

**Sudbury Finance Committee
Virtual Meeting Minutes
October 5, 2020**

ATTENDANCE

Members of the Finance Committee present for the Virtual Meeting were: Co-Chair, Eric Poch, Co-Chair Scott Smigler, Susan Berry, Ronald Brumback, Howard Feng, Michael Joachim, Jean Nam, and Sonny Parente

ABSENT: Saji Johnson

ALSO PRESENT

Dennis Keohane, Finance Director/Treasurer-Collector, Henry Hayes, Town Manager

CONVENE:

Co-Chair Eric Poch called the meeting to order at 7:06 p.m. Co-Chair Poch roll called members of the Finance Committee present at the October 5, 2020, Virtual Meeting.

ITEM 1: Open the Meeting

- a. Welcome and Member Roll Call
- b. Agenda Commentary and Opening Remarks (Co-Chairs)
Co-Chair Eric Poch reviewed the agenda with members and commented on materials and documents that will be helpful as the Finance Committee approaches the FY2022 budget season.
- c. Report from Town Manager and Finance Director
Town Manager Henry Hayes shared an update on the CARES Act (Coronavirus Aid, Relief, and Economic Security Act). He stated that he attended a virtual meeting with Dennis Keohane and Maryanne Bilodeau and received guidance on the uses and parameters for the remaining CARES Act funding, which must be spent by December 30, 2020. He stated that he is meeting with department heads and school superintendents to determine needs. Mr. Hayes stated that there is \$1.5 million remaining in CARES Act funding. Members of the Finance Committee had several questions for Mr. Hayes including what has the Town of Sudbury expended in COVID-19 related costs. Dennis Keohane responded that the Town of Sudbury has \$200K in COVID-19 related expenses and has received reimbursement for approximately \$100K for those expenses. He also stated that the remaining \$100K will be part of the phase two request. Mr. Keohane noted that to date the Town of Sudbury has not received FEMA funds. A general discussion followed on COVID related expenses.

Co-Chairman Smigler stated that Co-Chairman Poch had a good idea to include at the start of every meeting budget and update from the Town Manager. Co-Chairman Smigler asked Dennis Keohane to present his report on budget and actuals.

Mr. Keohane presented FY19 and FY20 revenues and expenditures. He stated that in FY19 the Town of Sudbury took in \$2.2 million in receipts over budgeted revenues. He stated that the FY19 budgeted revenues were \$98,497,958 and the actual was \$100,740,422 with a positive budget variance of \$2,242,464. Mr. Keohane stated that the FY19 expenditures had a positive budgetary variance of \$1,696,931. He stated that the expenditures and encumbrances were lower than budgeted, the net result between the two was a positive budgetary variance of \$4,014,897. He stated that there were no budgetary deficits during the year after accounting for Snow & Ice. Mr. Keohane stated that in terms of budgetary results, FY19 was a good year. Mr. Keohane stated that the original budget for Snow & Ice was \$424,750, and the actual for FY19 Snow & Ice was \$776,860.

Mr. Keohane stated that for FY20 there are favorable budgetary results but not as favorable as FY19. He stated for revenues, the FY20 actual budget was \$103,310,215, the original budgeted revenue was \$102,037,724 with a positive budget variance of \$1,272,491. He also stated that the FY20 expenditures of \$1,219,584 were lower than budgeted, the net result between the two was a positive budgetary variance of \$2,594,249. A general discussion followed.

ITEM 2: Public Comment

There were no public comments.

ITEM 3: General Business

Chairman Poch conferred with Finance Committee members who agreed to move the discussion on Budget Transfers ahead of approving meeting minutes.

a. Approve Meeting Minutes

Motion and Vote

Scott Smigler moved, and Sonny Parente seconded the motion to approve the minutes of the meetings of September 2, 2020, as amended, September 11, 2020, as amended, March 26, 2019, as submitted, and March 5, 2019, as submitted.

Roll call vote:

Howard Feng, yes; Jean Nam, yes; Ronald Brumback, yes; Sonny Parente, yes; Michael Joachim, yes; Susan Berry, yes; Scott Smigler, yes; and Eric Poch, yes.

The motion carried. The vote was unanimous.

b. Budget Transfers and Other Business

There were no Budget Transfers.

