

**Sudbury Finance Committee  
Meeting Minutes  
February 10, 2020**

**Members of the Finance Committee present were:**

Chairman, Jeff Atwater, Vice-Chairman, Eric Poch, Susan Berry, Ronald Brumbach, Jean Nam, Bryan Semple, Scott Smigler

**Absent:** Lisa Gutch, Christopher Carmody

**CONVENE:**

Chairman Jeff Atwater called the meeting to order at 7:02 p.m. The meeting convened at the Flynn Building, in the Silva Meeting Room, 2<sup>nd</sup> Floor, 278 Old Sudbury Road, Sudbury, MA 01776.

**ITEM 1: Public Comment**

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

**ITEM 2: General Business**

- **Approve Meeting Minutes**  
There were no Meeting Minutes to approve.
  
- **Budget Transfers**  
There were no Budget Transfers to approve.
  
- **Liaison Reports**  
Scott Smigler reported that the CIAC met on Tuesday, February 4, 2020, and will meet again jointly with the Finance Committee and the Board of Selectmen on Tuesday, March 3, 2020.

**ITEM 3: Budget Deliberations**

- Review the combined reconciliation sheet
- Identify items for follow-up from Cost Centers

Chairman Atwater opened this item for discussion. He noted that he has consolidated the reconciliation worksheets. The Committee began its deliberations with a review of the Town's budget, which is a 2.6% increase excluding benefits and OPEB. A discussion ensued on revenue allocation from the Sewataro land acquisition. Chairman Atwater noted that the revenue for Sewataro is fixed at \$120,000, and there is a variable piece depending on earnings from the camp. Bryan Semple asked about the Town's plans for Frost Farm. Chairman Atwater stated that he

would add this to follow-up items. The conversation on the Town's budget continued. Jean Nam referred to the budget book and the introductory letter regarding the Town's proposed operating and capital budgets. She mentioned that the numbers do not include capital outside of the Town Manager's capital budget and that in previous years capital outside the Town Manager's capital budget was included. A discussion followed on initial recommendations from the Capital Funding Committee, one of which was on building \$2.5M per year into the tax levy to help fund capital. There was some disagreement that the Capital Funding Committee made that recommendation and whether the Board of Selectmen have determined that the \$2.5M would be in the levy. Chairman Atwater will check on this question and ask if a policy has been determined on how to fund the capital budget.

The Finance Committee discussed capital items on the Town Manager's budget, and LS capital requests that were not included in the Town Manager's budget. Ron Brumback will follow up with LS on capital requests. There were questions about where Park and Recreation revenue shows up in the FY2021 Preliminary Town Budget. Chairman Atwater will ask for a breakout of local receipts, and Park and Recreation revenue, and request a presentation on the enterprise funds.

The conversation returned to the reconciliation worksheet. Chairman Atwater stated that he and Susan Berry will contact Don Sawyer, Business Director for SPS regarding a better breakout of COLA, Steps, and Lanes. Chairman Atwater will check to see if the Town and SPS and the LS benefits have been finalized.

Ron Brumback reported on LS Academy cost-savings at \$630K net, out-of-district tuition reimbursement, and the number of students coming from SPS to LS. Bryan Semple brought up that the LS OPEB contribution was not increased in FY20 and is not increased in the FY21 budget. A discussion followed on lowering the risk of liability for health insurance. Ron Brumback noted that LS will meet with the Actuarial on February 26th. After a lengthy discussion, Bryan Semple suggested that the Finance Committee push to have a better understanding of the gap in health costs between LS and the Town (which includes SPS) and also whether the Cost Centers are following a similar trajectory for funding OPEB.

