

Attachment to FinComm re: request for Reserve Fund transfers to Enterprise Funds

Pool:

Revenue deficit Of the \$23,950 transfer request, approximately \$20,000 is related to a revenue deficit. Actual to budgeted revenues were down by 3.6%. It was difficult to estimate until closer to year end what the total shortfall would be. The Park and Recreation Commission voted to raise membership fees next year which should result in an increase to fees of \$60,000.

Expenses – As detailed last month, there were several large, unforeseen expenses this past year. In addition to the expenses noted (Pal lift; copper piping; roof top unit; pool filtration system), the HVAC roof unit required further repairs. Despite efforts to control spending to necessities only during the last couple of months of the year, pool chemicals, cleaning, credit card fees and utilities led to year end overruns.

Town of Sudbury

Budget Transfer Request

7/13/15

No. 15-34
 Fiscal Year FY15
 Date 7/9/15
 Requested By N. McQueen

RESERVE FUND TRANSFER

Reserve Fund Balance

Balance Date 6/30/15 (as of 7/9/15)
 Current Balance \$ 62,010.-

Transfer Information

Transfer Amount \$ 23,950.16
 To Account Title Pool Expense
 To Account No. 600257/522/00
 Appropriation \$ 33,000
 Prior Transfers \$ 28,000
 Expenditures \$ 50,496.03
 Current Balance \$ 13,503.97

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: *Please see attached. Purpose of transfer is to cover net deficit, which includes revenue deficit, bills on hand for final warrant and carryforward expenses.*

APPROVALS

Dept. Head or Chairman Nancy M. [Signature] Date 7/13/15
 Town Manager _____ Date _____
 Town Accountant Christine M. [Signature] Date 7/10/15

<u>Finance Committee Section</u>	
Amount Approved \$	_____
Chairman	_____
Date Approved	_____

Attachment to FinComm re: request for Reserve Fund transfers to Enterprise Funds

Two Transfer requests attached.

Field Maintenance:

Revenue deficit – Half of the Haskell field was closed this spring as it's being rehabbed to save the turf. The other half will be closed in FY16. Because of this capacity was decreased and we couldn't rent to out of town groups, resulting in lost revenue. Actual to budgeted revenue was lower by 3.5%.

Expenses – Increased expenses were due to work at Feeley Field including \$7,225 of fencing and \$5,700 of electrical work plus many small expenses to prepare the field for the American Legion Tournament last summer. \$11,574 was spent in irrigation head damage due to the rough winter. Extra work was done on Haskell Field to try to save that turf, including over seeding and spraying for weeds.

Expenses

\$ 7,225

\$ 5,700

\$ 11,574

\$ 24,499

Town of Sudbury
Budget Transfer Request

#1 of 2
7/13/15

No. 15-32
Fiscal Year FY 15
Date 7/9/15
Requested By Bill Place

RESERVE FUND TRANSFER

Reserve Fund Balance
Balance Date _____
Current Balance \$ _____

Transfer Information
Transfer Amount \$ _____
To Account Title _____
To Account No. _____
Appropriation \$ _____
Prior Transfers \$ _____
Expenditures \$ _____
Current Balance \$ _____

LINE ITEM TRANSFER

Transfer Amount \$ 12,413.56
(From) Account Title HW Salaries
(From) Account No. 0144201/5111 00
To Account Title P+B Maint.
To Account No. 0144502/522310

CLUSTER TRANSFER

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

Explanation: To cover reclassified expenses for Feeley Field from Field Rec. account.

