

**Sudbury Finance Committee
Minutes
February 25, 2019**

ATTENDANCE

Finance Committee members present: Chairman Bryan Semple, Jeff Atwater, Jeff Barker, Susan Berry, Adrian Davies, Jean Nam, Glenn Migliozi, and Eric Poch.

ABSENT: Lisa Gutch

ALSO PRESENT: Melissa Rodrigues, Town Manager; Dennis Keohane, Finance Director/Treasurer-Collector; Town Department Heads

COVENE:

Chair Bryan Semple called the Finance Committee meeting to order at 7:00 p.m. in the lower Town Hall.

ITEM 1: Public Comment

There was no public comment.

ITEM 2: General Business

- **Approve Meeting Minutes**
There were no minutes to approve.
- **Transfers and other business**
There were no transfers.
- **Liaison Reports**
There were no further liaison reports when this item was taken up at the end of the meeting.
- **Review Calendar**
The next meeting is a joint meeting with the Board of Selectmen and CIAC on Tuesday, March 5th to review the capital articles. A meeting on March 11th will focus on Town Meeting articles and March 26th the budget recommendation will be due.

ITEM 3: Town Budget Presentation

Town Manager Rodrigues presented the FY20 Budget, a balanced budget which is an increase of 3.31% including Proposition 2 1/2 plus new growth of \$750K. A new funding source in FY20 is a SAFR Grant. The first year of the grant will pay for 75% of salary costs for 4 new firemen plus benefits.

Ms. Rodrigues went over changes to the LS assessment which has resulted in modifications to the overall budget. The original estimate for the LS assessment was 87.46% for Sudbury. After submitting their budget, LS received updated information from DESE that Sudbury's assessment is 87.90%. This results in a \$305K increase in the LS assessment. The Town budget will be modified by reducing the Reserve line item by \$105K and will potentially reduce benefits by \$200K. This

projection is based on fewer employees taking health insurance and is dependent on the final GIC rates expected later this week.

Ms. Rodrigues stated that the town budget includes a 2% COLA increase for employees and step increases totaling \$414,369. All the departments within the General Government Cluster are staying at level service - same number of employees and same services. The Town is requesting increases in Police and Fire in FY20 which are being managed without an override. The police are requesting one new patrolman to accommodate increase in calls for service. The SAFR grant will allow the Town to increase the Fire Department by 4 firemen while spreading the fiscal impact over three years. The town will pay 25% of the cost in the first year, 25% in the second year, 65% in the third year, and the full cost after that. The Town plans to absorb these costs in the Fire budget.

The Building Department is being increased by \$15K to increase contract hours due to an increase in inspections. The Building Department brought in approximately 1.4M in fees.

In answer to questions about the additional patrolman, Chief Nix responded that he is trying to get two cars in North Sudbury on all shifts so that there are two cars in the north and two in the south. Also, projecting forward, Chief Nix stated that he would like three more officers in the next five years.

In the Public Works cluster, the Trees and Cemeteries budget decreased due to attrition. The other areas, Engineering, Streets and Roads, Parks and Ground, and Combined Facilities are level service.

In the Human Services Cluster, the Board of Health and Veterans are at level service. The Council on Aging expense line item is increased by \$2,000 and the Volunteers Coordinator salary line item has increased as the Sudbury Foundation will no longer be funding this position.

All areas in the Culture and Recreation Cluster are level service. In the Town Wide Operating Cluster, the Town Wide Operating expenses are level service, the Town Reserve Account has been decreased by \$100K due to the LS assessment shift, and a new Transfer account has been added to shift \$10,100 each year from the levy to the Turf Stabilization account for future replacement of turf fields.

The OPEB Trust Fund contribution has been increased by \$70,000 for the Town and SPS which is the continuation of a 10-year plan. The budget includes a 3.11% increase in employee benefits for the Town and SPS if the town is able to make the \$250,000 reduction proposed.

The Town Manager also went over the funding for capital; the committee will hear details about the projects at a joint meeting next week. The town is requesting a total budget of \$1,370,000 for capital; \$800K will be funded by the levy and \$570K from Free Cash. This is almost \$400K more in the levy, and Ms. Rodrigues explained that she is trying

to build more within the levy for capital. Members of the Finance Committee discussed, and some questioned this method of funding the capital. The town's goal is the increase dependable funds for capital.

Headcount will go up by 6 if these recommendations pass. The Enterprise funds for field maintenance and the Transfer Station are level funded, and the Field Maintenance Enterprise Fund includes \$10,500 to be transferred into the Turf Field Stabilization Fund. The Enterprise Fund for the Pool is decreasing due to a decrease in the number of staff.

The Vocational Education budget decreased by 7.34%. The expectation is that budget will continue to decrease as more students go to Assabet where the tuition is less than at Minuteman.

The Town Manager fielded questions from the committee about the LS assessment percentages, some of the increases in various parts of the Town Department budgets, about the fire engine that has been requested, and the reconciliation spreadsheet.

(At this point, the discussion jumped to Item 6.)

ITEM 4: SPS follow on budget discussion (Taken up after Item 6)

Susan Berry had a question about the SPS revolving funds and would like Jean to get more information about the Bus, Facility Rental, PreSchool Tuition, Student Activity Accounts. Susan also would like to have a walk through on circuit breaker so we can see exactly how much is being spent from this account.

ITEM 5: LS follow on budget discussion

After some discussion about the LS assessment, the Chair agreed to be in touch with the Finance Director to determine how to avoid a repeat in the future of different assessments used by LS and the Town in their budget calculations.

ITEM 6: Town meeting article review and discussion

The Town Manager went over some of the articles for Town Meeting. Snow and Ice final request is not known at this point, but the article requests funding from Free Cash.

Article 12 requests \$194,894 to be transferred from Free Cash to the Stabilization Fund to maintain this fund at 5% of the total projected operating revenues for FY19.

Article 13 requests a repurposing of the Rolling Stock Stabilization Account to a general Capital Stabilization Account and requests \$250K to be transferred from Free Cash to this stabilization account. The Town Manager also stated that she hopes that updated financial policies will include funding this fund from Free Cash each year.

Article 18 requests \$75,000 from Free Cash to continue the Eversource litigation. As of now, the town has spent \$835,924 on this litigation

and has \$100K remaining in the account for the Eversource litigation. Attorneys estimate the appeals will cost \$175,000.

Article 26 would revise the Capital Planning bylaw such that all projects over \$100,000 will be reviewed by CIAC. The current bylaw limits the requirement to projects proposed by the Town Manager, SPS or LS.

The Town Manager mentioned that she will be ready to talk about the articles for the Fairbank Community Center and the Camp Sewataro acquisition at the end of March.

The members of the committee discussed some of the macro issues in the operating and capital budgets and the pros and cons of having additional funds within the levy for routine capital replacement and renovations costs. The conversation also ranged over the policy of starting with the assumption that the levy will be raised to the maximum or close to the maximum each year.

ITEM 7: Public Comment

There was no public comment.

ITEM 8: ADJOURN:

Glenn Miglioizzi moved, and Jeff Barker seconded the motion to adjourn at 9:35pm. The motion was approved unanimously.