Chairman Atwater reviewed the follow-up items with the Committee. He stated that for the Board of Selectmen, he will ask if there a policy on funding capital, and why did Free Cash come in so high this year. He will also ask what happened to the LS capital projects requests and request a breakout of local receipts as well as information about Park and Recreation receipts. Chairman Atwater stated he will also request follow-up

on what the benefit rate increases were for the Town and SPS, as well as breaking out the benefits and pension assessments. He will ask for an updated build-out cost for LS Academy. Jean Nam stated that she would like to understand the cost of vocational education and where the Town stands in terms of plans to join Assabet Valley Regional Technical High School.

**ITEM 4: Fairbank Discussion**

- Review available materials
- Discuss the criteria the committee will use to review the article
- Discuss how to present the findings to Town Meeting

Chairman Atwater stated that the Fairbank Working Group will not have a presentation ready for Finance Committee consideration until February 25<sup>th</sup>. He stated that he would like the Finance Committee to think about how the Committee would evaluate this project. Scott Smigler suggested that the Finance Committee consider creating objective criteria that would evaluate large capital projects. Bryan Semple stated that understanding the funding source as well as the impact on the tax bill are common examples of evaluating large capital projects. Chairman Atwater stated that looking at Sewataro or Fairbank that these are large and unique projects and that it would be difficult to assign a common set of criteria to these projects. Scott Smigler shared examples from comparable communities on criteria that have been used to evaluate large capital projects. There was interest in considering criteria, and Scott Smigler will send those examples to Chairman Atwater. There were comments and questions about this project from the Committee that the Committee will expect the presentation to answer or explain as well as hearing how this project aligns with the strategy of the Park and Recreation Department.

**ITEM 5: Town Meeting Articles (if available)**

Chairman Atwater opened this item for discussion. He asked if Finance Committee members had questions on any of the articles that they would like to have presentation on to the Committee. A general discussion followed on which articles the Finance Committee needs to take a position on.

**ITEM 6: Town Meeting Report**

- Thoughts for improvement and additional items to add
- Assigning sections to members

Chairman Atwater opened this item for discussion. He stated that the warrant report is a summary of the articles, as well as a narrative on the 2.5% guidance and how the budgets are impacted by this. The Finance Committee discussed possible improvements to the report and assignment of sections. The final report will

include a summary on the list of articles and how the Finance Committee voted on the articles, a description of the Tax Levy and the Prop 2.5% Operating Budget and Budget Drivers, Positive Budget issues, Budget concerns, Debt and Capital Exclusions, etc. Chairman Atwater will update the report and send a copy to the Finance Committee for their review. Scott Smigler stated that Jean Nam had created a good model for understanding changes in the property tax bill. He shared historical data on property tax bill trends and projections going forward for the coming year based on a scenario that everything is approved at Town Meeting. A general discussion followed on the levy, tax rate, and tax bill. Chairman Atwater will verify the numbers with Dennis Keohane, Finance Director/Treasurer-Collector.

**ITEM 7: Public Comment**

There were no public comments.

**ITEM 8: Possible Future Agenda Topics**

- Calendar Review - Chairman Atwater stated that the Finance Committee has a March 31<sup>st</sup> deadline for anything printed in the Warrant. Chairman Atwater also stated that he will confirm the February 25<sup>th</sup> meeting with the Fairbank Working Group and March 3<sup>rd</sup> joint meeting with the Finance Committee, the CIAC, and the Board of Selectmen. Chairman Atwater stated that the Finance Committee will meet on Monday, March 9<sup>th</sup>, and Monday, March 16, which is a budget meeting with the Board of Selectmen. He added that March 23<sup>rd</sup> and 30<sup>th</sup> the Committee will review Warrant Articles and vote on the Committee's positions.

**ITEM 9: Adjournment**

**Motion and Vote:**

**Susan Berry moved, and Eric Poch seconded the motion that the February 10, 2020, Finance Committee meeting be adjourned at approximately 10:15 p.m.**

**The motion carried. The vote was unanimous.**

*The next scheduled meeting of the Finance Committee is Tuesday, February 25, 2020, at 7:00 p.m.*

*Respectfully Submitted: Cheryl Gosmon, Recording Secretary*