

**Sudbury Finance Committee
Virtual Meeting Minutes
January 6, 2021**

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 (arrived towards the end of the meeting), and Sonny Parente

ABSENT: Saji Johnson

ALSO PRESENT

Dennis Keohane, Finance Director/Treasurer-Collector

CONVENE:

Co-Chair Eric Poch called the meeting to order at 7:03 p.m. Co-Chair Poch roll called members of the Finance Committee present at the January 6, 2021, Virtual Meeting.

ITEM 1: Open the Meeting

- Welcome and Member Roll Call
- Opening Remarks (Co-Chairs)
Co-Chair Poch stated that the Finance Committee received confirmation for the joint meeting with the Select Board on Tuesday, January 12, 2021.

ITEM 2: Public Comment

There were no public comments.

ITEM 3: Updates from Town Manager and Finance Director

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

Dennis Keohane reported that the Federal stimulus extension is great but there is no financial impact for Sudbury although Sudbury has more time to expend the funding that was submitted on December 30, 2020. Mr. Keohane also reported that the FY22 budget development continues; Cost Centers are still formulating their budgets within guidance. Mr. Keohane stated that the Town of Sudbury has received a Triple-A (AAA) rating from Standard & Poor's. Mr. Keohane stated that he will keep the Finance Committee updated on the completion of the Budget Book and delivery date. Mr. Keohane reported that he will provide updated information for the joint meeting with the Select Board and Finance Committee on the three-year financial forecast.

Mr. Keohane stated that his team is working on the Capital Plan and he is hopeful that it will be finalized by the end of the month.

ITEM 4: General Business

- **Approve Meeting Minutes**

Motion and Vote

Ronald Brumback moved, and Michael Joachim seconded the motion to approve the minutes of the meeting of October 5, 2020, and October 26, 2020, as submitted.

Roll call vote:

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

The motion carried. The vote was unanimous.

Motion and Vote

Susan Berry moved, and Eric Poch seconded the motion to approve the minutes of the meeting of November 30, 2020, as amended.

Roll call vote:

Scott Smigler, yes; Ronald Brumback, yes; Michael Joachim, yes; Susan Berry, yes; Howard Feng, yes; Sonny Parente 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**

Susan Berry reported that the Sudbury School Committee approved the Superintendent's FY22 Budget Request at their meeting on Monday, December 21, 2020. Ms. Berry added that the Reconciliation Worksheets and the Multi-year Data Worksheets will most likely be updated to reflect the FY22 numbers.

Michael Joachim added that the SPS FY22 budget was done within guidance, maintains services as well as addresses other needs such as custodial services.

Ronald Brumback reported that L-S has submitted its capital budget request to Dennis Keohane.

Sonny Parente stated that the DPW is doing a great job with plowing and keeping the roads safe as well as managing the health and safety of Town employees.

Howard Feng reported on the Park and Recreation Commission meeting he attended recently. He stated that Dennis Mannone, Park and Recreation and Aquatics Director indicated that Park and Recreation is running a deficit in its Enterprise Funds because of diminished uses as a result of the COVID-19 Health Emergency. He added that Pool Enterprise Fund is expected to have a deficit of \$70K and the Field Enterprise Fund is expected to have a deficit of \$25K. Mr. Feng noted that the Park and Recreation staff are paid 50% through the Enterprise Fund accounts and 50% through their general fund account. He added that Park and Recreation will submit a budget transfer request to cover the deficits in the Enterprise Funds.

Co-Chair Smigler reported that the Select Board discussed financial policies and the DLS recommendation on capital management. He added that the Select Board has grouped the two into their number one goal for the year. He stated that Jennifer Roberts and Bill Schineller are leading a subcommittee to tackle this. Co-Chair Smigler stated that there seems to be some energy in developing a holistic plan for capital instead of piecemealing specific things from DLS recommendations. Co-Chair Smigler stated that the Select Board discussed Melone Fund Transfer to a capital account and there was a reference to the Fire Station project which would be the Fire Chief's article.

Co-Chair Smigler shared an update from the Board of Health as it related to a previous Finance Committee presentation on staffing issues. He referenced the budget issues relating to the head nurse being able to respond to contact tracing requirements and data requirements. He added that there was significant lead time in bringing on nurses to help with contact tracing and that the unfortunate news is that the head nurse has resigned. He stated that she had taken a job with the State.

