

## **Strategic Financial Planning Committee for Capital Funding**

**Tuesday, September 25, 2018**

**Silva Conference Room, Flynn Building**

### **Meeting Minutes**

#### **Present:**

Patricia Brown (BOS), Daniel Carty (Chair) (BOS), Susan Berry (Fin Com) Jean Nam (FinCom); Thomas Travers (CIAC), Jamie Gossels (CIAC); Lisa Kouchakdjian (SPS Committee), Silvia Nersessian (SPS Committee)

#### **Absent:**

Kevin Matthews (LS School Committee) and Craig Gruber (LS School Committee); Melissa Murphy-Rodrigues (Town Manager)

Chairman Dan Carty called the meeting to Order at 9:00 a.m.

The Chairman confirmed a Quorum.

Susan Berry volunteered and was selected as Clerk.

#### **Approval of Minutes from May 30, 2018 meeting**

Susan Berry proposed two minor changes to the minutes. The revised minutes were approved 6-0 with 2 abstentions.

#### **Review action items from 5/30/2018 Meeting**

- **Member appointments** - Two members from each of the committees – Board of Selectmen, Finance Committee, Sudbury Public Schools Committee, LSRHS Committee, and CIAC have been appointed.
- **Posting of handouts and minutes on Website** - May 30<sup>th</sup> handouts have been uploaded to the Website. Chairman Dan Carty is to follow-up to make sure minutes and handouts from all meetings are posted.
- **CPC Financials** - Have been posted on the Website

#### **Continued Discussion of Funding Sources:**

Chairman Carty reviewed the committee's conclusion from discussions by the 2017-18 committee members that 2.5% of the total budget (or about \$2.5M) is needed yearly for capital maintenance and improvements.

He then reviewed the suggestions brainstormed to date for funding that 2.5%:

- 1) A suggestions made via email by Joan Carlton to Dan Carty suggesting a multi-source approach for one time funding including earmarking a percentages from New Growth, earmarking a sliding scale percentage from Free Cash and a potential Override.
- 2) Combination of free cash allocation, new growth, and small override
- 3) Reduction of CPC 3% down to ??% and reallocate the ??% to Capital
- 4) Quantify efficiency gains from Town/SPS/LS cost centers and sweep into capital bucket
- 5) Use multiple sources (see above) phased in over time
- 6) One time override

Expanding on the brainstorming that had been done previously, members discussed the need for adequate oversight, especially if the recommendation is for a single one-time override. It was generally agreed that regardless of the funding source(s) recommended, we need a mechanism to ensure that the capital maintenance “bucket” grows in proportion to the rest of the budget.

For the next meeting, members will provide the following information that was regarded as helpful to moving the discussion and decision forward:

Dan – will get information from Dennis about how much and what % of Free Cash has been used to fund capital maintenance and renewal in the past (I don’t think we specified a number of years.)

Susan – once has historical data on use of Free Cash for capital, will bring proposal based on Joan Carlton’s proposal, for using a portion of Free Cash annually,

Tom and Jamie – an overview of an override proposal for the committee to review including the tax cost for the average house

Dan – a plan using multiple sources based on new growth and gained efficiencies over time to get to 2.5%

Jean – will provide the committee with information about CPC funds using 2017 figures and proposal for modification of CPC funding model to free up some money for capital

### **Discussion of Project Review and Oversight process**

Not discussed and will be addressed at a future meeting.

### **Schedule Upcoming Meetings**

The next meetings will be Tuesday, October 16 at 8:30 am and Tuesday, October 30 at 9:00 am, location TBD.

### **Adjournment**

A motion was made and seconded to adjourn. The vote was unanimous. The meeting adjourned at 10:13 AM.

Respectfully submitted by,

Susan Berry