

**Sudbury Finance Committee
Virtual Meeting Minutes
July 27, 2020**

ATTENDANCE

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

ABSENT: Jeff Atwater and Chris Carmody

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

CONVENE:

Vice Chair Eric Poch called the virtual meeting to order at 7:07 p.m.

ITEM 1: Public Comment

There was no public comment.

ITEM 2: General Business

- Approve meeting minutes
Held until next meeting

- Transfers and other business
There were no transfers.

The Finance Director informed the committee that the FY21 allotment from the CARES Act is \$1.6M

- Liaison reports

SPS - Susan Berry reported that COVID19 related expenses in FY20 were \$272,908 (\$222,796 in Chromebooks and balance in Safety Supplies), were paid with FY20 budget dollars, and are eligible for FEMA reimbursement (75%). SPS ended FY20 with \$929,928 used to prepay FY21 OOD tuition and transportation costs, making this total available for use in FY21 (\$894,121 from unused Circuit Breaker and \$35,807 from operating budget balance). SPS Transportation Revolving account ended the year with a balance of \$369,750. After reimbursements to families, will have approximately \$290,820 in funds that can be expended for student transportation related expenses in FY21. SPS is eligible for \$603,675 from the Governor's CvRF School Reopening Grant to be used for any direct COVID-19 related expenses (with a few exceptions) obligated between 7/1/20-12/30/20. This is an entitlement type grant that SPS must

submit the plan for by 8/31/20, and then draw down funds monthly as expended.

Brad's response to question about additional possible expenses: "We have identified many items and are doing our best to have the FY21 budget along with State and Federal funds to cover those expenses. As you can imagine, there are still many unknowns." Areas identified where there may be additional costs were: Transportation; Custodial cleaning; Additional Staffing for Remote learning; Building substitutes; Lunch and recess supervisors and additional supports; HVAC recommendations to ensure environmental safety; Technology hardware and subscriptions; PPE; Classroom seating, plexiglass, and outdoor spaces.

LS - Ron Bromback reported that there has been no change from his last report. LS is eligible for \$351,900 from Governor's CvRF School Reopening Grant, and \$27,000 in CARES Act eligibility. Ron reported that the biggest vulnerability is transportation and that the technology needs have been covered in the budget.

Jean Nam asked if there is information about any additional cost for buses given that LS and SPS are likely not to be able to share buses if they adopt the hybrid plans each system has indicated they prefer. If LS or SPS know how much of an increase there might be, Finance Committee does not have that information at this point.

ITEM 3: FY21 Budget - Discussion and vote on recommendation

Free Cash update - If all the articles pass at the Annual Town Meeting that are to be funded with Free Cash, there will be \$940,053 unused in the available Free Cash.

FY21 revenue has been updated, but three-year revenue estimates have not been updated in the Budget Book. Some members of the Finance Committee are reluctant to vote on the budget without an update to the three-year revenue estimates. There was also discussion of the fact that the narratives in the updated Budget Book do not reflect changes due to Covid-19.

Jean Nam asked about where things stand with her request for information about vocational education. Dennis Keohane replied that the Town Manager has reached out to Assabet Valley Technical High School but does not know if they have responded.

Dennis Keohane went over the changes to the Expenditures and Revenues from the original FY21 numbers: \$200K transfer to the Enterprise Funds, \$211,367 adjustment to the OPEB budget, the addition to Human Services on the expense side; on the revenue side, lowered State Aid, Local Receipts, and Real Estate and Personal Property (to lower the tax impact), and added the use of Free Cash. Adjustment to revenue was over \$1.4M.

Scott Smigler asked if it would be helpful to have the Town Manager come to a Finance Committee meeting to discuss the disagreement between some members of the Committee and the Town over whether to do a worst-case scenario of revenues before the Town has more information about State Aid for FY21. The request is in part to understand the potential risks and pressures and, where the budget has held steady, what the rationale for that is. The committee discussed whether and why individual members are requesting this information before voting on the budget and/or voting in favor of the proposed budget. Because making projections for FY22 and FY23 confidently is hard, Scott Smigler suggested three possible paths for the Finance Committee: remove projections for FY22 and FY23 and replace this with a narrative with strengths and risk; remove projections for FY22 and FY23 and replace with a couple of possible scenarios, for instance a worst case and best case; or wait for about a month until there are better estimates of costs from the schools, and include those.

