

**Sudbury Finance Committee
Meeting Minutes
March 9, 2020**

ATTENDANCE

Finance Committee Members Present: Chairman, Jeff Barker, Vice-Chairman, Eric Poch (arrived at 7:15 pm), Susan Berry, Ron Brumback, Lisa Guth (arrived at 7:23), Jean Nam, Bryan Semple, Scott Smigler

ABSENT: Chris Carmody

ALSO PRESENT: Dennis Keohane, Finance Director/Treasurer-Collector; Pat Brown and Jennifer Roberts, Sudbury Select Board members; Mara Huston, Park & Recreation Commissioner

CONVENE:

Chairman Jeff Atwater called the meeting to order at 7:09 p.m. The meeting convened at the Flynn Building

ITEM 1: Public Comment

There was no public comment.

ITEM 2: General Business

- **Approve Meeting Minutes**

There were no minutes to approve.

- **Transfers**

There were no transfers.

ITEM 3: FY 2021 Budget Discussion and Vote

Jean Nam asked what the projected cost would be to join a regional school and what the plan is to join. Dennis Keohane explained that the Town asked to join Assabet Valley Regional High School but were not accepted. Jean would like documentation about not being accepted as a member and would like information about what the cost would be if the town was a member at Assabet and Minuteman. The Chair will ask Maryanne Bilodeau to report to us on this at our next meeting.

Scott Smigler asked if the Town is covering the OPEB cost of new employees which lead to a discussion of what the Town is doing to lower the liability (increasing the amount added to the OPEB Trust by \$70,000 each year). Bryan Semple would like FinCom to determine why the Town and SPS are adding to the level of OPEB contribution each year and LSRHS is not.

Bryan Semple mentioned that another open item for next year is where the money is going that the Town receives for Sewataro - is it going to the General Fund, to pay down the debt, etc.

Bryan also would also like an answer on the open item for Frost Farm; what was done to try to reclaim the loss. Jeff will follow up with Maryanne Bilodeau.

The FinCom received a breakdown of the pieces that made up the \$3.8M in Free Cash. Jean Nam asked for a further explanation, in particular about the amount of Free Cash coming from the underestimate of Excise Tax and Building Permits, and overestimate of Employee Benefits. Jean would like to know what was budgeted for FY19 and how that compares with the budget for the previous year. Jean Nam stated that in the latest version of FY21 budget the SPS budget increased by \$13,450 for the Student Opportunities Act, but she didn't see the State Aid increase. She would like to see the breakdown of the State Aid number to understand why the State Aid number didn't change.

Mara Huston, Park & Recreation Commissioner, asked if it is possible to get the \$40K for basic field improvements that was in the Town Manager's capital budget in FY20 back in the FY21 Town Manager's capital budget.

Bryan Semple has trouble with the 3% COLA increase in the LS budget for FY21, but he stated that he is not willing to propose a budget that would decrease the LSRHS budget, resulting in additional teacher cuts. Jeff Atwater suggested that the impact of COLA increases could be part of the conversation when FinCom meets with the Select Board. Bryan also would like the FinCom to highlight the structural issues around two school systems.

Jean Nam suggested that if the FinCom decided to recommend that the Town Manager's Capital budget be funded from Free Cash instead come from inside the levy, then some of that money be used to increase the LSRHS budget such that cuts not need to be made. Jeff Atwater suggested that would dilute the emphasis on managing contracts, and that what he hears the FinCom asking for is a plan/policy about sources to pay for the capital needs.

Given that the FinCom has open questions, Jeff will see if we can push our joint meeting with the Select Board to the 31st in case we don't have answers to our questions on the 16th and need to vote on the budget on the 23rd instead.

ITEM 4: Fairbank Discussion

Bryan Semple had a question about why the tax cost was added to the rent. Jennifer Roberts explained that SPS would have to pay the tax and then the tax would go back to the Town. There was a discussion about renting versus building space for SPS in the Fairbank Community Center project. SPS space is 18% of the overall cost for the new construction space so a little over \$5.3M of the cost.

Eric Poch's concern is that we don't have an overall plan of space needs. Therefore, we don't know if this is the best building opportunity.

Jean Nam doesn't think Park & Recreation is using the space it has. Mara Huston, Park & Recreation Commissioner, responded that September and October were tough months because of transition in leadership and staff.