APPROVALS

Dept. Head or Chairman Bill Place Date 7/9/15
Town Manager _____ Date _____
Town Accountant Christine M. Michan Date 7/9/15

Finance Committee Section
Amount Approved \$ _____
Chairman _____
Date Approved _____

Town of Sudbury Budget Transfer Request

No. 15-35
Fiscal Year 15
Date 7/10/15
Requested By N. McShea

RESERVE FUND TRANSFER

Reserve Fund Balance
Balance Date 6/30/15 (as of 7/10/15)
Current Balance \$ 838,059.84

Transfer Information
Transfer Amount \$ 12,540.60
To Account Title Field Maint. Ven'l Exp
To Account No. 600357/522100
Appropriation \$ 1,000.-
Prior Transfers \$ 0
Expenditures \$ 1,010.20
Current Balance \$ <10.20>

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: Pls. see attached. Purpose of transfer is to cover net deficit, which includes revenue deficit, bills on hand for final warrant & carryforward expenses

APPROVALS

Dept. Head or Chairman Nancy MA Date 7/13/15
Town Manager _____ Date _____
Town Accountant Christine M. Nolan Date 7/10/15

<u>Finance Committee Section</u>	
Amount Approved \$	_____
Chairman	_____
Date Approved	_____

Finance Committee Liaison Assignments FY16	
Committee	Liaisons thru TM 2016
Board of Selectmen	Susan Berry
General Town Government	Adrian Davies
Public Works/Utilities	Adrian Davies
Public Safety	Jeff Atwater
Human Services	Adrian Davies
Culture&Recreation	Jeff Atwater
Debt Service/Unclassified	Susan Berry
Lincoln-Sudbury Regional HS	Jeff Barker
Sudbury Public Schools	Mark Minassian
Minuteman RVTHS	Bryan Semple
Capital Improvements Advisory Comm.	Jose Garcia-Meitin
Permanent Building Committee	Jose Garcia-Meitin
CPC	Fred Floru
LSRHS Technology Committee	Joan Carlton
Route 20 Sewer Steering Committee	
Lincoln FinCom	Susan Berry

Finance Committee Strategic Assignments	
Committee	Thru TM 2016
Vice-Chair	Fred Floru
Strategic Financial Planning Committee for Capital Funding	Joan Carlton
Fairbank Community Center Study Task Force	Bryan Semple
Vocational Education Options Committee	Bill Kneeland
FinCom Website/FAQs	
Budget Strategies Task Force	Susan Berry Fred Floru



Finance Committee Rules and Operating Procedures

Nature of Committee

- This is a standing committee to advise the Selectmen and Town Meeting on financial issues (see Bylaw Section 4 of Article IV)
- Purpose limited to the tasks, responsibilities and functions as outlined in the Bylaw and not to be expanded by the committee
- Members have no individual power or authority – only the committee has the authority as outlined in the Bylaw
- You are appointed by the Town Moderator at the Town Meeting or by the Finance Committee if there is a resignation between Town Meetings.
- If you resign, send notice in writing to Town Moderator, with a copy to the Town Clerk, Townclerk@town.sudbury.ma.us.
- You are on the Finance Committee until your resignation is accepted by the Town Moderator
- Committee members serve 3-year terms unless appointed to fill a mid-term vacancy (see Bylaw Section 2 of Article IV)

Swearing in

- **Conflict of Interest Laws.** You have been provided with reference materials about the Massachusetts Open Meeting and ethics laws.
 - o Gifts
 - o Participation in matters in which you have an interest
 - o Impaired judgment
 - o Obtaining any personal gain
 - o Acting as an agent for another
 - o More information www.state.ma.us/ethics.
 - o M.G.L c. 268A section 20

Open Meeting Law

- M.G.L. c. 39, section 23A-C
- Designed to ensure governmental activities are conducted in the public
- Doesn't cover chance meetings or social situations
- Allows public and press right to attend, but not necessarily participate in, meetings
- Requires posting of meetings, and taking of minutes
- **Does not allow private meetings, INCLUDING TELEPHONE OR ELECTRONIC MAIL CONVERSATIONS.**
- Meetings may be taped or videotaped as long as the person taping notifies the chair, makes it public that taping is occurring and places the taping equipment where the chair of the committee allows it to be placed, so that it does not interfere with the running of the meeting. Secret taping is illegal.

Town of Sudbury



Discrimination

- Recognize that everyone has feelings, but we must not let them interfere with our judgment and actions as Town officials
- No harassment of fellow committee members, members of the public, staff, etc.
- ADA requires reasonable accommodations. Be sure to meet in an ADA open building and setting
- Indemnification. Indemnified for acts as public officials except for intentional violations of civil rights.

