

Town of Sudbury ~ Finance Committee
Minutes of Meeting
Monday – February 8, 2010
7:30pm – Lower Town Hall

FinCom Present: Chairman Chuck Woodard, Joan Carlton, Jamie Gossels, Bob Jacobson, Bill Kneeland, Jim Rao, Marty Ragonas, Robert Stein, and Sheila Stewart

Selectmen Present: Chairman William J. Keller, Jr., (arrived 7:53 p.m.) Vice-Chairman John C. Drobinski, Selectman Lawrence W. O'Brien

Also Present: Andrea Terkelsen, Finance Director

NOTE: The February 8, 2010 meeting was a joint meeting with the Board of Selectmen. The following minutes were recorded, approved by the Board of Selectmen, and edited by the FinCom.

The statutory requirements as to notice having been complied with, the meeting was convened at 7:36 p.m. in the Lower Town Hall, 322 Concord Road.

Joint Meeting with the Sudbury Finance Committee – Budget Discussion

Present: Finance Committee Chair Chuck Woodard and Finance Committee members Bill Kneeland, Bob Stein, Joan Carlton, Martha Ragonas, Bob Jacobson, Sheila Stewart, Jim Rao and Jamie Gossels

At 7:37 p.m., Vice-Chairman Drobinski welcomed the Finance Committee to this joint meeting with the Board of Selectmen, and asked its Chairman Chuck Woodard to present the Committee's report.

Mr. Woodard noted that, as part of its evaluation process, the Finance Committee asked Town cost centers for budget recommendations earlier this year based on a 4.5% budget increase. He stated that Finance Committee liaisons then met with each cost center and their finance directors to assess the information. Formal budget hearings were held in January 2010, and proposed budgets have been discussed at several Committee meetings.

Mr. Woodard reported that, through its evaluation, the Committee determined that an approximate \$2 million decline in Town revenues (other than property taxes) from State Aid and local receipts is expected, as is a smaller transfer of free cash from Lincoln-Sudbury Regional High School (L-SRHS). He stated that a 7.5% decrease in State Aid has been accounted for in the Committee's calculations.

Mr. Woodard also noted that in recent years, the operating budgets for each cost center have only been increasing by approximately 1.5%. The Committee recognized the cooperation shown by School and Town employees by agreeing to new contracts, which will result in cost savings for the Town. Thus, the Committee felt that it was appropriate to recommend some level of an override to help minimize the negative financial impacts of lost revenue to Town services and personnel.

Mr. Woodard further reported that the Committee has voted to recommend that a \$1.753 million-dollar tax override be presented to Sudbury voters. He explained that this amount will allow for the expected revenue shortfall to be covered, a modest \$58,500 combined contribution to be made to the Stabilization Funds of the Town and L-SRHS and provide for a 2.75% growth in the operating budgets net of offsets for each cost

center. Mr. Woodard stated that this override amount would translate to an increase of approximately \$515 (4.92%) for the average assessed value home as opposed to the anticipated increase of \$235 (2.24%) per average assessed value home without an override.

Finance Committee member Bob Jacobson noted that, if the State Aid reduction is not as severe as anticipated, the Committee recommends that the excess funds be left to close out to the Town's Free Cash. Mr. Woodard reported that the Committee's recommendation was nearly unanimous, with only one member opposed to an override.

Selectman O'Brien asked if the Committee has deliberated its preference for when the ballot question for an override would be presented to the voters, i.e., pre- or post-Town Meeting. Mr. Woodard responded that he believes there are benefits to publicly discussing the override option first at Town Meeting, and then voting on the issue at a later date as designated by law. He further opined that, given the uncertainty of the State Aid figures, it might be better to wait until after Town Meeting.

Selectman O'Brien questioned whether the Committee would also recommend adding the requested \$130,000 for a shared Town and Schools' Facilities' Manager position, as proposed in another Town Meeting article, to the override amount. He stated that the creation of this position could result in savings by overseeing the preventative maintenance of the multi-million dollar buildings in which the Town has already invested. Chairman Keller noted that this position could likely extend the useful life of the buildings for the Town's best financial interests. Mr. Woodard questioned where the funds would come from to address any priorities identified by a Facilities' Manager. Mr. O'Brien and Ms. Terkelsen responded, stating that the approval to create a position would be the initial step in an evolving process between the cost centers. Vice-Chairman Drobinski opined that the project might be a year away from fruition. Ms. Terkelsen clarified that the \$130,000 covers 1.5 staff salaries, including benefits. Finance Committee member Jim Rao stated that this proposal is being broached anew, and thus was not deliberated on by the Committee as part of its override/budget discussions. Finance Committee member Jamie Gossels concurred, stating that, although she believes the creation of the position has merit, she does not believe the Committee has had the opportunity to assess relevant information regarding the matter. Mr. Woodard further stated that, given that employment layoffs are anticipated this year, it may not be the best time to create a new position. However, he suggested that the proposal be part of next year's evaluation and discussions.

Mr. Woodard stated that the Committee would prefer to know tonight what the Board's inclination is regarding the override so that it can vote on the warrant article at its meeting tomorrow evening. Mr. Jacobson stated that, in making its recommendation, the Committee attempted to be sensitive to the economic strains being felt by many, while also trying to preserve high-quality services for Sudbury.

Chairman Keller opined that the Finance Committee does an excellent job evaluating this information on behalf of the community. Thus, he believes that, if the Committee recommends a tax override, the Board should approve that recommendation to be presented to the citizens at Town Meeting. Vice-Chairman Drobinski concurred; stating that, although it is difficult to make such a recommendation in challenging financial times, he believes the override option is in the best long-term interest of Sudbury. Selectman O'Brien echoed these sentiments, stating he supports giving citizens the opportunity to vote on the issue. He also strongly supports having the vote for the override scheduled at the appropriate time after Town Meeting.

It was on motion unanimously

VOTED: To support the recommendation of Sudbury's Finance Committee to present a tax override article in the amount of \$1.753 million at the Annual 2010 Town Meeting.

Chairman Keller encouraged citizens to let the Board know their preferences as soon as possible regarding whether the ballot question should be presented in an election before or after Town meeting. Selectman O'Brien will also consult with Town Manager Valente regarding scheduling of the election ballot question.

There being no further business, the Finance Committee adjourned at 8:35pm