

**Sudbury Finance Committee
Meeting Minutes
July 22, 2019**

ATTENDANCE

Finance Committee Members Present: Chairman Jeff Atwater, Vice-Chairman, Vice-Chairman, Eric Poch, Susan Berry, Ronald Brumback, Jean Nam, Chris Carmody, Scott Smigler

ABSENT: Bryan Semple, Lisa Guth

ALSO, PRESENT: Dennis Keohane, Finance Director/Treasurer-Collector, Bella Wong, Superintendent/Principal, Lincoln-Sudbury Regional High School (LSRHS), Ellen Joachim, LSRHS District School Committee, Jennifer Roberts, member of the Sudbury Board of Selectmen

CONVENE:

Chairman Atwater called the meeting to order at 7:07 p.m. The meeting convened at the Flynn Building, Silva Meeting Room, 2nd Floor, 278 Old Sudbury Road, Sudbury, MA 01776.

ITEM 1: Public Comment

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

ITEM 2: General Business

- **Approve Meeting Minutes**

Approval of draft Meeting Minutes was postponed until the next Finance Committee meeting.

- **Transfers**

There were no Budget Transfers to approve.

- **Liaison Report**

Ron Brumback provided a summary of delays and cost overruns for LS Academy on the property at 420 Lincoln Road, formerly known as White House-Preschool. Mr. Brumback stated that although LS Academy is scheduled to open on December 1, he is not sure if that is a realistic date. He expressed that a contractor has not been selected and that the Sudbury Historical Commission will need to look at the property for historical significance. Mr. Brumback concluded his comments by noting that there could be additional costs and delays with this project.

Chairman Atwater noted that Mr. Brumback and Lisa Gutch had prepared a list of questions that were discussed with Superintendent Bella Wong to get a better understanding of the issues. Chairman Atwater stated that he understands that Ms. Wong has room in her operating budget to absorb the increased costs. A general discussion followed on tuition savings and Historical Commission requirements, possible use of E&D funds, and enrollment.

Scott Smigler provided an update on the Master Plan Steering Committee meeting he attended. He stated that the Committee is looking at developing a Metric System for service departments and thinking about what data to include that might be useful to other committees.

- **Review Calendar**

Chairman Atwater led the discussion on this item. He stated that the Finance Committee had talked about September 3 and September 16 has potential meetings anticipating a fall Town Meeting, but with no fall Town Meeting, the Committee decided that it would meet on September 16, 2019.

A discussion followed on planning time to discuss capital projects and review information so that the Committee would have enough time to discuss and review. Chairman Atwater stated that the Committee would use the September meeting to begin the discussion on some of the larger capital projects.

ITEM 3: Discuss LS Academy Budget/Costs Projections

Chairman Atwater opened this item for discussion and welcomed Bella Wong, Superintendent/Principal, Lincoln-Sudbury Regional High School.

Ms. Wong began with a review of the questions that Ron Brumback and Lisa Gutch drafted. She stated that the Historical Commission has determined that the property at 420 Lincoln Road is of historical significance and that she is waiting for them to file their decision formally. Ms. Wong also stated that she will be meeting with the architects to go over the minutes of the April and May meetings with the Historical Commission for clarification on some of the issues. Ms. Wong stated that she also reached out to the Chair of the Historical Commission on items that were not related to the functionality of the building and items that were not intended by LS to be replaced. Ms. Wong added that she will be seeking council from Liaisons and School Committee Chair and Vice-Chair.

Chairman Atwater asked if Ms. Wong could help the Finance Committee understand what savings are built into the budget and

if there is a need to go over and above what has already been built into the LS budget. Ms. Wong stated that in the proposal tuition was created for five students and that is what is in the budget. Ms. Wong stated that LS is projecting possible tuition savings that would result in some surplus that, even with the increase in project costs could replenish some of the E&D fund balance.

Susan Berry asked what the minimum number of students is to start the program. Ms. Wong stated that five students minimum is needed to start the program but that she is projecting five to ten students by the end of the year, and she would have a better idea at the start of school.

Ms. Wong stated that LS Academy has been proposed to families and that families are aware that LS Academy will be starting at First Parish. Ms. Wong stated that full-time staff would include one clinical counselor, one special educator who will be the program director, and one teaching assistant. She pointed out that if there are ten students that a second teaching assistant would be added.

Ms. Wong stated that the Historical Commission's decision could delay the opening of LS Academy on December 1, but she has received reassurance from First Parish that the contract with LS could be extended. Ms. Wong also stated that the Historical Commission will meet on August 29 and that she is hopeful that there will be a favorable decision at which time she would proceed to the procurement process. Ms. Wong noted that the District is committed to working on the building without any additional programming to keep it from deteriorating. Ms. Wong stated that the most expensive part of getting 420 Lincoln Road ready for occupancy is ADA Compliance. A general discussion followed on what the Sudbury Historical Commission might require as well as a discussion on proposed repairs to the turf field.

