

**Town of Sudbury
Finance Committee
Minutes of Meeting
Monday, September 16, 2013
7:30 PM**

The Town of Sudbury's Finance Committee (FinCom) Meeting was held in the Flynn Building and was called to order at 7:33 PM by Chairman Doug Kohen. FinCom Members present were Joan Carlton, Andrew Sullivan, Bill Kneeland, Bob Jacobson, Bob Stein, Mark Minassian, Susan Berry and Tammie Dufault.

Item 1 – General Business

Members were asked to refer to the minutes of the meeting held on July 8, 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 Susan Berry. VOTE: The minutes were approved by a vote (8-0) with one member abstaining, Tammie Dufault.

There were no transfer requests presented for review or approval by FinCom.

Item 2 – FinCom Appointment to CIAC

Larry Rowe was introduced to the new members of FinCom. Mr. Rowe is the current FinCom appointee to the new Capital Improvement Advisory Committee (CIAC). His original appointment was to the Capital Improvement Planning Committee (CIPC). The CIPC was replaced by the CIAC per vote at Town Meeting this past May. Mr. Rowe indicated that he had served for a number of terms as a member of FinCom prior to this current appointment at the CIAC. He spoke briefly about the new role of the CIAC as an advisor to the Board of Selectmen and FinCom on capital projects exceeding \$50,000 in one year or \$100,000 over multiple years. After some discussion with committee members, Chairman Kohen thanked Mr. Rowe for his time and efforts to the CIAC.

Item 3 – FinCom appointments to new working groups

The Sudbury Board of Selectmen has authorized the creation of two working groups to deal with certain financial issues identified in the Town of Sudbury Strategic Financial Planning Report. Each working group will have two members of FinCom appointed to it.

The first working group is called the Strategic Financial Planning for OPEB Committee. Its charge is to generate, evaluate and report on strategies and options, both short and long term, for dealing with the unfunded OPEB liabilities facing the Town of Sudbury, SPS and LS. After some discussion, Andrew Sullivan recommended that Bill Kneeland and Mark Minassian be appointed to this working group. VOTE: The motion was seconded by Tammie Dufault and approved by a 9 – 0 vote.

The second working group is called the Capital Financing Working Group. It's charge is to generate, evaluate and report on strategies and options, both short and long term, for ensuring adequate funding for capital projects and to protect the Town's investment in its capital assets. After some discussion, Joan Carlton recommended that Bob Stein and Andrew Sullivan be appointed to this working group. VOTE: The motion was seconded by Susan Berry and approved by a 9 -0 vote.

Item 4 – FY 15 Budget Planning

Chairman Kohen opened the discussions with a review of the agenda for the upcoming FinCom meetings. At the 10/21 meeting, FinCom will review the annual budget letter to be sent to the cost centers. Tammie Dufault offered to look at what other towns request in their letter to their cost centers. FinCom will have a joint meeting with the Board of Selectmen on 10/22. At the 11/18 meeting, Representative Tom Conroy will meet with FinCom. Suggested topics to be discussed with Representative Conroy would include special education funding issues, OPEB, local state aid and Minuteman Regional High School. FinCom expects to hear updates on the liaison meetings with the cost centers and an update on the Route 20 sewer project. On 12/16, FinCom will hear from the cost centers on the current budget year. The January 2014 meeting will be devoted to preparation for the budget hearings. It was suggested by Chairman Kohen to restructure slightly the format on the three cost center presentations at the budget hearings. Rather than having separate nights to hear the cost centers present the non-override budget and then their level service budgets, each cost center will present both budgets on their designated night. It was felt that this change would reduce redundancy and make for more efficient presentations. All members agreed to this format change.

The budget working group process was discussed. This process had proved effective in past budget cycles in resolving issues between the cost centers on the allocation of incremental budget dollars. Due to compliance issues with the open meeting law, the budget working group's effectiveness was greatly reduced and was subsequently discontinued. While the committee believes that some process should be considered to bring the benefits of the budget working group back into the budget process, no suggestions on how to do this were presented.

Item 5 - OPEB Obligation

The unfunded OPEB obligation facing the Town of Sudbury was discussed. The obligation stood at \$80.3 million as of the last actuarial reports dated June 30, 2011. The breakdown of this obligation is \$34.2 million for the Town of Sudbury / SPS employees and \$46.1 million for LS employees. Bob Jacobson noted that the reason the LS obligation is higher than the Town's obligation is due to the fact that the LS plans are more costly and LS pays a higher percentage of the premiums than the Town. A question was asked about the impact on the LS obligation that moving to the GIC would have had and why they didn't do it. It was noted that the new committee previously discussed will be developing options to deal with these obligations.

Item 6 - Review of Code of Conduct

An updated FinCom Rules and Operating Procedure Document including a Code of Conduct and Email Communication Policy was reviewed. After some discussion, Bill Kneeland made a motion to approve this document. VOTE: The motion was seconded by Joan Carlton and approved by a 9 – 0 vote.

Item 7 – New Member Onboarding

Ways to assist getting new committee members up to speed on the budget process, municipal accounting practices and financial reporting were discussed. While there are some online sites that are useful, the best experience is by going through a budget cycle and reviewing the detail Town budget document.

Item 8 – Public Comments

None

Item 9 – Adjourn

Bill Kneeland made a motion to adjourn. VOTE: It was seconded and approved by a 9 – 0 vote. The meeting adjourned at 9:05 PM