

**Sudbury Finance Committee
Virtual Meeting Minutes
February 1, 2021**

ATTENDANCE

Members of the Finance Committee (FinCom) present for the Virtual Meeting were: Co-Chair, Eric Poch, Co-Chair Scott Smigler, Susan Berry, Ronald Brumback, Howard Feng, Michael Joachim, Jean Nam, Sonny Parente (arrived after roll call)

ALSO PRESENT

Dennis Keohane, Finance Director/Treasurer-Collector, Jennifer Roberts, Vice-Chair of the Select Board, Bella Wong, Superintendent/Principal, LSRHS, Kirsteen Patterson, Director of Finance, LSRHS, and from Lincoln-Sudbury Regional District School Committee, Ellen Joachim, Chair, Carole Kasper, Vice-Chair and Candace Miller

CONVENE:

Co-Chair Eric Poch called the meeting to order at 7:02 p.m. by a roll call of members present at the February 1, 2021, Virtual Meeting.

ITEM 1: Open the Meeting

- **Welcome and Member Roll Call**

- **Opening Remarks (Co-Chairs)**

Co-Chair Poch stated that he and Co-Chair Smigler met with Bella Wong recently and she gave them updates as well as information for questions that had not been answered. He expressed his appreciation for the clarifications and noted they were extremely helpful. Co-Chair Poch stated that there were two rounds of questions that went out to L-S and he has received answers for all of them. He added that the responsiveness, transparency, and quick turnaround on the answers to the questions from the Cost Centers have been great.

Co-Chair Smigler echoed the comments of Co-Chair Poch and added that the FinCom appreciates the spirit of collaboration this brings. He stated that the FinCom will use this meeting as an opportunity to ask questions to improve its understanding of the budget and to candidly as well as directly address concerns to inform future deliberations. He also stated that the FinCom's ultimate goal is to make an objective recommendation to Town Meeting for the benefit of the community.

ITEM 2: Public Comment

There were no public comments.

ITEM 3: Lincoln-Sudbury Regional High School Budget Hearing

Co-Chair Smigler opened this item for discussion. Ronald Brumback introduced Bella Wong and her team and invited them to present the L-S Proposed FY22 Budget.

Ms. Wong began the presentation with a summary of COVID Funding as well as a description of how the L-S budget supports the L-S core values and aspirational goals. Ms. Wong provided a summary of projected enrollment and stated that the professional staff has been reduced by 3.5 FTEs. Ms. Wong shared information on the current median class size. Ms. Wong stated that the first draft of the FY22 budget, based on Lincoln and Sudbury guidance, had a budget funding gap of \$465,000. Ms. Wong summarized two elements of cost avoidance relative to L-S Academy, noting that there are twenty students with 2.5 FTEs and 1.5 teaching assistants. Ms. Wong presented a summary of financial assumptions as well as an overview of revised expenditure projections, noting significant changes in teacher salaries, employee health insurance, non-employee health insurance, OPEB contribution, and out-of-district tuition. Ms. Wong provided information on projected adjustments to close the budget gap and make improvements to the program as well as an overview of the Assessment.

The conversation continued with a discussion on the FY22 Capital Request. Ms. Wong stated that warrant articles have been submitted for community field turf replacement, tennis courts repair/resurfacing, 15-passenger van, and an aerial lift. She added that the warrant article for the turf field chain link fence was not approved. Ms. Wong presented a summary of the budget timeline.

A discussion followed on the Q&As to L-S from the Finance Committee. Ms. Wong responded to Jean Nam's question about whether an FTE was added in administration. Ms. Wong stated that L-S has the same number of administrators, but the responsibilities have been reapportioned. Ms. Wong also provided additional clarification on staffing and enrollment projections. Ms. Wong responded to Co-Chair Smigler's question on the L-S Capital Plan and 5-year Projection and how planning and condition of assets factor in. Ms. Wong explained that as basic assets are being replaced, and an inventory is done of equipment, the life expectancy of equipment is evaluated. Ms. Wong also spoke about the vehicle replacement process. Ms. Wong mentioned that the biggest COVID-19 related expenses have been for the temporary staffing to support the hybrid and remote learning programs. She added that the FY22 proposed budget

request does not account for COVID-19 related expenses and that L-S has applied for funding through the ESSER2 grant which will award funding through to September 2023. Kirsteen Patterson added that L-S has prepared itself for any need that might arise in FY22 and has been responsible for how funds have been utilized. Ms. Wong provided clarity to questions about Circuit Breaker funding, median class size, L-S Academy, substitute teaching, and the teacher salary reserve. Co-Chair Smigler stated that the FinCom will follow up on the question of teacher salary reserve. Co-Chair Smigler also stated that if members have additional questions after this meeting that they should document them, and Ronald Brumback will collect them and follow up with a written response.

Co-Chair Smigler asked about the funding gap and the reduction of the OPEB contribution to partially fill a portion of the gap. He also asked if L-S would consider using other reserves as alternatives to decreasing the OPEB contribution. Ms. Wong explained that there are no other reserves available to close the gap and that although E & D reserves are available, she would prefer not to use this reserve account to close the gap. She stated that with the new actuary there may be some modifications in long-range planning on funding the liability.

