

FinCom Feedback 2012-2013 (FY14 Budget Year)

Jim as Chairman

- Jim did an excellent job as chair. Excellent presentation at town meeting. Kept group on track. Dealt well with different personalities.
- I think Jim did an excellent job as chair, in particular in communications with the committee, with other committees in town, and in building consensus among all of them.

The Budget Process This Year

Areas that worked well –

- Overall, the budget process is working fine. I think both the timetable and the information requested from the cost centers in the budget process works well.
- I like having the revenue projections and using them to give guidance to the cost centers.
- I liked the extra meetings before ATM – we all have a better understanding and are better positioned going into town meeting.
- Extra meetings were helpful. Having a specific agenda for the joint meeting with Lincoln FinCom as well as inviting the LS school committee to attend that meeting made it a more productive meeting.
- The budget hearings were fluid and the process leading up to Town Meeting was very efficient.
- The later start to town meeting has provided us with more current information that has proven to be beneficial in the budget process. Admittedly, a non-override" level service" budget request allows for a smoother process.
- I thought this years' FinCom went smoothly and went well. I didn't see anything that didn't work well. It was easier because of a no override request.
- Progress has been made on several fronts (e.g. awareness of OPEB problem, strategic plan for capital spending, increase in stabilization fund).
- I think the FinCom process has continued to work well. I think the OPEB articles were well received and widely read. FinCom should continue to use the press as much as possible and appropriate to inform citizens of financial matters as they arise.

Areas of concern –

- We need to develop a more long term approach to the budget that identifies sustainable revenue flows in a non-override environment. This needs to include the issue of when it would be appropriate to use our "rainy day funds" and for what purpose.
- The use of the E&D funds by LS was not properly vetted with Fincom.
- The cost centers don't work in a collaborative way to solve the overall budget issues. They all want their equal percentage share of the new funding. This needs to change. In particular the funding allocation between the two school cost centers needs a hard review. The question is what actions can or should FINCOM take on this issue.
- My major frustration has been that the FinCom has become increasingly political over the past few years which I believe is counterproductive to its effectiveness.
- People on the Committee being too publicly political.
- I think it's important for the chairperson to be vigilant in limiting discussion only to FinCom matters.

- Would like to see more members get involved in analysis and support. For example, the OPEB article(s) written by Chuck, Bob and Bill were excellent. Would be nice to see other members get more involved proactively with the cost centers vs. just asking questions at FinCom meetings.
- March meeting were not scheduled until Feb – long after the meeting schedule was published.

FinCom Focus for Next Year and Future Years

- Long-term Planning
 - OPEB funding, capital planning (and funding)
 - Continue to focus on the longer term, particular for capital items. We need to continue to educate on OPEB.
 - A long term funding strategy for our unfunded OPEB liability.
 - The FinCom should work with the BOS (push them if necessary) to get going with a long term capital plan. Now is the time to lay this stuff out including the funding with an eye on layering in new debt service in a way, ideally, that total debt service does not rise and (hopefully) declines a little. Much easier than sudden big spikes when something has to be replaced "now" and probably cheaper in the long run. This would probably also include a partial bonding of the OPEB liability to at least make a down payment on it.
 - A long term capital budget needs to be developed. Both the bylaw changes approved at town meeting and the capital needs analysis presented this year are good first steps. All parties involved must now move to answer to questions of why, when and how to fund.
 - We need to focus on a long term planning for budgets and get all cost centers on board with that. Since we have 3 year contracts we should have at least 3 year projections
- Cost-center Allocation
 - Revisit the cost center allocation model to determine if the current split optimizes our tax dollar spend
 - I also agree with last year's comments about the interaction and allocation between LS and SPS. This year this issue became even more apparent to me. As a liaison to SPS, I was often reminded about the cuts SPS has had to make over the past several years and that the "understanding" (with FinCom) had been that SPS should be able to utilize whatever "savings" it was able to gain from favorable contract negotiations.
 - Put pressure on Lincoln in whatever way we can to open up the municipal agreement and make sure they are paying their fair share, both for operating costs and capital costs.
 - I think the old budget working group needs to come back but with the meetings publicly posted. The only productive way to build consensus around something other than the same allocation of the budget among the cost centers every year is to have everyone sit down and talk together about it. This will be critical if student populations change to the point where money has to be shifted from one school system to the other. A grand set piece meeting with FinCom, LSSC, SPSSC, and the BOS plus staff (30 people?) is a setting for speeches, not informal discussion and give and take. 2 members from the FinCom and each of the two school committees, one BOS member, and the Town Manager. 8 people. Maybe include the Finance managers- another 3 for a total of 11 max. Early morning for 1-2 hours, probably monthly or more frequently until you

accomplish what you set out to do. In between meetings people can consult with their full committees