Legal Reminders

- Only Town Manager may negotiate or sign contracts for the Town, (except for the Board of Health for matters under their jurisdiction and either of the two School Committees for matters under their jurisdiction).
- Only Town Manager may approve requesting services from Town Counsel

Organization

- Each year the Committee elects a Chair and a Vice Chair.
- A Clerk is hired by the Town to take minutes of the meetings. In the absence of a Clerk, this responsibility is shared by member of the Committee.
- Information about the committee needs to be placed on the Town's web site.
- Chair's responsibilities include planning the agenda; calling and running meetings; overseeing the committee's operations, budget hearings and related meetings; handling press inquiries or otherwise serving as spokesperson for the committee.
- Clerk's responsibilities also include posting of the notice in compliance with law, posting final voted minutes electronically to the Town's web site. In the absence of a Clerk, these responsibilities fall to the Finance director or his/her designee.

Funding and Resources

- Assistance from Town staff is available on a limited basis. FinCom Chair should request assistance from the Sudbury Finance Director.
- The committee maintains a small operating budget for administrative expense. Any additional financial needs should be discussed with Town Manager.
- Requests to use Town Counsel MUST go through Town Manager

Logistics

- Meetings must be in a public, handicapped accessible location
- Must have a quorum to discuss business or take action
- Public notice of meetings is required. Must be posted with the Town Clerk's office 48 hours in advance of the meeting (excluding Saturdays, Sundays or holidays). For example, Monday night meetings must be posted before Thursday night.

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- Email notification to Town Clerk is acceptable. Multiple meetings on one notice are acceptable. Distribution of public notices, including on the Town's website is handled by Committee's Clerk.
- Notice of meetings should be given to each member of the committee (including ex-officio members). Can be electronic, unless member requests notice by mail.
- Cancellation of meetings. Notify the Town Clerk and Town Manager's office, all members of the committee, and whoever oversees the meeting room. If time allows, the committee's Clerk will also post cancellation of meeting on Town's web site.
- Frequency of meetings is up to the committee
- Location of meetings is up to the committee. Keys are available if the building is typically locked after business hours.
 - o Town Hall or Flynn Building, call Patty Golden, Town Manager's office, 978-639-3381
 - o DPW Building 978-443-2209, ext. 1361, Kathy Plante in the Building Department.
 - o Senior Center-Fairbanks Building, call Kris Kiesel, 978-639-3266

Meetings

- Should only discuss the public business that is the business of this committee
- Follow the agenda
- Typically:
 - o Approve minutes from prior meeting(s)
 - o Old business
 - o New business
 - o Public comment
 - o Adjournment
- Chair runs meeting and designates Rules of Order

Public Comment

- Official business meetings of the Sudbury Finance Committee ("FinCom") are conducted under a prepared and limited agenda. A portion of these meetings, typically the last ten (10) minutes, are usually reserved for Public Comment.
- Following is the policy of the Sudbury Finance Committee with respect to public participation:
 - o *The Finance Committee desires community members of Sudbury to attend its meeting so that they may become better acquainted with the financial matters of the town. In addition, the Committee would like the opportunity to hear from the public.*
 - o *The length of a public participation segment shall be determined by the Chair. All remarks shall be addressed through the Chair. Speakers will be allowed three minutes to present their material. The Chair may permit extension of this time limit. Improper conduct and remarks will not be tolerated. Defamatory or abusive remarks are always out of order.*

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- In response to public input, community members may also be recognized by the Chair in the course of the Committee's discussions of specific agenda items. It will be the responsibility of the Chair to limit, if necessary, the number of speakers and the duration of the comment period.
- During both the Public Comment segment and during subsequent topic-related comment periods, the Chair will follow these procedures:
 - o speakers identify themselves;
 - o remarks must be limited to no more than three (3) minutes;
 - o community members may present written or oral statements; the Committee would appreciate receiving copies of any written statements prior to the start of the meeting;
 - o if many community members desire to speak on the same subject, they will be asked to limit their remarks and not repeat similar remarks already made so that other topics can be heard;
 - o other than to obtain answers to questions of a routine nature, community members should not expect an immediate reply from the Committee since this is a time for community members to be heard and not for decisions to be made; if the Committee desires to discuss the community member's matter of interest further, it may place the matter on the agenda of a future meeting.