Co-Chair Poch provided an update on the OPEB Trust meeting he attended. He stated that the new actuary made reports and benchmarking which had not been done in the past. He also stated that most of the key criteria for the L-S OPEB contribution are favorable in comparison to both historic and peer performance. He added that if funding the gap through reducing the OPEB is only a short-term solution it seems reasonable. A brief discussion followed.

Ms. Wong responded to Co-Chair Smigler question about her expectations going into 2023. She stated that 2023 will be a year of contract negotiations.

Ms. Wong expressed her appreciation to the FinCom for having the questions ahead of time and for the ability to write the responses. She stated that it was extremely helpful.

ITEM 4: Updates from Town Manager and Finance Director

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

Co-Chair Smigler opened this item for discussion. Dennis Keohane provided a brief financial update. He stated the Governor's budget proposes a small increase in State Aid for the Town of Sudbury. Mr. Keohane also responded to Susan Berry's question on the unused Melone Property funds and stated that would be a

Annual Town Meeting Warrant article.

ITEM 5: General Business

- **Approve Meeting Minutes**

There were no meeting minutes to approve.

- **Budget Transfers**

There were no Budget Transfers.

- **Membership (interview and vote to fill vacant seat)**

Co-Chair Smigler stated that there was one applicant who applied to fill the vacant FinCom seat, but he has decided not to pursue the appointment. Co-Chair Smigler asked the Committee to consider the next steps which include extending the application period by four weeks. A general discussion followed. Co-Chair Poch noted the bylaws state that FinCom is required to pursue filling any interim vacancy as soon as is practical. After careful consideration, the FinCom decided to post the vacant seat without a deadline until the seat is filled.

- **Liaison Reports**

Howard Feng reported on the Park and Recreation Commission meeting he attended recently. He stated that Park and Recreation voted and approved three Warrant Articles that involved spending limits on three related revolving funds: Recreation Programs, \$650K; Youth Programs, \$200K; and Teen Center, \$10K.

Michael Joachim reported that the SPS Budget Book will be available to the FinCom this week. He stated that the Committee should review and submit questions to him and Susan Berry by Friday so that SPS can respond before Wednesday, February 10. A brief discussion followed.

Co-Chair Poch further commented on the L-S OPEB Trust meeting he attended with Ronald Brumback, that he was impressed with the presentation. He added that additional information was offered to the Board of Trustees that could be pursued to help further improve their position and manage their exposure to the liability.

Co-Chair Poch also reported on the Select Board meeting he attended, noting that several items were covered relative to the Melone land transfer. He also stated there was discussion on the Sewataro financials. He added that there was a lengthy discussion on the Fire Station and after a discussion, the Select Board agreed to a phased approach.

Co-Chair Smigler relayed the Fire Chief's comments at the Select Board meeting that the phased approach adds approximately \$1.7M to the cost. He added that Select Board members questioned if the project was of appropriate scale. He stated that the \$3M released overlay funds that were not used in FY20 became part of Free Cash.

- **Calendar Review**

There was no discussion on this item.

- **Future Agenda Items**

There was no discussion on this item.

ITEM 6: FY22 Budget Update and Discussion

- **FY22 Budget**

Co-Chair Smigler open this item for discussion and stated he would collate member questions for Henry Hayes or Dennis Keohane on the FY22 budget.

Co-Chair Smigler asked members whether or not they would want a list of capital projects and their current status from the Cost Centers for the past five years to review. He noted that this was a suggested Future Agenda topic. After a brief discussion, the Committee decided that they would make a list of open questions.

- **Review Structure Document for FinCom Report to Warrant**

Co-Chair Smigler opened this item for discussion and stated that the goal here is to develop a draft template for the FinCom Report to Warrant. He added that Co-Chair Poch, Howard Feng, and Jean Nam will put together their submissions to the template structure. Co-Chair Smigler stated that Ronald Brumback will organize the FinCom section of the Warrant.

- **Updated Finance Committee Roles and Operating Procedures**

Co-Chair Smigler opened this item for discussion. He stated that Jean Nam did a fantastic job incorporating everyone's comments and that the document is close to final. The Committee reviewed the document and made comments and suggestions.

ITEM 7: Public Comment

Co-Chair Poch opened this portion of the meeting to Public Comment. He recognized Jennifer Roberts, Vice-Chair of the Select Board and FinCom liaison.

Ms. Roberts stated that Tuesday, February 2 is the first meeting of the Select Board Sub-Committee for Policy and Procedures. Ms.

Roberts stated that Bill Schineller and she will kick off the meeting with a conversation on financial policies as well as a conversation on the DLS report and looking to incorporate their recommendations. Ms. Roberts added that the sub-committee will report its work to the Select Board.

ITEM: Adjournment

Motion and Vote:

Sonny Parente moved, and Susan Berry seconded the motion that the February 1, 2021, Finance Committee meeting be adjourned at approximately 9:51 p.m.

Roll call vote:

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

The motion carried. The vote was unanimous.

The next scheduled meeting of the Finance Committee is Wednesday, February 10, 2021, at 7:00 p.m.

Submitted by Cheryl Gosmon