to the key question: How much capital spending is a target for the CIAC to work towards for FY16? Our peer AAA communities are spending a set target of recurring amounts for capital – some as high as 12% of operating budget on Capital Improvements. Currently, Sudbury is at about 5.6%. The Committee is hopeful that if capital spending can consistently be kept at around \$4.9 million each year, the Town and schools can catch up on the backlog of capital projects that accumulated during the past 10 years, as well as keep up with projects that are scheduled to begin over the next five years.

I want to thank the department heads for their participation, cooperation and dedication to this process. They did a superb job coming together as a group and dealing with the challenge of considering many important and deserving projects.