Town of Sudbury Finance Committee

Meeting Minutes

October 5, 2026 | Remote meeting via Zoom

Present: Mike Ferrari, Chair; Mike Joachim; Ryan Lynch; Henry Sorett; John Baranowsky; Karl Fries; Andrew Sousa; Eric Poch; and Andrew Bettinelli (joined at approximately 7:05 PM).

Also present: Victor Garofalo, Assistant Town Manager/Finance Director.

1 Call to Order and Public Comment

Chair Ferrari called the meeting to order shortly after 7:00 PM, conducted a roll call, and read the remote meeting and recording notice. All nine members attended. There was no public comment at either opportunity during the meeting.

2 Financial Matters

Free cash certification

Mr. Garofalo reviewed the Town's FY2027 certified free cash of approximately $9.985 million, certified by the Massachusetts Division of Local Services (DLS) in late September. He explained that free cash reflects year-end revenues, expenditure reversions, closed appropriations, and other balance-sheet adjustments.

Excess revenues totaled approximately $4.5 million, including about $1.3 million in one-time revenue, largely related to older tax title and deferred tax accounts. Major revenue variances included approximately $1.6 million in investment income, $1.4 million in motor vehicle excise, and $369,000 in licenses and permits above estimates. Expenditure reversions totaled approximately $1.384 million, with employee benefits, insurance, the reserve fund, and debt service among the larger components.

Members emphasized the distinction between one-time and recurring revenue. Mr. Garofalo noted that local-receipt estimates had already been increased for FY2027, with additional increases proposed for FY2028. Members observed that the certification was driven largely by revenue performance and one-time adjustments rather than broad operating budget underspending.

The Committee reviewed approximately $7.039 million in free cash appropriations at Annual Town Meeting. Uses included approximately $4.7 million for capital projects, $750,000 for snow and ice, $300,000 for General Stabilization, $275,000 for Capital Stabilization, $100,000 for transportation, $500,000 for the Sudbury Housing Authority article, and $325,000 for OPEB.

Members discussed the draft financial policy of retaining 25%–35% of certified free cash. Chair Ferrari requested historical certification, use, and carryover information; Mr. Garofalo noted that it was included in the Town's multi-year budget materials. He also explained that DLS certification involves a detailed review of the Town's balance sheet and supporting records.

Mr. Garofalo reported that a credit-rating review was expected in December and that staff planned to seek feedback on the Town's undesignated fund balance and stabilization levels.

FY2028 budget outlook

The Committee reviewed the September 23 Budget Working Group projection, which showed an approximately $915,000 FY2028 gap. Mr. Garofalo reported that the FY2028 retirement assessment increased by about 1%, compared with the earlier assumption of approximately 6.5%, improving the projection by roughly $500,000. Staff were reviewing the reason for the lower increase. Favorable health insurance enrollment adjustments and workers' compensation trends were also expected to improve the outlook.

Based on information available at the meeting, Mr. Garofalo stated that an FY2028 override appeared unlikely. He cautioned that final new growth, bond-sale interest rates, GIC health insurance rates, property and liability insurance, and other fixed-cost estimates remained subject to change.

Working assumptions included $500,000 in free cash and $500,000 from Capital Stabilization. Members discussed limiting one-time resources to appropriate nonrecurring uses. The Working Group was also evaluating whether solar fund resources could offset utility costs consistent with the fund's purpose.

Karl Fries emphasized the need to address longer-term structural pressures in addition to closing the FY2028 gap, noting that retirement costs could return to more typical increases in FY2029. Mr. Garofalo agreed that budget discipline remained important and clarified that FY2029 and FY2030 percentage increases were planning assumptions, not formal guidelines.

The Working Group planned to begin discussing FY2028 guidelines on October 7, with guidance anticipated earlier than the traditional late-November timeframe. Mr. Joachim asked how guidance would reflect revenues and the needs of Town departments, SPS, and Lincoln-Sudbury. Mr. Garofalo said updated cost-center information would be considered and that available levy capacity could provide flexibility, depending on final assumptions.

Capital planning

Mr. Garofalo reported that staff were updating the 15-year capital plan and reviewing projects for deferral or rescheduling. The annual capital article planning target was being reduced from approximately $2 million toward $1.2 million. Departments were also being asked to reduce free cash capital requests and assess each project's condition, useful life, maintenance history, and operational need.

The internal capital group would meet October 29. Mr. Joachim emphasized that the existing capital plan should remain the starting point for the review. Members expressed interest in evaluating FY2028 proposals within the full 15-year plan before formal presentation of the capital budget.

3 Coordination and Follow Up

Chair Ferrari discussed arranging a conversation with Select Board members about goals and priorities with potential budget implications. Topics included vocational education, public transportation, economic development, and future rail trail maintenance. Members supported further coordination, and Chair Ferrari planned to work with the Select Board liaison on the format and timing.

Mr. Joachim reported that he had spoken with the School Committee liaison about prior Finance Committee questions on SPS budget transfers and financial information. With interim SPS leadership in key positions, the parties were determining the most useful format for a follow-up involving Finance Committee representatives, the liaison, and SPS leadership. He also reported missing backup materials in prior SPS electronic budget folders; the School Committee was expected to review the issue.

4 General Business and Liaison Reports

No reserve fund transfers or other financial transfers were presented for action. Mr. Bettinelli reported that the Community Preservation Committee was beginning its annual review of approximately 14 applications and would provide updates as the review progressed.

The Committee discussed its vacant Capital Improvement Advisory Committee appointment, as the prior appointee could no longer serve because of another Town appointment. Mr. Garofalo agreed to have the vacancy re-advertised for approximately 30 days. Members hoped to fill it before year-end so the appointee could participate when CIAC began its work in January.

5 Meeting Calendar and Minutes

The next meeting was moved from October 19 to October 26, 2026. The Financial Condition of the Town presentation with the Select Board was expected on November 10. Members discussed a possible additional November meeting to prepare for school budget-pressure discussions.

Staff would contact Lincoln-Sudbury regarding December 7 and SPS regarding a possible off-Monday meeting, including December 17. Members questioned whether the traditional format remained useful given the school districts' budget development schedules and agreed to revisit the purpose and format at the next meeting.

No prior meeting minutes were presented for approval; minutes would be brought forward at a future meeting.

6 Adjournment

Mike Joachim moved to adjourn, seconded by Eric Poch. The motion carried by unanimous roll-call vote, 9–0. Voting yes: Andrew Sousa, Karl Fries, John Baranowsky, Henry Sorett, Ryan Lynch, Andrew Bettinelli, Mike Joachim, Eric Poch, and Mike Ferrari. The meeting adjourned at approximately 9:04 PM.