

**Sudbury Finance Committee
Virtual Meeting Minutes
May 10, 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, Blair Caple, Howard Feng, Michael Joachim, and Jean Nam

Absent: Sonny Parente

OTHER ATTENDEES: Dennis Keohane, Finance Director/Treasurer

ITEM 1: Open the Meeting

- Welcome and Member Roll Call
Co-Chair Poch roll called the meeting to order at 7:03. Blair Caple, present; Ronald Brumback, present; Howard Feng, present; Michael Joachim, present; Susan Berry, present; Jean Nam, present; Scott Smigler, present; and Eric Poch, present.

- Opening Remarks
Scott Smigler read the statement about public meetings and information about being recognized to speak. He mentioned that the committee received an updated CIAC report re the Fire Station article which we will discuss later in the meeting. Also, the committee's planned discussion about financial policies will be postponed as the Select Board subcommittee's report has been postponed. Finally, the FinCom Town Meeting presentation was recorded and posted to the Town website.

ITEM 2: Public Comment - None

ITEM 3: Updates from Town Staff and Liaison Reports

Dennis Keohane reported that the Town is waiting for updates on the use of the recently passed stimulus. No further updates on Snow and Ice, and local receipts and State Aid are coming in as expected.

Susan Berry reported that the Board of Health received the Public Health Excellence Grant Program for Shared Services for \$300K/year for 3 years that they had applied for in

collaboration with Bedford, Concord, Carlisle, Lincoln, and Wayland.

Jean Nam reported on a CPC meeting. They discussed the 5% of the income that the committee is allowed to spend on administrative costs. Currently CPC spends much less than the 5% allocated. CPC discussed hiring part time administrative help to streamline the process and make sure groups that could use CPC funds are aware that they are eligible.

Michael Joachim reported that he and Susan Berry met with the SPS Superintendent, SPS Finance Director and SPS Committee Chair to talk about how the FinCom could get additional information on circuit breaker. The group agreed to meet again in the fall to work on details.

Scott Smigler reported that the Select Board voted to approve Eversource's request for a grant of location, but this is in parallel with litigation against the project.

ITEM 4: General Business

- **Approve meeting minutes**
Michael Joachim moved, and Ron Brumback seconded the motion to approve the meeting minutes for February 10, 2021. Blair Caple, abstain; Ron Brumback, yes; Howard Feng, yes; Michael Joachim, yes; Susan Berry, yes; Jean Nam, yes; Scott Smigler, yes; and Eric Poch, yes. The motion passed 7 in favor and one abstention.
- **Liaison appointments** - none
- **Membership** - none
- **Transfers and other business** - none
- **Calendar and budget process**
The committee decided to have a short meeting at 12 noon, May 22nd at LSRHS before Town Meeting to vote on recommendation on any articles remaining.
- **Future Agenda Items** - no additions

ITEM 5: Committee Discussion:

- **Long-term concerns related to the budget and budget process**
Ron Brumback and Eric Poch led this discussion using a draft that Ron had prepared for the committee to review. To begin, Ron emphasized that this is not meant to be critical of anyone and that the context is that fundamentally the Town in is good shape financially. Concern he raised were:

1)Capital funding this year was from Free Cash, much of which was from the released overlay funds, 2)projections for the future are daunting, 3)spending on capital assets compared to annual depreciation, 4)use and plan of the Capital Stabilization Fund, 5)capital forecasting vs annual capital spending, and 6)process for setting annual budgets for each cost center. Ron opined that there are two main data needs to be gathered by the Town - asset inventory and information from the department heads about needs that are not being met. A discussion by the committee followed.

Co-chair Poch suggested that in terms of capital, spending is more determined by funding than planning and suggested the Town and FinCom would benefit by thinking about a modified process that centers planning and transparency. Jean Nam also brought up the need for a priority list for the various types of capital items. Michael Joachim added that his sense of the conversation over the past year is that the Town needs a more robust capital plan. Without knowing what other needs are coming in the future, we are making ad hoc decisions which may or may not be the best decisions for the town. He also mentioned that he would like to understand if there is coordination among the three cost centers as to who needs what to assure that the budget is funding the most pressing needs. It may not be the case that each cost center needs the same percentage increase every year.

Scott Smigler summarized the issues the committee identified as: 1)understanding the long-term impact of decisions, 2)reactive and ad hoc budget process which potentially impacts taxes and process and risks underinvesting in strategic areas, leads to debt service that is not level from year to year, and making long-term planning is hard, and 3)estimating long-term challenges is difficult.

Co-chair Smigler began the discussion of possible solutions. After some discussion, FinCom agreed to the following needs to enable better planning and capital decision making: 1)existing inventory of fixed assets by location, age, condition, and cost of maintenance and replacement that is regularly updated; 2)new projects and assets list for the next 5 years (e.g. ADA Compliance); 3)realistic 5 year capital plan updated annually; and 4)coordination between the Town and CPC

on project funding sources. FinCom agreed to send this to the Town Manager to consider as he and the Select Board are thinking this summer about improving the capital planning process.

- **Updated recommendations from CIAC**

After a brief discussion about the updated CIAC recommendation on the Fire Station article, FinCom members decided to ask the CIAC if they had new information on the cost per square foot. If yes, the committee would like to hear that. If not, the FinCom vote will stand.

- **Town Meeting Presentation**

The FinCom presentation has been recorded and is on the website. At the Annual Town Meeting, Co-Chair Smigler will give a brief presentation and reference the details that are in the Finance Section of the Warrant.

ITEM 6: Public Comment

Co-Chair Poch recognize Select Board Co-Chair Roberts. She mentioned that many of the items discussed by the FinCom at the meeting will come out in the Select Board's financial policies discussion. She encouraged FinCom members to continue to follow the discussion of the drafting of revised Select Board policies and welcomed FinCom input.

ITEM 7: Adjourn

Scott Smigler moved, and Susan Berry seconded the motion to adjourn at approximately 9:55 pm.

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

The motion carried. The vote was unanimous.

The next scheduled meeting of the Finance Committee is Saturday, May 22, 2021, at noon.