

**Sudbury Finance Committee
Virtual Meeting Minutes
November 9, 2020**

ATTENDANCE: Co-Chairs Eric Poch and Scott Smigler, Susan Berry, Ron Bromback, Howard Feng, Michael Joachim, Jean Nam, Sonny Parente

Absent: Saji Johnson

- **Opening the Meeting**

- a) **Welcome and roll call**

- Co-Chair Poch opened the meeting with a roll call and called the meeting to order at 7:04.

- b) **Agenda Commentary and Opening Remarks**

- Co-Chair Smigler provided the big picture in terms of where FinCom is in terms of our work. He asked members to help the co-chairs prioritize the discussion items on the agenda, by flagging topics that come up in opening section or General Business for further discussion, and they will be put it on the agenda for a future meeting.

- c) **Update -Town Manager/Finance Director**

- Town Manager - Not asked to attend

- Finance Directory - Dennis Keohane reported that as of now, the tax classification will happen on December 1 assuming everything is ready from the state. The town is also waiting for a final state budget.

Jean Nam asked that the Vocational School update be put on the agenda for a future meeting.

- **Public Comment**

There was no public comment.

- **General Business**

- a) **Approve Meeting Minutes**

- There were no minutes to approve.

- b) **Transfers and other business**

- There were no transfers of other business

- c) **Liaison Reports**

- Susan Berry reported that at its last meeting Bill Murphy reported to the Board of Health that he is working on how to support the four contract nurses after the first of the year when support from the CARES act is no longer available. He also reported that he hopes to have the new inspector in place by January.

Ron Brumback reported that LS has unbudgeted out of district expenses in the amount of \$600,000 and state aid may be a couple hundred thousand less than anticipated. However, LS is confident they will not have to come back and ask for more money. They may have to use E & D as approved in June, but they are trying to

avoid that.

Michael Joachim reported there has been a good communication between the SPS and LS superintendents, and SPS is aware of LS testing plans, but SPS has no plans to do surveillance testing. For the SPS population, the administration is focusing on safety measures and education modifications needed. Massachusetts has about 2 million tests that have come from the Federal Government that it will apportion among municipalities. SPS is applying to get some of these tests to use for testing symptomatic students or staff. At this point, SPS anticipates that it will cover its COVID costs for the rest of the year.

Sonny Parente reported that he has reached out to Dan Nason who was very accommodating. The plan is for Dan to give Sonny a tour of the equipment and an update on DPW plans. Then they will probably have a monthly call ranging from 15 to 30 minutes. Sonny also requested that for big ticket items, DPW provided alternatives to FinCom.

From observing the Select Board meeting, Scott Smigler reported that the Board of Assessors are expecting a dip in commercial value and there was some discussion of potentially a shift in tax burden to residential. The DPW also presented the need for the town to lease, lease to buy or outright purchase some shelters due to COVID primarily for staff or contractors during snow events. A seven-month rental would be \$130,000 and exercising the right to purchase would cost \$50,000 for a total of about \$180,000. The money for the purchase would be requested at the next Town Meeting. An outright purchase would cost about \$155,000, \$43,000 which could potentially come from the Cares Act funding.

Eric Poch reported that he had attended most of the Lincoln FinCom meeting to introduce himself and let the committee know we are interested in learning more about their process.

d) Calendar Review

Dennis Keohane confirmed the end of November for budget guidance. For the updated capital plan, he reported that meetings are happening with the department heads and the plan would be ready to review at our January 20 meeting.

Susan Berry will send some additions to the budget process to Scott Smigler to add to that spreadsheet.

Scott Smigler updated the committee on a couple of changes to the meeting calendar - the December 7 meeting has been moved to the 9th with SPS. LS will meet with FinCom on the 14th. Review of the capital plan was moved to January 20th, and dates for the budget hearings with the three cost centers were confirmed.

e) Future Agenda Items

There were no suggested future agenda items to add to the list.

