

**Sudbury Finance Committee
Meeting Minutes
January 18, 2018**

ATTENDANCE

Finance Committee Members Present: Bryan Semple, Susan Berry, Adrian Davies, Tammie Dufault (participating from a remote location), Jose Garcia-Meitin, Eric Poch

Absent: Jeff Barker, Jeff Atwater, Joan Carlton

Also Present: Dennis Keohane, Finance Director/Treasurer Collector, Melissa Murphy-Rodrigues, Town Manager, Pat Brown, Sudbury Board of Selectmen

CONVENE:

Chairman Bryan Semple called the meeting to order at 7:22 p.m. The meeting convened at Town Hall, Lower Level, 322 Concord 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**

There were no Meeting Minutes to approve.

- **Transfers**

There were no Budget Transfers to approve.

- **Liaison Reports**

Jose Garcia-Meitin presented an update on the Fairbank Community Center Study Task Force meeting he attended recently. Mr. Garcia-Meitin stated that the Task Force met on January 16th to approve a handout for the Town of Sudbury Annual 2017 report. He stated that the handout summarizes the steps taken and the progress made by the Task Force. Mr. Garcia-Meitin stated that the Task Force hired Pros Consulting to design a facility that would meet the Town's expectation for its Community Center. He also stated that three scenarios were presented for consideration and that the Task Force chose Scenario Two. Mr. Garcia-Meitin stated that Scenario One salvages more of the Community Center and

the total project cost in the range \$24M. Scenario Two uses less of the existing facility and has a total project cost in the range of \$27M-30M. Scenario Three is a total rebuild of the facility and has a total project cost in the range of approximately \$35M. Mr. Garcia-Meitin stated that Pros Consulting would present a comprehensive plan for Scenario Two on February 1, 2018, at the Sudbury Senior Center. He stated that the presentation would include operating cost estimates. A brief discussion followed. Chairman Semple will post this meeting.

Chairman Semple opened the floor to public comment from Pat Brown, member of the Board of Selectmen and Fairbank Community Center Task Force. Ms. Brown stated that the Town Manager is the project manager and is the contact person for Pros Consulting.

Chairman Semple reported on Lincoln-Sudbury Regional High School in Jeff Barker's absence. He stated that LS is working to close a budget gap of approximately \$400K. He added that they plan to reduce the budget by approximately \$200K and are proposing to use \$250K from the LS E&D account to do a short-term coverage of their insurance. He explained that LS is working to lower the medical cost in the future so that the \$250K will not become a permanent part of the operating budget. Chairman Semple described the process that is needed to use the E&D account. A brief discussion followed.

Eric Poch presented an update on the Community Preservation Committee (CPC) meeting he attended recently. He stated that the CPC discussed articles that will be presented at Town Meeting for CPC funding. He also stated that one of the articles would be a reversion of funds which may cause some debate. Mr. Poch stated that the CPC voted at their December meeting not to hear proposals until the spring Town Meeting because of the funding strategy. A brief discussion followed.

**ITEM 3: Discuss budgets for LS, SPS and Town Budget
Presentation and Deliberation**

Chairman Semple opened this item for discussion and welcomed Melissa Murphy-Rodrigues, Town Manager and Dennis Keohane, Finance Director/Treasurer Collector. Before the Town Manager's presentation, Chairman Semple took a moment to review the Town FY19 Reconciliation Worksheet. He noted that most of the changes are steps and lane, COLAs, and benefits. He pointed out mandatory contractual changes and new additions. Melissa Murphy-Rodrigues noted that there are no new hires and the Budget

Reconciliation Sheet does not contain COLA's. She stated that the COLA information as represented on the Budget Reconciliation Sheet represents a 1% increase that was included in the last negotiations, and will take effect on June 30, 2018, at midnight.

Ms. Murphy-Rodrigues stated that she is proud to submit a budget document that meets the requirements for the Distinguished Budget Presentation Award granted by the Government Finance Officers' Associations (GFOA). She added that her presentation not only includes her recommended budget, but also information about town government, budget procedures and policies, goals, and forecasting information. Ms. Murphy-Rodrigues stated that she is presenting a balanced budget, within capacity, as determined by forecasting exercises and additional information learned since then. She stated that the budget represents a 3.6% increase in revenues, which includes 2.5% and new growth. Ms. Murphy-Rodrigues presented the overall budget that outlines percentages for each department including debt and the operating capital. Ms. Murphy-Rodrigues stated that the LS assessment is increasing by 4.49%, which is 86.95% due to a change in Sudbury's share of the budget, which is now 86.95% for FY19, up from 85.97% in FY18. She stated that this results in an increase of approximately \$170,000 to LS. Ms. Murphy-Rodrigues presented a chart that breaks down the total Town budget. She stated that employee benefits include the Town and SPS. She also stated that the Town portion of benefits is \$5,358,834.00 and that the SPS portion of benefits is \$6,972,337.00. She added that much of the budget is for public safety. Ms. Murphy-Rodrigues stated that the budget is budgeted by clusters and that there is no change in headcount throughout the budget. She also stated that the budgets includes already bargained for increases, a 1% COLA effective on June 30, 2018, at midnight, as well as step increases if eligible. A brief discussion followed on COLAs. Ms. Murphy-Rodrigues explained that 1% was negotiated to be paid at the end of the contract.