- Communication and Transparency
 - Continue to improve on presenting financial information in the most transparent way so the average taxpayer will be able to easily obtain that information and understand it.
 - We (and those who say they don't know what we're doing) complain our messages don't get out. We already use cable TV, Patch and the Crier. We should consider expanding communications from the FinCom through the use of social media? i.e. a Facebook page or a Twitter account for FinCom use (messages to be pre-approved by FinCom vote, etc.)?
 - We need a public relations sub-committee to educate the public what we do, our role, as well as take on some small special projects that the public has concerns on.
 - Come up with "informal" guidelines for FinCom members to follow when at other meetings or in commenting through public media.

Budget Process – Next Year

- I would suggest more than one meeting with the BoS. Perhaps something at the start of the budget process and then the standard joint-meeting prior to the publication of the warrant.
- This is a critical year. Almost half our members are brand new. We need to have extra meetings to bring them up to speed and educate.
- With regards to public comments (and I do acknowledge that they are rare), they should be discussed among the committee right then to provide some insight to the person asking the question.
- If we don't have a recording secretary – I suggest we rotate thru the FinCom members.
- I think it would be good to have committee members report to FinCom on the answers to the FinCom questions that are distributed to the cost centers.
- Look at how other towns present their financial information for ideas
- Our letter to the cost centers can be improved upon (again, perhaps looking at other towns for ideas).
- I would like to have more information from the cost centers on the prior year's budget - Revenue from each source, How much of the budget was spent and how much went into reserves or were reserves dipped into, free cash, etc.
- Focus on budget control, especially with the potential override for SPS coming up for FY15.
- Make sure that the cost centers are not using Fincom as a scapegoat for their inefficiencies, and we need to directly address those instances when they do

CONSOLIDATED BUDGET INFORMATION**FinCom Information**

REVENUES	FY15 Budget	FY16 Prelim	CHG \$	CHG %
State Aid (Cherry Sheet)	5,728,267	5,883,395	155,128	2.71%
Local Receipts	4,438,000	4,773,000	335,000	7.55%
Tax Levy General	71,525,991	73,834,141	2,308,150	3.23%
LS Revenue (Sud share)*	2,587,256	2,785,432	198,176	7.66%
	84,279,514	87,275,968	2,996,454	3.56%

*Uses estimated blended allocation (Statutory Method)

BUDGET SUMMARY

(Preliminary Estimate Only v. 9/26/2014)

Non-Excluded Expenditures	FY15 Appropriated	FY15 Update	Diff \$	FY16 Prelim	Bud to Bud Diff \$	Diff %
Major Cost Center Growth Allowance--->	2.50%	2.50%		3.56%		1.06%
LSRHS Operating Assessment	20,726,736	20,726,736	-	21,357,309	630,573	3.04%
SPS	38,521,300	38,521,300	-	39,890,877	1,369,577	3.56%
Town Departments	20,549,880	20,549,880	-	21,280,506	730,626	3.56%
Capital	296,000	296,000	-	306,524	10,524	3.56%
Major Cost Centers	80,093,916	80,093,916	-	82,835,216	2,741,300	3.42%
Minuteman Regional Assessment	549,340	543,451	(5,889)	559,755	10,415	1.90%
Non-excluded Debt Service	-	-	-	10,530	10,530	
Fixed/Shared Expenditures						
Other Charges to be raised	868,105	868,105	-	870,000	1,895	0.22%
Fixed/Shared Costs	1,417,445	1,411,556	(5,889)	1,440,285	22,840	1.61%
Total: General Fund Operating	81,511,361	81,505,472	(5,889)	84,275,500	2,764,139	3.39%

Non-Excluded Revenues	FY15 Appropriated	FY15 Update	Diff \$	FY16 Prelim	Diff \$	Diff %
State Aid (Cherry Sheet)	5,728,267	5,883,395	155,128	5,883,395	155,128	2.71%
Local Receipts	4,438,000	4,777,000	339,000	4,773,000	335,000	7.55%
Tax Levy General	71,525,991	71,031,863	(494,128)	73,834,141	2,308,150	3.23%
Total: General Fund Operating Revenue	81,692,258	81,692,258	-	84,490,536	2,798,278	3.43%
Estimated Regular Surplus/(Deficit)	180,897	186,786	5,889	215,036	34,139	18.87%

Note: The above represents regular operating budget only. Revenues and expenses related to debt & capital exclusions are calculated separately.

