

Capital Expenditure Committee
Meeting Minutes
Wednesday, June 12, 2019, 7:00 PM
Town Hall, Second Floor Conference Room

Members in attendance:

- John Carbone (JC)
- Mary Ellen Carter (MEC)
- Eric Dahlberg (ED)
- William Moonan (WM)
- Barbara Perry (BP)
- JoAnn Santiago (JS)
- Stephen Steele (SS)

Members in attendance (Remote):

- Tony Battaglia (TB)

Members not in attendance:

- None

Other attendees:

- Elizabeth McClung- Finance Committee
- Emily Mitchell- Board of Selectman
- Ed Pierce- Board of Selectman
- Ben Thomas- Finance Committee
- Michael Rosen (MR)- Assistant Town Manager
- Sarah Stanton- Town Manager

MEC called the meeting to order at 7:02 PM noting that a quorum was present.

1. Discussion/Presentation about the Future of Capital Planning in Bedford

- a. **Ms. Stanton** provided an overview of a memorandum, dated May 20, 2019, sent to Mr. Rosenberg, Selectmen Chair, and Mr. Thomas, Finance Committee Chair, concerning a recommendation to change the Town's Charter and Bylaws in order to retire the Capital Expenditure Committee (CapEx) in lieu of a newly proposed Capital Investment Committee (CIC). The proposal would help to streamline the repetitive nature of the capital planning process thus increasing efficiency while maintaining optimum levels of transparency and critical oversight. The CIC would be internally sourced drawing upon the Town Managers' office, Department Heads and staff, and the Chief Financial Officer for the School Department and/or the Superintendent to source its membership. Ms. Stanton proceeded to open the meeting for input and questions from the members of CapEx.
- b. **TB** agreed that the process generates a significant element of repetition and is therefore in favor of implementing a program that would reduce the redundancy. If the proposal is subsequently approved, TB recommended that the Finance Committee consider doing a deep review of selected projects that meet a specific dollar threshold; possibly the ten projects with the highest expense. He also recommended that certain projects could have independent community involvement to facilitate the new process. TB also recommended that a Building Committee be established to provide a consolidated picture of the Town's building projects and plans.
- c. **SS** stated his concern that the proposal represents a significant change to a major process and, at this time, it was not clear as to how the transition to the proposed process would

- transpire. SS also asked Ms. Stanton if there was adequate staffing in the Departments to complete the additional work for the new planning process. Ms. Stanton stated yes.
- d. **MEC** presented examples of the value that the CapEx Committee lends to the completion of the capital plan in support of the Town's budget process:
 - i. Members of CapEx act as liaisons to the various Departments and Department Heads. Each member is assigned at least one Department Head to work with throughout the process. The liaison has the opportunity to review and comprehend the complexities of the Department's projects. That information is then shared with each member of CapEx providing a deeper and more thorough understanding of each Department's proposed projects.
 - ii. The Department Heads see a project request from the perspective of the end-user. CapEx, in its fiduciary function, reviews each project from the viewpoint of the purchaser of the project- the taxpayers of Bedford. This role provides a valuable check and balance to the planning process. There is a potential of losing the taxpayer's view by solely having an internal committee provide the capital plan for approval.
 - iii. Having the CapEx Committee creates a larger constituency of involvement from individuals in the Town.
 - iv. Time spent by CapEx on the Capital Plan reduces the amount of time required by the Selectmen and the Finance Committee to complete the budget process.
 - v. The review process conducted by CapEx provides an extra layer of "skepticism" that is healthy and helps to refine the presentations for Town Meeting.
 - vi. MEC also clarified a statement made in the memorandum noting that CapEx does not focus on funding barriers and sources for projects. CapEx's sole focus is on the merit of the proposed project regardless of funding.
 - e. **BP** expressed concern with the ability of the Selectmen and the Finance Committee to provide the depth of vetting that is currently offered by CapEx given the demands already placed on each Committee. She stated that she supports periodic review of processes, in general, noting that the current process has been evolving since the introduction of the VFA software. BP asked for an explanation of the proposed Pilot program. Ms. Stanton stated that the Pilot program was an idea or a suggestion made as a result of several resignations on the CapEx Committee. The proposal was made to ensure that the planning process would continue should a quorum for CapEx not exist in the future. Ms. Stanton stated that the internal process for completing the budget would be the same but the critical review of the budget would be done internally before being presented to the Finance Committee and the Selectman.
 - f. **WM** expressed concern about the loss of an independent review function should the proposal be approved and CapEx no longer participates in the process. He stated that members of the Town count on the auditing function provided by CapEx. This effort helps to build confidence in the planning process and facilitates the approval process at Town Meeting.
 - g. **JS** asked WM and SS if the proposed changes were approved would the Selectmen and Finance Committee then be able to audit the projects to a level of detail that would allow them to recommend the plan/projects? Both WM and SS responded that it would be difficult to do so if the information provided in the review was in the same format as previous years. Both also stated that the Selectman and Finance Committee members should be able to review and approve the plan/projects if the information provided to them was in the enhanced, detailed format proposed by Ms. Stanton.
 - h. **ED** asked for an understanding of the time frame for the proposed change. Ms. Stanton responded by stating that the time frame would be dependent on the Selectmen's decision concerning the proposal. Ms. Stanton stated that the Departments are proceeding as usual

with the planning/budgeting process for 2020-2021. Should the Selectman approve of the recommendation then the proposal would be presented to the Charter Review Committee for inclusion in the overall Charter Review process; the changes to the Charter would be presented to the Town at the Special Town Meeting in the Fall; the proposed changes would then be placed on the ballot for the Annual Town Election in the Spring.

- i. **JC** expressed concern that the retiring of the CapEx Committee would eliminate a group of knowledgeable individuals that could be considered when filling future Finance Committee positions. The experience gained on CapEx provides a valuable foundation that, in the past, aided in the transition. Dissolving CapEx would greatly reduce the pool of potential candidates/assets for the Town to draw upon in the future.

2. Review and approve minutes

- a. None presented for approval.

3. New Business

- a. No issues presented.

4. Next Meeting Dates

Next scheduled meeting dates: **July 24th** and **August 25th**, 2019.

5. Adjournment

Motion: to adjourn the meeting was made by SS. Seconded by MEC. Approved by a vote of 8-0-0.

The meeting was adjourned at 8:33 PM.

Respectfully submitted by John F. Carbone, Clerk.