Ms. Murphy-Rodrigues presented an overview of the FY19 budget proposal by the budget cluster. She stated that the general government cluster is a level service budget, there are no changes. She did, however, report on proposed changes to the Law Department and Assessors Office, as well as Information Systems, and Town Clerk. She also reported that she is submitting a level service budget for Public Safety. Public Works is level funded for Engineering, Streets/Road, and Combined Facilities; there are proposed changes to Trees and Cemeteries, Parks and Grounds. She reported on proposed changes within the Human Services cluster. She also reported on changes within the Culture and Recreation cluster. Ms. Murphy-Rodrigues reported on the budget by cluster for Town Operating expenses, and Town Wide

Operating OPEB expenses. She stated that the OPEB Trust Fund Contribution budget is \$540,209, which is an increase of \$70,000 from FY18 (Town and SPS) She also stated that the Town intends to increase by \$70,000 annually until the Annual Required Contribution has been achieved. She added that as of today, that would be 11 years. Ms. Murphy-Rodrigues outline employee benefits by cluster, debt, and operating capital. Ms. Murphy-Rodrigues stated that Enterprise Funds are level funded and likely to require little or no rate increase. She added that the vocational education budget is decreasing by \$10%.

Ms. Murphy-Rodrigues thanked her budget team: Maryanne Bilodeau and Dennis Keohane. She also expressed her appreciation to the Department Heads. She stated that each of them submitted a thoughtful and concise budget, met with the budget team and were team players throughout this process.

The Finance Committee continued its deliberation with a brief conversation on OPEB costs, Town wide expenses, and incremental costs. Chairman Semple stated that the Town could successfully operate with some measure of new growth money and some percentage of tax increase for a known cost. Susan Berry stated that the Town Manager has built in a contingency to cover salary increases. Ms. Berry asked Dennis Keohane to confirm that the FY19 net budget is \$32,530,404.00 and that this figure includes the FY18 numbers with some additions as well as SPS and Town benefits.

ITEM 4: Discuss budget updates for LS and SPS

Chairman Semple opened this item for discussion. Tammie Dufault stated that she has been in touch with Anne Wilson and Don Sawyer. She stated that she has a conference called scheduled on Monday and should have more information from them for the Finance Committee. Susan Berry stated that she would like to know from LS and SPS what are the gross numbers for out-of-district and in-district special education cost from FY13-FY17 and an estimate from FY18, as well as the percentage of the total gross budget to see if the SPED percentage of the budget is increasing. Ms. Berry stated that she would also like to see the actual net costs from the Circuit Breaker.

ITEM 5: Discuss follow up from the town meeting budget process

Chairman Semple opened this item for discussion. He stated that the revenue forecast assumes an increase of 2.5%. He also stated that LS is reporting that their contracts in year three will result in over 4% in the salary line item. He added that the cycle feels like the salaries that are driven by the contracts are high and there is no extra money in the budget, which ensures that there is a 2.5% increase each year. He stated that he does not agree with the idea of having to raise the taxes to

the maximum allowed by the levy every year to manage the town. Chairman Semple stated that the taxes would need to be raised by either 2.5% or 2.3% to cover salaries, benefits, and special education. Chairman Semple asked if there was a mechanism at Town Meeting to support members who want to stop the taxes from increasing year after year. A discussion followed on implementing a limiting motion on tax increases.

Dennis Keohane stated that the Finance Committee is governed by the Town bylaws and is required to submit a recommended budget either by recommending the budget the Town puts forward or by proposing a different budget. He added that the different budget is required to explain what the differences are. He stated that prior to Town Meeting the Finance Committee is required to make a recommendation on the budget. Discussion followed on the main budget drivers.

Chairman Semple stated going forward the Finance Committee will continue to encourage completing the three-year forecast. He also stated that it is important to raise awareness on where the money is going, how it's getting consumed, and that there must be some measure of change on contract negotiations, steps, and lanes, etc. in order to get the increases lowered.

ITEM 6: FinCom Report draft/direction

Chairman Semple stated that he had not had a chance to review comments from members on the FinCom Report Draft. He stated that he would edit the draft and put it on the agenda for discussion at the next meeting.

ITEM 7: Future Agenda Topics

Chairman Semple stated that the next meeting is Monday, January 22, 2018. He also stated that the LS Budget deliberation is on the agenda. Chairman Semple stated that he added an agenda item to discuss capital funding sources and the impact on the tax bill.

ITEM 8: Public Comment

There were no public comments.

ITEM 9: Adjournment

Motion and Vote:

Eric Poch moved, and Adrian Davies seconded the motion that the January 18, 2018, Finance Committee meeting adjourns at approximately 9:00 p.m.

The motion carried. The vote on roll call was: Eric Poch, approve, Adrian Davies, approve, Susan Berry, approve, Jose Garcia-Meitin, approve, Bryan Semple, approve, and Tammie Dufault, approve.

The motion carried. The vote was unanimous.

*Next scheduled meeting of the Finance Committee is Monday,
January 22, 2018, at 7:00 p.m.*

Respectfully Submitted: Cheryl Gosmon, Recording Secretary