

Strategic Financial Planning Committee for Capital Funding
Thursday January 17, 2019
8:30AM
Silva Conference Room, Flynn Building, 278 Old Sudbury Road

Members Present: Susan Berry (Finance Committee), Jean Nam (Finance Committee), Jamie Gossels (CIAC), Thomas Travers (CIAC), Pat Brown (Board of Selectmen, Dan Carty (Board of Selectmen), Silvia Nerssessian (Sudbury School Committee), Lisa Kouchakdjian (Sudbury School Committee), Dennis Keohane (Staff).

Members Absent: Kevin Matthews (LS School Committee)

Also Present: Len Simon (Board of Selectmen)

After confirming that a quorum was present, Dan Carty called the meeting to order at 8:42am.

Susan Berry agreed to serve as Clerk for the meeting

The minutes of the January 11, 2019 meeting were approved unanimously as amended.

Project review and oversight process – Tom Travers reviewed changes to the Capital Project Oversight power point based on the committee’s discussion at its January 11th meeting. Some discussion and further edits were made to the document. (See final Capital Project Oversight Power Point in the Supporting Materials for the January 17th meeting.)

The committee then took up the discussion of a recommendation re: funding sources. As a starting point, Susan Berry offered a possible summary of the funding sources reviewed to date and consolidated them into three categories: an override, use of progressive remedies, and use of “windfalls” as exemplified by the unexpected increase in new growth from the Eversource substation. There was discussion about the advantages of an override for a Special Purpose (Capital) Stabilization Fund and an operating override to establish a capital line item in the operating budget.

After discussion about partial or full override, whether the committee should recommend one plan for funding to the BoS or lay out the possibilities for funding, and whether the committee should recommend a percentage of new growth and of realized efficiencies to add to the capital operating budget annually, the committee voted unanimously to submit to the BoS the Oversight Recommendation and the options for funding the annual capital operating budgets at 2.5% outlined below:

Proposal: The SFPCCF recommends that two options be considered:

- Immediate fix - \$2million override. Override could be a Stabilization override or a typical override.

- Stabilization override would allow BOS to reduce override amount over time if alternative funding mechanisms identified. Purpose legally restricted for capital.
- Typical override may give flexibility to reduce future debt exclusions (may bring debt inside levy). Should include policy to fund capital budget at 2.5%
- Potential to reduce taxpayer burden by reducing CPA surcharge
- Would require update to Free Cash policy – may no longer be needed for capital maintenance
- Progressive funding of a 2.5% Capital budget over time using a combination of:
 - Extraordinary New growth (i.e. growth without accompanying expenses) allocated until Capital budget reaches 2.5%
 - Fraction of ‘regular’ new growth directed towards capital (see example calculations in appendix)
 - Capture of portion of gained efficiencies achieved by cost centers
 - Update Free Cash Policy to prioritize capital needs
- Two methods above could be combined

The SFPCCF recommends that the annual CIAC funding recommendations move from this committee to the Town Manager and that this committee be disbanded.

Dan will report at the January 22 meeting of the BoS. The committee agreed to meet on March 1 at 8:30 am to review the minutes of the January 17 meeting and vote on the CIAC recommendations.

Silvia made the motion to adjourn at 10:36, Jamie seconded. Vote was unanimous.