



Town of Sudbury

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Strategic Financial Planning Committee for Capital Funding Minutes

Tuesday, December 2, 2014

8:00 AM – 10:00 AM

Silva Room, 278 Old Sudbury Road

Present: Charles Woodard, Andrew Sullivan, Elena Kleifges, Lawrence O'Brien, Joan Carlton, Kevin Matthews, Lucie St. George. Thomas Travers arrived at 9:03am

Absent: Michael Lane

Also Present: Maureen Valente, James Kelly, Andrea Terkelsen and Maryanne Bilodeau

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

Agenda Item One: Miscellaneous

Not having a quorum of those in attendance at last meeting the vote on minutes from 11-7-2014 was postponed.

Agenda Item Two: Review and discuss tax impact of various capital funding scenarios

Chuck Woodard explained handout as follows: Page 1 provides recap and current 5-year capital spending estimates. Page 2 highlights differences in 5-year capital spending since January 2014. Page 3 provides one approach for accommodating all known projects using a combination of mostly capital and debt exclusions along with some Free Cash. Example also considers cash and lease payments for capital within the regular tax levy. Page 4 provides a listing of capital exclusion items as already submitted for FY16.

Also provided was an additional handout that shows all capital project items broken down by several funding categories and including a "borrowing key" that shows the likely allowable term/length for items that may be bonded.

Review of these documents raised some additional questions or topics for further discussion at a later date.

- What detail should be provided in a report by the committee to support or explain what is summarized as one or more funding options?
- Should this committee be responsible for separating and/or prioritizing projects?
 - Chairman Woodard clarified that the role of this committee is to let CIAC know what money is available to fund projects each year so that the CIAC can prioritize projects.

- Going forward will this committee be responsible for recommending funding on a project by project basis? Setting limits for each type of funding? Recommending a total limit of capital spending each year?
- How to account for or explain when capital projects are added, moved or amounts changed?
- How does a policy for Free Cash fit into the discussion of capital spending now and in the future?

It was agreed that the Chairman would make further revisions to the handouts for the next meeting.

Agenda Item Three: Free Cash for a portion of FY16 capital needs.

Chuck Woodard explained that one or more committees may still need to vote on whether or not to use Free Cash as a source of funding for the Nixon MSBA project. He further explained that the Board of Selectmen will likely vote on both funding options just prior to Town Meeting so that an initial motion can be made and also in case of an amendment. That being said, he would like to be prepared to speak on behalf of this committee to the Board. He then invited other members to share their thoughts on whether or not they felt Free Cash should be spent on the Nixon project as opposed to waiting for Town Meeting in May.

Motion by Larry O'Brien for the Committee to support the decision to pay for the Nixon repair project by issuing a bond in the amount of the Town's final cost net of MSBA reimbursement. This was second by Kevin Matthews.

Andrew Sullivan is concerned about making various assumptions on Free Cash now particularly having to do with proceeds from Melone gravel pit. However, Kevin Matthews reminded the group that bonding for Nixon makes sense based on current policy whereas other items such as OPEB can't be bonded.

There being no further discussion the Chairman called the question.

The motion was passed unanimously.

Motion by Larry O'Brien to make Andrea Terkelsen clerk for the committee. This was second by Kevin Matthews.

The motion was passed unanimously.

Adjournment

Chuck Woodard made motion to adjourn; Andrew Sullivan seconded.

All voted unanimously in favor of the motion.

Meeting adjourned at 10:03am