

**Town of Sudbury
Finance Committee
Minutes of Meeting
Tuesday, June 11, 2013
7:30 PM**

The Town of Sudbury's Finance Committee Meeting, held in the Flynn Building, and was called to order at 7:31 p.m. by Vice Chair Doug Kohen. Present for this meeting were Joan Carlton, Robert Stein and Bill Kneeland and Bob Jacobson.

Item 1: Selection of Members to Serve in Various Positions

Doug Kohen informed the committee that they need to take a vote on the Chair and Vice Chair position to cover through the 2014 Town Meeting. He informed the committee that he would be willing to serve as Chair for the next year but would also be happy to step down as Chair should another committee member be interested in leading the committee. Similarly, Doug mentioned that Joan Carlton stated via e-mail to him that she would be happy to serve as Vice Chair for the upcoming year or not should another committee member want to serve as Vice Chair.

Bob Jacobson made a motion to elect Doug Kohen as the Finance Committee Chair, seconded by Joan Carlton. No further discussion. VOTE: Unanimous (5-0) in favor of motion.

Bob Jacobson made a motion to elect Joan Carlton as the Finance Committee Vice Chair, seconded by Bill Kneeland. No further discussion. VOTE: Unanimous (5-0) in favor of motion.

Doug Kohen then asked if any Finance Committee members would volunteer to act as secretary for the upcoming meetings in the remainder of 2013. Bob Stein asked whether we could hire someone on a part-time basis to act as secretary. Andreas Terkelsen replied that there is budget set aside for this purpose however it has been a hard role to fill. Bob Stein then suggested that FinCom reach out to LS to solicit student volunteers to act as secretary. Joan Carlton volunteered to act as Secretary for the July 8th meeting, and Bill Kneeland volunteered to act as secretary for the September 16th meeting.

Item 2: Transfers and Minutes

Members were asked to refer to the minutes of the meeting on April 22, 2013 that were previously circulated. With no further discussion, comments or questions on the minutes, Chairman Kohen asked for a motion to approve the minutes. The motion was so moved by Bill Kneeland and seconded by Joan Carlton. No further discussion. VOTE: On vote,

motion was approved (3 in support and 2 abstentions, Bob J. and Bob S. had not attended the April 22 meeting).

Members were then asked to refer to the minutes of the meeting on May 6, 2013 that were previously circulated. With no further discussion, comments or questions on the minutes, Chairman Kohen asked for a motion to approve the minutes. The motion was so moved by Bob Jacobson and seconded by Bill Kneeland. No further discussion. VOTE: Unanimous (5-0) in favor of motion.

Doug invited Maureen Valente, Town Manager, to present information regarding several year-end transfers that were previously circulated to the committee. For the benefit of several new committee members, Maureen briefly described the types of transfers that the Town Departments typically come to the Finance Committee at year-end.

Maureen then described a request from Sudbury Public Schools to increase the limit of the FY13 Instrumental Music Revolving Fund from \$75,000 to \$100,000. Maureen explained that this request was typical for revolving funds as the usage of services and revenue from fees from those services exceed the authorized amount, requests are made to increase the authorized amounts for those funds. Bob Stein asked about the source of revenue for this fund, and Maureen responded that it was from the fees charged for services. Bob Stein then asked whether this revolving fund was for rental of instruments or for lessons, however the room was not able to obtain an answer. With no further discussion, comments or questions on the request, Chairman Kohen asked for a motion to approve the request to increase the FY13 Instrumental Music Revolving Fund from \$75,000 to \$100,000. The motion was so moved by Bob Jacobson and seconded by Joan Carlton. No further discussion. VOTE: Unanimous (5-0) in favor of motion.

Maureen then invited Bill Place, Director of Public Works, to join her and describe a transfer of \$27,500 from a budget line item for engineering contracted services to pay for the installation of 3 methane gas vents at the Sandhill Sanitary Landfill. Because this transfer was within the same general budget line item, Town Manager has the discretion to make the transfer without needing FinCom approval; however she wanted to bring it to FinCom's attention so we were kept informed. Bob Jacobson asked how the \$27,500 number was arrived at, and Bill Place responded that the town had gotten quotes from three vendors and selected one in Rochester NY.

Maureen then invited Maryanne Bilodeau, Assistant Town Manager, to join her to describe a proposal for 2 transfers related to workers compensation. Maryanne described that because we self-insure for workers compensation, we need to fund \$42,000 every year for administrative fees related to our workers compensation program, and then have to provide funding for up to \$158,000 for workers compensation claims prior to re-insurance kicking in. Maryanne mentioned that we have hit the maximum loss amount for FY12 and FY13 and this request would fund the trust for the FY14 maximum loss exposure before re-insurance would kick in. The two requests are for a transfer of \$150,000 from unclassified medical insurance to unclassified workers compensation and of \$75,000 from property liability insurance to unclassified workers compensation. The

property liability insurance account has excess funds because there were fewer claims than planned, and the unclaimed medical insurance account has excess funds because fewer new employees signed up for health insurance than planned.

