

**Sudbury Finance Committee  
Virtual Meeting Minutes  
July 13, 2020**

**ATTENDANCE**

Finance Committee Members Present: Vice-Chairman, Eric Poch, Susan Berry, Ron Brumback, Jean Nam, Bryan Semple, and Scott Smigler

**ABSENT:** Jeff Atwater, Chris Carmody, Lisa Gutch

**ALSO PRESENT:** Dennis Keohane, Finance Director/Treasurer-Collector

**CONVENE:**

Vice Chair Eric Poch called the virtual meeting to order at 7:08 p.m.

**ITEM 1: Public Comment**

There were no public comments.

**ITEM 2: General Business**

- **Approve Meeting Minutes**

Reviewed minutes from 2/10, 4/27, 7/22/19

Scott Smigler moved, and Ron Brumback seconded the motion to approve minutes for 7/22/2019. The motion was approved unanimously on a roll call vote.

Scott Smigler moved, and Ron Brumback seconded the motion to approve minutes for 2/10/2020. The motion was approved unanimously on a roll call vote.

Ron Brumback moved, and Scott Smigler seconded the motion to approve minutes for 4/27/2020. The motion was approved unanimously on a roll call vote.

- **Transfers and other business**

There were no transfers.

- **Liaison Reports**

- o LS related school committee activity - Ron Brumback reported that LS is comfortable with its FY21 budget for now and do not anticipate coming back to FinCom to request a change. LS has \$500K of E&D funds for Covid19 expenses and/or unexpected additional OOD costs. This could change if DESE requirements change, or if CDC recommendations require LS to reopen with all students for all 5 days. Also LSRHS has yet to receive DESE recommendation for transportation.

- o SPS related school committee activity - Susan Berry reported that at the July 10<sup>th</sup> School Committee meeting, the Committee

consensus was to focus on reopening the schools this fall in a hybrid model for safety reasons. That will eliminate the need for the district to invest in student desks (students currently use tables in many classrooms). At this time, SPS does not have a clear picture of their financial needs because one of the biggest factors may be transportation and there is no DESE guidance yet on transportation. In answer to a question about refunds to families due to the March closure, the School Committee voted to refund about \$79,000 in bus fees. SPS does not collect any activity fees. Canceled field trips were refunded at the building level.

As a follow up to the LS report, Ron Brumback reported that LS refunded the spring athletic fee. They refunded one-third of the annual parking fee. No permits were sold for the spring. They refunded money in the food service accounts upon request. Some preferred to carry forward unused sums to the next year. There are no bus fees since Regional School Districts are not allowed to assess bus fees and still receive state reimbursement for transportation costs. LS did not reimburse any portion of the annual \$60 activity fee. They felt that value had essentially been achieved through end of year even though the last part was remote.

### **ITEM 3: Budget updates**

- **Review updated budgets**

Eric Poch noted that there are no new updates beyond those in the liaison reports. Dennis Keohane responded to Eric's question that the updated Budget Book is being reviewed by the Town Manager and Dennis hopes it will be up on the website in the next few days. Scott Smigler asked whether Dennis will be submitting updated three-year expenses and revenue projections. Dennis reported that has not been determined yet, but he has not completed updated projections. The Town is still waiting to hear about the FY21 State Aid, and Dennis does not expect to have information from the state in the next couple of weeks. The Town is eligible for up to \$1.7M from the CARES Act, have submitted for \$250K, and have received about \$93K. Costs covered by the CARES Act would be for Covid-19 related costs.

There was discussion about whether the three-year revenue and expense projections should be updated and/or whether the Finance Committee could get a projection that would show a worst-case scenario with some idea how the Town would handle this case (i.e., what might need to be cut or whether we have reserves to weather this).

Scott Smigler noted that these are unprecedented times in terms of unemployment in which unemployment in Sudbury has gone from

1.9% to 9.2% in two months and that projections based on FY08-FY10 may not apply.