Public Hearings

- The Committee shall hold such hearings as may in their judgment be required (see attached Bylaw).
- Public hearings can be within a meeting or as a separate event
- Posted in newspaper; 1st class mail notice to abutters. Talk to Clerk Robin Porcella if you believe you want to make these notices.
- Public hearings REQUIRE that the public be allowed to speak and that all who want to speak must be allowed to do so
- Chair must maintain order; all questions are run through Chair
- Chair can limit time of each speaker
- If there are disruptions – call a recess
- Call police only if fear for public safety. If not sure, consult the Town Manager or the Chair of the Board of Selectmen

Minutes

- Required by Open Meeting Law to be available
- Time, date, place must be recorded
- Members present or absent must be recorded
- Action taken at meeting, which includes deliberation even if no vote taken
- Verbatim is not required
- Minutes are open from the moment they are made by whatever means
- Must be made available to the public in a reasonable time and place
- May be posted on the Town's web site, kept by the clerk of the committee, and a copy can be kept at Town Manager's office

Town of Sudbury



Executive Sessions

- Sessions must be called to order and subsequently called to a close, when done.
- See attached guidelines for use of Executive Session.

Recommendations for Communications

- Only the Chair should speak for the committee to the media, and then only present what the rest of the committee has approved or is consistent with committee position. Committee work is not the place for advancing individual agendas, but an opportunity to work together toward a mission. *Note: This is not a gag order on committee members, but a suggestion for respecting the other committee members and the work of the committee.*
- The Town's web site, www.town.sudbury.ma.us, is a good vehicle for posting information. Can use for postings of notices of meetings, agendas, approved (not draft) minutes, reports and "white papers". It is not a platform for individual views. Typically the committee votes on what it wants to add to the web site.
- Special advice on email. Rely on it for sending of materials, and for administrative information only. The Secretary of State has determined that, with few exceptions, all e-mail created or received by a government member is a public record. This includes e-mail sent or received from your home or business computer if it involves public business. Such e-mail must be preserved as a public record. The Town has created many email distribution lists. Use them, instead of your own address book. This will copy appropriate staff and others on all email communications, and create archived versions of all correspondence. If there are any questions later, the Town will allow examination of our e-mail records, so you don't have to. PLEASE do not engage in any e-mail message that would be seen as helping the committee deliberate or form conclusions – that is a violation of the open meeting law. Please advise us of any changes in your email address.

Town Manager's expectations for conduct of members of Sudbury boards and committees. Experience has shown that following the suggestions below help a committee function in a respectful and positive manner.

- Adopt a Committee Code of Conduct. The Board of Selectmen has developed a Code that can be adopted for each committee. The Code of Conduct for the Finance Committee is attached
- Pay attention to committee relationships:
 - o When you are talking with members of the community about the work of your committee, learn to listen without making promises or implying action will be taken by committee
 - o Don't announce your opinion on a matter that will come before your committee for information and deliberation

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- Such an action sends a message to other committee members on how they should also act
- Such an actions tells the parties that come before you that they have to convince you to change your mind when you should be keeping an open mind
- Such an action can discourage someone from providing you with information – after all, you have already taken a position they may reason, its too late to give you information
- Advocate at the meeting until a vote is taken, then support the majority view
- If you have a minority view and want to continue to publicly state it, be sure to identify that it is the minority view, describe the majority view and its rationale and why you disagree.
- Present no public criticism of the overall committee or individual committee members that you don't agree with.
- Don't make inferences about someone's intentions or reasons, just about their actions.
- Honor the past. Try to gain a sense of where the Town and the committee have been and what it has tried to do before you begin actively advocating a different path.