Jean Nam asked if Ms. Wong would stay with the same architect that gave her the not so great estimates. Ms. Wong stated that she would and that she is more involved in supervising the architect. Scott Smigler asked if the projected number of students are LS students. Ms. Wong stated that because the LS Academy will not open at 420 Lincoln Road, she is only taking in LS students. Mr. Smigler also asked that in the worst-case scenario if there is no agreement with the Historical Commission does this all go away. Ms. Wong responded that she does not know the answer to that question, but LS will work proactively and collaboratively to understand everyone's interest. She also stated that she is optimistic, and she feels supported by both towns that this project will move forward.

ITEM 4: Discuss Approach to FY21 Budget

- Reconciliation Worksheet
 - i. Format
 - ii. Review Process
- Capital Items - how to summarize and review
- Free Cash Expectations

Chairman Atwater opened this item for discussion. He announced that the Town Manager, Melissa Murphy-Rodrigues, is leaving her post to become Town Manager in North Andover. He stated that he had a conversation with Dennis Keohane to ascertain whether this would have an impact on the budgeting process. Chairman Atwater stated that Dennis Keohane replied that he and the Interim Town Manager, working with the Cost Centers, will move the budget process forward.

The conversation followed on the issuance of the Budget Guidance Letter. Chairman Atwater stated that in the past two years it has been Melissa Murphy-Rodrigues' guidance to the Cost Centers on a no override budget and that this year a letter will come from Dennis Keohane and the Interim Town Manager to the Cost Centers on a no override budget. A brief discussion of past practices followed.

Chairman Atwater presented a Budget Reconciliation Worksheet for the Finance Committee's consideration. He stated that this will help the Finance Committee frame its discussion on how to approach the budget submissions as well as the expectation and information we want to get from the Cost Centers. He described the configuration of the Budget Reconciliation Worksheet and how the Committee would use the Worksheet to gather information for FY2021. A discussion followed on capturing the decrease in revenue from retiring personnel. Susan Berry suggested that in December during the budget preview meeting that Cost Centers are asked for an estimate on the number of teachers that are retiring. Ms. Berry also suggested that the Chair give the Reconciliation Worksheets to the Cost Center Finance Directors to find out if the Committee could get the information needed from the data source they are using. Dennis Keohane stated that he is not aware of any tools the Cost Centers are using that would transfer data to the Finance Committee Reconciliation Worksheet. Chairman Atwater stated that the Finance Committee would need information that would give the Committee a better understanding of personnel, programmatic, and out-of-district costs. He added that this will help the Finance Committee understand what is driving the changes. Ms. Berry stated that she would like the Cost Centers to resume updating the Multi-year Comparison Worksheet, and asked if the Finance Committee could go back to the Cost Centers to see if they can give the Finance Committee the data that is requested in a way that

allows the Cost Centers to pull the data directly from their databases.

Chairman Atwater stated that he was talking with Dennis Keohane about capital and that he expressed interest on behalf of the Finance Committee to be engaged earlier in the funding source conversation/decision making to better understand, as the pool of projects are being developed, the funding sources as the Finance Committee reviews the projects. Dennis Keohane stated that an updated list of proposed capital projects would be available for the Finance Committee review in August. A conversation followed on the Community Preservation Committee (CPC) process of reviewing projects and funding sources.

The discussion continued with a conversation on Free Cash. Chairman Atwater provided background information for the new members. He stated that it has been the Finance Committee's recommendation to hold 1/2% of the operating budget for Free Cash and to use Free Cash to maintain the Stabilization Fund at 5% of the operating budget. Susan Berry noted that the Finance Committee reviews the Free Cash Guidelines every year. Dennis Keohane responded to Susan Berry's question on Free Cash estimates and stated that because the year has not been closed out, he does not have an estimate at this time. He also stated that he estimates that Free Cash would be consistent with prior years.

ITEM 5: Public Comment

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

ITEM 6: Possible Future Agenda Topics

Scott Smigler suggested three topics of discussion: 1, start the discussion earlier on capital projects; 2, bring larger projects like Fairbank in for discussion earlier; and 3, consult an expert regarding regionalization (referring to Jeff Barker's recommendations in his outgoing letter).

ITEM 7: Adjournment

Motion and Vote:

Eric Poch moved, and Susan Berry seconded the motion that the July 22, 2019, Finance Committee meeting be adjourned at approximately 8:50 p.m.

The motion carried. The vote was unanimous.

Next scheduled meeting of the Finance Committee is Monday, September 16, 2019, at 7:00 p.m.

Respectfully Submitted: Cheryl Gosmon, Recording Secretary