In answer to questions from FinCom members, Dennis Keohane stated that if everything on the Warrant gets approved, the tax bill will go up by 2.7%. If the Fairbank Community Center Proposal passes, the cost won't be reflected in the tax bill for two years; the earliest would be FY22 and that would just be interest. The major impact would start in FY23. The increase from the operating budget is about 2.2% and the debt service adds another about .5%.

What the Finance Committee is hearing from the cost centers is that they are comfortable with their budgets given what they know currently and are not planning to change their budgets until or unless the picture changes. Opinions on the Finance Committee varied. Suggestions included spending less on capital, using Free Cash to supplement the operating budget, coming up with something like the North Andover MOU, increasing the Stabilization Fund, to agreeing that until the Town has information from the state about State Aid, the current estimate is the best we can get. The Finance Committee also heard that the balance in the Stabilization Fund is roughly \$5M, \$3M in released overlay surplus, and \$1M in the Melone Fund.

Members of the Finance Committee's asks included updated revenue projections and what the property tax bill impact would be over 3 years. Also, whether the Town Manager heard back from the Schools if there was anything on the capital list that could wait. If the Finance Committee could get an estimate that was more conservative, it would include a look at what the town and schools would need or what the impact would be if State Aid decreased substantially, health insurance costs increased by 20%, the Enterprise Funds needed to be supplemented with operating funds, there was a reduction in property tax collection (Scott showed a model that assumed 3 times more decrease than seen in FY08-FY10), and there was no Sewataro revenue.

There was discussion of an MOU requested by the North Andover Finance Committee before supporting the North Andover FY21 budget that spelled out what measures the town would take if the facts on the ground changed before the end on the calendar year. The committee also discussed asking Town Manager Hayes if he would agree to delay capital projects for 3 to 6 months to see if there are changes in the financial outlook.

Vice Chair Poch agreed to send a note to or have a conversation with the Town Manager asking for a three year projection based on the scenarios presented by Scott Smigler and what it might look like if the town agreed to 3 to 6 month delays in capital projects to protect against potential revenue shortfalls.

There was also a brief discussion about whether members of the Finance Committee wanted to request additional cuts to the budget, but there was no agreement on this. Some members would like to get information from the schools about what expenses they can anticipate due to Covid-19 that are not included in the budgets today, and can they estimate those costs.

**ITEM 4: Town meeting articles**

Dennis Keohane mentioned that a few articles have been proposed for withdrawal and this will be voted on at the Tuesday night Select Board meeting - Article 8 Snow and Ice, Article 20 Fire Station, Article 24 Front End Loader, and Article 27 Multipurpose Sidewalk Tractor.

**Article 5 FY21 Transfer Station Enterprise Fund** - Dennis Keohane stated that at the start of FY20 there was approximately \$235K in retained earnings in the fund. At this point there are still more than \$200K in retained earnings in the fund. There are no new initiatives.

**Susan Berry moved, and Jean Nam seconded the motion to recommend approval of Article 5. The motion passed unanimously on a roll call vote.**

**Article 6 FY21 Pool Enterprise Fund**

Jean Nam said she was not ready to vote on the Pool Enterprise Fund or the Field Maintenance Enterprise Fund (Article 7) until she sees the budget with the retained earnings. Dennis Keohane stated that the Pool Enterprise Fund began FY20 with \$605 in Retained Earnings; ended the year with a \$77,394 deficit. The Field Maintenance Enterprise Fund had \$40,831 in retained earnings at the beginning of FY20; ended the year with a \$19,691 deficit. Jean requested the committee wait on Articles 6 and 7.

**Article 10 Chapter 90 Highway Funding**

**Scott Smigler moved, and Jean Nam seconded the motion to recommend approval of Article 10. The motion passed unanimously on a roll call vote.**

**Article 12 Goodnow Library Services Revolving Fund**

This is a general multi-purpose revolving fund for the library funded by lost book fees and other fees for services charged by the library to fund replacement and the cost of the services.

