

**Sudbury Finance Committee
Virtual Meeting Minutes
December 9, 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, and Jean Nam

ABSENT: Sonny Parente, Saji Johnson

ALSO PRESENT

Dennis Keohane, Finance Director/Treasurer-Collector, Brad Crozier, Superintendent of Sudbury Public Schools, Don Sawyer, Business and Finance Director for SPS, Silvia Nerssessian, Chair of Sudbury Public School Committee, Meredith Gerson, Vice-Chair SPS Committee

CONVENE:

Co-Chairman Eric Poch called the meeting to order at 7:03 p.m. Co-Chairman Poch roll called members of the Finance Committee present at the December 9, 2020, Virtual Meeting.

ITEM 1: Open the Meeting

- Welcome and Member Roll Call
- Opening Remarks (Co-Chairs)

ITEM 2: Public Comment

There were no public comments.

ITEM 3: Sudbury Public Schools: Budget Pressures

Susan Berry welcomed Brad Crozier, Superintendent, Don Sawyer, Business and Finance Director, Silvia Nerssessian, Chair of SPS Committee, Meredith Gerson, Vice-Chair SPS Committee. Susan Berry invited them to present the SPS Budget Pressures.

Superintendent Crozier referred to Exhibit 1 and noted that he is looking forward to discussing this information with the Finance Committee. Superintendent Crozier stated that FY2020 has been challenging and those challenges continue at the start of FY2021. Superintendent Crozier shared that SPS started the school year in a hybrid learning model where two groups of students are attending school twice a week. He stated that some parents have chosen the remote learning option and all students are learning remotely on Wednesdays. He stated that this means all staff is working every day, fully engaged with teaching, and learning in either the hybrid or remote model.

Superintendent Crozier stated that at the close of FY20 SPS was proactive with the purchase of anticipated supplies and

materials that would be needed for the start of the FY21 school year. He stated that SPS used savings in FY20, special education prepays, and other purchases, in advance to try to relieve pressure in FY21. He also stated that SPS has not made a lot of personnel changes, noting that only one position has been added. He stated that he is happy to answer questions on how SPS ended FY20 and on what FY21 will look like.

Don Sawyer touched base on details of new costs, and reductions to the FY21 budget amidst the COVID-19 Health Emergency. He stated that SPS received a CvRF School Reopening Grant from the Commonwealth of Massachusetts which is being used to pay for cleaning and sanitizing services. He stated that SPS is realizing cost savings in transportation with the hybrid learning model.

Mr. Sawyer referred to the question of Exhibit 1 regarding new positions. He stated that all but one, the Assistant Technology Director position was included in the revised FY21 budget. He stated that was not included in the FY21 budget. Mr. Sawyer responded to Mr. Joachim's question on staffing and confirmed that there are no major staffing pressures for FY22. Mr. Sawyer also responded to Ms. Nam's question on positions that are not filled and substitute teaching costs. Mr. Sawyer stated that he is not aware of any positions that are opened and not filled. He explained that there is turnover throughout the year, i.e., retirement, leave of absences, etc., and there are openings throughout the year that are posted and involve a lengthy hiring process. He stated that SPS has substantially increased its substitute teaching costs in this current school year and this is a budget pressure affecting FY21.

Superintendent Crozier shared a preview of a new initiative for a summer program involving Math and English Language Arts (ELA). He added that this would be a full day social and academic program. He stated that he has spoken with the Town Manager about the possibility of a warrant article for one-time funds that would support this initiative. He stated that this would be a one time program for FY22.

Mr. Sawyer reviewed the FY21 Entitlement Grants with the Finance Committee. Mr. Sawyer responded to Mr. Joachim's question on costs associated with salaries which increase from year to year. Mr. Sawyer stated that this is the first year that SPS has a substantial salary amount in its Federal Grants. He stated that the IDEA grant has the largest amount for salaries for support staff and the Title 1 grant has a substantial amount for professional salaries. He went on to say that the grants are not a burden to FY21 and FY22.

