

**Sudbury Finance Committee
Minutes
March 11, 2019**

ATTENDANCE

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

ALSO PRESENT: Dennis Keohane, Finance Director/Treasurer-Collector; Pat Brown, Board of Selectmen

COVENE:

Chair Bryan Semple called the Finance Committee meeting to order at 7:00 p.m. The meeting convened at the Flynn Building. The chair announced that one member, Susan Berry, is attending remotely, and he did a sound check, confirming that she could hear the members of the committee and that the members present could hear her.

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**
Jeff Barker reported that the health insurance (GIC) rates have come in and the Town Manager confirmed that \$200K can be moved to the LS budget to cover, in part, the increase in the assessment.
- **Review Calendar**
The next meeting is on March 26 and is a joint meeting with the Board of Selectmen. The Finance Committee will report on their budget recommendation at this meeting.

ITEM 3: Town budget discussion and vote

The Chair started this discussion asking for areas of the budget that the committee want to focus on when presenting the budget. Lisa Gutch suggested one area is the increase in the LS assessment over the original estimate and the use of money not needed for benefits and \$100K from the original amount budgeted for the Reserve Fund. This led to a discussion about the typical amount in the Reserve Fund and the downside of decreasing that line item in the FY20 budget.

Chair Semple added the information about the COLAs for the Cost Centers for FY19 - FY21. He also noted that there is a substantial increase in the budget for capital being paid within the levy limit. Susan Berry also noted that the estimates of costs in FY21 from the

Cost Centers are higher than the projections for revenue available from the Town. A discussion of the implications of this followed.

Bryan Semple added the observation that the budget is developed based on the assumption that most of the amount available in the tax levy will be used, ensuring that the tax rate will increase. In addition, he raised the question about whether the non-union wages are increasing based on the increase negotiated by the unions and if this is practice or policy.

The Chair checked with the committee members to see how they were feeling about the budget and if they were ready to vote on Article 3. A discussion of members' thoughts on the budget followed.

VOTE: Lisa Gutch moved, and Jeff Barker seconded the motion to recommend approval of Article 3. The roll call vote was Jess Atwater, yes; Jeff Barker, yes; Susan Berry, yes; Adrian Davies, no; Lisa Gutch, yes; Glenn Migliozi, yes; Jean Nam, yes; Eric Poch, yes; and Bryan Semple, no. The motion passed 7 in favor to 2 against.

**ITEM 4: Town meeting article review and discussion and votes
Article 4 - FY20 Capital Budget**

Jean Nam requested discussing the capital articles as a whole. She stated that she objected to the funding source for some of these: Article 19 DPW One Ton Dump Truck (\$130K), Article 20 Concord Road Culvert Design (\$125K); Article 21 Purchase of Fire Engine (570K); Article 23 Funding of Comprehensive Management Plan/Environmental Impact Report (\$500K loan). Jean Nam's proposal would be to pay for Article 19 and Article 20 with Free Cash rather than the levy and bring the debt payment for Article 23 inside the levy rather than as a debt exclusion. Dennis Keohane clarified that the debt payment for Article 23 would be debt paid within the levy. Bryan Semple also added Article 13 Repurpose of Rolling Stock Stabilization Account (\$250K) to the list to discuss.

Before voting on these articles, the Chair took the committee through discussions about each of the capital articles. There were differences of opinion about following the Finance Committee guideline on reserving 0.5% of the operating budget in Free Cash to roll over into the following year. There was also a difference of opinion on what the funding sources should be. As proposed for the Warrant, Article 4 would come from the levy; Article 13, Free Cash; Article 18 Eversource Litigation, Free Cash; Article 19, from the levy; Article 20, from the levy; Article 21, Free Cash; Article 23, from levy as loan.

(Lisa Gutch had to leave the meeting at 9:30 before the votes below.)

Vote: Article 4 FY20 Capital Budget

Susan Berry moved, and Jean Nam seconded the motion to recommend approval of Article 4. The motion passed on a roll call vote, 6 in favor and 2 opposed.

Article 19 DPW One-Ton Dump Truck

Jeff Barker moved, and Jeff Atwater seconded the motion to recommend approval of Article 19. The motion failed on a roll call vote, 2 in favor and 6 opposed.

Article 20 Concord Road Culvert Design

Jeff Barker moved, and Adrian Davies seconded the motion to recommend approval of Article 20. The motion failed on a roll call vote, 4 in favor and 4 opposed.

For both Articles 19 and 20, the members voting against the articles are opposed to the funding source and would vote in favor if these were being funded from Free Cash. Susan Berry stated her vote in favor is based on the belief that the Town needs to get more money for capital inside the levy.

Article 21 Purchase of Fire Engine

Eric Poch moved, and Jean Nam seconded the motion to recommend approval of Article 21. The motion passed unanimously on a roll call vote.

Article 23 Funding of Comprehensive Wastewater Management/Environmental Impact Report

Jeff Barker moved, and Adrian Davies seconded the motion to recommend approval of Article 23. The motion passed unanimously on a roll call vote.

Article 13 Repurpose of Rolling Stock Stabilization Account

Jeff Barker moved, and Susan Berry seconded the motion to recommend approval of Article 13. A discussion followed about the need for a plan before putting money in this fund vs starting to save even before there is a comprehensive plan. Also, some members of the committee questioned whether there is an underfunded capital need. Also, some members preferred to use the Free Cash allocated for this article instead to fund articles that were allocated to be funded in the levy.

Vote: The motion to recommend approval failed 3 yes, 4 opposed, and one abstention on a roll call vote. In answer to a query by Jeff Barker, Susan Berry confirmed her support for the article in principal but vote I favor depends on how much Free Cash is needed for Snow & Ice deficit.

ITEM 6: Fincom Organization/Membership FY20

Terms for Jeff Barker and Adrian Davies expire at the end of Town Meeting and they are not requesting to be reappointed. Glenn Migliozi will let the Chair know about his status, and Jeff Atwater would like to be reappointed.

ITEM 7: Public Comment

Pat Brown, Board of Selectmen, announced at the next Board of Selectmen meeting one of the items on the agenda is a discussion of

the LS Regional Agreement. She also reiterated that the school contracts are negotiated by the schools not the Town.

ITEM 8: Possible Future agenda topics

- **Calendar review**

The Chair mentioned that the next meeting of FinCom is on March 26th which is a joint meeting with the Board of Selectmen and at that meeting the Finance Committee will present its recommendations to the Board of Selectmen. The Chair will start to write up the Warrant submission. At the request of Jean Nam a representative for the petitioners of the CPC articles and/or the Chair of CPC will be invited to present the CPC articles at one of the FinCom meetings in April.

- **Liaison reports**

There were no liaison reports.

ITEM 9: ADJOURN:

Jeff Barker moved, and Jeff Atwater seconded the motion to adjourn at 10:07pm. The motion was approved unanimously by roll call vote.