

**Sudbury Finance Committee  
Meeting Minutes  
September 24, 2018**

**ATTENDANCE**

Finance Committee Members Present: Bryan Semple, Chairman, Jeff Barker, Vice Chairman, Jeff Atwater, Susan Berry, Adrian Davies, Lisa Gutch, Jean Nam, Glenn Migliozi, Eric Poch

**Also Present:** Dennis Keohane, Finance Director/Treasurer Collector, Bella Wong, Principal/Superintendent, Lincoln Sudbury Regional High School, Pat Brown, and Leonard Simon, Sudbury Board of Selectman

**CONVENE:**

Chairman Bryan Semple called the meeting to order at 7:00 p.m. The meeting convened in the Silva Room at the Flynn Building, 278 Old Sudbury Road, Sudbury, MA 01776.

**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 Report**

Lisa Gutch shared an update on the Capital Improvement Advisory Committee (CIAC) meeting she attended. She stated that the CIAC welcomed its newest member and discussed the Fairbank Community Center Design Funds warrant article. She stated that no action was taken at the September 17<sup>th</sup> meeting and that the CIAC is still considering this article. Ms. Gutch stated that the CIAC voted to approve the Lincoln Sudbury Regional High School (LSRHS) proposal to renovate 420 Lincoln Road.

Jean Nam stated that she has been working with Sudbury Public Schools (SPS) and discussing the Reconciliation Worksheet and how to make it better. She stated that she and SPS would submit some suggestions for Finance Committee consideration at a subsequent meeting.

- **Review Calendar**

Chairman Semple stated that Committee would review the Calendar at the end of the meeting. He added that the Finance Committee has this meeting, and per the schedule has a meeting in two weeks and a fall Special Town Meeting.

**ITEM 3: Discussion/Presentation by Bella Wong on reuse of White House Pre-School using E&D Funds**

Chairman Semple opened this item for discussion and welcomed Bella Wong and invited her to present 420 Lincoln Road L-S Academy Renovation and Proposal.

Ms. Wong provided contextual information on 420 Lincoln Road. She stated that the proposal is to restore the dwelling for educational use by investing \$350K from Excess & Deficiency (E & D) for a total project cost. She added proposal would create a substantially separate program for students with social and emotional disabilities whose needs are currently met through placements outside of the school district. Ms. Wong presented an analysis of out of district cost. She stated \$300K covers the cost of one clinical counselor, one special educator, two teaching assistants and maintenance operating expenses. Ms. Wong spoke about the benefits of having the program, process, and timeline. Discussion followed.

Finance Committee members asked detailed questions on capacity, annual cost, why now, why a warrant article would be needed.

Ms. Wong noted that the program has not been marketed yet but that in district students have expressed that the program would be named LS Academy. Ms. Wong addressed viability, sustainability and need. Ms. Wong responded to the member's question about why a warrant article would be needed. She stated that the E & D appropriation goes to the Selectmen in Lincoln and Sudbury who could decide to put forth the question on the use of E&D to Town Meeting members. Ms. Wong stated that she is confident that savings from the program would restore the E&D fund balance in FY21. Ms. Wong shared additional background information that led to the restoration of the 420 Lincoln Road property.

The consensus of the Finance Committee was that they were in general support of this proposal.

**ITEM 4: Upcoming Fall Town Meeting articles**

- Article 1 - Melone Property Disposition

Chairman Semple introduced this item. He noted that Town Manager Melissa Rodrigues will not be involved in the discussion of this item because of ongoing negotiations.

Pat Brown responded to Chairman Semple's questions on the article. She stated that she doesn't know whether the article will be amended before Town Meeting. She also stated that she expects to have the terms of the agreement made available but noted that for this to happen the terms of the agreement must be negotiated. Pat Brown added that Town Meeting members will be asked to vote to give the Board of Selectmen the authority to convey the land. A general discussion followed on the financial aspect of the proposal.

Dennis Keohane, Finance Director/Treasurer Collector joined the discussion and highlighted some of the key financial points of the proposal. A discussion followed on taxes, expenses, and estimated tax revenue.

The Finance Committee discussed the impact on the Town's 40B Comprehensive Permit requirements. Eric Poch expressed concern that the Town would be giving up the opportunity for a revenue-generating property, for land with a restricted value. Chairman Semple outlined the financial aspect of the proposal. He explained that there is some measure of Net Present Value (NVP) with the proposal. A lengthy discussion followed.

#### Public Comment

Chairman Semple opened this segment of the meeting to Public Comment. Chairman Semple recognized John Drew, Wagon Wheel Road. Mr. Drew suggested that rather than sell the property someone should consider the option to lease the property. He added that he would like someone to consider how to meet the need and still control the land. He stated that once the Town sells the property it's gone, and the Town is left with all the operating cost associated with the property.

Chairman Semple recognized, Mark Minassian. Mr. Minassian expressed concerns that the Net Present Value of \$17M base on a projection of \$3900 per student as communicated by the Town is not accurate. A lengthy discussion followed.

After a lengthy discussion on various scenarios associated with the proposal, Chairman Semple stated that this committee needs to focus on the financial aspects of the proposal so that it can be presented to the Town. Chairman Semple stated that he will draft a comprehensive model for the committee's consideration to be discussed at the next meeting. Chairman Semple also stated that he wants to fully understand the 40B 20-20/30 impact, the Meadow Walk numbers, as well as capital relative to the Town's assets.

