Town of Sudbury Finance Committee

Meeting Minutes

September 14, 2026 | Remote meeting via Zoom

Present: Ryan Lynch, Co-Chair; Mike Ferrari; John Baranowsky; Andrew Bettinelli; Karl Fries; Mike Joachim; and Andrew Sousa. Henry Sorett joined at approximately 7:08 PM; Eric Poch joined at approximately 7:39 PM. Mr. Sorett was absent for the adjournment vote.

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

1 Call to Order and Public Comment

Co-Chair Lynch called the meeting to order at approximately 7:05 PM, conducted a roll call, and read the remote meeting and recording announcement. All members participated remotely. No public comment was offered at either opportunity during the meeting.

2 FY2028 Budget Projections

Mr. Garofalo reviewed the August 31 Budget Working Group projections. The preliminary FY2028 gap had decreased from approximately $3 million to $1,925,372. Revenue revisions totaled $1,183,740, including $650,000 in additional local receipts, $100,000 in ambulance receipts, $149,036 in property tax revenue associated with debt exclusions, and $284,704 from updated FY2027 state aid. The local-receipt revision brought the total proposed increase to $750,000; a slide showing $740,000 would be corrected.

Net expense revisions added approximately $109,000. Higher estimated debt service of $321,025 was partly offset by reductions of approximately $160,068 in employee benefits, $31,628 in state assessments, and $25,000 in overlay, along with smaller adjustments. Borrowing estimates included school roofs, Atkinson Pool, the DPW concrete floor, and an ambulance; final costs and interest rates remained uncertain.

Members asked how excluded debt affected revenue. Mr. Garofalo explained that voter-approved debt exclusions permit property taxes above the regular levy limit and that the Town was already using its full levy. Mr. Joachim requested clearer labeling of the amount as additional property tax revenue.

Projected FY2028 revenues increased approximately $4.4 million, or 3.34%, while expenses increased approximately $6.4 million, or 4.77%. Fixed-cost growth accounted for about $2.2 million, including roughly $1.6 million in employee benefits and $548,000 in debt service. Approximately $2.2 million in additional revenue remained available for the cost centers after fixed-cost increases.

Mr. Garofalo emphasized that cost-center estimates were preliminary, not approved budgets or issued guidelines. SPS figures came from its earlier forecast; Town estimates reflected level-service costs without added staff; Lincoln-Sudbury used a 3% planning assumption. The SPS estimate excluded a conditional 2% contractual salary increase, estimated at $600,000–$700,000, that would apply if an override were approved. The Working Group would continue refining assumptions before issuing guidance.

3 Funding Options and Long Term Pressures

Mr. Garofalo outlined options for addressing the gap: $500,000 in free cash for the planned OPEB contribution; $500,000 from Capital Stabilization for the Town Manager's capital article; approximately $300,000 from the solar revolving fund and $25,000 in Community Preservation funding for eligible costs; further review of receipts and new growth; and expense review across Town and school cost centers. These were discussion options, not an adopted plan or priority order.

Using the two $500,000 amounts would reduce the preliminary gap to approximately $925,000 before other adjustments. Mr. Garofalo cautioned that higher recurring receipt estimates would reduce future free cash. Final FY2027 new growth was expected later in September or early October.

The solar revolving fund had an estimated $1 million balance, approximately $500,000 in annual receipts, and $300,000 in annual costs. Members discussed the potential for larger withdrawals. Mr. Garofalo cautioned that using accumulated funds would not be sustainable and could limit future energy initiatives.

Members reviewed health insurance pressures and whether better rate information could improve forecasts. Mr. Garofalo described the Town's participation in the Group Insurance Commission (GIC) and said its claims experience would make independent coverage less favorable. He reported claims ratios of approximately 125%–130% overall and more than 200% for retirees.

Mr. Ferrari asked about reducing the discretionary OPEB trust contribution. Mr. Garofalo distinguished that contribution from current retiree health costs, estimated at $1.7 million–$1.8 million annually. A lower contribution was possible but could increase the projected unfunded liability and affect financial reporting assumptions.

Mr. Fries and Mr. Poch questioned the sustainability of shifting levy-funded costs to reserves and urged clearer withdrawal policies and a longer-term plan. Mr. Sorett advocated reviewing services, staffing, administrative burdens, and regionalization. Members also discussed recurring revenues, economic development, state mandates, and potential service impacts. Mr. Garofalo disputed some suggested savings estimates and said the Working Group's work would continue beyond FY2028.

In response to Mr. Bettinelli, Mr. Garofalo did not identify a major near-term revenue increase or debt-service reduction that would resolve the gap. He reported that approximately $1.5 million–$1.6 million in old appropriations had already been closed over two years; rescinded funds would become available through a later free cash certification. He also clarified that ARPA-funded programming had ended without creating permanent Town positions and that a possible special education fund was not included in the projections. No budget recommendation or vote was taken.

4 Financial Policies Review

Mr. Garofalo reported that he and Town Manager Andrew Sheehan had submitted proposed policy edits to the Select Board. The Board planned to review sections over several meetings before seeking Finance Committee input. Mr. Joachim emphasized the need for a meaningful opportunity to comment on each section. Mr. Garofalo said the Committee's input would be returned to the Board.

A revised policy was anticipated later in the fall or early winter, depending on the review schedule. The Committee deferred detailed discussion until it received the proposed sections. No vote was taken.

5 Upcoming Agenda Topics

Fall priorities included Budget Working Group updates, financial policies, cost-center guidance, capital planning, budget pressures, the Town Manager's financial condition presentation, and coordination with the Select Board. Mr. Joachim and Mr. Sousa planned to contact SPS about a presentation on year-end budget transfers. Mr. Garofalo reported that the cross-cost-center capital staff group had begun its FY2028 work and met monthly.

Members requested earlier involvement in budget guidance, interim capital updates, and review of potential efficiencies. Mr. Poch noted the time needed if the Committee considered an alternative budget. Mr. Garofalo said departmental pressures and requests would proceed through the Town Manager.

Mr. Garofalo clarified that the classification and compensation study addressed grading and market comparisons for nonunion positions, rather than which services or positions should be retained. Budget implications could be addressed through the normal budget process. The co-chairs would prioritize and schedule agenda items.

6 Other Business and Meeting Calendar

No reserve fund transfer was requested, and no liaison reports or draft minutes were presented. Mr. Garofalo reported that shared vocational transportation arrangements with other communities had reduced Sudbury's share of costs for students attending Essex North Shore Agricultural and Technical School and Minuteman.

Members discussed possible October meetings, including an SPS presentation, and tentative November 9 and 23 dates. Mr. Garofalo would confer with the Town Manager on the financial condition presentation. Dates and presentations remained subject to confirmation.

7 Adjournment

Eric Poch moved to adjourn. A second was not clearly identifiable in the recording. The motion carried by roll-call vote, 8–0. Voting yes: Karl Fries, John Baranowsky, Andrew Sousa, Andrew Bettinelli, Eric Poch, Mike Joachim, Mike Ferrari, and Ryan Lynch. Henry Sorett was absent for the vote. The meeting adjourned at approximately 9:13 PM.