

**Sudbury Finance Committee
Meeting Minutes
September 18, 2017**

ATTENDANCE

Finance Committee Members Present: Bryan Semple, Chairman
Jeff Barker, Vice Chairman, Susan Berry, Joan Carlton, Adrian
Davies, Tammie Dufault, Jose Garcia-Meitin, Eric Poch (Eric Poch
arrived after the vote on meeting minutes).

Absent: Jeff Atwater

Also Present: Dennis Keohane, Finance Director/Treasurer
Collector

CONVENE:

Chairman Bryan Semple called the meeting to order at 7:00 p.m.
The meeting convened at the Police Station Conference Room, 75
Hudson Road, Sudbury, MA 01776.

ITEM 1: Public Comment

Chairman Semple opened this portion of the meeting for Public
Comment. Chairman Semple recognized Bob Stein, 7 Thompson Drive.

Mr. Stein commented on Article 11 - Sudbury Public Schools
Administrative Offices. He stated that it his opinion that
Article 11 is ill-conceived. He stated that he attended Board of
Selectmen and the Sudbury School Committee meetings where he
expressed his concerns with a proposal to build onto the Nixon
School. He referred to data on office space for employees and
cost. Mr. Stein shared his thoughts on forming a Space
Utilization and Redistricting Committee. He suggested that the
Town not spend \$150K on this Article.

ITEM 2: General Business

● **Approve Meeting Minutes**

Motion and Vote

Jeff Barker moved, and Susan Berry seconded the motion to
approve the meeting minutes of May 1, 2017, as amended.

The motion carried. The vote was 6 yes, 1 abstention.

Motion and Vote

Jeff Barker moved, and Susan Berry seconded the motion to
approve the meeting minutes of June 19, 2017, as amended.

The motion carried. The vote was unanimous.

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- **Transfers**

There were no transfers to approve.

- **Liaison Reports**

Jeff Barker stated that he spoke with Sherry Kersey who does not have the three-year projections for salaries, benefits, and COLAs but would touch base with him the beginning of October. Mr. Barker stated that LS had questions regarding what OPEB assumption they should use going forward. He added that it occurred to him that it might be useful for the Finance Committee to go through the Budget Reconciliation Worksheet, category by category and identify some assumptions as guidelines that could benefit all three Cost Centers. A general discussion followed. Chairman Semple stated that he would keep this item on the agenda for the next meeting.

ITEM 3: Funding Sources for Capital - Discuss current debt service retirement for both CPA and Town

Chairman Semple led the discussion on this item. He provided background information and explained that the goal is to be able to clarify to Town Meeting what's available regarding debt service on capital spending. He stated that Dennis Keohane prepared a spreadsheet that outlines principal and interest on the Town's debt service over a five-year period. Chairman Semple pointed out that \$5M of capital could be raised next year and taxes would not increase. He added that over the next five years there is approximately \$12M of available capital funding without incurring a tax increase. Chairman Semple stated that the debt service in Sudbury is relatively low compared to other towns.

Joan Carlton stated that it looks like \$16,920,000 in outstanding debt. She added it would be interesting to see what comparable towns have in outstanding debt. A general discussion followed. Chairman Semple stated that he would get the outstanding debt for triple-A rating, pension, OPEB and CPA from comparable towns for the next meeting.

ITEM 4: Discuss Town Meeting Warrant Articles

Chairman Semple opened this item for discussion. He suggested that the Finance Committee review each Article and determine if additional information and or presentation is needed.

- **Article 1 - FY18 Budget Adjustments**

Denise Keohane stated that this is a standard article that is on the warrant every year. He also stated that this article would allow flexibility to review all accounts within the FY18 Operating Budget and make adjustments as necessary. The

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Finance Committee determined that they would like a presentation on this article before its recommendation and vote.

● **Article 2 - Conservation Revolving Fund**

Chairman Semple stated this article is a proposal to establish a Revolving Fund for timber as part of forestry operations on conservation land. A brief discussion followed. The Finance Committee determined that a presentation is not needed before its recommendation and vote.

