

**Town of Sudbury
Finance Committee
Minutes of Meeting
Tuesday, March 12, 2013
8:50 p.m.**

The Town of Sudbury's Finance Committee reconvened from their earlier meeting with the Board of Selectmen after a brief recess on the second floor of the Flynn Building. The meeting was called to order at 8:50 p.m. by Chairman Jim Rao. Present for this meeting were Jamie Gossels, Doug Kohen, Mark Minassian, Robert Stein, Chuck Woodard and Bob Jacobson. Bill Kneeland and Joan Carlton were absent.

Item 1: Transfer Request

Fire Chief Bill Miles presented a transfer request from the town. Since the town is still in collective bargaining with the union relating to advanced life support (ALS) services, the town has been using outside contractors for ALS services. The town requested a transfer of \$100,000 from payroll line items (\$24,800 from the stipends line and \$75,200 from the overtime line) to the contract services line item. After a brief discussion on the various outside contractors used by the town for these services, a motion to approve was made by Jamie Gossels and seconded by Bob Jacobson. No further discussion. VOTE: Unanimous (7-0) in favor of the transfer.

Item 2: Town Meeting Warrant Article 19 - Town Center Traffic Improvements

DPW Director Bill Place presented the background of the warrant article for the proposed town center traffic improvements. He also explained problems with alignments of the roads, a high rate of motor vehicle accidents and malfunctioning traffic lights. The traffic lights have been repaired with temporary fixes in recent years as the units are too old to fix permanently. Part of the improvements involve new traffic lights. The Sudbury Center Improvement Advisory Committee examined various options and road configurations and voted (majority vote) on the current proposed configuration.

Part of the proposed configuration involves making the road that runs in front of Town Hall (the "no-name road") one way going from Concord Road to Hudson Road. Bob Stein asked how about the reasoning behind that decision. Jody Kablack, Director of Planning and Community Development, explained that was determined to be the most beneficial traffic flow based on traffic studies. A discussion ensued about the effect of traffic on various secondary roads as the result of this change.

Bob Stein asked how much it would cost to replace just the main traffic light in the intersection and if replacing just the light would solve the traffic problems. Bill said that a new traffic light costs around \$300,000 and that replacing only the light would not solve the current traffic problems due to the inadequate alignment of the roads and the locations of the current traffic lights. Jim Rao asked if there were any differences between this proposal and the one on that was indefinitely postponed at the 2012 town meeting. Jody

said that it is the same project. Bob Stein asked if the police and fire departments support the project and Bill confirmed that they do.

Bill said that \$1 million from Chapter 90 funds, spread over two years, would help fund the project, but by using those funds the town would be curtailing the amount of road improvements for the next two years. Bill said that while the main and secondary roads in town are in good shape and could withstand the lack of maintenance for two years, there are many side streets in need of repair that will not be able to be worked on and will potentially cost twice as much to repair in the future. The remaining funds for the project will be provided from CPA funds (\$100,000) and a one year capital exclusion (\$700,000). Bob Stein asked what was the rationale of depleting Chapter 90 funds as opposed to asking for a higher capital exclusion. Bill said that he did not think asking for a higher capital exclusion would be approved by the taxpayers and Jody added that the Selectmen also viewed this as the best financing option. Bob Jacobson said that using Chapter 90 funds would provide more flexibility if the bids for the project came in lower than anticipated. Doug Kohen asked if a higher amount of CPA funds could be used on the project instead of using Chapter 90 funds. Jody stated that CPA funds can only be used for the historic preservation, recreation and landscaping portions of the project. A short discussion ensued about the timing of the receipt and disbursements of the Chapter 90 funds. The Finance Committee did not vote on the article at this time.

Item 3: Town Meeting Warrant Article 15 - Ambulance Replacement

Bill Miles explained that the town had submitted a warrant article for a replacement of an ambulance at a cost of \$220,000. Bill said that the town buys an ambulance every five years and the two active ambulances are from 2008 and 2003. The new ambulance would replace the 2003 ambulance. Bob Stein asked if it makes sense to keep the old ambulance and contract it out to other towns. Bill said that the issue would be having the personnel available for that scenario. Jim Rao said that the funds for the ambulance purchase would come from the Ambulance Reserve Appropriations Fund and not from tax revenue. The Finance Committee did not vote on the article at this time. **NOTE: This article was subsequently withdrawn from the warrant.**

Item 4: Town Meeting Warrant Article 16 - Construct Police Headquarters

Combined Facilities Director Jim Kelly. Mike Melnick, Chairman of the Permanent Building Committee and Bill Braun, Chairman of the Police Station Blue Ribbon Committee provided some information on the financing of the proposed construction of the new police headquarters. Jim said that the Board of Selectmen unanimously support the project which has an estimated cost of \$7 million. Mike Melnick gave a brief history of the various use studies of the police station dating back to 2001 and the previous times the project had been presented at town meeting and voted on at town election. He also stated that this was a good time to re-present the project since the town's debt burden will be significantly decreasing in FY14. Jim Rao asked if this project was the same one that was proposed by the Blue Ribbon Committee. Mike confirmed that it is. Bob Stein, who was a member of the Blue Ribbon Committee, said that while he was originally against a

new police station, after serving on the Blue Ribbon Committee that he felt that there is a need for a new station, but he does not support the project location on Hudson Road and feels that it should be on Route 20 to serve as a crime deterrent. There was discussion about how the Raytheon site had been looked at for the project but was not a feasible alternative. Bob Stein asked if the proceeds from the sale of the old police station could be tied into paying down the debt of the new station. Jim Rao said that while it could be done, since the value of the old station is unknown that we cannot put a contingency on the article for the new station. Doug Kohen asked if the combined dispatch unit at the police station could be transferred to the new station and if any additional costs would be incurred. Mike Melnick said the only new costs would be the moving costs. Doug also asked if there were any potential cost savings that could be realized by managing the project with the town center traffic project. Mike said that since there would be two different types of contractors for the project that they would not be performing similar functions. Bob Stein asked if any state funds were available for the police station project. Mike said that there weren't. There was some discussion about additional costs that would be incurred with moving the combined dispatch units.

