

**Sudbury Finance Committee
Joint Meeting with Board of Selectmen
Meeting Minutes
December 3, 2019**

ATTENDANCE

Finance Committee Members Present: Chairman, Jeff Atwater, Susan Berry, Ron Bromback, Lisa Gutch, Jean Nam, Bryan Semple, Scott Smigler,

ABSENT: Chris Carmody and Eric Poch

ALSO PRESENT: Dennis Keohane, Finance Director/Treasurer-Collector; Dan Carty, Chair Board of Selectmen, Pat Brown, Vice Chair Board of Selectmen, Janie Dretler, Jennifer Roberts and Bill Schineller, members of the Sudbury Board of Selectmen

CONVENE:

Chairman Jeff Atwater called the Finance Committee meeting to order to join the Board of Selectmen at 7:45 p.m. The meeting convened at Lower Town Hall.

ITEM 1: Discuss Town Budget Forecast

Dennis Keohane stated that the Town was in good financial condition and the Town held a AAA bond rating as confirmed on 9/30/19 when the Camp Sewataro bond process was implemented. He presented several aspects regarding the Condition of Town - Financial Report for 2019 including details regarding:

- OPEB
- Stabilization Fund
- Capital Fund
- Free Cash
- Budget Forecast
- Revenue Forecast
- Intergovernmental Aid
- Local Receipts
- Other Available Funds
- Revenue Projections for FY19, FY20, FY21, FY22, and FY23

Discussion took place regarding new growth, exclusions/overrides, and Proposition 2 ½. Bryan Semple suggested that a more rigorous financial approach might be considered in order to avoid automatic yearly tax increases. Board of Selectman Vice Chair Brown mentioned that FinCom might consider an alternate budgeting approach.

Selectmen Dretler queried about the local receipts projection. Mr. Keohane confirmed that projections are conservative and if revenues come in higher than projected, the extra monies flow to free cash. Selectman Dretler asked about the increase in ambulance income shown

for FY22. Mr. Keohane replied that it reflects the expectation of increased income with a third ambulance.

Selectmen Roberts questioned the possibility of additional grants. Mr. Keohane responded that he did not know about specific grants.

Mr. Keohane explained that the determinants of budgetary increases are fixed costs, personnel costs, and contracts.

Jeff Atwater asked what fraction of the total budget the personnel-related costs were. Mr. Keohane responded 75%.

Selectmen Dretler asked about amending the Sewataro bond schedule. Mr. Keohane suggested that the tax-exempt bond could be examined.

Selectman Schineller spoke of the revenue stream associated with Camp Sewataro. Mr. Keohane mentioned that such revenue might lower the debt rate.

Mr. Keohane reviewed the Interim Town Manager's three-year financial forecast and detailed that the Town Manager would present the final budget at Annual Town Meeting in May.

ITEM 2: Discuss Town Capital Planning and Budgeting

Board of Selectmen Chair Carty led the capital discussion. Mr. Semple stated that such capital discussion should be scheduled with the DLS presentation. Chair Carty acknowledged that DLS has postponed several times and the Selectmen wanted to meet with them as well.

Board of Selectmen Vice Chair Brown noted that LSRHS financial documentation was included in the packet. She explained that LSRHS School Committee voted to leave Minuteman Nashoba Health Group as the official health provider, but LS staff did not approve, and the deadline to withdraw this year has passed. She detailed that LS Academy building project would likely not happen in Fall 2020 due to cost estimates of approximately \$1.4 million. Vice Chair Brown state that Plan B - the phased plan - would be used. She discussed the LSRHS timeline regarding voting of a budget and presenting it to FinCom.

Resident Robert Liberman, 32 Old Framingham Road, stated that he expected to see a pretty significant presentation with respect to assumptions, seeing how budgets reflect to what actual expenses are on a one year, two year basis. He stated if we are just increasing the actual budget number by a certain percentage, we are not holding anyone accountable for what actual expenses are.

Resident Ralph Tyler, One Deacon Lane, indicated that the Town was doing a good job with controlling the budget when compared with past years. He stressed that teaching could not be automated.

Resident Len Simon, 40 Meadowbrook Circle, asked if DLS had submitted a report to the Town. Chair Carty confirmed that a preliminary report

was submitted. Mr. Simon asked why the preliminary report was not included in the agenda. Chair Carty responded that DLS requested that the preliminary report, or more accurately a draft report, not be published. Mr. Keohane indicated that the report could be submitted by DLS in mid-December. Mr. Simon requested that the report be put on the Town website as soon as possible. Chair Carty confirmed that the report would be included on the website once it becomes available from DLS.

Chair Carty opened discussion of the continuation of the Budget Strategies Task Force (BSTF) asking Susan Berry, the standing chair, to take the lead. Ms. Berry reviewed the history of the committee, explaining that the committee was formed at a time when the three cost centers seemed to be preparing budgets in their individual silos. In this context, she maintained that it was helpful to get representatives from the three cost centers and the boards to which they reported together so that when the cost centers were talking about their own budget, they would be considering it in light of budget pressures on the other cost centers. Selectman Schineller asked for further explanation. Ms. Berry stated that at this point representatives can hear about the budget pressures at the December 9 FinCom meeting, but ideally the BSTF would meet in the early Fall to share information about budget pressures, before cost centers began their budgeting process.

Jeff Atwater stated that there are two key benefits to the BSTF: the sharing of info pre budget preparation and if there is a shortfall that needs to be addressed, the BSTF is a good mechanism to bring those cost center together to address the problem in a collaborative method.

Selectman Dretler agreed that such collaboration is important and asked if change had been affected in the past. Ms. Berry responded that discussing the time change at the Curtis Middle School and the impact on busing at SPS and LS was an example of the effectiveness of the BSTF.

Chair Carty asked the Board members if they wanted the BSTF to continue. Selectman Roberts asked Mr. Keohane if the BSTF was helpful to him in his role. Mr. Keohane stated that from a process standpoint, it was easier to work collaborative with the heads of the three cost centers and not also have to work through a committee.

Vice Chair Brown indicated that the BSTF should continue for at least another year in consideration of the Town Manager transition. Selectman Roberts agreed.

Ron Brumback noted that a more collaborative approach is reflected by BSTF involvement, which helps to provide additional options. Jean Nam noted that a collaborative process was more effective and BSTF represents the voters.

Selectman Schineller motioned to continue the BSTF for another year.
Chair Carty seconded the motion.

VOTED: The motion was approved unanimously.

ITEM 3: Adjourn

**The Finance Committee adjourned from the joint meeting with the
Board of Selectmen at approximately 9:30 p.m.**

*Next scheduled meeting of the Finance Committee is Monday, December 9,
2019.*