Mr. Sawyer reviewed OPEB costs for FY22. He stated these costs are part of the Town's municipal budget and SPS employee benefits are outside of the SPS general operating fund. He added that the Town Finance Director has these costs at \$421,250 in FY22. He stated that this amount is substantially higher than FY21 and could add pressure in FY22. Mr. Sawyer stated that approximately 43% of staff are at the top step, and in FY22 that number will be approximately 49.5%.

Mr. Sawyer stated that the Noyes Elementary School fire alarm system replacement is in the SPS FY22 Capital Plan at \$225K. He stated this will require a Town Meeting Warrant Article.

Mr. Sawyer reported on incremental expenses and savings in FY21 due to the COVID-19 Health Emergency that was not budgeted. He stated that SPS currently has \$1.3M of additional costs due to COVID that will be funded by the following State and Federal grants: \$59,090 FY21 Elementary and Secondary Education Emergency Relief (ESSER); \$603,675 FY21 CvRF School Reopening Grant Program; and \$38,287 FY21 Remote Learning Technology Essentials. Mr. Sawyer stated that SPS has provided a list of expenses to the Town Manager to be included in the Town's CARES Act that amounts to \$381K.

Mr. Sawyer provided the Finance Committee with enrollment projections from NESDEC. He noted that SPS is budgeting for FY22 based on the NESDEC projections. Jean Nam asked if there is a drop in kindergarten enrollment and if the Superintendent expects a bump in next year's enrollment because of COVID. Superintendent Crozier stated that SPS is accounting for the anticipation of increased kindergarten enrollment in its FY22 budget.

Mr. Sawyer stated that special education out-of-district tuition costs are currently forecast at \$1,159,257 for FY21 the SPS budget is \$1,208,757. Superintendent Crozier stated that there has been a decline in out-of-district costs which has been attributed to the in-district programs that have been created.

Superintendent Crozier responded to and answered additional questions from the Finance Committee. Superintendent Crozier thanked the Finance Committee for their questions ahead of this meeting.

ITEM 4: Updates from Town Manager and Finance Director

- **The budget process, Capital plan process, Cares Act (submission status and total request amount), testing and vaccination cost, and other relevant updates**

Co-Chairman Smigler welcomed Henry Hayes, Town Manager, and invited him to present an update on the above items. Mr.

Hayes asked if there is a plan for a joint meeting with the Select Board and the Finance Committee to discuss the content of the FY20 Financial Condition of the Town of Sudbury. Co-Chairman Smigler stated that the Finance Committee has reached out to the Select Board and has proposed two potential meeting dates: February 23 and March 16.

Mr. Hayes stated that the budget process has begun internally and across all three Cost Centers. He stated that the Budget Guidance Letter has gone out and he is scheduled to meet with department heads to discuss their needs and the Town's limitations. He stated that he will also talk with the Cost Centers on capital planning and available finances. He also stated that he is scheduled to meet with Bill Barletta for an initial conversation on capital projects and available finances. Mr. Hayes stated that Sudbury has submitted a request for CARES Act funding that is available to Sudbury. Mr. Hayes stated that the costs if any, that Sudbury will incur for testing and vaccinations for its citizens is not yet known.

Mr. Hayes's review went on to provide a summary of state guidance and tax classification. Co-Chairman Smigler asked if the Finance Committee can expect to receive in January a budget summary, capital plan, and budget book. Dennis Keohane responded that the Finance Committee will receive the budget summary in early January and that the budget book will be ready by January 20.

- **State Guidance, Numbers validated (State Aid, E&D, etc.), Tax Classification, Quarterly financial reporting, other relevant updates**

Dennis Keohane provided a summary of the three-year forecast of revenue projections. He stated that Sudbury has level-funded state aid as well as local receipts. He stated that the local receipts projections are sustainable. Mr. Keohane added that revenue projections have been intentionally conservative because of the uncertainty of the final numbers for state aid. He stated that Sudbury is in line with its revenue projections for FY21.