Scott Smigler went through a list of questions that the FinCom would like answered and discussed at the March 16th meeting:

1. Has a Form A been submitted?
2. Do all 3 user groups support the proposed Fairbank project as proposed?
3. Assessment from Town Staff. Does the current facility pose a clear and immediate risk to public safety and health? If not, is that likely to change in the next 3 to 5 years if project does not go forward.
4. Walk through projected operating and capital maintenance costs. Understand deltas from prior Fairbank financial estimates. What assumptions are used? Do cost centers agree with these projections? Original ask: Please provide 3 years of a historical profit and loss statement for Fairbank (consolidated), along with a 5-year pro forma aligned with the proposed Fairbank rebuild scenario, including estimated revenues, operating costs, and capital costs. Please indicate how these projections compare to current state.
5. Had the architect and relevant Town staff reviewed and certified the square footage numbers and costs presented on February 3rd, prior to the presentation? If not, when will this happen? If so, who on Town staff has signed off?
6. Please clarify conflicting numbers, sourced from the architects: How many total square feet is the existing structure, vs the proposed structure? How much dedicated space will be allocated to each cost center excluding aquatics? How much shared space will there be?
7. Feedback from Town's bond consultants: Potential bond rating risks if we finance over 30 years, vs 20.
8. During the November 7, 2019 Fairbank Working Group meeting, the following steps were outlined: Empathize, Define, Ideate, Prototype (build, model, critique), Test (sharing proposals in public domain), Implement. Is this still the plan? What revised dates are now attached to each of these phases?
9. If this passes at Town Meeting, who will be responsible for overseeing the project through completion. Who will evaluate feedback the community offers on proposed designs and decide what to change or not change?

10. Assessment from Town Staff: Have we verified proposed project will have sufficient parking for peak volume times, such as elections?

11. Who are the primary users of the competition pool? Are pool direct and indirect costs (operations, maintenance, capital improvements) offset by its revenues and user fees? What does 72,000 uses of the pool mean.

12. What is the recovery estimate for Park & Rec programming at Fairbank?

13. Can we get data on what programs actually ran for 2019 and 2020?

14. Could Senior Center or Park and Rec expand into SPS space, structurally?

15. 529 non-Sudbury households registering for 1.6 programs each. What are they registering for?

Lisa Gutch asked that we agree to not to comment on social media on articles we have not yet voted on. Bryan Semple requested that we put this on the agenda for our next meeting since it is not specifically about the Fairbank Community Center but about Finance Committee procedures.

ITEM 5: Capital Article

- **Article 4 FY21 Capital Budget**

Bryan Semple has two problems with the overall budget: The Town Manager's Capital Budget should be funded with Free Cash, lowering the levy, and he disagrees with using cash for the Fire Station. Jeff Atwater stated that he thinks we should have money in the operating budget for our capital. There was a discussion about whether there should be capital in the operating budget or whether we should use Free Cash for capital and lower the tax increase. There was also some discussion about how the Fire Station #2 Addition (Article 20) should be funded. There was also some back and forth about whether the Finance Committee or some other group should have some involvement early in the discussion about what funding mechanism should be used to fund various capital projects.

Dennis clarified that if Article 4 did not pass with the funding source at the Annual Town Meeting, the money would not be part of the levy and the increase in taxes raised through the levy would be closer to 1.5% rather than approximately 2.5%. Bryan Semple said that he would support an amendment to Article 4 that would fund the Town Manager's Capital Budget using Free Cash.

Lisa Gutch moved, and Susan Berry seconded the motion to recommend approval of Article 4 FY21 Capital Budget. The vote was 4 in favor and 4 opposed.

ITEM 6: Town Meeting Articles

At the March 3rd meeting with the Select Board and CIAC, the Finance Committee heard reports on the Capital articles on the Warrant. The Chair lead the committee through a number of these for votes.

Article 21 Purchase Fire Department Ambulance - \$340,000 to be funded from Ambulance receipts. Jeff Atwater asked and Dennis Keohane confirmed that the policy was to accumulate enough money in the Ambulance Fund such that this fund can be used to purchase ambulances. In answer to a follow up question, Dennis stated that there is no written policy to that effect.

Lisa moved and Ron seconded the motion that the Finance Committee recommend approval of Article 21 Purchase Fire Department Ambulance. The vote was unanimous (8-0).

Article 24 Front End Loader with Plow - Cost is \$230,000; \$115,000 will be funded from Free Cash and \$115,000 from the Transfer Station Enterprise Fund.

Eric Poch moved, and Scott Smigler seconded the motion that the Finance Committee recommend approval of Article 24 Front End Loader with Plow. The vote was unanimous (8-0).

Article 25 Pratts Mill Road Roadway Improvements - \$120,000 from Free Cash

Scott Smigler moved, and Bryan Semple seconded the motion that the Finance Committee recommend approval of Article 25 Pratts Mill Road Roadway Improvements. The vote was unanimous (8-0).

Article 26 Old Sudbury Road Culvert Design - \$100,000 from Free Cash
Scott Smigler moved, and Susan Berry seconded the motion that the Finance Committee recommend approval of Article 26 Old Sudbury Road Culvert Design. The vote was unanimous (8-0).