- **Committee Organization**

- a) **Reappointment of Susan Ciaffi to CIAC**

Co-Chair Smigler welcomed and recognized Susan Ciaffi. Susan Ciaffi introduced herself and reviewed the charge of the CIAC and stated that the committee has fostered a really good environment for drilling down on the capital requests that come before it and has fine-tuned their processes to utilize everyone's time wisely. In answer to a question from Michael Joachim about whether the review of capital items happens on an item by item basis or how it takes into account a broader plan for replacing capital over time, Susan Ciaffi explained the CIAC process for looking at items by group. Jean Nam asked about video taping the CIAC meetings, and Susan replied that the CIAC meetings are all open to the public, but the committee decided against requesting that the meetings be videotaped believing that can allow the CIAC to better create an environment where people are comfortable asking tough questions and it is comfortable for the department heads to have a back and forth.

Vote: Scott Smigler moved, and Ron Brumback seconded the motion to reappoint Susan Ciaffi as the Finance Committee appointment to the CIAC.

The motion passed unanimously on a roll call vote.

- b) **Establish subcommittee to propose updated Finance Committee Operating Procedures & Policies**

Eric Poch opened this discussion by outlining the co-chairs's thinking about ways to do some of the committee's work more efficiently. Scott Smigler added that a first step might be to establish a subcommittee to be responsible for updating our operating procedures. After discussion about the need and the timing, Sonny Parente and Jean Nam volunteered to be members of a subcommittee to draft an update to the Finance Committee Operating Policies and Procedures.

Vote: Susan Berry moved, and Howard Feng seconded the motion to create a subcommittee to update the Finance Committee Operating Policies and Procedures.

The motion passed unanimously on a roll call vote.

- c) **Final review of Budget Responsibilities**

No action was taken on this item as it was covered in the discussion under Calendar Review.

- **Committee Discussion**

- a) **Update Templates for SPS, LS, TOWN**

Susan Berry was recognized to lead this discussion. She confirmed that FinCom members had received a draft file with the SPS reconciliation spreadsheet and the multi year data comparison spreadsheet and a similar file for LS. Ms. Berry stated that she is still working on one for the town, including the need to

discuss the draft with Finance Director Dennis Keohane. The goal is to get data that is helpful to the Finance Committee in reviewing the budgets but in a format that the finance directors can pull directly from their cost center's data base. In addition, Susan Berry had shared instructions for updating these data files and walked the FinCom members through the data requested in the spreadsheets. Susan received suggested edits. Committee members can continue to send additional edits and Susan will finalize the files for liaisons to send to SPS and LS. Once the Town draft is completed, those will be sent to the committee for edits.

b) Draft questions for SPS, LS, and Town

Jean Nam was recognized to lead this discussion. She stated that she took last year's Guidance Letter and updated it. There was some discussion about other needed changes to the letter. The committee decided to ask for a copy of the answers to Exhibit 1 a week before the cost center meets with FinCom. The committee reviewed and suggested edits to the final version of Exhibit 1. Jean Nam will make the edits and then send out the revised version for any comments. In answer to a question by Scott Smigler about when the letter and data file templates will be ready to send, Susan Berry and Jean Nam will get edited versions to the committee by Wednesday and committee members have until Friday to register their questions or concerns or to send simple edits - misspellings for example. Any suggested changes that have not been discussed by the committee will require meeting again on these items.

c) Capital management policies and practices: Discussion and next steps

The co-chairs began the discussion focusing on the DLS Report on Sudbury's Capital Improvement Plan and moving the committee to a decision about forming a subcommittee related to capital. Scott Smigler suggested this is an opportunity for the FinCom members to react to the report. Ron Bromback mentioned the Town can't do a whole lot around capital without clear policies and funding sources. He also mentioned the fact that we should have higher targets for some of our funds. Scott Smigler stated that the classic role of a Finance Committee is to advocate for effective Capital Management process. He suggested FinCom could reach out to our partners in the town and share our perspective, offer ourselves to help, the committee approves or disapproves articles, and can provide a narrative to Town Meeting to give context for FinCom recommendations.