● **Article 3 - Transfer Care and Custody of Town-Owned Land**

Chairman Semple stated this Article is to see if the Town will vote to transfer land from the Board of Selectmen to the Conservation Commission. A brief discussion followed. A recommendation from the Finance Committee is not needed on this article.

● **Article 4 - Land Conveyance to Fish and Wildlife**

Chairman Semple stated that this article is a proposal to move two tax title parcels of land to the Fish and Wildlife Service. A brief discussion followed. Susan Berry suggested the Finance Committee consider taking a position on the Article because it has a monetary implication. The Finance Committee determined that a presentation is needed on this article before its recommendation and vote.

● **Article 5 - Amend Bylaw - Town Property**

Chairman Semple stated this Article would allow the Town to dispose of property valued at \$10,000 or less. The Finance Committee determined that a presentation is needed on this article before its recommendation and vote.

● **Article 7 - Stabilization Fund (\$167,000)**

Chairman Semple stated that this article is to transfer funds to maintain the Stabilization Fund. The money would be moved from Free Cash to restore the fund back to 5%. The Finance Committee determined that a presentation is not needed before its recommendation and vote.

● **Article 8 - Construction of New Fire Station (\$MM)**

Chairman Semple stated that the Finance Committee had received a presentation from Fire Chief Bill Miles on this Article. He stated that the Committee should be ready to vote on this article at their next meeting. He added that this article would use up the no tax increase borrowing capacity for the next two years. Tammie Dufault suggested that the Finance

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Committee receive a presentation from the CIAC on preliminary capital items proposed for the Annual Town Meeting in the spring. Susan Berry stated that she would put together a list of big-ticket capital items five years out. She added that she would like to see what the capital spending for comparable towns looks like, noting that this information would help inform the conversation on retiring debt. Chairman Semple stated that Finance Committee receive a presentation from the Board of Selectmen on the priority of this article. Chairman Semple stated that he would get a list of priority five-year capital projects from the Board of Selectmen. He will also get information from comparable towns' on capital spending.

- **Article 9 - Fund Eversource Litigation (\$220,000)**

A brief discussion ensued on this article. The Finance Committee determined that additional information is needed to make a recommendation on this article.

- **Article 10 -Fund Sudbury Station Litigation (\$55,000)**

A brief discussion ensued on this article. The Finance Committee determined that additional information is needed to make a recommendation on this article.

- **Article 11 -Sudbury Public Schools Admin Offices (\$150,000)**

Chairman Semple stated that the Board of Selectmen is proposing \$150,000 for needs assessment, conceptual design, and cost estimates for a new location for the Sudbury Public School's administrative offices. Chairman Semple stated that the Finance Committee would be interested in hearing more about a town-wide facilities assessment. A brief discussion followed. The Finance Committee determined that a presentation is needed on this article before its recommendation and vote.

- **Article 12 -SPS Playground Modernization**

Chairman Semple stated that this proposal includes ADA-compliant surfacing materials and equipment for four playgrounds. A brief discussion ensued on this article. The Finance Committee determined that a presentation is needed on this article before its recommendation and vote.

- **Article 14 -Update Master Plan (\$75,000)**

A brief discussion ensued on this article. The Finance Committee would like a presentation on this article before making a recommendation on this article.

- **Article 15 -Replace Gym4 - LSRHS (\$50,000)**

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A brief discussion ensued on this article relative to the LS E &-D account. The Finance Committee determined that additional information is needed. Jeff Barker will get the information that is needed before the Finance Committee recommendation and vote on this article.

● **Article 16 -Cooling Tower Reconstruction (\$100,000)**

A brief discussion ensued on this article. The Finance Committee determined that additional information is needed. Jeff Barker will get the information that is needed before the Finance Committee recommendation and vote on this article.

