

**Sudbury Finance Committee
Meeting Minutes
January 11, 2018**

ATTENDANCE

Finance Committee Members Present: Bryan Semple, Chairman, Jeff Barker, Vice Chairman, Jeff Atwater, Susan Berry, Joan Carlton, Adrian Davies (arrived after the vote on the meeting minutes), Tammie Dufault (participating from a remote location), Jose Garcia-Meitin

Absent: Eric Poch

Also Present: Dennis Keohane, Finance Director/Treasurer Collector, Richard Tinsley, Lucie St. George, Christine Hogan, and Lisa Kouchakdjian from the Sudbury School Committee, Dan Carty, Pat Brown and Susan Iliuano from the Sudbury Board of Selectmen,

CONVENE:

Chairman Bryan Semple called the meeting to order at 7:00 p.m. The meeting convened at the Silva Room, Flynn Building, 278 Old Sudbury Road, Sudbury, MA 01776. Chairman Semple stated that Tammie Dufault is participating from a remote location and as such, all votes will be taken by roll call. Chairman Semple noted a quorum was present.

ITEM 1: Public Comment

Chairman Semple opened this portion of the meeting for Public Comment. There were no public comments.

ITEM 2: General Business

● **Approve Meeting Minutes**

Motion and Vote

Joan Carlton moved, and Susan Berry seconded the motion to approve the minutes of the July 10, 2017 meeting as submitted.

The motion carried. The vote on roll call was: Jeff Barker, approve, Jeff Atwater, approve, Joan Carlton, approve, Susan Berry, approve, Jose Garcia-Meitin, approve, Bryan Semple, approve, and Tammie Dufault, approve.

The vote was unanimous.

Motion and Vote

Tammie Dufault moved, and Jose Garcia-Meiten seconded the motion to approve the minutes of the August 21, 2017 meeting as submitted.

The motion carried. The vote on roll call was: Jeff Barker, approve, Jeff Atwater, approve, Joan Carlton, approve, Susan Berry, approve, Jose Garcia-Meitin, approve, Bryan Semple, approve, and Tammie Dufault, approve.
The vote was unanimous.

- **Transfers**

There were no transfers to approve.

- **Liaison Reports**

Joan Carlton presented an update on the Strategic Financial Planning Committee for Capital Funding (SFPC) meeting she attended recently. She stated that the SFPC recommended funding amounts for capital spending. Ms. Carlton stated that this information was sent to the Capital Improvement Advisory Committee (CIAC) who sent a copy to town officials including the Town Manager with a request for proposals. Ms. Carlton summarized the Manager's response to the CIAC, which included her recommendations for capital projects. A general discussion followed on funding sources, prioritizing capital projects and the impact on the taxpayers. The Finance Committee went over the capital projects on the Town Managers' list and outlined their questions for the Town Manager. Ms. Carlton stated that she would bring the Finance Committee's questions back to the SFPC.

Chairman Semple presented an update on the Board of Selectmen meeting he viewed on Sudbury TV. He stated that Maynard Road, affordable housing units are near completion. Chairman Semple stated that he would send the Committee a link to the report on the project. The conversation veered to a discussion on additional information from the SFPC meeting. Chairman Semple continued with his report. He stated that there was a discussion on Broadacres Farm. Chairman Semple opened the floor to Pat Brown, Board of Selectmen, who shared specific information on Broadacres Farm relative to its use.

Susan Berry presented an update on the Budget Strategies Task Force (BSTF) she attended on January 8th. She reported that the Cost Centers came to an agreement regarding the division of funding that would allow for a balanced non-override budget. Ms. Berry reported that there is a deficit in snow and ice and that the Finance Committee will receive information regarding this. Ms. Berry stated that there was some discussion about the Finance Committee request for more money for OPEB. She added that the Cost Centers are not sure they will be able to honor the request. Ms. Berry also reported on the discussion of out-of-district

placement for students fourteen years or older and what the Lincoln-Sudbury Regional High School's obligation would be regarding this and the impact on their out-of-district budget.

ITEM 3: Discuss budgets for LS, SPS, and Town

Chairman Semple opened this item for discussion. He stated that in preparation for the budget hearings, he would like the Finance Committee to have a clear understanding of the Cost Center's budgets. Chairman Semple also stated that the Finance Committee would hear a review of the Dan Carty's analysis of special education spending. Chairman Semple stated that Mr. Carty presented previously to the Sudbury Public School Committee.

• Chairman Semple began with a review of the SPS budget.

Chairman Semple stated that the Budget Reconciliation Sheets were due the end of December. He noted that this did not happen. Chairman Semple recapped previous discussions on issues affecting the SPS budget, such as declining enrollment, increase special education cost, and salary increases. Chairman Semple stated that the SPS budget that is being presented does not include COLA's. A brief discussion followed.

Chairman Semple opened the floor to public comment from Richard Tinsley, Vice Chairman of Sudbury Public School Committee. Mr. Tinsley stated that the non-override budget is not inclusive of any open COLAs.

