

**Sudbury Finance Committee
Virtual Meeting Minutes
January 11, 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, Michael Joachim, Jean Nam, and Sonny Parente

ABSENT: Saji Johnson and Howard Feng

ALSO PRESENT

Dennis Keohane, Finance Director/Treasurer-Collector

CONVENE:

Co-Chair Eric Poch called the meeting to order at 7:01 p.m. Co-Chair Poch roll called members of the Finance Committee present at the January 11, 2021, 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: Updates from Town Manager and Finance Director

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

There were no Town Manager or Finance Director updates.

ITEM 4: General Business

- **Approve Meeting Minutes**
There were no minutes to approve.
- **Budget Transfers and Other Business**
There were no Budget Transfers.
- **Other Business**

Co-Chair Smigler addressed the issue of membership and stated that Howard Feng has sent him an email of someone who might be interested in filling the vacant Finance Committee seat. Co-Chair Smigler stated that he would like to have a decision made on a new person before the Finance Committee Budget Hearings and by January 25, 2021, Finance Committee meeting. After discussing the matter, it was the consensus of the Finance Committee to post the position

with deadlines due two weeks from posting. Co-Chair Smigler stated that the best-case scenario would be to vote on the candidate at the February 1, 2021, Finance Committee meeting.

- **Liaison Reports**

Jean Nam reported that the Community Preservation Committee (CPC), at their January 6, 2021 meeting, approved applications submitted for CPC funding as well as Warrant Articles for the May 2021 Annual Town Meeting. Ms. Nam stated that there are two Park and Recreation Warrant Articles and several housing articles. She suggested that the Finance Committee schedule time to hear from the applicants of the articles.

Ron Brumback stated that there will be another L-S OPEB report soon.

- **Calendar Review**

Co-Chair Smigler reviewed the Finance Committee Calendar with members. The Finance Committee will receive the Budget Summary at their January 20, 2021 meeting. The Finance Committee will use their January 25 meeting to prepare for the L-S and SPS Budget Hearings. The Finance Committee will have a joint meeting with the Select Board and the CIAC on February 23, 2021. Co-Chair Smigler reviewed March dates as well noting feedback from the Finance Committee to the Select Board on the Warrant is due at the end of March. A general discussion followed.

- **Future Agenda Items**

There was no discussion on this item.

ITEM 5: FY22 Budget Update and Discussion

- **Budget**

Dennis Keohane stated that the Town and Cost Centers continue to develop their budgets within guidance.

Co-Chair Smigler noted that the Finance Committee has the final L-S and SPS Reconciliation Worksheets. The Committee engaged in a discussion on various aspects of the Cost Center budgets relative to unmet needs or needs not able to fit within guidance as well as potential cost savings.

- **OPEB**

Co-Chair Smigler opened this item for discussion. The Committee discussed the liability and funding of the liability relative to the OPEB account.

Michael Joachim noted that we are current paying for the health insurance costs of retirees, which costs were incurred in the past, and that the idea with OPEB contributions is to also pay now for health insurance costs for current employees currently being incurred, rather than leaving those for the town to pay later when those employees retire.

Dennis Keohane stated that the Town of Sudbury pays \$1.2M annually for current and prior year retirement. He explained the mechanics of having a fully funded OPEB account. He added once fully funded, a contribution of a smaller amount would be made annually for current employees. Mr. Keohane noted that the Town of Sudbury is currently meeting its obligation for current employees and retirees; these costs are appropriated every year. A general discussion followed.

Co-Chair Smigler summarized the conversation in preparation for the Finance Committee's report in the Annual Town Meeting Warrant and supporting the development of the Select Boards' Financial Policies. Susan Berry suggested in terms of financial policies that consideration be given to a holistic point of view on prioritizing funding capital and OPEB contributions within the levy and possibly using a percentage of Free Cash to fund them both.

- **FinCom Report (including framework and layout)**

Co-Chair Smigler led the discussion on this item. He presented a draft copy of the mission statement. He stated that the purpose of this discussion is to be clear on the Finance Committee's objectives and deliverables. A general discussion followed.

Co-Chair Smigler suggested that the Finance Committee look at the report from last year and make suggestions on what they like or did not like. Co-Chair Smigler stated that a review of the table of contents of the finance section of the warrant and discuss at its next meeting.

The Finance Committee discussed the development of the Annual Report. Dennis Keohane will update the numbers for the Finance Committee.

- **2020 Financial Condition and Forecast**

The Finance Committee reviewed changes that were made to the updated version of the 2020 Financial Condition of the Town. Dennis Keohane referred to Free Cash and the capital budget forecast. He stated that local receipts and State Aid are level-funded and there is some available capacity

in the levy for potential changes. He added that once the economy is more stabilized, he expects to see the local receipts projected at a higher number and Free Cash will no longer be used to fund the Town Manager's capital budget. The conversation continued with a discussion of the projected financial summary as well as the impact on the average tax bill. Mr. Keohane noted that the net increase in debt for FY22 is approximately \$500K. Discussion followed. The Finance Committee reviewed questions sent to Mr. Keohane ahead of this meeting.

- **Update FinCom Operating Procedures and Policies**

There was no discussion on this item.

ITEM 7: Public Comment

There were no public comments.

ITEM 8: Adjournment

Motion and Vote:

Ronald Brumback moved, and Sonny Parente seconded the motion that the January 11, 2021, Finance Committee meeting be adjourned at approximately 9:45 p.m.

Roll call vote:

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

The motion carried. The vote was unanimous.

The next scheduled meeting of the Finance Committee is Tuesday, January 12, 2021, at 7:45 p.m., Joint Meeting with the Select Board.

Submitted by Cheryl Gosmon