CONSOLIDATED BUDGET INFORMATION
FinCom Information

COST CENTER EXPENDITURES	FY15 Appropriated	FY16 Prelim	FY16 Prelim	FY16 Prelim	FY16 Prelim
Major Cost Center Growth Allowance--->	2.50%	2.00%	2.50%	2.75%	3.56%
Lincoln-Sudbury RHS*	27,307,730	27,853,885	27,990,423	28,058,693	28,304,462
SPS	38,521,300	39,291,726	39,484,333	39,580,636	39,927,327
Town Departments	20,549,880	20,960,878	21,063,627	21,115,002	21,299,951
Capital	296,000	301,920	303,400	304,140	306,804
Estimated Regular Surplus/(Deficit)	180,897	1,501,782	1,088,138	881,315	215,036

*Total operating budget for LS District

COST CENTER EXPENDITURES (GROWTH)	FY15 Incr	FY16 Incr	FY16 Incr	FY16 Incr	FY16 Incr
Major Cost Center Growth Allowance--->	2.50%	2.00%	2.50%	2.75%	3.65%
Lincoln-Sudbury RHS*	666,043	546,155	682,693	750,963	996,732
SPS	939,544	770,426	963,033	1,059,336	1,406,027
Town Departments	501,217	410,998	513,747	565,122	750,071
Capital	11,938	5,920	7,400	8,140	10,804
Estimated Regular Surplus/(Deficit)	180,897	1,501,782	1,088,138	881,315	215,036

*Total operating budget for LS District

Operating Budget Share	FY15 Appropriated
LS Assessment (Sudbury)	25.9%
SPS	48.1%
Town Departments	25.7%
Capital	0.4%

LS BUDGET SUMMARY

3.56%

Regional Assessment-Draft for Discussion Purposes Only

	FY15 Budget			FY16 Budget			DIFF	
	LINCOLN	SUDBURY	TOTAL	LINCOLN	SUDBURY	TOTAL		
Operating Budget Assessment:								
Operating Budget (Net grants, etc.)			<u>27,307,730</u>			<u>28,278,623</u>	<u>970,893</u>	3.56%
Assessment Offsets:								
E&D (Free Cash for District use)			-			-	-	
Receipts			(50,000)			(50,000)	-	0.00%
State Aid			(2,686,012)			(2,820,121)	(134,109)	4.99%
Regional Transportation			(294,447)			(392,462)	(98,015)	33.29%
Re-apportionment (Free Cash to members)			-			-	-	
Total Offsets/Reapport.			<u>(3,030,459)</u>			<u>(3,262,583)</u>	<u>(232,124)</u>	7.66%
Net Operating Budget			<u>24,277,271</u>			<u>25,016,040</u>	<u>(464,248)</u>	-1.91%
Minimum Contribution (DESE)	2,246,891	13,008,622	15,255,513	2,323,285	13,450,915	15,774,200	518,687	3.40%
Excess allocation per Regional Agreement	1,303,644	7,718,114	9,021,758	1,335,446	7,906,394	9,241,840	220,082	2.44%
Total Operating Budget Assessment	<u>3,550,535</u>	<u>20,726,736</u>	<u>24,277,271</u>	<u>3,658,731</u>	<u>21,357,309</u>	<u>25,016,040</u>	<u>738,769</u>	
	-	-	-	-	-	-	-	

Town of Sudbury
Budget Transfer Request

No. 15-01
Fiscal Year 2015
Date 10/03/2014
Requested By Library

RESERVE FUND TRANSFER

Reserve Fund Balance

Balance Date 10/03/14
Current Balance \$ 279,790⁰⁰

Transfer Information

Transfer Amount \$ 10,080⁰⁰
To Account Title LI. Other Hours
To Account No. 0166101-511401
Appropriation \$ 22,000⁰⁰
Prior Transfers \$ -0-
Expenditures \$ 3042.41
Current Balance \$ 18,957.59

LINE ITEM TRANSFER

Transfer Amount \$ _____
(From) Account Title _____
(From) Account No. _____
To Account Title _____
To Account No. _____

CLUSTER TRANSFER

Transfer Amount \$ _____
(From) Department _____
(From) Account No. _____
To Department _____
Account No. _____

Explanation:

To add one more PT. position to cover evening hours at Goodnow Library, as currently there is only one staff person covering the second floor. This has become apparent this raises security & safety issues and should be addressed.

APPROVALS

Dept. Head or Chairman [Signature] Date 10/31/14
Town Manager _____ Date _____
Town Accountant _____ Date _____

Finance Committee Section

Amount Approved \$ _____
Chairman _____
Date Approved _____