Town of Sudbury



Code of Conduct for Sudbury Finance Committee

A member of the Finance Committee is expected to comply with the following code of conduct.

1. Realize that his or her function is to follow the bylaw which created the committee.
2. Realize that he or she is one of a team and should abide by all decisions of the Committee once they are made.
3. Be well informed concerning the duties and responsibilities of the Committee.
4. Remember that he or she represents the entire community at all times.
5. Accept the role of a committee member as a means of unselfish service, not to benefit personally or politically from his or her Committee activities.
6. Abide by the ethics guidelines established by the State.
7. Abide by all policies established by the email communications policy established by Board of Selectmen.
8. Request assistance from Town staff only through the staff person assigned to the committee.
9. Not make statements or promises of how he or she will vote on matters that will come before the Committee until he or she has had an opportunity to hear the pros and cons of the issue during a public meeting of the Committee.
10. Make decisions only after all facts on a question have been presented and discussed.
11. Refrain from communicating the position of the committee to reporters or state officials unless the full Committee has previously agreed on both the position and the language of the statement conveying the position.
12. Treat with respect all members of the Committee despite differences of opinion.
13. Never publicly criticize an employee of the Town. Concerns about staff performance should only be made to the Town Manager through private conversation.
14. Insure that any materials or information provided to a committee member from Town staff should be made available to all committee members.
15. If circumstances change so that meeting attendance on a regular basis becomes difficult, the committee member will offer his or her resignation to the Moderator, so that someone who can regularly attend meetings can be selected.

Adopted by the Finance Committee September 17, 2007.

Please note: This code of conduct was originally developed based on similar codes used by other elected boards and committees in other communities.

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Email Communications Policy for all Members of all Committees of the Town of Sudbury

Email is an expedient and easy means of communication, but must be used carefully, both to avoid conflicts with the Open Meeting Law and the Public Records Law and to insure that the public and members of committees can rely on the fact that deliberative discussions will always be held at public meetings. Email communications deprive the public of the chance contemporaneously to monitor a Committee's discussion. Therefore, the Board of Selectmen has established the following policy, which is meant to augment and emphasize the importance of the laws of the Commonwealth of Massachusetts.

GENERAL POLICY

- All Email use by the any member of any committee, board or commission of the Town of Sudbury will comply with the requirements of the Open Meeting Law. A copy of this statute is given to all committee members by the Town Clerk when they take the oath of office.
- Email communications by, between, or among Committee members will not address substantive policy issues, decisions, or deliberations. Email may not be used to discuss policy issues on an item coming before the Committee for discussion, to make decisions, or carry on deliberations.
- Email communication by, between or among Committee members may only be used to schedule meetings, send informative messages, request information or similar administrative type communications.
- The Town will establish a committee group email address for receipt and sending of all Committee related email. All committee members must use this email address for email related to the Committee and may not create their own email list for Committee related correspondence. The Town will be responsible for retaining copies of these emails in accordance with the Public Records Law (see below). The Town cannot be responsible for retaining or producing any Committee email which is sent using other than the group email address, and members of Committees should be prepared to allow access to their own personal computers if they choose to bypass the Town committee group email address for email correspondence.

Town of Sudbury



- The Town Manager (or her designee) and one member of the Board of Selectmen will be included on the Town created email distribution list for all committees created or appointed to by the Board of Selectmen, and they will monitor email correspondence to insure this policy is followed. Committee members who violate any part of this policy will be cautioned on the first violation if unintentional and may be asked by the Board of Selectmen to leave the committee if there are repeated violations.

PUBLIC RECORDS APPLICABILITY

The term “public records” is defined by statute to include all documentary materials or data, regardless of physical form or characteristics, made or received by an officer or employee of any agency or municipality of the Commonwealth, unless falling within a statutory exemption (M.G.L. C.4, S.7). Therefore, the Secretary of the Commonwealth advises that the Public Records Law clearly applies to government records generated or received electronically. All electronic mail sent, and all electronic mail received by principal addressees (not received as a “cc”) at a Town-issued address, or any address when in an official capacity, should be considered a public record subject to inspection and disclosure and scheduled retention and disposition. *Employees and committee members acting in their official capacity should have no expectation of privacy in their use of electronic mail.*

Adopted by the Board of Selectmen July 11, 2006

Please note: Sections of the material in this policy were adopted from guidelines established by the Middlesex District Attorney's Office for committees' use of electronic mail

**Feedback – Town of Sudbury - Finance Committee
July 13, 2015**

What do you think worked well?