Susan Berry asked about the Association of Town Finance Committees (ATFC), noting that Sudbury is no longer a member. She asked whether Sudbury could rejoin. Scott Smigler stated that he reached out to ATFC and received a quote from them for Sudbury. He stated that it will cost \$245.00 for Sudbury to rejoin and will cover Sudbury through June 30, 2021. He also stated that membership will entitle Sudbury to the Finance Committee Handbook, as well as registration for their regional events at reduced rates including their webinar series. He stated that this would be useful for new members, including himself for training. He described the training that is offered. He stated that Dennis Keohane informed him that Sudbury is all set for its membership however if Finance Committee members are interested in the training that a budget would need to be determined for this. A general discussion followed.

c. Liaison Reports

Susan Berry reported that Sudbury Public Schools is going to hire an Assistant Director of Technology and are working on how to fund this position. Ms. Berry stated that she has uploaded the FY2021 SPS Budget to the FinCom shared drive. She stated that changes within this budget are for salaries. She stated that she also uploaded the FY2020 final numbers and noted that in the Special Education Transportation line item there is something in the comments that say "hold" and this is money that was prepaid in FY2020 that will be available to SPS in FY2021. Scott Smigler asked if SPS has completed their incremental estimated expense related to COVID-19 that are not reimbursable by the CARES Act. Ms. Berry responded that she is not aware of non-reimbursable expenses related to the CARES Act. She noted that she included in the September 29 Meeting Materials the document containing SPS uses of the CARES Act money. A general discussion followed.

Scott Smigler reported on the Board of Health meeting he attended recently. He stated that there is an anticipation of an increase in COVID-19 cases. He added that what is complicated is that the cases they are seeing have more contacts that need to be traced. He added that one of the pressures that the Health Director, Bill Murphy had shared was that the Public Health nurse has hours capped so that emergency needs require authorization to spend additional time above her allotted time. He went on to say that in one case it caused a delay in the ability to contact trace a case in Sudbury. Mr. Smigler stated that there is a lot of

concern around budget and that the Public Health needs are significantly more than what was included in last year's budget to address the COVID-19 health emergency.

Scott Smigler shared an update on the Board of Selectmen meeting he attended on September 30. He stated that there was a discussion on Broadacres Farm in that there appears to be immediate work that needs to be done there that was not included in the FY21 budget. He added that there was a question from a board member on whether a Reserve Fund Transfer would be needed. He added that this is just a reminder of our need to create and communicate a Reserve Fund Transfer Policy because we may see more of this. Mr. Smigler stated that the Hazardous Mitigation Plan was approved by FEMA

d. Calendar Review and Future Agenda Items

Co-Chair Scott Smigler led the discussion on this item. He presented a draft calendar and possible topics for the Finance Committee's consideration.

ITEM 4: Committee Organization

- a. Liaison FY21 assignments - (discussion & vote)
Susan Berry and Ron Brumback expressed interest in continuing with their respective School Committees. Susan Berry suggested including a Finance Committee Liaison to the Park and Recreation Commission. Co-Chairman Poch pointed out that there are several Liaison roles related to capital, such as the CIAC, CPC, Permanent Building Committee, etc. Co-Chairman Smigler commented on the Master Plan Committee and noted that there is not a Finance Committee Liaison assigned to this committee. He stated that the Master Plan Committee is commissioned by the Planning Board and suggested that the Planning Board Liaison would also attend the Master Plan Committee meetings. A general discussion followed. Sonny Parente expressed interest in serving as Liaison to the CIAC, the Department of Public Works, and Sudbury Water District, Michael Joachim expressed interest in serving as Liaison to the Board of Health, Howard Feng expressed interest in serving as Liaison to the Park and Recreation Commission, and Jean Nam expressed interest in serving as Liaison to the Planning Board/Master Plan Committee and as the Finance Committee member serving on the CPC. After some discussion, Michael Joachim decided he would prefer to serve as Liaison to SPS with Susan Berry and not serve as Liaison to the Board of Health. Co-Chairman Smigler and Susan Berry have agreed to serve as Liaisons to

the Board of Health. Co-Chairman suggested that Saji Johnson, who is absent from this meeting, serve as Liaison to the Permanent Building Committee.