Eric Poch suggested that FinCom might consider the constraints that we have as a finance committee in terms of being able to assess the town's overall fiscal position - its needs and requirements and its wants and desires. For instance, what are the needs that are on the table, and how long have they been on the capital plan. What is their prioritization. What is our

inventory of capital? How do we establish a consistent understanding?

Susan Berry urged that the committee review the DLS report holistically before making recommendations and this might require dedicating a whole meeting to a review and discussion of the report.

Scott Smigler suggested that FinCom think about what information we would like to have when we are evaluating the town's capital requests. What information would be useful, such as an inventory, such as understanding what the criteria is to prioritize items on the capital plan.

Michael Joachim advocated for collaboration and, as a first step, reaching out to the Select Board to offer FinCom help before going on our own. He pointed out that the Select Board was the group that requested the DLS report and should take the lead.

Eric Poch responded that he is not suggesting that FinCom write policy for the Select Board but that it may be helpful to them if, in the course of our planning for our budget review, FinCom identify areas that people ask questions about at Town Meeting.

Scott Smigler stated that the priority for him is making sure FinCom has the information that we need when we are evaluating the capital proposals in February and March.

Eric Poch added that if we look at the DLS report and digest it ourselves to understand the areas that we think could potentially create risk or opportunity for the town, he believes that FinCom has a responsibility to promote discussion in those areas. He suggested some of the questions we might be ask are: what are we trying to fund, what is the Town's inventory of assets, what are the requirements for maintenance on those assets, what would we like to purchase as a town, how do we prioritize that, and what are the resources available to spend.

Jennifer Roberts, Vice Chair of the Select Board was recognized, and she gave a summary of the status of the Select Board's review of the DLS report and progress on revising financial policies. In answer to a question from Howard Feng, she stated that the Board has not gotten to a point of applying the recommendations in the DLS report to the FY22 budget cycle. In response to a question from Michael Joachim, Vice Chair Roberts thanked FinCom for offering to collaborate and stated that the Select Board needs to discuss the best way to work with FinCom.

In response to Ron Brumback's suggestion that FinCom set aside a whole meeting for this topic, Scott Smigler stated that FinCom has two options: have more extended meetings as a committee or create a subcommittee to do some of the prep work between meetings of FinCom. Ron Brombeck, Howard Feng, Eric Poch, and

Jean Nam agreed to be part of a subcommittee. Discussion of the scope of the work of the subcommittee followed.

Vote: Eric Poch moved, and Sonny Parente seconded the motion to form a subcommittee to promote conversation around the DLS report by a) gathering information to inform future deliberations, and b) help formulate the Finance Committee perspective on prioritizing DLS recommendations and offer feedback to Select Board. The original motion was amended to include the members of the subcommittee. The amendment was moved by Eric Poch and seconded by Sonny Parente. With the amendment the final motion was to form a subcommittee with members Ron Bromback, Howard Feng, Jean Nam, and Eric Poch to promote conversation around the DLS report by a) gathering information to inform future deliberations, and b) help formulate the Finance Committee perspective on prioritizing DLS recommendations and offer feedback to Select Board. The amended motion passed unanimously on a roll call vote.

d) Update recommended Free cash use guidelines

There was no action on this item.

e) Insights from Association of Town Finance committee webinars

There was no action on this item.

- **Public Comment**

There was no public comment

- **Adjourn**

Susan Berry moved, and Scott Smigler seconded the motion to adjourn at approximately 10:15 p.m.

The motion was approved unanimously on a roll call vote.

Meeting Materials:

FinComRulesOperatingProcedures Rev 9.12.2016.doc

Sudbury_Capital_Report_DLS.pdf

Draft SPS Reconciliation and MultiYear Data Comparison Spreadsheet

SPS Data Sheet Instructions

Draft LSRHS Reconciliation and MultiYear Data Comparison

Spreadsheet

LSRHS Data Sheet Instructions

Next Meeting: Monday, November 30, 2020 7:00 p.m. virtually.