

Town of Sudbury ~ Finance Committee
Monday – July 14, 2014
Flynn Building – Second Floor - 7:30 PM
Preliminary Meeting Minutes

Attendance:

Those present were Vice Chairman Joan Carlton, Mark Minassian, William Kneeland, Andrew Sullivan, Jeff Barker, Adrian G. Davies, Fred Floru and Jose Garcia-Meitin.

Meeting called to order at 7:30 PM by Vice-Chair Joan Carlton.

Item 1: General Business

Mark Minassian moved to approve meeting minutes of May 1st, seconded by Bill Kneeland VOTE: UNANIMOUS.

Maureen Valente, town manager, explained that a town meeting has been proposed for Sept 4th to request approval for additional funding for the police station if it is needed.

Maureen Valente announced that the town had been awarded a \$250,000 grant from the Dept. of Energy. The grant money will be used to replace lighting in the parking lot at LS and to replace street lighting throughout the town. In both the cases the new lighting will be more energy efficient.

Transfer #1 - Maureen Valente requested a transfer of \$86,779.40 from the unemployment claims to FICA Medicare. Maureen explained that there were limited unemployment claims in FY14 and that the money is needed to pay the assessment resulting from an IRS audit of employment tax returned for 2012 and 2013.

Joan Carlton requested a motion to transfer \$86,779.40 from the unemployment claims to FICA Medicare. Mark Minassian moved the motion and Andrew Sullivan seconded it. VOTE: UNANIMOUS

Transfer #2 - Maureen Valente requested a transfer of \$24,500.00 from the Reserve Fund to Planning and Community Development General Expenses to engage a consultant to review the Planning Board's proposed zoning for the Route 20 commercial corridor (in the area of the proposed sewer district) and create visual renderings of potential development scenarios. Maureen explained that discussions with the town of Marlboro are still underway to potentially tie into the Marlboro Sewer System.

Joan Carlton requested a motion to transfer \$24,500.00 from the Reserve Fund to Planning and Community Development General Expenses. Andrew Sullivan moved the motion and Fred Floru seconded it. VOTE: UNANIMOUS

Transfer #3 - Maureen Valente requested a transfer of \$7,600.00 from the Salary Contingency to Library Salaries. This was needed to cover salaries for some part-time library employees.

Joan Carlton requested a motion to transfer \$7,600.00 from the Salary Contingency to Library Salaries. Fred Floru moved the motion and Mark Minassian seconded it. VOTE: UNANIMOUS

Item 2: Preliminary Discussion – Free Cash

Maureen Valente began her presentation by distributing the Municipal Budgeting Section from the Finance Committee Association's guidebook. This section explains free cash. She also distributed the slides for her presentation and a history of free cash back to the year 2000.

Some key points from Maureen Valente's presentation were –

- A town's free cash can only be used by vote of the Town Meeting.
- Each year's Free Cash amount, if not used as part of the funding for an appropriation that year, becomes the base of the next year's Free Cash.
- The Department of Revenue certifies the Free Cash amount each year.
- The amount of Free Cash goes up and down each year depending on several factors. Some examples include how the economy is impacting Sudbury, how revenue estimates are developed, the amount of risk planned for, and what the government decides on state aid.

Maureen Valente explained how the impact of the change to the GIC decreased health care costs more than anticipated and thus increased Fee Cash.

Looking toward the future, Maureen thought that a good policy discussion of Free Cash is needed with all involved parties including schools, Board of Selectmen, Capital Committee, Town Government and Finance Committee.

Maureen provided the committee with a handout of useful information on Free Cash including an extract from the Wayland Town warrant, Doug Kohen's presentation on Free Cash to town meeting plus several others.

A discussion of Free Cash policy ensued. Maureen agreed to collect information for the FinCom on the Free Cash Policy of several like towns.

Mark Minassian proposed a discussion on Free Cash policy at a future meeting, particularly the question whether some percent of Free Cash should be used for the operating budget.

Bill Kneeland thought that a policy was needed on the amount of Free Cash plus Stabilization that should be maintained.

Maureen Valente proposed that Andrea Terkelsen do a presentation at a future FinCom meeting on the tax rate setting process.

Item 3: Membership in the Association of Town Finance Committees

Mark Minassian proposed that Sudbury join the Association of Town Finance Committees. He explained that there is a lot of useful information on their Web Site and the cost is only \$250 per year. Maureen Valente said that she would try to find \$250 in FY15 budget to allow the FinCom to try it for one year.

Item 4: Liaison Assignments

Joan asked if anyone had any questions on the Liaison assignments sent out by Susan Berry. Andrew Sullivan suggested that when possible assignments should be for two years. Andrew also requested a second representative on the Capital Funding Committee.

Joan asked for a volunteer for the Web Site. Andrea pointed out that the town web site is being refurbished.

Item 5: Public comments

John Baranowsky of 103 Belcher Drive spoke. John provided comments on the Free Cash presentation including the recommendation that the citizens of the town should be included in the group establishing the Free Cash Policy.

Pat Brown, a member of the Board of Selectman spoke. Pat explained that she is putting together a committee to look into the town options regarding Minuteman High School. She requested two members from the Finance Committee. Bill Kneeland volunteered since he is the Minuteman representative. Joan asked if it was OK to postpone discussion of 2nd representative. Pat was OK with that.

Item 6: Adjourn

At 9:37 PM, Bill Kneeland made a motion to adjourn. The motion was seconded by Mark Minassian.
VOTE: UNANIMOUS