ITEM 5: General Business

- **Approve Meeting Minutes**

Motion and Vote

Michael Joachim moved, and Howard Feng seconded the motion to approve the minutes of the meeting of November 9, 2020, as submitted.

Roll call vote:

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

The motion carried. The vote was unanimous.

- **Budget Transfers and Other Business**

There were no Budget Transfers or other business

- **Liaison Reports**

Co-Chairman Smigler stated that Sonny Parente sent in a report for DPW and CIAC. Mr. Parente reported that he spoke with Dan Mason, DPW, and does not see a drastic change to this year's budget. Mr. Parente's report stated that the only change will be a reclassification of a new employee and that capital spending will be similar to what was presented last year. Mr. Parente's report on the CIAC included a report that the DPW Director is concerned about his limited resources in dealing with severe winter storms and finding a safe place for his employees to rest and recharge for the plowing. He has requested trailers for overnight crews working during a storm. His report stated that this issue was tabled to another time because more information was needed. Susan Berry stated that she would like to see this as a Future Agenda Item so that the Finance Committee can receive an update on the shelters, understanding the costs. A brief discussion followed on the finances associated with this request. Co-Chairman Smigler will reach out to Sonny Parente who will contact Dan Mason to let him know that the Finance Committee is available if he has any actionable information on this to share with the Finance Committee.

Jean Nam stated that the CPC held two Public Hearings, one on the SMILE Playground and the other on Feeley Field. She stated that there were a lot of questions. She also stated that she does not think the Feeley Field proposal will change but that the SMILE Playground proposal might change because there were a lot of unanswered questions regarding costs.

Co-Chairman Poch provided a report on the Select Board meeting. He stated that the vote was ratified on the tax rate. He added that the bulk of the meeting was on financial policies and suggestions that DLS had made.

- **Calendar Review**

There was no discussion on this item.

- **Future Agenda Items**

Follow up on DPW Trailers

ITEM 6: Committee Organization

- Update FinCom Operating Procedures and Policies
Jean Nam stated that she is still organizing the document and will bring it back to the committee for discussion at a subsequent meeting.

ITEM 7: Committee Discussion

- Preparing for LSRHS meeting on Dec 14, 2020
Co-Chairman opened this item for discussion. He stated that the Finance Committee, as with SPS, can submit follow-up questions for those that should funnel back to Ron Brumback.
- Capital management including sub-committee update if available
Co-Chairman Poch is suggesting a short meeting next week with the Finance Committee subcommittee members to discuss capital management.
- Reserve Fund Transfer Policy (reference MMA guidance)
Co-Chairman Smigler referred to discussion points from a previous meeting and summarized a proposed policy for the Finance Committee's consideration. Co-Chairman Smigler stated that he would like the Finance Committee to have three to five business days' notice to review the transfer fund request. A brief discussion followed. This item will come back for a vote at the next meeting.
- Best practices and MMA training
Howard Feng provided a summary of key learnings from the MMA Finance Committee Workshop on October 22 and 29. Mr. Feng summary included the presentation from John W. Coderre, Northborough Town Administrator, "Best Practices and Tips for A Successful Budget Process," and presentations from Sean Cronin Deputy Commissioner from DLS.

ITEM 8: Public Comment

There were no public comments.

ITEM 9: Adjournment

Motion and Vote:

Ronald Brumback moved, and Scott Smigler seconded the motion that the December 9, 2020, Finance Committee meeting be adjourned at approximately 10:15 p.m.

Roll call vote:

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

The motion carried. The vote was unanimous.

The next scheduled meeting of the Finance Committee is Monday, December 14, 2020, at 7:00 p.m.

Submitted by Cheryl Gosmon