Joan Carlton asked why the workers compensation trust wasn't funded as part of the normal budgeting process. Maryanne responded that because of the uncertain nature of these claims, funding it through year end transfers allows us to avoid having that money go to free cash and having to ask the town to come up with extra budget to pay to fund this trust. With no further discussion, comments or questions on the request, Chairman Kohen asked for a motion to approve a motion to transfer \$150,000 from unclassified medical insurance to unclassified workers compensation. The motion was so moved by Bill Kneeland and seconded by Joan Carlton. No further discussion. VOTE: Unanimous (5-0) in favor of motion.

Chairman Kohen then asked for a motion to approve a motion to transfer \$75,000 from Property Liability insurance to unclassified workers compensation. The motion was so moved by Bill Kneeland and seconded by Bob Jacobson. No further discussion. VOTE: Unanimous (5-0) in favor of motion.

Maureen then invited Andrea Terkelsen, Finance Director, to join her to describe proposals for 3 transfers and one additional request. The first transfer request was for \$56,040.81 from the assessor salary account to the accounting salaries account to pay for interest expense on a Verizon appellate case from FY09, which is statutory. Sudbury was made to pay on the settlement along with all other MA communities involved except Newton and Boston (who settled separately) as a result of utility valuations mandated by the DOR. Verizon had overpaid for property taxes from 2003-2009—but are not requesting settlement for 2003-2009 and are not challenging the valuations from 2010 to the present, so this is a one-time settlement that will not persist in the future. Chairman Kohen then asked for a motion to approve a motion to transfer \$56,040.81 from the assessor salary account to the accounting salaries account. The motion was so moved by Joan Carlton and seconded by Bob Jacobson. No further discussion. VOTE: Unanimous (5-0) in favor of motion.

Andrea then presented the next request to transfer \$35,000 from Fire Salaries to Ambulance Contracted Services. Fire Chief Miles had previously presented to FinCom that he was using contracted services for ALS in lieu of paying salaries to personnel for those services until he had staff trained to provide those services. With no further discussion, Chairman Kohen then asked for a motion to approve a motion to transfer \$35,000 from Fire Salaries to Ambulance Contracted Services. The motion was so moved by Bill Kneeland and seconded by Joan Carlton. No further discussion. VOTE: Unanimous (5-0) in favor of motion.

Andrea then presented the next request to transfer \$22,634 from the reserve fund, with \$12,850 going to the Election Workers Salary account and \$9,784 going to the Election Expense account. Sudbury had to fund the expenses for the two special elections in March (for the senate primary) and in June (for the senate election and the local

selectmen election). While we expect the state to reimburse us for these costs, that reimbursement can lag by 1-2 years, so in the interim we need to fund the costs for the election from our reserve fund. The costs for the two elections include \$12,400 for election workers and \$450 for overtime for office staff (\$12,850 transferred to Election Workers Salary) and \$4,900 for police detail, \$4,219 for memory card coding and \$665 for election supplies (\$9,784 transferred to Election Expenses).

Bob Stein said that we had been ball parking the cost of a special election at \$12-\$15,000. Bob Jacobson asked if we could assume the \$11,317 average amount was a good proxy for the cost of a special election. Maureen said that there are other costs not included in these amounts, and committed to identify the true cost of a special election for FinCom. With no further discussion, Chairman Kohen then asked for a motion to approve a motion to transfer request to transfer \$22,634 from the reserve fund, with \$12,850 going to the Election Workers Salary account and \$9,784 going to the Election Expense account. The motion was so moved by Bob Jacobson and seconded by Joan Carlton. No further discussion. VOTE: Unanimous (5-0) in favor of motion.

Andrea then presented the final request to empower the Town Manager to approve transfers of not more than \$10,000 between functions without further Finance Committee approval between May 1, 2013 and July 15, 2013. This is a standard request that would allow the Town Manager to close out minor items within the FY13 budget with little friction and red tape, but still requires Finance Committee approval for larger, more significant transfers. With no further discussion, Chairman Kohen then asked for a motion to empower the Town Manager to approve transfers of not more than \$10,000 between functions without further Finance Committee approval between May 1, 2013 and July 15, 2013. The motion was so moved by Bob Jacobson and seconded by Joan Carlton. No further discussion. VOTE: Unanimous (5-0) in favor of motion.

Item 3: New member selection interviews

Chairman Kohen explained the process by which the Finance Committee would evaluate and select candidates to fill the four vacancies created from the non-reappointment of Jamie Gossels, Chuck Woodard and Mark Minassian at Town Meeting in May 2013, and the ensuing resignation from the committee of former Chairman Jim Rao in June 2013. The committee had received 8 applications for these vacancies.