Motion and Vote

Eric Poch moved, and Howard Feng seconded the motion to approve the Liaison Assignments as noted on the document.

Roll call vote:

Howard Feng, yes; Jean Nam, yes; Ronald Brumback, yes; Sonny Parente, yes; Michael Joachim, yes; Susan Berry, yes; Scott Smigler, yes; and Eric Poch, yes.

The motion carried. The vote was unanimous.

b. Lessons Learned & Potential Improvements for FY22 budget

- i. FY20 FinCom Year in Review - Ron Brumback reviewed his document on eleven suggestions on *Enhancing Sudbury FinCom Value to Citizens of Sudbury*. Co-Chairman Poch thanked Mr. Brumback for his suggestions and noted that many of them are included in the planning document. Members commented on budget guidance and the history of the Budget Guidance Letter. Co-Chairman Smigler noted that the Finance Committee should see the Budget Guidance Letter the Town Manager intends to issue before its issued and have an opportunity to provide feedback on it for the Town Manager's consideration. He added that this would give the Finance Committee a chance to raise concerns early in the budget process. Members also commented on the challenging year; new Town Manager, COVID-19 Health Emergency; budgeting, etc.

c. Goals & Projects for FY21

Co-Chairman Smigler reviewed three FY21 Finance Committee Goals. He stated that the first is to fulfill all critical responsibilities according to State law and Sudbury By-laws. He added that to help the Finance Committee do this, the Finance Committee must update its operating procedures and policies as well as establish sub-committees. He stated that the second goal is to improve communication and collaboration with the Town Manager, Finance Director, and Select Board, and making sure the Finance Committee has a clear understanding of its role. The third goal is to advocate for stronger capital management policy and practice to better anticipate budget pressures, avoid debt overrides, and offer continuity of service. He added that part of this is to ensure that the Finance Committee has an updated 5-

year plan with expenditures for the coming year, funding sources, and categorization for new expenses and prioritization ranking, as well as coordination across spending pools and define usage guidelines.

Co-Chairman Poch reviewed the draft FY21 Finance Committee Projects. This includes both Union Agreements for L-S Regional High School and SPS and getting closer to these activities to better inform the budgeting process, understanding better the L-S Regional Agreement and State Allocation, Capital, Revenue Diversification, alignment of budgeting process with key Stakeholders, Free Cash Policy, update Finance Committee procedures and policies and improve communication effectiveness. The Finance will review and discuss at its next meeting.

ITEM 5: Committee Discussion

- a. FY22 Budget Approach & Budget Review Preparation
 - i. Role of Finance Committee (Reference: Handbook, Bylaws)

Co-Chairman Smigler opened this item for discussion. He referred to Mass General Law and the role of the Finance Committee as well as the Department of Revenue. Co-Chairman Smigler also referred to Sudbury's Town Charter and the Finance Committee By-laws. Co-Chairman Smigler referred to the Finance Committee Handbook and highlighted key points in terms of the Finance Committee's role and responsibilities. Co-Chairman Smigler stated that the Finance Committee's key focus in the budget process is to review, analyze, and recommend a budget to Town Meeting. He also stated that the Finance Committee can treat this information as an ongoing discussion once they have a chance to review the documents.
 - ii. Budget process for the coming year (Reference: Budgeting Best practices)

Co-Chairman Smigler reviewed the budget process for the coming year. He stated that he and Co-Chairman Poch met with Dennis Keohane and have included suggestions from Mr. Keohane in the Finance Committee budget process timeline.

ITEM 6: Public Comment

There were no public comments.

ITEM 7: Adjournment

Motion and Vote:

Michael Joachim moved, and **Ronald Brumback** seconded the motion that the October 5, 2020, Finance Committee meeting be adjourned at approximately 9:55 p.m.

Roll call vote:

Howard Feng, yes; Jean Nam, yes; Ronald Brumback, yes; Sonny Parente, yes; Michael Joachim, yes; Susan Berry, yes; Scott Smigler, yes; and Eric Poch, yes.

The motion carried. The vote was unanimous.

The next scheduled meeting of the Finance Committee is Monday, October 26, 2020, at 7:00 p.m.

Submitted by Cheryl Gosmon