

Town of Sudbury

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Strategic Financial Planning Committee for Capital Funding

Thursday November 14, 2013

8:00 AM – 10:00 AM

Silva Room, 278 Old Sudbury Road

Present:

Robert Armour (SPS School Committee), Jeff Barker (CIAC), Maryanne Bilodeau (ATM/HR Dir), Glenn Fratto (LS Finance Director), James Kelly (Combined Facilities Dir), Kevin Matthews (LS School Committee), Lawrence O'Brien (BOS), Andrew Sullivan (FinCom), Andrea Terkelsen (Finance Dir), Thomas Travers (CIAC), Maureen Valente (Town Manager), Mary Will (SPS Finance Dir), Charles Woodard (BOS)

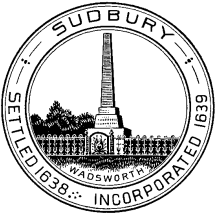
Absent: Robert G. Stein (FinCom)

The statutory requirements as to notice having been complied with, the meeting was convened at 8:05 a.m.

Town Manager Maureen Valente reviewed the mission statement and charge to the committee. She then asked each participant to introduce him/herself and then led a discussion of the following question: what would success of this committee look like to you. The following comments were made in response.

Success would have the following outcome:

1. Provide an understanding of the tax impact of our capital funding/plan to our taxpayers;
2. Provide for an ongoing funding plan;
3. Stabilize/Moderate impact on taxes – particularly smoothing out debt service costs;
4. The CIAC would benefit from being able to have a multiyear outlook by perhaps grouping all projects that are similar
5. Achieving equitable treatment among all the entities that have capital needs
6. Community education on items such as:
 - a. -what to expect on taxes
 - b. -concise info to residents
 - c. -life span expectations
 - d. -opportunities for town to do things
 - e. -play catchup
 - f. -point out cost avoidance for past years
7. Prevention of the downsides from not doing capital planning – that is avoiding emergencies when equipment breaks down or buildings have serious problems
8. Clarifying roles of Town committees relative to capital planning
9. Providing predictability in financing;



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- a. -"major buckets"
 - b. -designated funding
 - c. -avoid capital competition
10. Success in getting projects underway and funded;
 11. Clarity in how to support/work with CIAC;
 12. Community feels good that we use good analysis/process;
 13. Marketing/education internal and external vis-à-vis other priorities
 14. Written document on the capital planning and financing process (who, expectations, and behavior)
 15. Proactive rather than reactive/emergencies;
 16. Understanding/Investigating funding sources other than taxes;
 17. Minimizing the cost of projects and funding options

The following question was asked and addressed: Do we develop a strategy? Response: This Strategic Capital Funding committee should develop recommendations about how to fund a capital plan and the CIAC should prioritize the actual projects.

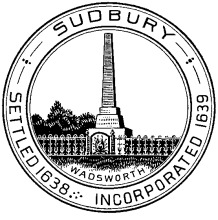
Maureen Valente then reviewed the content of the Strategic Financial Planning Report relative to Capital Financing (Section IV), Groups C and D of the report, and Multi-year financing plan for rolling stock and within-levy capital items

Finance Director Andrea Terkelsen noted that having a AAA Bond rating has helped the Town in refunding several bond issues, which has saved the town about \$2 million in debt service and how important it is to keep our AAA Bond rating.

As Municipal Finance was discussed with various ways funding projects (within the tax levy; debt exclusions, capital exclusions, etc.) the group felt that it would be helpful for us to have a separate meeting with a tutorial in Municipal Finance.

Maureen Valente noted that the Town has both an immediate challenge and an opportunity in the area of DPW rolling stock. The DPW has an immediate need for more trucks that can be accommodated in the operating budget. There is free cash available and while policy makers have stated it should be used for one-time items and NOT put into the operating budget, it could be used to provide catchup for the backlog of DPW equipment and also establish a Capital Stabilization fund to supplement the operating budget for future DPW purchases. This can be discussed at later meetings, after the proposed meeting/tutorial on municipal capital finance is held.

Town Manager Valente reviewed that the CPC (Community Preservation Committee) oversees CPA: Community Preservation Act funds and was adopted by Sudbury whereby there is 3% surcharge is added to all tax bills. The state used to match this 100% but now they only match



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approximately 37 to 40% of funds. Funds are limited to open space, affordable housing, recreation and historical preservation projects.

The following future meeting dates: All are Thursday mornings at 8:00 a.m.

12/5

12/19

1/9

1/23

1/30

As a last item of business, votes were made for organization of committee:

Chairman:

Selectman O'Brien nominated Chuck Woodard as Chair;

Andrew seconded

All voted unanimously in favor of the motion

Clerk:

Maryanne Bilodeau volunteered

Andrea seconded

All voted unanimously in favor of the motion

Vice Chair:

Larry nominated Andrew Sullivan

Jeff Barker seconded

All voted unanimously in favor of the motion

At 9:55 the meeting adjourned.