He added that with the information the Finance Committee should be able to achieve a sensitivity analysis and will need to confirm that new schools will not be needed, and a new fire station will not be needed. Chairman Semple stated that once these calculations are fully understood he would recommend that the committee vote its economic viability.

- Article 2 - Acquisition of Broad Acre Farm  
Chairman Semple stated that we have no numbers on this Article at this time.
- Article 3 - Fairbank Center Design Funds - \$1.9M  
Chairman Semple introduced this item. He referred to the memo Fairbank Fiscal Memo of 9/24. He stated that Dennis Keohane remodeled the operation loss potential for the Fairbank Center. He added that to date the loss is \$655K and the conservative estimates of the new facility have a projected additional \$150K over the current operating cost. Dennis Keohane presented a brief update on FY19 operating budget relative to the Pool Enterprise Fund for the Fairbank Community Center. He stated that the trend for the pool is declining revenue and increase expenses. Chairman Semple noted that the Enterprise Fund operating budget does not include refurbishing the pool or any new updates to the facility. He stated that taxpayer dollars are paying for the facility. The revised plan for the new facility would be a cost to the taxpayers for the facility and according to the conservative financial analysis, the Town Manager will sign off on a 65% cost recovery and its incremental loss of approximately \$150K per year. Chairman Semple compared this information to the Pros Consulting estimates. He noted that the risk with the Pros Consulting estimates includes a significant increase in expenses. A lengthy discussion followed on construction cost, expenses, revenue potential, reductions to programming, and services.

#### Public Comment

Chairman Semple opened this segment of the meeting to Public Comment. Chairman Semple recognized John Beeler, Wagon Wheel Road.

Mr. Beeler stated that he is opposed to the \$1.9M design fund cost for a new Fairbank Community Center. Mr. Beeler referred to a similar facility in Natick in which certain revenue-generating programs cover operating cost. Mr. Beeler encouraged members of the Finance Committee to tour the Sudbury Senior Center for a firsthand look at some of the deplorable conditions that exist at the facility. Mr. Beeler stated that he would rather see support for a facility similar Natick Senior Center facility.

Pat Brown stated that user groups will help inform the process for design and what is being built. A lengthy discussion followed on various cost models as well as annual costs to the taxpayers.

- Article 5 - 420 Lincoln Road Funding - \$350K  
The presentation was given by Bella Wong. Finance Committee in support of this Article.
- Article 7 - Bruce Freeman Rail Trail Design Funding - \$650K  
Selectman Simon Presentation  
Chairman Semple introduced this item. He stated that it is a petition to spend \$650K. Chairman Semple welcomed Selectman Leonard Simon and invited him to present this Article.

Mr. Simon stated that he is bringing this article forward as a petitioner and, not as a member of the Sudbury Board of Selectmen. He explained that the Warrant for the fall Town Meeting opened at a Selectmen meeting mid-August and closed September 4. He stated that there was no intervening Selectmen's meeting to bring this Article to the Board of Selectmen for discussion before the close of the Warrant. He stated that the Article asks for \$650K to complete the design of the Bruce Freeman Rail Trail (BFRT) to the Massachusetts Department of Transportation standards. Mr. Simon presented an outline of the Bruce Freeman Rail Trail, which would be 25 miles from the Chelmsford/Lowell border to Framingham. He summarized Phases of the design that has been completed to date. He stated that the BFRT in Sudbury starts at the Concord line. Mr. Simon outlined the history of support for the BFRT. Mr. Simon stated that the cost of design for Sudbury is \$1,190,000. He stated that the Town has already voted \$540K in design cost, the balance needed for completion of the design is \$650K. Mr. Simon stated that the total cost of the BFRT is \$9,194,000 and Sudbury's cost for design is \$1,190,000. He stated that if the design is not complete Sudbury might lose its current place on the Transportation Improvement Program (TIP) schedule for construction funding in 2022. Discussion followed.

The discussion included a conversation on funding sources such as Free Cash or Community Preservation Committee (CPC). The CPC funding was not a viable option because of concerns that were raised by a resident that could result in litigation. Chairman Semple stated that he would like to understand better the Board of Selectmen's list of priority items for Free Cash for both the fall and spring Town Meetings before deciding on this Article. Selectman Brown

noted that this is not a Board of Selectmen Article. Chairman Semple stated that the Finance Committee's position should be to ask the Board of Selectmen if they plan to support this Article and if not, why. The conversation veered to a brief discussion on the five-year capital plan. Chairman Semple stated that the Finance Committee will wait until the Board of Selectmen vote on this Article before they take a position on it.

**ITEM 5: Time permitting agenda items** - Time would not allow for discussion on the following bulleted items.

- Understanding Circuit Breaker Accounts, Stabilization Funds etc. - Dennis
- Review free cash guidelines specific to the .5% reserve
- Budget guidance letter discussion - do we give guidance
- Updates on settled contracts
  - i. Further discussion of new details of LS contract
  - ii. Additional settled contracts

**ITEM 6: Public Comment**

There were no public comments.

**ITEM 7: Future Agenda Topics**

No discussion on this item.

**ITEM 8: Adjournment**

**Motion and Vote:**

Eric Poch moved, and Jeff Barker seconded the motion that the September 24, 2018, Finance Committee meeting adjourns at approximately 10:57 p.m.

The motion carried. The vote was unanimous.

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*Next scheduled meeting of the Finance Committee is Tuesday, October 9, 2018, at 7:00 p.m.*

*Respectfully Submitted: Cheryl Gosmon, Recording Secretary*