Chuck Woodard asked what the cost of the annual debt service would be on the project. Andrea Terkelson provided some handouts showing the town's debt service for future years. The documents showed that the cost to the average taxpayer in Sudbury would be \$110 for the town center project based on the current estimated project costs. There was additional discussion about the town's debt service in future years and Andrea explained that for each \$540,000 of new debt the approximate annual cost to the average taxpayer in Sudbury would be \$85.

Doug Kohen asked if there was consideration given to not using Chapter 90 funds for the town center project and having a higher capital exclusion. Andrea said that it was considered but this is what the Board of Selectmen wanted to do as they were sponsoring the article. Jamie Gossels asked how long of a bond period the project would require and Andrea said that based on the size of the project that it would most likely be a twenty year bond.

Jim Kelly asked Jim Rao what the Finance Committee's process will be going forward with these articles. Jim said that this meeting was for fact finding and gathering data and that the committee would vote on the articles we had enough information on at the next meeting. The Finance Committee did not vote on the article at this time.

Item 5: Town Meeting Warrant Article 20 - PILOT Agreement - Solar Project at Landfill

Bill Braun explained how PILOT (payment in lieu of taxes) programs work and that a PILOT would preserve a lower cost of electricity for the town. He said that after the cost of electricity was negotiated, a PILOT of \$7,000/year was negotiated with the developer as an alternative to collecting personal property tax.. The PILOT program is allowed under state law. The PILOT would allow the town to generate electricity cost savings. Bill also explained the mechanics of how the PILOT would be collected. Bob Stein asked

what the high school was doing with their solar project and Bill responded that he believed they would be going for a PILOT as well. The Finance Committee did not vote on the article at this time.

Item 6: Town Meeting Warrant Article 17 - Fairbank Community Center Complex - Master Plan and Article 18 - Fairbank Center Roof Project

Jim Kelly said that this Articles 17 and 18 came from the recommendations of the Fairbank Community Center Study Task Force. Jack Ryan, chairman of the Task Force, gave a brief history of the construction of the Fairbank Center and how the Task Force examined what the long-term uses of the Center would be. He said the Task Force had to first determine if the building was worth saving and that a feasibility study would be needed to determine if a community center for the town could be constructed utilizing the existing structure. Article 18 would provide funding to repair the roof for one year and during that year, a feasibility study (Article 17) could be conducted to determine if the building is worth keeping. Jack said that the amounts for each article had not been finalized yet but that Article 18 would need between \$50,000 and \$75,000 for the roof repair and Article 17 would need approximately \$65,000 for the feasibility study.

Doug Kohen asked if there would be additional repairs needed after the first year of repairs. Bob Stein said that Russo Barr (engineering consultants) felt that the \$50,000 of repairs would cover the roof repairs for about three years. Jamie Gossels asked how the articles would be funded and Jack said that has not been determined at this time. The Finance Committee did not vote on either article at this time.

Item 7: Town Meeting Warrant Article 24 - Energy Improvement Program - ESCO

Jim Kelly explained than an ESCO is a company that studies, designs and build energy improvements. The company will do an audit of energy saving opportunities in the town, the premise being that the savings from the energy bills will pay for the cost of the energy improvements. Jim said that Ameresco of Framingham was chosen by the town to conduct the energy audit. Jim also said that the town doesn't know at this time if they will proceed with any recommendations suggested by Ameresco. Bill Braun said that the town would likely have to borrow the money to make the energy improvements and the debt would be paid back with the energy savings realized by the town. A preliminary audit has been done but the full investment grade audit has not been done yet. Bill also said that while this article is on the warrant there is a possibility that it will get indefinitely postponed. Chuck Woodard noted that the payback period of twelve years seemed excessive and Bill said that was something that was still being evaluated. Bill also said that the Energy Committee will need to meet with the Finance Committee to reach a consensus on how to proceed once the investment grade audit is performed. The Finance Committee did not vote on the article at this time.

Item 8: Review No Override Revenue Assumptions

Jim opened up discussion about the use of the E&D funds by LS for FY14. Andrea questioned if Fincom had enough information to vote on the operating budget given the state of the LS operating budget. Jim said we had enough information based since Fincom had recommended a no override budget. Discussion ensued on how LS should present its budget and the use of the E&D to accurately reflect information that had previously been presented to the Fincom.

Item 9: Other Business

Bob Stein explained his opinion that the town has improperly retained town counsel for the past fifteen years as it has not gone out for RFPs for legal services as per the town bylaws. Jim suggested that this was something to be discussed with the Board of Selectmen.

There was also a brief discussion about the process needed for moving the budget article to the end of town meeting if necessary.

Item 10: Public Comments

There were no public comments.

There being no further business, the Committee adjourned at 11:57 p.m.