

**Sudbury Finance Committee
Virtual Meeting Minutes
January 13, 2025
7:00PM**

ATTENDANCE

Members of the Finance Committee present: Co-Chair Michael Joachim, Co-Chair Michael Ferrari, Andrew Bettinelli, John Baranowsky, Andrew Sousa, Ryan Lynch, and Karl Fries. Eric Poch and Henry Sorett arrived late.

Absent: None

Also in attendance: Finance Director Victor Garofalo and Town Manager Andrew Sheehan

ITEM 1: Opening Remarks and Member Roll Call

Co-Chair Joachim called the meeting to order at approximately 7:00PM, roll-called the members, and declared a quorum present. He read the Municipal Remote Meeting Disclaimer.

ITEM 2: Public Comment

There was no public comment.

ITEM 3: Budget

Discuss updated FY26 operating budget

Finance Director Victor Garofalo reviewed the updated FY26 operating budget including the following highlights:

- Increase of \$120K to SPS primarily for hiring of additional assistant principal.
- Decrease of \$75K to Town budget.
- Increase in insurance and benefits to both town and school primarily due to increase in prescription drug coverage to allow for potential increase as high as 12% in GIC plan and 10% in Harvard plan.

Discussion ensued including the following highlights:

- Notification required by November 1st of fiscal year to GIC if Town goes out to bid.
 - Disadvantage to new plans: possible low premium rates in first year and spike in years two and three.
 - Advantage to GIC plan: experience rates based on total number of state employees and not Town only.
 - Contribution rates post 2011 increased to 65/35 with higher employee contribution.
- Draw down large overlay balance to fund SPS initiatives.
- Budget based on full employment notwithstanding current open vacancies planned to be filled.
- Conservative increase in permit income due to large developments not anticipated.

Town Manager Sheehan reported that, notwithstanding minor changes to the MOA for the shared facilities position, there has been no change in the shared rate between town and school.

Discuss anticipated FY26 capital budget

Mr. Garofalo reviewed the current FY26 capital budget including the following highlights:

- Preliminary capital plan was refined to remove the conservation commission vehicle and DPW vehicle to be funded by ARPA as well as the \$100K for design and feasibility study for school roofs; construction of two roofs moved to FY27 and two other roofs to FY28.
- Public works chipper moved to FY26.
- Dispatch center removed to make way for regional dispatch center.
- Items under \$100K are funded from the tax levy, i.e. classroom instructional equipment.
- Ambulance put on town meeting warrant in FY26 with anticipated delivery in two years.

Discussion ensued including the following highlights:

- Free cash certified at \$7M of which 40%/\$4.4M will be used this year and \$2.6M carried over to next year.
- DOR issued new guidelines for funding balance of free cash from 3-5% to 5-7%; fiscal policies will need to be revised to the guidance.
- Adherence to policy helps ensure town's strong bond rating by S&P.
- \$2,980,500 will be put toward capital; \$400K toward stabilization fund; \$750K toward capitalization stabilization fund; \$175K toward new pension stabilization fund.
- Create new reserve fund of \$25K for vacation and sick accrued leave toward unanticipated retirements under the control of the Town Manager; creation of reserve funds are approved at town meeting and funds are added only as needed.
- Maintain free cash to handle expenses for snow/ice at the end of the year.
- Debt service for ambulance funded through ambulance receipts over five-year period.
- Goal has been to get more debt service into the levy.

Discussion continued on the use of free cash as opposed to reserve funds in terms of adhering to best practices of financial policies of good fiscal management.

ITEM 4: General Topics**Discuss Select Board priorities with Select Board Liaison**

Co-chair Joachim welcomed Chair Jennifer Roberts and Vice Chair Dan Carty, who reviewed the Select Board goals for FY25 including the deliverables thereon. General discussion ensued on various financial implications of the short-term and long-term goals.

Review draft Annual Report submission

Co-chair Joachim reviewed the first draft of the 2024 annual report. He asked that members send Co-chair Ferrari and him any suggested edits within the next week for distribution and finalization at the next meeting.

Consider ambulance privatization study

Mr. Sorett reported on his initial discussion with the Gardner Mayor about ambulance privatization. Mr. Garofalo noted that privatization does not eliminate the need for staffing of the fire department. Mr. Sorett will report back at the next meeting on more detailed financial information about going forward with proposing a warrant for town meeting on funding a comprehensive study to determine the viable prospects for the town.

Discuss proposed bylaw amendment concerning Finance Committee membership

Select Board Vice Chair Carty reviewed the proposed bylaw amendment concerning Finance Committee membership. The intention is to clarify the language.

ITEM 5: General Business

- **Transfers and other business**
There were none.

- **Liaison reports**
There were none.

- **Calendar**
Next meeting: January 27
Dates for budget hearings:
SPS Feb 3
LS Feb 10 (to be confirmed)
Capital Feb 24
Town March 3

- **Approval of Minutes**
There were none.

ITEM 6: Public Comment

There was no public comment.

ITEM 7: Adjournment

Upon motion duly made by Mr. Poch and seconded by Mr. Sorett, it was unanimously voted to adjourn. Roll call vote: Co-Chair Joachim-Y, Co-Chair Ferrari-Y, Mr. Poch-Y, Mr. Lynch-Y, Mr. Bettinelli-Y, Mr. Sorett-Y, Mr. Fries-Y, Mr. Sousa-Y and Mr. Baranowsky-Y. Motion carries 9-0, unanimous.

The meeting adjourned at 9:23PM.

Respectfully submitted,

Christine Martin Barraford
Recording Secretary