Article 27 Multi-purpose Sidewalk Tractor - \$195,000 from Free Cash; there were questions about how this item correlates to the equipment on the Capital Plan. Jean Nam stated that the DPW has a pretty good plan for replacing capital equipment and requested the DPW replacement plan be reflected on the Capital Plan next year.

Eric Poch moved, and Jean Nam seconded the motion that the Finance Committee recommend approval of Article 27 Multi-purpose Sidewalk Tractor. The vote was unanimous (8-0).

Article 28 Dump Truck with Plow - \$110,000 from Free Cash; Jean Nam said if this is the truck for Parks and Grounds, it was scheduled for FY22. Jeff Atwater said he understood from Maryanne Bilodeau that the yearly capital planning starts from the Form A's submitted.

Eric Poch moved, and Lisa Gutch seconded the motion that the Finance Committee recommend approval of Article 28 Dump Truck with Plow. The vote was 7 in favor and 1 opposed.

Members of the Finance Committee expressed frustration with the process that is currently being used to plan for capital replacement, suggesting that perhaps an addition to the Capital Plan spreadsheet

that shows when a request has been deferred to a later year would be helpful. Eric Poch mentioned that there is not an inventory of capital; need that and then a plan of when capital will need to be replaced and/or renovated.

Article 29 One-Ton Dump Truck with Plow, Spreader and Wing - \$140,00 from Free Cash

Eric Poch moved, and Scott Smigler seconded the motion that the Finance Committee recommend approval of Article 29 One-Ton Dump Truck with Plow, Spreader and Wing. The vote was unanimous (8-0).

Article 30 6-Wheel Combo Body Dump Truck with Plow and Spreader - \$260,000 from Free Cash; Eric Poch commented that this equipment would be more flexible than the equipment being replaced.

Eric Poch moved, and Ron Brumback seconded the motion that the Finance Committee recommend approval of Article 30 6-Wheel Combo Body Dump Truck with Plow and Spreader. The vote was unanimous (8-0).

Article 31 Sudbury Public Schools Surveillance Cameras - \$261,000 from Free Cash

Eric Poch moved, and Jean Nam seconded the motion that the Finance Committee recommend approval of Article 31 Sudbury Public Schools Surveillance Cameras. The vote was unanimous (8-0).

Article 32 Sudbury Public Schools Playground Improvement - \$71,000 from Free Cash and the remainder from grants and monies remaining from earlier playground articles

Eric Poch moved, and Ron Brumback seconded the motion that the Finance Committee recommend approval of Article 32 Sudbury Public Schools Playground Improvement. The vote was unanimous (8-0).

Article 33 Sudbury Public Schools Non-resident Tuition Fund - Bryan Semple said this was net positive allowing SPS to collect tuition and Eric Poch added that it will go straight to SPS to offset costs.

Eric Poch moved, and Ron Brumback seconded the motion that the Finance Committee recommend approval of Article 33 Sudbury Public Schools Non-resident Tuition Fund. The vote was unanimous (8-0).

Article 11 Stabilization Fund - \$40,496 from Free Cash, which gets the Town to the policy of 5%.

Lisa Gutch moved, and Ron Brumback seconded the motion that the Finance Committee recommend approval of Article 11 Stabilization Fund. The vote was unanimous (8-0).

Article 35 Acceptance of Provisions of the Massachusetts Veterans' Brave Act M.G.L. Chapter 59, Sect. 5, clause twenty-second H - The Chair asked Dennis Keohane to give the committee an overview of this article. Dennis stated that if Sudbury accepts this provision, parents of fallen veterans would receive a real estate tax exemption. Currently this would effect one Sudbury family. Dennis stated he does not believe that the exemption is retroactive, but he would defer to the Assessor on that. Eric Poch stated that according to the act, credits were to begin January 1 of 2019.

Susan Berry moved, and Lisa Gutch seconded the motion that the Finance Committee recommend approval of Article 35 Acceptance of Provisions of the Massachusetts Veterans' Brave Act M.G.L. Chapter 59, Sect. 5, clause twenty-second H. The vote was unanimous (8-0).

ITEM 7: Public Comment

There was no public comment.

ITEM 8: Possible Future Agenda Items

- **Review Calendar**

FinCom will meet on the 16th for Fairbank follow-up. Meetings are also scheduled for the 23rd and the 30th, and our joint meeting with the Select Board will be on the 31st contingent on the Select Board agreeing to move the joint meeting to the 31st to hear Finance Committee budget recommendations and other feedback.

ITEM 9: Adjourn

Eric moved, and Jean seconded that the March 9, 2020, Finance Committee meeting be adjourned at approximately 10:23 p.m. The motion carried. The vote was unanimous.

Next scheduled meeting of the Finance Committee is Monday, March 16, 2020 at 7:00 p.m.