

TOWN OF SUDBURY COMMUNITY PRESERVATION COMMITTEE

**ADMINISTRATIVE FUNDS POLICY**

August, 2007

**PREAMBLE**

Section 6 of The Community Preservation Act allows the Community Preservation Committee (hereinafter The Committee) to appropriate such funds from the Community Preservation Fund as it deems necessary for the administrative and operating expenses of the Committee (hereinafter Administrative Funds). Such appropriations shall not exceed five percent (5%) of its annual revenues.

In keeping with the practice of most of the cities and towns receiving Community Preservation funding, the Committee has used its administrative funds to perform studies, evaluations, tests and other preliminary work on projects likely to be approved by the Committee or to cover unanticipated but appropriate expenses of Community Preservation Act projects that have been approved by Town Meeting. The Committee's operating expenses are generally confined to partial salaries for Town staff that perform appropriate CPA-related services.

Despite this practice, the Community Preservation Coalition advises:

- **Incidental Project Costs.** CPA funds may be used for site surveys, environmental assessments, historic or housing consultants, architectural and engineering fees, permit processing fees, construction consultants, financing consultants, legal and accounting fees, and similar costs associated with and incidental to the development of a CPA project. Such expenditures should be made from the appropriation for the particular project and, as project costs, they do not constitute operation or administration expenses of the committee subject to the 5% limitation.

Therefore, the Committee hereby adopts the following Policy to apply to all future applications for monies from the Administrative Funds.

**POLICY**

The use of administrative funds must be deemed by majority vote of the Committee to be appropriate and necessary and to meet one or more of the following criteria:

- a) the expense is attributable to the operations of the Committee or to the administration of CPA funds generally, or

b) the project as a whole meets the requirements and limitations of the Community Preservation Act and the General and Specific Guidelines of the Community Preservation Committee Report dated October, 2002 (as amended).

Any application for the use of administrative funds must demonstrate in writing, and with specificity, that the request falls under one of these areas.

If the application meets either of the above criteria, then the Committee will consider whether:

- 1) time is a critical factor, or
- 2) there is a lack of other funding resources (this last reason cannot be the *sole* reason for the granting of administrative funds).

An application for the use of administrative funds must, at the least, address the following items as they prove germane to the type of request:

- How exactly does the request relate to a planned project, and how does that project meet the relevant General and Specific Criteria found in the Committee Report of October, 2002 (as amended)?
- What exactly are the time-sensitive attributes of the request, and why is it not possible or desirable to wait until the following Town Meeting?
- If the request is for consultant funding, either for consultant hours or a complete study, what exactly do we seek to learn from the end product (RFP-level detail)?
- What alternative funding sources were approached, when and through whom? Why was the request denied?

Approval of applications for Administrative Funds is in the sole discretion of the Committee which will consider the Community Preservation Act, guidance from the Community Preservation Coalition, the above-stated Policy, and the availability of funds, including consideration of potential future projects and expenses.

Following are lists of Appropriate and Inappropriate funding areas. These are illustrative and are not intended to be exhaustive.

#### Areas Appropriate for the Use of Administrative Funds

- Any expenses that are related to the operations of the Committee or the administration of CPA funds generally, and are allowable under State guidelines.
- Any expenses that could be termed “investigative” in nature and are required on a timely basis *for the advancement of a project* that, using the Committee’s existing General and Category Specific Criteria, the Committee feels might well be recommended by it to Town Meeting. For the most part these would include professional studies, evaluations and tests (for example, appraisals and soil tests in the case of a land purchase).

#### Areas NOT Appropriate for the Use of Administrative Funds

- Any expenses that clearly fall under the category of “normal Town operations”, even if those expenses are incidental, irregular, intermittent or otherwise not regular expenses of the Town.
- Any expenses related to *proposed projects* that the Committee feels are not likely to be recommended by it to Town Meeting due to a failure to meet General and Category Specific Criteria.
- Any expenses in which expediting the time of performance, while perhaps desirable, is not necessary.
- Any expenses that would appear to the Committee, either because of their size, type or debatable merit, to be more appropriately under the purview of Town Meeting.