Each candidate would get a chance for Q&A with the Finance Committee, after which the committee would vote 4 separate times to recommend four candidates to the Town Moderator, who would then get the chance to speak with each candidate prior to a formal vote. Assuming the moderator agreed with the temporary appointment, FinCom would then vote formally at their next meeting on July 8 to appoint the candidate temporarily to FinCom through the next town meeting, after which the Town Moderator would have the discretion to (or not to) reappoint the candidate through the remainder of their term.

The Q&A sessions were organized in alphabetical order by last name and one of the candidates had withdrawn (Thom Kenney) prior to this meeting. The candidates were interviewed in the following order: Susan Berry, Pascal Cleve, Tammie Dufault, Tom Friedlander, Mark Minassian, Bryan Semple, Andrew Sullivan.

Each applicant was given the opportunity to present a brief summary of their job career experience and their reason for applying to the Finance Committee. The new applicants were asked the same set of questions that the committee had used for prior interviews. The questions included why they applied, to explain their background, if they would be willing to serve a minimum of 3-years if appointed to the committee, and their willingness to take on a leadership role. Tom Friedlander withdrew his name from consideration because he was planning to accept an appointment on the conservation committee. Mark Minassian, who was reapplying to the Finance Committee after the Town Moderator did not reappoint him, was asked to explain the reasons for the non-renewal and why he was reapplying to the committee.

The committee used the same balloting mechanism that they have used in the past. Each committee member was asked to rank the candidates in order, with their first choice being label as #1. Doug Kohen tallied the votes, with Joan Carlton checking for accuracy. The results of the votes are below:

VOTE: to fill Jamie Gossels' seat (3-year term). Mark Minassian was recommended to the Town Moderator to fill the vacancy.

Vote 1 - Jamie Gossels' Seat	Joan Carlton	Bob Jacobson	Bill Kneeland	Doug Kohen	Bob Stein	Total
Susan Berry	1	4	6	4	6	21
Pascal Cleve	5	2	5	1	4	17
Tammie Dufault	4	3	1	5	2	15
Mark Minassian	2	1	2	6	1	12
Bryan Semple	6	6	3	3	3	21
Andrew Sullivan	3	5	4	2	5	19

VOTE: to fill Chuck Woodard's seat (3-year term). Tammie Dufault was recommended to the Town Moderator to fill the vacancy.

Vote 2 - Chuck Woodard's Seat	Joan Carlton	Bob Jacobson	Bill Kneeland	Doug Kohen	Bob Stein	Total
Susan Berry	1	2	5	2	5	15
Pascal Cleve	3	3	4	1	4	15
Tammie Dufault	4	1	1	5	1	12
Bryan Semple	5	5	2	4	2	18
Andrew Sullivan	2	4	3	3	3	15

VOTE: to fill Mark Minassian's seat (3-year term). Andrew Sullivan was recommended to the Town Moderator to fill the vacancy.

Vote 3 - Mark Minassian's Seat	Joan Carlton	Bob Jacobson	Bill Kneeland	Doug Kohen	Bob Stein	Total
Susan Berry	1	3	4	2	3	13
Pascal Cleve	3	1	3	3	4	14
Bryan Semple	4	4	1	4	1	14
Andrew Sullivan	2	2	2	1	2	9

VOTE: to fill Jim Rao's Seat (2-year term). Susan Berry was recommended to the Town Moderator to fill the vacancy.

Vote 1 - Jim Rao's Seat	Joan Carlton	Bob Jacobson	Bill Kneeland	Doug Kohen	Bob Stein	Total
Susan Berry	1	2	3	1	2	9
Pascal Cleve	2	1	2	3	3	11
Bryan Semple	3	3	1	2	1	10

After Doug Kohen announced the results, he stated how each committee member ranked each candidate within each vote. Chairman Kohen thanked all of the applicants for applying, and reminded everyone that there is only one open position. He urged the candidates that are not chosen for the FinCom to seek appointments on other committees.

Item 4: Review of Tax Receivables and Collections Process

Chairman Kohen invited Andrea Terkelsen, Finance Director, to discuss a project she had worked on behalf of the Finance Committee in November 2012 related to Sudbury's tax receivables and collections process. The project had been initiated by Bob Stein and Chuck Woodard, and Bob Stein reviewed the findings of the study, which showed that the town handles tax collections and receivables very well, is following all of the proper procedures and is in compliance with MA state law.

Item 5: Public comments

There were no comments made from the public.

The next regularly scheduled Finance Committee Meeting will be held on Monday, July 8, 2013 at 7:30 p.m. at the Flynn Building.

Bill Kneeland 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 10:34 p.m.**