

Town of Sudbury ~ Finance Committee
Minutes of Meeting
Monday – May 17, 2010
Flynn Building (Silva Room) – 7:30pm

PRESENT: Chairman Chuck Woodard, Joan Carlton, Jamie Gossels (arrived 7:56pm), Bob Jacobson, Bill Kneeland, Jim Rao, Marty Ragonas, and Robert Stein.

Opening Comments

The meeting was opened at 7:35pm. Chuck Woodard stated that a well thought out and reasoned override budget was presented, but the voters overwhelmingly opposed it. He expects voters to have a problem with overrides being presented for the next couple of years to come.

Robert Stein read from a statement he had prepared earlier. He stated that approximately 41% of the voters supported the override, while the others voted to see change take place. He discussed the initiative being proposed by Selectmen Robert Haarde in order to preserve teachers' positions. He stated that the FinCom needs to remain immune to the cost centers.

Robert Stein made the following proposals:

- 1) Reduce the budget growth limit from 4.5% to 2.5%
- 2) Ask all the cost centers to renegotiate their respective contracts in order to preserve jobs. He believes it would be beneficial for the FinCom to take a position on this matter.
- 3) Stop special elections, which cost \$15,000 to hold. Town Meeting is the wrong place to debate the budget, because the discussion can be stopped early if the question is called. All voters need to be given the opportunity to speak. Recommends that a public forum be held in March, before elections.
- 4) Reach out to the voters in order to obtain feedback. The FinCom is influenced by the cost centers. The true voice of Sudbury is its residents.
- 5) Create a sub-committee of at-large members to analyze who the true peer communities are compared to Sudbury. He believes the FinCom should do the study to determine the peer communities for LSRHS, SPS, and the town.
- 6) Dust off the BRTF recommendations. The cost centers and G-4 group have distracted what the BRTF tried to complete.
- 7) The FinCom should endorse and lead the recommendation proposed by Selectmen Robert Haarde. Robert Haarde has proposed that all expenditures that have actually been made by the cost centers be examined. Robert Stein stated that the goal is to save \$2 million in expenses. He stated that this was proposed at the last selectmen's meeting and the reaction seemed like not everyone was 100% supportive.
- 8) Recommended that the FinCom include a portion of the meeting where the public can attend the meetings and speak.

Chuck Woodard asked to be provided with a written copy of his proposals.

Jim Rao stated that adding a Public Comment section to the agenda could result in some very long meetings. He stated that a mechanism needs to be put in place, but there needs to be a limit. Bob Jacobson stated that he would like to see more public participation. A budget forum is held every year, and we need to find a way to get the public out to attend them. The public tends to show up when ballots need to be cast.

Robert Stein also stated a menu ballot should be considered. He believes SPS & the town would be given money, and is sure others feel this way. With a menu ballot, "Support Sudbury" would be able to get the funds they are looking for. He stated the current "all for one" method is not working.

Robert Stein informed the committee that Wayne Walker, Assistant Town Manager, was leaving his position. He stated that his main job is negotiations. Since we have three-year contracts in place, he recommends that the town not fill this position. Andrea Terkelsen, Finance Director, stated that when town positions are vacated, it is looked at

as to how soon the position should be filled. She is not sure if the FinCom needs to take a position on this matter. Before the committee does so, they need to have an understanding as to what the position's duties involve.

Bob Jacobson stated that he spoke with a lot of residents regarding the override, and most had kids in the school systems. He estimates that 2 out of 3 residents voted against the override. The main reason given was that the taxes they pay are too high. The reality is that they do not listen to the budget presentations, because they seem to be the same every year. He stated that the residents are immune to the budget presentations since they are hearing the same information every year. This mood will continue until taxes come down. Too much has been promised to too many.

Tammie Dufault (Sudbury resident), stated she believes the whole town is unhappy with the current situation. She does not know the solution, but commends the discussion that the FinCom is having tonight.

Item 1: Approve Meeting Minutes

Chuck Woodard reminded the committee that he had emailed his proposed changes earlier. Jamie Gossels asked that the spelling of her first name be corrected.

VOTED: Motion to approve the minutes of March 25 and April 5, 2010 meetings, with the understanding that the recommended changes be made. Motion made by Jim Rao and seconded by Bill Kneeland. On vote, motion carries 8 in support and 0 opposed.

Item 2: Transfers and Other Business

Reserve Fund Transfer #10-09: Is in the amount of \$60,106.92 and is being requested by the Town Manager. The funds will be used to offset the Snow & Ice deficit. Chuck Woodard asked for the balance of the Reserve Fund, and he was informed that the balance is \$135,765.

VOTED: Motion to approve Reserve Fund Transfer #10-09 in the amount of \$60,106.92. Motion made by Bill Kneeland and seconded by Bob Jacobson. On vote, motion carries 8 in support and 0 opposed.

Empower the Town Manager: the committee was asked to vote to allow the town manager permission to approve transfers of not more than \$10,000 between function without further FinCom approval. The committee is asked to take this vote every year.

VOTED: Motion to empower the Town Manager to approve transfers of not more than \$10,000 between functions without further Finance Committee approval between May 18, 2010 and July 16, 2010, and further that the Town Manager and/or Finance Director will provide a report detailing any transfers of this nature during this time to the Finance Committee at their next meeting. Motion made by Jamie Gossels and seconded by Marty Ragonas. On vote, motion carries 8 in support and 0 opposed.

