

**Town of Sudbury  
Finance Committee  
Minutes of Meeting  
Wednesday, December 3, 2014**

The Town of Sudbury's Finance Committee (FinCom) Meeting was held in Conference Room B at Lincoln-Sudbury Regional High School and was called to order at 7:00 PM by Chairman Susan Berry.

FinCom Attendance

- Present: Jeff Barker, Susan Berry, Joan Carlton, Adrian Davies, Fred Floru, Jose Garcia-Meitin, William Kneeland, Mark Minassian and Andrew Sullivan

**1: Review of Key items from prior FinCom meeting and update on CPA funding.**

Chairman Berry reviewed the FinCom recommendations on Articles 1 and 2. At the prior meeting, the FinCom voted 5-2 in favor of Article 1 (Nixon repairs) and 6-1 in favor of Article 2 (Johnson Farm). Chairmen Berry reported that the CPA had agreed to contribute \$1,000,000 in funding for Johnson Farm.

**2: Discussion of Free Cash as Alternative for Funding Article 1 (Nixon Repairs)**

Joan Carlton, a member of the Strategic Capital Funding Committee, reported that the Strategic Capital Funding Committee voted unanimously to not support an amendment to fund the Nixon Repair project from Free Cash. She explained the committee's reason for this vote was as follows –

- Currently there is 3.3 million available in Free Cash.
- 1.2 million of the 3.3 million is from the Melone Property. It is expect that there will be a May town meeting article to put this 1.2 million in a Special Stabilization Fund, to be used in the future for whatever purpose is decided for the Melone property.
- This leaves 2.1 million in Free Cash. Good management requires a Revenue Reserve for emergencies. Assuming this is 800,000, this leaves 1.3 million in Free Cash to spend.
- If we spend 1.1 million for the Nixon project, there would only be 200,000 in Free Cash. Thus there would be essentially no money in Free Cash for other purposes.
- The Strategic Capital Funding Committee has been given a very long list of maintenance projects, some of which they would like to fund from Free Cash in FY16. These include – School classroom carpet/floor replacement, School roof HVAC unit, Cardiac Monitor replacement, carpet replacement – Goodnow, School Security and Access Control, Fuel Storage Replacement. These total to approximate 850,000.
- It is more prudent to use free cash for these maintenance projects and do a bond issue for the Nixon roof. Most maintenance projects such as these don't qualify for long term debt. Thus they would have to be funded by a one year capital exclusion. Thus the taxpayers would have to cover the full amount in one year.

Andrew Sullivan asked - What would the life of the bond issued for the Nixon repairs be?  
Andrea Terkelsen answered it would be 10 years.

Bill Kneeland agreed that Free Cash should not be used for the Nixon repairs. He explained that this type of project lends itself to borrowing since the project will benefit the taxpayers for at least the next 10-20 years.

Andrea Terkelsen explained that there is a cost to borrowing but that the debt for this project would be bundled with the debt for the police station and possible other projects.

Mark Minassian made a motion – In the event an amendment is presented at town meeting to fund the Nixon Project with Free Cash the FinCom would not support it. Fred Floru seconded the motion and the motion passed with 9 in favor and 0 opposed.

### **3: Discussion of Free Cash as Alternative for Funding Article 2 (Johnson Land)**

Chairmen Berry asked if the committee would like to take a straw vote on using Free Cash for Article 2 (Johnson Land). The committee agreed to go ahead with a straw vote.

Andrew Sullivan explained to the committee that if Article 2 was amended at Town Meeting to be funded from Free Cash and the amendment passed, it would not have to be approved by a vote of the taxpayers.

Andrew Sullivan proposed a straw vote on using free cash to fund Article 2. The vote was 1 in favor and 8 opposed.

### **4. Public Comments**

There were no public comments.

**5. Adjourn** – Susan ask for a motion to adjourn to the L/S Auditorium to continue the meeting in attendance at, and for the duration of the Special Town Meeting. Fred made the motion; it was seconded by Bill Kneeland, and passed unanimously. The meeting adjourned at 7:20 to the L/S Auditorium