

**Town of Sudbury ~ Finance Committee
Minutes of Meeting
Monday - March 21, 2011
7:30pm – Flynn Building**

Present: Tammie Dufault, Jamie Gossels, Bob Jacobson (arrived 7:36pm), Bill Kneeland, Marty Ragones, Jim Rao, and Robert Stein

Absent: Joan Carlton and Chuck Woodard

Opening Comments

The meeting was opened at 7:33pm.

Item1: Presentation from Petitioner on Article 36: Reduce CPA surcharge from 3% to 1.5%

The committee was informed that the petitioner, Rick Johnson, will not be presenting tonight due to an emergency at work. Jim Rao informed the committee that he would try to reschedule Mr. Johnson for the April meeting.

Item 2: Public Comments

There were no comments made from the public.

Item 3: 2nd Review of ATM Articles

Article 4- FY12 Budget: Jim Rao provided the committee with a hand-out titled “Calculations for Article 4: FY12 Operating Budget”. He reviewed the figures with Andrea Terkelsen, Finance Director, to make sure he was preparing the calculation properly.

Non-Override Budget: VOTED: Motion to recommend approval of the Non-Override Budget in the amount of \$78,818,318. Motion made by Marty Ragones, and seconded by Bill Kneeland. On vote, motion carries 7 in support, 0 opposed, and 2 absent (Carlton, Woodard).

Article 6-FY12 Transfer Station Enterprise Fund Budget:

VOTED: Motion to recommend approval of the FY12 Transfer Station Enterprise Fund Budget. Motion made by Bill Kneeland and seconded by Tammie Dufault. On vote, motion carries 7 in support, 0 opposed, and 2 absent (Carlton, Woodard).

Article 7-FY12 Pool Enterprise Fund Budget:

VOTED: Motion to recommend approval of the FY12 Pool Enterprise Fund Budget. Motion made by Marty Ragones and seconded by Tammie Dufault. On vote, motion carries 7 in support, 0 opposed, and 2 absent (Carlton, Woodard).

Article 8-FY12 Recreation Field Maintenance Enterprise Fund Budget:

VOTED: Motion to recommend approval of the FY12 Field Maintenance Enterprise Fund Budget. Motion made by Jamie Gossels and seconded by Bob Jacobson. On vote, motion carries 7 in support, 0 opposed, and 2 absent (Carlton, Woodard).

Jamie Gossels questioned if there were any other articles that the committee needs to look at. Jim Rao stated that they should look at Article 38. He is waiting back to hear from the petitioner on this article.

Bill Kneeland questioned if the committee was not voting on the CPA articles because of the petition article. The committee is going to need to present their position on the CPA articles prior to knowing whether or not the residents vote to reduce the CPA surcharge. Jim Rao stated that the petitioner was invited to the meeting just to provide the committee with more information.

Robert Stein informed the committee that he attended the CPC meeting because it was listed on their agenda that Andrea Terkelsen would be making a presentation on their investments. He stated that he has been asking for this information for two years without success. He thought there would be a full-disclosure on the CPC investments, but instead two-page of old data was provided. During the CPC meeting he stated Chris Morley, CPC Chairman, made it clear that he has no interest in knowing the investment returns for the CPC.

Bill Kneeland stated that he is not speaking on Chris Morley's behalf, and reminded the committee that the CPC has no authority with the investing of funds. They only vote on projects that will be presented at the Annual Town Meeting. The documents Andrea Terkelsen presented to the CPC were for informational purposes only.

Robert Stein stated that Chris Morley clearly pointed out that the FinCom should be reviewing this information. His recommendation is that the committee takes the time to review the information on a regular basis. He would like to form a sub-committee to monitor the investments of the town. He questions whether the town staff has the knowledge to study and analysis this information. He wants to receive duplicate copies of the statements. There are many more people coming forward asking to see these statements. He believes the town should be responsible to report to the taxpayers.

Tammie Dufault stated that she does not understand why the town will not release this information. She understands some of the information, such as account numbers, would need to be blacked out.

Robert Stein stated that Andre Terkelsen originally said there were no losses, and then later said there were losses. He had to inform her that she was contradicting herself. After awhile she reluctantly let him see the statements.

Bill Kneeland stated that there is a 14-page investment policy, which he recommended that everyone read. He reviewed some of the details.

Robert Stein stated that he wants to see the statements monthly. If they notice major changes in the statements, then the CPC and Andrea Terkelsen should be called in to the next meeting to discuss what is happening.

Bob Jacobson suggested informing them what the committee would like for material and what we want to review. He believes there is a 3-person volunteer group that already does this.

Bob Jacobson stated that the questions regarding town counsel need to be proposed to the committee so that they can discuss what should be asked. He does not want to get too personal about one individual. Robert Stein stated that he was told to provide his questions regarding the salaries to the liaisons. Tammie Dufault responded that they are looking at the arrangement and trying to understand the costs.

Marty Ragones suggested that the Town Manager and the Finance Director be invited to a FinCom meeting to explain the process of overseeing/investing the different town funds. An investment

committee exists; however we need to understand exactly which funds that committee administers and which funds are overseen by outside paid managers. This should be done before any decisions are made that involve the FinCom overseeing fund management.

Other Business

Mark Collins, LSRHS school committee, provided the FinCom with an update since the last meeting. They have looked at the health care contracts since the last meeting. He will be making a recommendation to the school committee tomorrow to hire a consultant to help review the contracts and possible alternatives. He thanked the committee for trying to understand where the school is now and where it would like to head.

Robert Stein stated he is hearing that the figures that Bob Jacobson provided contain errors. Bob Jacobson stated it all depends legally on what the school can do with the retirees. Mark Collins stated that there is an assumption out there that they can change the retiree %, and this is not true. There is nothing he has seen that shows Bob Jacobson's numbers are significantly off.

Mark Collins stated that the benefit of the consultant would be the reduced cost compared to legal counsel, and the committee can get answers quicker. The consultant is also an independent of all parties. Bob Jacobson stated that the consultant has dealt at least 60 other communities, so they will be able to tell us what other communities are doing. Mark Collins stated that they are not looking to obtain a final report, due to costs. They are looking for recommendations and expertise in order to get quick answers.

Tammie Dufault questioned the goal/expectation of hiring the consultant. Mark Collins informed the committee that a discussion has taken place with the school committee and teachers' association. Both parties agree that the high rising cost of benefits is a problem for both the employees and the district. The committee is looking at what the other options are and what can be done with Nashoba to reduce current costs. Tammie Dufault stated that we need to see 5 to 10% savings so that it will help sustain us for the long-term.

Marty Ragonas questioned whether or not it is easy to get out of the Nashoba Group. Radha Gargeya, LSRSH school committee, stated that they have missed the date for the current year, but the committee will be looking at other options. The committee wants to make sure that they do not trade one spike for another. Bob Jacobson informed the committee that the consultant knew about the 14.5% spike with the Nashoba Group. Mark Collins informed the committee that the school department would jeopardize the reserve if they left the Nashoba Group without providing a notice of their intent.

Robert Stein questioned if a contract has been finalized with Scott Carpenter. Mark Collins responded that it has not, but it will be put on the web once one is finalized.

There being no further business, the committee adjourned at 8:43pm.