



# Town of Sudbury

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<http://sudbury.ma.us/comitees>

## Strategic Financial Planning Committee for Capital Funding (SFPC)

### Minutes

Thursday, November 9, 2017

8:00 a.m.

Silva Room, 278 Old Sudbury Road

#### Present:

Patricia Brown and Daniel Carty (BOS), Susan Berry (FinCom), Thomas Travers (CIAC), Kevin Matthews (LS School Committee), James Kelly (Combined Facilities Dir), Lisa Kouchakdjian and Lucie St. George (SPS School Committee), Dennis Keohane (Finance Director)

Absent: Joan Carlton (FinCom); Mark Howrey (CIAC); Melissa Murphy-Rodrigues (Town Manager), Craig Gruber (LS School Committee)

Also Present: Maryanne Bilodeau (ATM/HR Dir), Susan Iuliano (BOS), Susan Abrams (CIAC)

Dennis Keohane provided members with documents including a 5 year preliminary capital funding plan and analyses of the projected effect on taxes.

The statutory requirements as to notice having been complied with, Tom Travers as acting chair convened the meeting at 8:08 a.m.

#### ➤ Selection of Clerk to take minutes

Tom asked if there was a volunteer for clerk. Pat volunteered to take minutes for this meeting. Pat Brown was unanimously elected to take minutes on November 9.

#### ➤ Election of Chair

Tom then asked who would serve as chair of the committee. Dan Carty was unanimously elected as chair, and presided over the rest of the meeting.

#### ➤ Approval of minutes 10/12/17

Susan Berry had a couple of minor edits, which were adopted. The 10/12/17 minutes as amended were unanimously accepted, with Lisa Kouchakdjian and Lucy St. George abstaining.

#### ➤ Discussion of Capital Funding Recommendations

Dan began by reading the Mission Statement for the Committee (the Strategic Financial Planning Committee for Capital Funding (SFPC)). <https://sudbury.ma.us/sfpccf/strategic-financial-planning-committee-for-capital-funding-mission-statement/>

*The Board of Selectmen is creating this committee to annually generate, evaluate and recommend financing strategies both short and long term, in connection with the Town's Capital Improvement Planning (CIP) for the capital needs of the Town, the Sudbury Public Schools and Lincoln-Sudbury Regional High School so as to protect the Town's investment in its capital assets. The capital projects to be considered by this committee will be those submitted to the CIAC, but could also include projects brought forth by the Town, L-S or SPS even if they have not been submitted to the CIAC yet. The committee shall work to create and submit to the Selectmen a report that the Board, Finance Committee, Capital Improvement Advisory Committee and staff can use for considering the financing of the projects that have been submitted. (July 28,2015.)*

In summary, the SFPC will recommend in a report to the Board of Selectmen financing strategies for the capital projects brought before the CIAC. What do we need to do to accomplish this mission?

On October 12 the SFPC had discussed requiring CPC (Community Preservation Committee) representation. Pat Brown, who serves as the Selectmen's representative on CPC, reported that CPC had not yet formally discussed a request to appoint CPC representatives to the SFPC, but that CPC was composed primarily of members of other committees and those committees are represented. Additionally, CPC has the mission of community preservation rather than providing a funding source for town capital projects. Tom Travers noted that the Community Preservation Committee (CPC) is not represented on the SFPC, but that recreational capital projects such as the Featherland Tennis Courts were ultimately paid for using Community Preservation Act (CPA) funds. It's important for SFPC to understand all funding sources. It would also be helpful for CIAC (Capital Improvement Advisory Committee) to know which projects were not likely to receive CPC recommendations to avoid unnecessary presentations both for the CIAC and also for the project proponents. Dan Carty presented the SFPC request to the October 24 Selectmen's meeting, and the BOS requested an opinion from CPC on whether it would like to designate two CPC members as representatives to the SFPC. Pat Brown asked for this item to be on the CPC agenda for November 15.

The mission for the SFPC was written prior to the adoption of the annual fall town meeting. The fall town meeting is particularly helpful for the schools to have funding ready to go for construction projects during the limited times school is not in session, rather than having to wait until funds appropriated at Annual Town Meeting in May can be released the following July 1. Additionally, Kevin Matthews mentioned that while some capital items can be funded using the Lincoln-Sudbury Regional High School (LS) Excess and Deficiency (E&D) account, assuming approval of both Lincoln and Sudbury Town Meetings, it isn't always clear which projects should be funded using E&D. Sudbury Public Schools (SPS) does not have an E&D account.

Dan Carty proposed establishing the sequence of events, working backwards from Annual Town Meeting on May 7, 2018, to establish the timeline of reports, recommendations, and analyses evaluating the capital articles from the specific bodies involved (Finance Committee (FinCom), Selectmen, CIAC, CPC, the school committees, and so on) and identifying and characterizing all the sources of funding available for capital articles. Dan Carty summarized the output of the ensuing session in a timeline (attached) of the decisions which will lead up to the capital articles proposed to Sudbury's May 2018 Annual Town Meeting.

The committee identified the following sources of funding for capital items:

1. Free Cash
2. Debt
3. Capital exclusion
4. Town Manager's Capital Budget (includes SPS)
5. E&D (LS only)
6. Grants and other available funds
7. Previous cycle capital votes (e.g the Fire Station debt exclusion, if approved by voters)

The committee included the availability of these numbers in the timeline. Maintaining level funding for items #2 and #3 was specifically considered as a way of avoiding large fluctuations in the property tax; they require voter approval but maintaining the existing amounts is a way to fund capital needs without large changes to the property tax.

Other items discussed during the creation of the timeline include:

- The desirability of setting deadlines and enforcing a consistent process by which projects are reviewed and recommended versus the need for sufficient flexibility to respond to unexpected requests which don't meet the deadlines.
- The trade-offs in requesting numbers before they are ready (and so getting estimates that must be refined as actual data comes in) versus the difficulty of making recommendations without an understanding of how much funding is available.
- The need to coordinate with the Town of Lincoln for funding LS projects. Specifically, Lincoln votes at their March 24 Town Meeting on LS projects, and considers Sudbury's support for that project when doing so.
- Recognition of the ongoing need for maintenance as part of our capital expenditures, and distinguishing between operations (replacing the transmission fluid), capital repair (replacing the transmission), and major capital expense (replacing the car).
- Request by the CIAC representative that the SFPC deliver recommendations on the amount of funding available prior to CIAC project evaluations. Proponents submit project "Form A" to CIAC to describe their project prior to what may be multiple rounds of explanation. The time and effort spent—both the committee's and the project proponents—to hold multiple hearings and conduct analysis of projects should focus on projects for which there is a reasonable expectation of funding.

➤ **Schedule upcoming meetings**

The next meeting will be held 11/30 at 8:00 a.m., followed by another meeting on 12/7 at 8:00 am, with a goal of having recommendations for the CIAC by December 15.

Pat will ask the CPC on November 15 to consider appointing two members to the SFPC. She represents the Selectmen and not the CPC on this committee.

The committee voted unanimously to adjourn at 9:58 am.