Many people thought that the committee worked well and were pleased with the overall performance of the committee, particularly given the number of new members and many budget challenges.

Member comments -

- Pleased with the overall performance of the committee given that there were a large group of new and fairly new members, two Special Town Meetings in the fall, the resignation on one of our members, the unknowns in terms of COLAs, the unusual expenses for all three cost centers, and the extra meetings that these events involved, as well as the added task of taking our own minutes.
- Enjoyed working with this Finance Committee, the members listened to each other's opinions; kept focused on the agenda items; and identified and focused on the important budget issues.
- For the most part the substance of the meetings was meaty and relevant.
- This being my first time through the budget process, it got the job done. I was glad that we were able to bring the cost centers back for additional questions. Although I thought it was unwieldy the one time we tried to get all three cost centers together in the same room.
- The good news is that we all seemed to get along well, and the chair did a good job of soliciting opinions from quiet members. Having so many new members probably made the Finance Committee less effective than it could have been in terms of scrutinizing budgets and seeing the big picture. In contrast with previous years, there was maybe too much complacency.
- The FinCom was successful in formatting and communicating a complex operating budget, one which utilized the unused levy limit from prior years. This operating budget and funding source was clearly explained in the FinCom report to the BOS as well as in the Town warrant presented at Town Meeting. The warrant article passed without debate.

What didn't work as well as you might have hoped?

Several members thought that we did not have enough information on the budget pressures the cost centers were facing when we set the % guidelines in the guidance letter to the Cost Centers.

Member comments -

- We spent a lot of time with the cost centers on the defensive and/or their selling us on what they had in their budget. Where we as a committee were most effective was when we were able to dig into the drivers of the changes and then what levers we had to work with (reserves, changes in assumptions, list of items that could be cut back). If we had identified those items earlier, it would have been a less drawn out process.
- Clearly, asking the cost centers for budgets assuming a 2.0% budget increase didn't work. Going forward, we could consider other ways of asking the cost centers for their priorities, and what would

change if their budget changed. For instance, we could ask: how would your budget change if Finance Committee were to ask you to reduce it by 1.0%?

- Couldn't help but point out the irony that we spent much time focusing on a free cash policy, only to downplay its priorities when the budget didn't balance. So I don't feel having a Free Cash Policy is proving to be particularly effective.
- The budget hearing process, however, did reveal some inconsistencies and possible contention for shared resources. The clearest example of an inconsistency is the state reimbursement rate for out of district educational services provided through SPS and LSRHS, where each cost center appeared to be employing different assumptions. The contention for resources was linked to the movement of students between SPS and LSRHS. Also, the overall fluctuation of enrollment within SPS and LSRHS obscured a fair evaluation of how resources should be shared amongst the cost centers. While these factors would appear to lend themselves to some form of consistent quantitative method of evaluation, the presentations often provided a more qualitative rationale. This raised many questions among those involved in the process.

Do you have any thoughts on what the Finance Committee should focus on in the next year and beyond?

Several members thought that we should try to get more information on the budget pressures so that the Finance Committee can get a better picture of the needs of the Cost Centers before setting the % guidelines in the guidance letter.