Meeting Date: The committee was asked to schedule a meeting on July 12, 2010. The purpose is in case any last minute transfers that need FinCom approval can be obtained in order for the town to close out the last payroll and A/P warrant of FY10. The committee agreed to schedule a meeting on July 12, and this will be their only scheduled meeting for the month of July.

Item 3: Coordination of Town Meeting and Election Dates with Lincoln

The committee reviewed a letter that was prepared by John Koenig, Lincoln FinCom. The letter was a result of the discussion that the two FinComs had in order to try to coordinate the two towns. The letter will be forwarded to both towns' Board of Selectmen and Town Managers/Administrators. The committee agreed with the letter as presented.

Item 4: Chair and Vice-Chair positions through Town Meeting 2011

Chuck Woodard stated that he has held the position for 3-years and is not up for re-election. The new chairs will serve through the 2011 Town Meeting. Jim Rao is willing to take the chairman position and Joan Carlton has offered to take the vice-chair position.

VOTED: Motion to support Jim Rao as Chairman of the Finance Committee through the 2011 Town Meeting. Motion made by Robert Stein and seconded by Bill Kneeland. On vote, motion carries 8 in support and 0 opposed.

VOTED: Motion to support Joan Carlton as Vice-Chairman of the Finance Committee through the 2011 Town Meeting. Motion made by Marty Ragonas and seconded by Bill Kneeland. On vote, motion carries 8 in support and 0 opposed.

Item 5: New member selection process

Chuck Woodard recommended following the same process as in the past. He stated the position will be advertised in the Town Crier and on the local cable channel. Chuck Woodard stated he would provide Jim Rao with the correct contacts, and that this should be done in the next week or so.

Marty Ragonas spoke about the email that the committee had received from Tom Kinney, in regards to his interest of the committee. Joan Carlton stated that the person who interviewed at the same time as she and Robert Stein could be a potential candidate.

Robert Stein stated the committee should consider having new interviews every time a FinCom member's term is up after the three-years. All members should have to interview again. Chuck Woodard stated that in theory this sounds good, but you could be losing someone who has gained experience and starting all over with a new member. Jim Rao stated that there has been a lot of change on the committee over the last 10-years. He believes the committee needs to work on raising awareness of the Finance Committee, so that there are good perspective candidates that apply when a position does become available.

Item 6: FY11 Budget Strategy and Annual Letter to Cost Centers

Chuck Woodard stated that the months of July and August are when the committee needs to start thinking about the budget letter that is sent to the cost centers. He stated that it does not make sense to consider another override based on the results of the past ballot. His concerns are that funds are not being put into the Stabilization Fund and we have not yet dealt with the unfunded retiree healthcare liability.

Andrea Terkelsen stated that once some funds are found, the town will be having another actuarial study completed in the next couple of months. The will include liabilities through June 30, 2010. Marty Ragonas stated that they may want to consider posting the actuary report on the website.

Robert Stein agreed and stated that the budget growth percentage needs to be reduced from 4.5 to 2.5%. Jim Rao stated that the committee needs to focus on what is known. He stated that the taxes can still go up, because of Proposition 2 ½.

Susan Iuliano, SPS School Committee, stated that the letter had some broad points last year. She stated that the discussions that took place at the budget working group before the letter was sent out were very helpful. The conversations could take place through the liaisons if the budget working group does not meet before the committee plans to send out the letter. Chuck Woodard recommended that liaison meetings be scheduled before the letter is finalized.

Item 7: Member Feedback

Jamie Gossels informed the committee that she had the opportunity to speak with each committee member. She thanked all members for their help and time, so that she could complete this report. She tried to capture everything the members said and noted if people made the same comments. Each committee member was provided a copy of

Jamie's report. She asked that if she forgot to list something in her report that the comment/suggestion be emailed to her.

The following is a brief listing of the committee's feedback to Jamie Gossels:

Budget Process:

- Great that the concept of a spending cap became widely accepted
- Good results of union negotiations, particularly town and SPS
- The public should have more of an opportunity to become involved in the FinCom meetings

Initiatives:

- Look at longer term than one year in budget process
- Continue with initiatives the committee has been working on: the spending limit should be reassessed and lowered
- Explore how to solve problem of currently unfunded liabilities of retirees benefits (pension & healthcare)
- Work more on marketing / PR of FinCom positions, financial issues of town in order to educate the public

Leadership:

- Chuck Woodard did an outstanding job
- Initiatives and analysis were excellent
- The chairman should delegate more tasks

Budget Working Group:

- Has mellowed and is less contentious
- Achieves purpose of collaboration between the cost centers and works well. Key part of budget process.
- Chair and Vice-Chair should be two of the members that represent the FinCom
- Other two members of the working group should be possible future chairs to maintain continuity

BRTF:

- Committee has to be vigilant in promoting the BRTF recommendations
- Has been instrumental in effecting change. Provoked thought and action.
- Surprised the FinCom did not promote recommendations more

Letter to Cost Centers:

- Would be good to merge what is printed in the warrant with the FinCom spreadsheets.
- Spreadsheets are creating a valuable database
- Great to compare reporting by all cost center

Budget / Public Hearings:

- Good to have limited time for cost center presentations, plenty of time for questions by FinCom and public
- Would be good to have a hearing at which the public is invited to present individual ideas and proposals not necessarily associated with warrant articles
- Have a forum before the elections and include an opportunity for the candidates to speak about financial issues.

Succession / New Members:

- Make sure all new FinCom members know the chairs and members of the other town committees
- Should be a booklet including general information about the process, FinCom Calendar, and glossary of terms.
- A mentor should be assigned to each new member.

There being no further business, the committee adjourned at 9:13pm.