- **Calendar Review**

Co-Chair Smigler stated that the January 12, 2021 meeting has been confirmed with the Select Board. He also stated that the February 22, 2021 meeting has also been confirmed for a joint meeting with the Select Board and the CIAC to review capital articles.

Co-Chair Smigler stated that Town Meeting is scheduled for May 3 through May 5, 2021, with May 8 and 9 as emergency dates.

- **Future Agenda Items**

Co-Chair Smigler added from the earlier discussion 1) how might project retrospectives be included in budget reviews with Cost Centers and 2) future maintenance costs for current capital.

ITEM 5: FY 22 Budget Update and Discussion

- **[Overview from Dennis Keohane] Budget Summary**

Delivery of the Budget Summary was delayed and there were no additional questions for Dennis Keohane on the budget.

- **Prepare and Questions for OPEB Review Next Meeting**

Co-Chair Smigler opened this item for discussion. He stated that the purpose of this discussion is to prepare for next week's meeting and discussion on OPEB. Co-Chair Smigler asked Susan Berry to talk about why OPEB is important and what documents the Finance Committee should review to prepare for the discussion.

Susan Berry provided a historical perspective on how the Town funded its OPEB (Other Post-employment Benefit) costs.

The Finance Committee discussed accrued liability related to past employees and also discussed normal costs in terms of new liabilities for current employees that will be paid out when that employee retires.

Mr. Keohane noted that the ARC concept is gone. Mr. Keohane stated that the Town of Sudbury paid \$1.2M in FY21 and an additional \$600K set aside for future cost. He also stated that SPS and the Town of Sudbury have accumulated \$9M in the OPEB Trust Account.

Co-Chair Smigler asked members to consider the scope that should guide their inquiry, what is within the boundary, what is important, and what should the Finance Committee stay away from.

Susan Berry stated that the Finance Committee should make recommendations about whether money should be put into the OPEB Trust yearly and could opine if what is in the Trust is sufficient to limit risk from this unfunded liability.

Co-Chair Poch stated that the report would need to be reviewed and see what is suggested regarding the liability. He added that historical action and potential future action needs to be considered and balanced against the current budget.

Ron Brumback stated that the Town of Lincoln has reduced their OPEB contribution until they pay off the pension

obligation and then they will apply the amount that they had been putting into pension into the OPEB obligation.

A general discussion followed on minimum documents members should review before the next meeting. These included the 2017 Actuarial Report, Final Report on OPEB, and the OPEB Trust Contribution.

ITEM 6: Update FinCom Operating Procedures and Policies

This item was postponed to the next Finance Committee meeting.

ITEM 7: Committee Discussion

• **FY22 Budget and Budget Pressures**

Co-Chair Smigler opened this item for discussion. He stated this would be a good time to reflect on budget pressure presentations and begin discussing the Finance Committee report to the town at the annual Town Meeting. Finance Committee members were not ready to comment on their reactions to the budget pressures, feeling that to do so would be a bit premature. Concerns were expressed by members for the residual effect of the COVID-19 Health Emergency on the FY22 Budget, particularly related to student support, availability of circuit breaker capacity after utilizing funds for COVID-related expenses and operating costs, and impacts to the Health Department and Police and Fire Departments. A general discussion followed.

• **Prepare for "2020 Financial Conditions/Forecast" Joint Meeting with the Select Board Proposed by the Town Manager for 1/12/21**

Co-Chair Smigler opened this item for discussion. Members shared their expectations and discussed what they would like to have answered in preparation for the Joint Select Board/Finance Committee meeting on January 12, 2021.

• **Town Meeting Report Goals, Template, and Framework**

There was no discussion on this item.

• **Capital Management Including Sub-Committee Update if Available.**

The Finance Committee will schedule this item for a subsequent meeting.

ITEM 8: Public Comment

There were no public comments.

ITEM 9: Adjournment

Motion and Vote:

Susan Berry moved, and Ronald Brumback seconded the motion that the January 6, 2021, Finance Committee meeting be adjourned at approximately 9:17 p.m.

Roll call vote:

Scott Smigler, yes; Ronald Brumback, yes; Sonny Parente, yes; Michael Joachim, yes; Susan Berry, yes; Howard Feng, 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, January 11, 2021, at 7:00 p.m.

Submitted by Cheryl Gosmon