Member comments –

- We need to better understand the trends the cost centers are seeing so that we can better determine if issues in the current year are one-offs or indicative of something that will continue for a number of years. This would also help us to set expectations and inform us. For instance with SPS moving so much spec. ed. help in house, a drop in spec. ed. enrollment may not automatically equate to a drop in costs.
- FinCom should focus on right-sizing the school budgets to match the declines in student population. To that end, FinCom should improve its tracking of Special Ed expenses by grade level, particularly as classes transition from SPS to LSRHS, and as SPED students graduate.
- As the LS liaison for the next cycle my aim has to be to find ways to take cost out of the operation. We all want the school to prosper without requiring an override.
- We need to be sure that declining enrollment is reflected in the budget.
- I am concerned with how Free Cash has been utilized to fund operating expense. I believe we will need to closely monitor the Free Cash levels to insure that this use of non-recurring revenue to fund recurring expense does not create any unexpected shortfalls for the Town.
- The FinCom will need to further its efforts to fully fund Sudbury's OPEB obligations. It is clear that the Town's credit rating will be adversely affected by any lapse in accounting for this growing liability.

- My biggest concern is how the recent contract negotiations will affect what is already an extremely tight budget outlook for SPS and LSRHS. Based on the budget process for Fiscal 2016 I highly suspect that a non-override budget for Fiscal 2017 will result in loss of services. We will need to focus our efforts on identifying how these potential loss of services will impact the Town.

Do you have any suggestions for next year with respect to process?

Many members suggested hiring someone to take minutes.

Many members comments led me to suggest we take a fresh look at the FinCom spreadsheet, update it as needed, empathize it's important to the cost centers and require it to be completed by the time the cost center does its presentation at the budget hearings.

Member comments –

- Taking meeting notes helped internalize functional processes and learn everyone's name. However, in the interest of getting it all down, the desire to keep up eclipsed giving much thought to the subject at hand.
- Hold joint hearings on Warrant articles w/ Selectmen.
- A couple of members suggested having liaisons meet with the cost centers more often and starting earlier in the year so that they can provide the Finance Committee with information on issues that might affect budgets, warrant articles, etc.
- A lot of work seems to fall to the chair and suggested that the chair should consider delegating some administrative responsibilities, such as circulating minutes and getting the members approvals ahead of the next meeting.
- It would be helpful to have some type of standard template that we as the Finance Committee decide on and the cost centers fill in as part of their submissions. One challenge for this year was keeping track of all the items like COLA's that might be in one cost center's budget but not in another making them hard to quickly compare. Also, how many other assumptions like the reimbursement rate on the OOD costs, COLA's, etc. have been used but are not consistent across the cost centers. Other key stats like FTE headcount, healthcare % increases, etc. in one place would make it easier to spot key trends.
- Encourage the chair to continue to focus on eliciting opinions and questions from Finance Committee members. With a more experienced team in place, and quite possibly tighter budgetary constraints, we can look forward to more lively debates in the coming year.
- The process will likely change quite a bit now that initial budgetary co-ordination will be managed by the Budget Strategies Task Force. The task force is usurping some of F Finance Committee's responsibilities, so we'll see how the new structure goes. I expect that the task force will make the December presentations by Finance Committee liaisons redundant.
- I would like to see greater consistency with how budget information is presented. Specifically, I would like to have all financial information presented on commonly used spreadsheet software (MS Excel etc.). All financial information really should be provided in a format where it can be used as an electronic input for further analysis. For example, providing detailed budget information in a PDF or like format

would only allow the user to read the information and not summarize or synthesize it. Additionally, these presented materials should be provided electronically in advance of any scheduled meeting. I understand that we are in the midst of a gradual paper to digital migration and an ideal flow of data is some years in the making.

Misc. Comments

One member thought it was very helpful to meet on Mondays. This person's overall attendance percentage would have been lower if this were not the case.

One member saw Joan, Susan and Mark as group leaders. This person thought they have a good combination of functional skill and domain knowledge. This member was sorry to see Bill leave. The new members (me, anyway) will need another year in the saddle to be substantively productive.

It is important to note that, although some public comment during FinCom meetings would lead one to believe that the cost centers were hostile towards one another, the process employed to address any matter of contention was largely civil and professional.

It is to the points listed above that the Budget Strategies Task Force was created. It is my expectation that the additional collaboration facilitated through this effort will bring material concerns to the forefront earlier in the budget process.