Chairman Semple summed up the discussion on the SPS budget. He stated that the Finance Committee would need more information on the SPS COLA's, enrollment cost shifting to special education cost and clarity on why teachers are being cut given that there is a proposed 3.6% budget increase. Chairman Semple also stated that clarity is needed as well on transportation, employee benefits, and out-of-district costs. Chairman Semple added that Tammie Dufault could present these questions to SPS in preparation of the budget hearings.

Chairman Semple opened the floor to public comment from Dan Carty, a member of the Sudbury Board of Selectmen. Mr. Carty clarified that his analysis of special education spending is not a cost analysis but rather an attempt to get clarity on why costs are increasing, and enrollment is decreasing. He stated that it is a staff and enrollment analysis. Mr. Carty explained that his analysis is a repackaging of the excellent data that Don Sawyer, SPS Director of Business and Finance, has been putting together. Mr. Carty stated that the information from Don Sawyer shows the FTE headcount has increased by approximately

10%. Mr. Carty added that he wanted to know how this compared to enrollment and how FTE's were moving with enrollment. Mr. Carty stated that Don Sawyer had categorized the FTE count by their roles. He pointed out that the special education FTE's have gone up considerably over an eight-year period with a drop-in enrollment. Mr. Carty stated that his staffing and enrollment analysis is not an answer but rather presents an opportunity to ask more questions about why costs are continually rising, and there is a significant drop in enrollment. He added that if special education enrollment is increasing, then it makes sense to give this population of students the staffing that is needed. A brief discussion followed on the clarity of enrollment numbers and special education trends. Mr. Tinsley stated that a thorough cost analysis of the SPS budget needs to be done as well as a comparison of like districts, to understand better why costs are high.

- **Chairman Semple continued with a review of the Town Budget**

He stated that he didn't have any questions that the Town budget was solid. A brief discussion followed on the factoring of inflation into some of the costs.

- **Chairman Semple continued with a review of the LS Budget**

Jeff Barker stated that he had a follow-up meeting with Sherry to increase the OPEB allocation by \$60K. He added that Sherry and Bella have the numbers and that they need to review them with the LS School Committee. He also added that the Finance Committee would have the Budget Reconciliation Sheet within the week. A discussion followed on the pushback from the Cost Centers on including this cost to their budgets. Susan Berry stated that it would appear to her that it is not pushback, but rather it is that the Cost Centers don't believe they could add this cost to their budgets this late in the budget process. A brief discussion followed. Jeff Barker stated that the Cost Centers understand the request for the additional amounts to cover OPEB cost based on the Actuarial Report and he is sure that they will try to work this number into their budgets. Susan Berry stated that there is an additional question on whether the LS School Committee will vote on an override. A brief discussion followed.

ITEM 4: Discuss Town Meeting budget process

Chairman Semple led the discussion on this item. He stated that the budget guidance letter sent to the Cost Centers did not include a percentage increase. He also stated that Cost Centers have decided to bring their budgets up to the maximum available revenue, which means that taxes will be raised by 2.5%. A discussion followed on what to do between now and Town Meeting

and on whether to present a secondary budget option that would include a zero-growth budget, eliminating the 2.5% increase to the taxpayers.

ITEM 5: Review FinCom Report draft/direction

Chairman Semple opened this item for discussion and led the discussion on a review of items that would be included in the Finance Committee Report that will be included in the Town Warrant. Chairman Semple stated that the report should address questions on why the tax rate is high, and why the taxes are increasing. Chairman Semple stated that the tax rate is high because of a lack of diversified revenue streams, and a high percentage of households with school-age children. Chairman Semple also stated that there is not enough commercial revenue in town to bring the total tax rate down. Chairman Semple noted that there is growing discussion in the state that the agreement to fund regional high schools is adversely affecting towns like Sudbury. Chairman Semple reviewed operating budget drivers, which included wages, health care benefits, and special education spending. Chairman Semple made suggestions about including information on the town's infrastructure and funding sources for capital projects. A general discussion followed on COLA's and steps and lanes increases and whether to include a separate budget that includes a 2.5% salary increase. Chairman Semple expressed concerns that the salary increases are more than 2.5% of the recommended budget increase.

ITEM 6: Future Agenda Topics

A discussion with the Lincoln Finance Committee on OPEB calculations and benefits.

ITEM 7: Public Comments

There were no public comments.

ITEM 8: Adjournment

Motion and Vote:

Adrian Davies moved, and Susan Berry seconded the motion that the January 11, 2018, Finance Committee meeting adjourns at approximately 9:32 p.m.

The motion carried. The vote on roll call was: Jeff Barker, approve, Jeff Atwater, approve, Joan Carlton, approve, Susan Berry, approve, Jose Garcia-Meitin, approve, Adrian Davies, approve, Bryan Semple, approve, and Tammie Dufault, approve.

The vote was unanimous.

Next scheduled meeting of the Finance Committee is Thursday, January 18, 2018, at 7:00 p.m.

Respectfully Submitted: Cheryl Gosmon, Recording Secretary