ITEM 5: Time Permitting:

ITEM 6: Review Letter to Cost Centers on Three Year Capital Budgets

Chairman Semple opened this item for discussion. He summarized the draft letter to Town Officials and School Administrators regarding three-year cost estimates and a new request that includes a maintenance budget request. He explained that having the cost estimates would help the Finance Committee understand 80% of the cost drivers. He added that it is also important to understand the impact of the cost associated with the new contracts versus existing contracts. Chairman Semple summarized changes in how the Finance Committee develops a non-override recommendation. This year the Finance Committee will request a Maintenance Budget from the Cost Centers. The Finance Committee engaged in a lengthy conversation and made recommendations on adjustments to the letter. This item will be brought back for another review at the next Finance Committee meeting.

ITEM 7: Follow up on Open Meeting Law (OML) Discussion on Meeting Minutes - Follow up Question to Town Counsel on Editing Meeting Minutes

Chairman Semple stated that he spoke with outside Counsel who informed him that the Attorney General's Office is very strict about forbidding any external collaboration on meeting minutes. He stated that the Finance Committee would keep the same process in terms of how minutes are edited. Edits would be sent to one person who would compile the edits that would be reviewed in open session.

ITEM 8: Follow up on the discussion on:

● **Defining Maintenance Budgets**

Maintenance budget, as defined by the Department of Revenue is the projection of what it costs to maintain the current level of staffing and mix of services into the future. In

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this approach, it is also helpful to assume that all current laws and regulations remain in effect during the forecast period. Negotiated collective bargaining cost increases, salary step increases, and longevity pay can all be projected to the year a contract ends. Possible personnel costs associated with future contracts should not be included because the purpose of the forecast is to determine what revenue is left after the maintenance budget is funded.

ITEM 9: Updates on Town Manager Capital Budget Project Chairman Semple stated that he would let the Town Manager know that the Finance Committee is supportive of this endeavor. He also stated that he would meet with Pat Brown regarding this.

ITEM 10: FinCom Multiyear Spreadsheet - Keeping it updated -Should we update etc.

Chairman Semple opened this item for discussion and yielded the floor to Susan Berry. Ms. Berry stated that the FinCom Multiyear Data Comparison spreadsheet contains very detailed data from 2009 on Cost Center's budget and actuals. Joan Carlton commented that the multiyear spreadsheet is very useful and contains a wealth of information. Ms. Berry offered to meet with the Cost Centers regarding updating the FinCom Multiyear Data Comparison spreadsheet. She will explain to them what the Finance Committee is requesting.

ITEM 11: Revisit Free Cash Policy in light of Meadow Walk Deferred Spending Issue - Last Budget Cycle, some members wanted to use Free Cash to cover expenses until Meadow Walk revenue kicks in.

Chairman Semple led the discussion on this item. Chairman Semple explained the issues associated with deferred spending. A brief discussion followed. Jose Garcia-Meitin stated that he does not agree with the practice of deferred spending. He stated that the practice does not follow accounting principle of being conservative because money is being expended that has not been earned. After discussing the Free Cash Guidelines, Chairman Semple recommended the Free Cash Policy not be changed. He stated that the spirit of the Free Cash Policy is that you don't want to fund long-term operating expenses from Free Cash.

ITEM 12: Public Comment

Adrian Davies asked if Mr. Keohane had received an email from PricewaterhouseCoopers (PWC). Mr. Keohane responded that he had not seen the email. He speculated that PWC could be doing a study.

ITEM 13: Future Agenda Items

No future items added.

ITEM 14: Adjournment

Motion and Vote:

Susan Berry moved, and Joan Carlton seconded the motion that the September 18, 2017, Finance Committee meeting adjourns at approximately 9:55 p.m.

The motion carried. The vote was unanimous.

Next scheduled meeting of the Finance Committee is Monday, October 2, 2017, at 7:00 p.m.

Respectfully Submitted: Cheryl Gosmon, Recording Secretary