DRAFT - FOR DISCUSSION PURPOSES ONLY

Town of Sudbury

Free Cash Policy

Effective date: xx/xx/xx

Adopted by Board of Selectmen: xx/xx/xx

This policy sets forth the guidelines for determining the use of certified free cash for the Town of Sudbury. The amount of free cash available is certified by the Director of Accounts at the Massachusetts Department of Revenue's (DOR) Division of Local Services. Free cash is certified upon application by the Town after the end of the fiscal year (June 30).

To the extent the Town has certified free cash, the following guidelines should be adhered to:

- 1) The Town should maintain a level of unallocated free cash equal to at least one-half of one percent (1/2%) of the current year's operating budget. This reserve is to be used to the extent that there is a revenue shortfall in the current year's operating budget and can be used as an emergency revenue source with a majority vote at Town Meeting.
- 2) Excess free cash should be used to replenish the general stabilization fund to the extent that the fund balance is below five percent (5%) of projected general fund operating revenues for the next fiscal year. This will help us maintain our reserves within DOR guidelines. A transfer to the stabilization fund is subject to a 2/3 vote at Town Meeting.
- 3) To the extent there is surplus certified free cash remaining, the surplus may be used on the following expenditures as determined and voted on by the Board of Selectmen and approved by a majority vote at Town Meeting:
 - If the projected operating budgets will force the Town into an override situation, excess free cash may be used to reduce the tax levy.
 - Purchase of capital assets as recommended by the Capital Improvement Advisory Committee (CIAC).
 - Extraordinary repairs to buildings, roads and other infrastructure that would prolong the useful life of such assets.
 - Payment towards OPEB obligations
 - Any other expenditures allowed by law as determined by the Board of Selectmen

This policy is to be reviewed by the Finance Committee on an annual basis and the committee may recommend changes to the policy as deemed necessary.

CIAC Liaison Report Free Cash Policy

The Capital Improvement Advisory Committee met Tuesday, January 20, 2015. One of the agenda items was a discussion and delivery of feedback on the Free Cash Policy which was drafted by the Finance Committee. Jose Garcia-Meitin, the Finance Committee liaison to the CIAC, was present at this meeting to obtain this feedback. The following three items/concerns were discussed.

- 1) There was a general misunderstanding as to who designates which projects will be funded with Free Cash. Is the source of funding determined by the Board of Selectmen, the Finance Committee, the Strategic Financial Planning Committee for Capital Funding, the Capital Improvement Advisory Committee, the Town Manager, or the department originating the request?

Maureen Valente and Chuck Woodard were present at the 1/20/15 CIAC meeting. Maureen offered that she often takes the lead in determining the source of funds to be designated for competing projects. This is generally done in discussions with the BOS. She seeks the endorsement of various Town committees to that end.

Although it may stretch beyond the original intention of the Free Cash Policy guideline, perhaps a framework on this topic could be included in the policy.

- 2) There was some concern with the guideline which allowed Free Cash to be used to fund the Town Operating Budget when faced with a potential override. The concern stems from the idea that an override avoided in one year through the deployment of Free Cash could simply reappear the following year.
- 3) There was concern that the order in which the Free Cash may be used (Item 3 of the Free Cash Policy) may be misinterpreted as an order of priority. Perhaps the policy could be edited to clarify this issue.

Additional feedback may be forthcoming.

Free Cash Policy
Lincoln-Sudbury Regional High School Feedback

Policy Discussion Points

- Radha – the state determines required levels of contribution. Pat has to estimate this amount in the budgeting cycle. In case LSRHS gets less than was budgeted, Radha asked if the Town of Sudbury would use free cash to fund the difference, on the condition that the Town gets “paid back” by the school when there is an excess. If this is feasible, please consider putting a provision for this in the Policy.
- Pat – Discussed the idea of contributing to the LS stabilization fund to address capital issues w/o having to go back to both towns for approval. It would have to be discussed with Peyton to make sure Lincoln buys in.
- Bella – Requested changes to item # 3
 - o Bullet point #2 – add “and/or investment in capital assets” after Purchase (first word).
 - o Add ‘fields’ to bullet #3. Fields are a town resource