The Finance Committee continued to discuss what information they still would like to get from the Town and the schools: strengths, weaknesses, and threats or an updated 3-year projection. This led to a discussion about whether to vote on the budget at this meeting in order to

get the Finance Committee report in the Warrant or whether to try to meet with the Town Manager later in the week to get some answers to the questions members have and the rationale for the numbers in the budget given Covid. The Chair stated that given the deadlines, the committee needs to vote the budget tonight and will need to have another meeting.

Out of order Susan Berry moved, and Jean Nam seconded the motion to rescind the earlier vote on the FY21 budget (which has changed).

The motion passed unanimously on a roll call vote.

Lisa Gutch moved, and Susan Berry seconded the motion to recommend approval of the FY21 budget.

The motion failed by a vote of 3 in favor, 3 opposed, and 1 abstention on a roll call vote.

After the vote, it was noted that the Finance Committee now needs to come up with an alternative budget. The committee decided to have one committee member work on a draft budget to bring back to the committee to discuss and vote on at a meeting on Thursday, July 30. Jean Nam volunteered to draft an alternate budget for the committee to review at the Thursday meeting.

ITEM 4: Town meeting articles - Discussion and vote

• Article 51 Acquire ¼ mile of CSX Corridor (Station Rd to Rt 20)

Len Simon, the petitioner, presented this article. He stated that acquiring this section of the CSX Corridor would allow the possibility of having the portion for the Sudbury section of the Bruce Freeman Rail Trail end at Route 20. CSX would like to sell this corridor now. The Town has received two grants, one a \$100,000 Recreational Trails grant and a \$60,000 grant, both of which must be used this year or they will be lost. He stated that the approximate cost would be \$300K based on a 2016 estimate of the entire CSX corridor in Sudbury. The petitioner does not have a current valuation. If Article 17 passes, this article would be moot since this section would be

included in the purchase requested in Article 17. The request for this would be from Free Cash.

Jean Nam asked about the status of being able to use the \$400K in CPC monies for this purchase. Mr. Simon responded that Congressman Gentile has submitted a bill, but he does not know where that stands.

Since there is not yet information about Article 17, the committee decided to wait on taking a vote.

• **Article 4 FY21 Capital Budget**

Since this article has changed, the Finance Committee needed to take a vote to rescind the committee's previous vote.

Scott Smigler moved, and Jean Nam seconded the motion to rescind the Finance Committee's previous vote on Article 4. The motion passed unanimously on a roll call vote.

The committee decided to postpone voting on this article until the meeting on Thursday.

• **Article 7 FY21 Recreation Field Maintenance Enterprise Fund Budget**

Scott Smigler moved, and Susan Berry seconded the motion to recommend approval of Article 7. The motion passed unanimously on a roll call vote.

The committee decided to skip Article 8 Pool Enterprise Fund and will ask Dennis Marronne to report on the plan to stabilize the Pool Enterprise Fund.

• **Article 48 Community Preservation Fund - Library Historic Room Conversion**

Susan Berry moved, and Bryan Semple seconded the motion to recommend approval of Article 48.

A discussion followed clarifying what the project would entail and why it is to be funded with CPC monies in the historic category.

The motion passed with 6 in favor, 0 opposed, and 1 abstention on a roll call vote.

Article 3 FY21 Budget

Bryan Semple walked the committee through a draft he had started with some assumptions the committee could use to propose an alternative budget.

ITEM 5: Finance Committee Section of Town Warrant

The Chair will send a request to the Town Manager that Dennis Keohane populate the tax bill template that the Committee will use in the Finance Committee section of the Town Warrant. There was discussion about getting the Finance Committee report ready for the Warrant.

ITEM 6: DLS Report on Town Policies

There was no discussion on this topic.

ITEM 7: Public Comment

Pat Brown requested that someone on the committee write out a formal list of questions that the committee wants answered and send them to the Town Manager asking for responses.

Silvia Nerssessian said the SPS Committee has to vote on the plan for starting school by August 10th. Also, she stated given the numbers the SPS Committee is hearing from families, there may not be a huge increase needed to fund transportation.

ITEM 8: Possible Future agenda topics and Calendar Review

Finance Committee will meet again on Thursday, July 30.

ITEM 9: Adjourn

Lisa Gutch moved, and Scott Smigler seconded the motion to adjourn the Finance Committee meeting at 11:00 p.m. The motion passed unanimously on a roll call vote.