

**Town of Sudbury Finance
Committee Minutes of
Meeting Monday, October
15, 2012
7:30 p.m.**

The Town of Sudbury's Finance Committee (the "FinCom" or the "Committee") Meeting, held on the second floor of the Flynn Building, was called to order at 7:35 p.m. by Chairman Jim Rao. Present for this meeting were Joan Carlton, Jamie Gossels, Bob Jacobson, Doug Kohen, Mark Minassian, Jim Rao, Bob Stein and Chuck Woodard. Bill Kneeland was absent.

Item #1: Transfers and Minutes

Members were asked to refer to the minutes of the meeting on September 19, 2012 that were previously circulated. With no further discussion, comments or questions on the minutes the Chairman asked for a motion to approve. The motion was so moved by Jamie Gossels and seconded by Doug Kohen. No further discussion. VOTE: On vote, motion was approved (6 in support and 2 abstained).

Members were asked to refer to the minutes of the meeting on September 24, 2012 that were previously circulated. With no further discussion, comments or questions on the minutes the Chairman asked for a motion to approve. The motion was so moved by Doug Kohen and seconded by Jamie Gossels. No further discussion. VOTE: On vote, motion was approved (6 in support and 2 abstained).

Item #2: Update on Senior Tax Relief Act

Jim invited Dave Levington and Jack Ryan to provide an update to the Committee on the Senior Tax Relief Act (the "Act"). Jack and Dave provided some background on the history and progress of and overview of the Act. The Committee previously reviewed and approved the article that was presented to Special Town Meeting in January 2011.

Bob Stein expressed his concerns regarding the lack of an asset test and that he could not support the Act without an asset test. He was concerned that there could theoretically be a senior that has \$5 million in the bank, a stock portfolio consisting of growth companies that do not pay dividends and a \$3 million house on Nantucket. This senior would fail to disclose these assets and as result, meet the criteria for this exemption. Jim Rao mentioned that he understood Bob's concerns but felt that the chances of a situation such as Bob described coming up seemed very remote. Moreover, Jim stated that he would rather not get distracted on the 1% that theoretically might try to cheat the system and lose focus on the 99% of seniors that would greatly benefit from such a program.

Item #3: FY14 Budget Planning

Jim provided a draft cost center letter to the Committee that was updated from the previous version circulated to the Committee. He also distributed a handout entitled “FY14 Preliminary Revenue Forecast” to review with the Committee. Jim walked the Committee through the components of the preliminary revenue forecast and areas where the FinCom would have to make estimates as they determine an allowable budget growth rate in a Non Override budget scenario for FY14: specifically, expectations for State Aid and Local Receipts.

Jim next walked the Committee through the preliminary cost center letter for FY14. The letter was very similar to the FY13 budget letter with the exception that in certain cases, SPS for example, labor contracts had been agreed to for FY14 and the subsequent two fiscal years. As a result, there was no need to give guidance with regard to compensation costs. Most of the other cost centers and departments, however, had not yet reached any agreement with regard to their labor contracts. As a result, Jim explained to the Committee that he felt it was important to provide guidance to these cost centers so that there was a level of consistency in the assumptions that they used. Otherwise, it would be very difficult to evaluate and compare each budget submission. After several clarifying questions and comments, the Committee agreed that this was a prudent approach.

Chuck Woodard suggested adding an additional line item to the FinCom spreadsheet for the schools that broke out Gross Spending on Out of District Special Education (“OOD”) as well as the net OOD after reimbursements and offsets so that taxpayers could understand the total spending in this category. Bob Jacobson agreed because as it is presented today, taxpayers only have visibility to the net spending on SpEd and need to understand the magnitude of the total spending on this category. While mandates from State and Federal government agencies have increased over the past several years, funding has unfortunately not kept pace. As a result, this begins to crowd out spending on general education as each school district is required to satisfy these mandates and the overall funding pie is not getting any bigger absent new revenue sources.

The FinCom agreed to instruct the cost centers to submit an initial No Override budget that assumes an increase no greater than 2.7% over the FY13 budget (including pension and insurance costs) in the FY14 budget letter. The Committee recognized that this preliminary projection would be refined throughout the budget process as we obtain additional information regarding State Aid and other revenue assumptions leading up to our Annual Town Meeting in May 2013.

Item #4: Public Comments

There were no Public Comments.

The next regularly scheduled Finance Committee Meeting will be held on Monday, November 19, 2012 at 7:30 p.m. in the Flynn Building.

Jamie Gossels made a motion to adjourn and it was seconded by Joan Carlton. All were in favor.
There being no further business, the Committee adjourned at 9:10 p.m.