**Scott Smigler moved, and Jean Nam seconded the motion to recommend approval of Article 12. The motion passed unanimously on a roll call vote.**

**Article 13 FY21 Revolving Fund Limits**

There are couple of revolving funds with increased spending limits.

**Susan Berry moved, and Jean Nam seconded the motion to recommend approval of Article 13. The motion passed unanimously on a roll call vote.**

**Article 15 Fund Litigation Costs - Eversource**

Article requests \$150,000 additional funding for the Eversource litigation. There was some discussion about what the Town is trying to do at this point. There was a question about what the Town has allocated to date for this litigation. Dennis Keohane will get the exact amount, but it is about \$1M.

**Susan Berry moved, and Jean Nam seconded the motion to recommend approval of Article 15. The motion passed unanimously on a roll call vote.**

**Article 16 Post-Employment Health Insurance Trust Fund**

This article would move the last of the money in the Health Insurance Trust Fund (\$211,867) to the OPEB Trust.

**Scott Smigler moved, and Susan Berry seconded the motion to recommend approval of Article 16. The motion passed unanimously on a roll call vote.**

Members of the Finance Committee asked Dennis Keohane to take the suggestion back to the Town Manager, that the \$211,867 be considered part of the \$680,249 that the Town put in the OPEB Trust, decreasing the amount that will be funded with Free Cash.

**Article 42 CPF - Historic Resource Inventory Survey**

This would be \$30K of the \$259K available for historic category.

**Scott Smigler moved, and Susan Berry seconded the motion to recommend approval of Article 42. The motion passed unanimously on a roll call vote.**

**Article 43 CPF - Removal of Invasive Species from King Philip Woods**

50% of the \$47,600 requested in this article would come from the historic category.

**Scott Smigler moved, and Eric Poch seconded the motion to recommend approval of Article 43. The motion passed unanimously on a roll call vote.**

**Article 44 CPF - Design of Wayside Inn Road Bridge over Hop Brook**

Members of the committee argued that this project does not need to be done at this time, given that the bridge is operational and safe currently, and there is some question about what the final cost will be.

**Susan Berry moved, and Ron Brumback seconded the motion to recommend approval of Article 44. The motion failed 0-6 on a roll call vote.**

**Article 45 CPF - Remediation of Water Chestnuts from Hop Brook**

Request is for \$180,000, \$60,000 per year for a new, more effective approach to controlling the water chestnuts.

**Scott Smigler moved, and Eric Poch seconded the motion to recommend approval of Article 45. The motion passed unanimously on a roll call vote.**

**Article 46 CPF - SHA Acquisition, Preservation, Creation, and Support of Affordable Rental Housing**

This article allocates the 10% of the CPC Funds (\$259,000) that are to be spent in the housing category to the Sudbury Housing Authority.

**Susan Berry moved, and Ron Bromback seconded the motion to recommend approval of Article 46. The motion passed unanimously on a roll call vote.**

**Article 47 CPF - RSHO Annual Fee**

**Scott Smigler moved, and Ron Bromback seconded the motion to recommend approval of Article 47. The motion passed unanimously on a roll call vote.**

**Article 49 CPF - Reversion of Funds**

**Ron Bromback moved, and Susan Berry seconded the motion to recommend approval of Article 49. The motion passed unanimously on a roll call vote.**

**Article 50 CPF - General Budget and Appropriations**

**Eric Poch moved, and Scott Smigler seconded the motion to recommend approval of Article 50. The motion passed unanimously on a roll call vote.**

**ITEM 5: DLS Report on Town Policies**

No action.

**ITEM 6: Public Comment**

There was no public comment.

**ITEM 7: Adjournment**

**Susan Berry moved, and Jean Nam seconded the motion to adjourn at 11:11 p.m. The motion passed unanimously on a roll call vote.**