

Strategic Financial Planning Committee for Capital Funding Committee
Thursday, November 3, 2016
Silva Room, Flynn Building

Present: Charles Woodard (Chairman), Mark Howrey, Joan Carlton, Kevin Matthews, Patricia Brown, Thomas Travers, James Kelly, Melissa Murphy-Rodrigues, Lucie St. George, Susan Berry

Absent: Dennis Koehane, Elena Kleifges, Lisa Kouchakdjian

Also Present: Maryanne Bilodeau (Assistant Town Manager), Susan Rothermich (Sudbury Public Schools Business Manager)

The Chairman called the meeting to order at 7:37 am.

Selection of Clerk: Susan Berry volunteered to take minutes for this meeting.

Approval of Minutes: The minutes of October 13th meeting were approved.

Discussion of Capital Funding Approaches for FY18: There should be about \$2 million Free Cash plus the \$400K capital budget within the operating budget available for use in FY18. The total in capital requests, including the Fire Truck and excluding the items that were approved at the October Town meeting totals about \$3 million. There was some discussion about the pros and cons of proposing an override for capital in FY18 or in FY19.

There was general agreement amongst the members of the committee that there is a need to increase the Town Manager's Capital Budget. Melissa Murphy-Rodrigues stated that Sudbury's capital within the operating budget (Town Manager's budget and pieces of capital in other budgets) works out to be \$38/capita. The state median is \$99/capita.

There was a suggestion that the Board of Selectmen adopt a policy that the amount of decline in debt service within the operating budget in any given year be added to the operating capital.

After some discussion about possible funding sources, the Chair asked that members of the committee think about the six possible components of sources for funding capital requests in FY18 discussed and be prepared to vote on them at the next meeting:

- 1) Free Cash
- 2) Override in FY18
- 3) Override in FY19
- 4) Policy regarding reallocating declining debt service within operating budget capital
- 5) Portion of the National Development mitigation payments
- 6) Apply funds from the sale of the Police Station to FY18

Mark Howrey volunteered to prepare a forecast of the needs and possible funding sources. He asked about a forecast of declining debt service within the operating budget which the Town Manager said could be provided.

Discussion of Capital Approval Process: Mark Howrey walked the committee members through a spreadsheet he had prepared which showed the capital approval process, including the steps broken out by month (August – May) and responsible group (Department Heads/Facilities Director/Town Manager, Town Manager, SCFC, CIAC, CPC, BOS, FinCom). Mark explained that the CIAC will distribute Form A's at the end of January as well as a document with the CIAC recommendations.

There was some discussion about how to integrate the CPC into the capital funding process. Members of the committee expressed the need for feedback from CPC, for instance by November the Capital Funding Committee should receive an estimate of the funding available from CPA funds.

For the next meeting, Mark will update the process flow spreadsheet. The committee will wrap up specific recommendations on funding amount and sources. The committee will continue the conversation about the capital process and plan to wrap up that conversation at a January meeting. The committee will select a January meeting time at the December meeting.

As a possible piece of the capital process to be discussed, Melissa Murphy-Rodrigues suggested that the Finance Committee be asked to consider adding to their Free Cash Recommendations that a certain percentage of Free Cash be put in the Capital Stabilization Fund or Capital Revolving Fund each year.

Meeting schedule: The Committee will meet at 7:30 AM on Thursday, December 8th, and at the December meeting pick a date for a meeting in January.

The meeting was adjourned at 9:04 am.