

**Town of Sudbury
Finance Committee
Minutes of Joint-Meeting with Lincoln Finance Committee
Thursday, February 3, 2014, 7:30 PM
Lincoln Town Offices ~ Donaldson Room**

The joint meeting of the Sudbury Finance Committee and the Lincoln Finance Committee was held at the Lincoln Town Hall on February 3, 2014 at 7:30pm. The meeting was called to order by Laura Sander, Chairwoman of the Lincoln Finance Committee.

Present for this meeting from the Sudbury Finance Committee were: Chairman Doug Kohen, Bill Kneeland, Tammie Dufault, Susan Berry, Joan Carlton and Andrew Sullivan. Bob Jacobson joined later, and Mark Minassian and Bob Stein were absent.

Present for this meeting from the Lincoln Finance Committee were: Chair Laura Sander, Jeff Birchby, Eric Harris, Jim Hutchinson, Chris Kasper, Sanj Kharbanda and Peyton Marshall.

Prior to starting on the agenda, Chairwoman Sander gave a brief historical overview of the Lincoln Town Building stating that it was completed in 2013 and cost 6.8M; comparative to the original cost of the building in 1908 being \$56,000. She explained that 1M of 6.M was from CPA funds.

Item 1: Update on State of State for Each Town

Chairman Kohen began with an update on the plans for the new Sudbury police station. He explained that funds for construction via a bond issues will be on the 2014 warrant. He continued with a review of the Sudbury's Town Center Project. He explained that Sudbury's school enrollment is declining; it was up in 2000, peaked in 2007 with a 1-3% decline currently and it is expected to flat line in a few years. He also explained that Sudbury is exploring options with the town of Marlborough for the Rt. 20 sewer project.

Chairwoman Sander spoke briefly about the 1st increase in Lincoln's median home values since 2007; values peaked in 2007 and then decreased into 2013. She explained that Lincoln's Stabilization fund is 2M and that they have 2.6M in their OPEB fund. They estimate their OPEB liability at 6M excluding LS. She mentioned that the Hanscom Schools helped this. Lincoln has 4M in free cash and will apply a fair amount to the budget. They have lots of capital projects including a Senior Center study that has been proposed. They are trying to wrap up their budget process to finalize for Town Meeting. They have a 2.5% increase in operating budget with no debt exclusion and they may not have to make exceptions.

Chairman Kohen continued the discussion about OPEB. He explained that Sudbury's total OPEB liability is 76M; he stated that long-term planning for this has been challenging..

Chairman Kohen explained that in Sudbury, the Town and SPS (K-8) moved to the GIC for Health Care. Sudbury is considering using some of the funds in their Health Care Trust to partially fund OPEB. Lincoln is putting aside \$450,000 towards OPEB.

Chairman Sander explained that the Lincoln student enrollment did plateau, but is rising again. Chairman Kohen explained even with declining enrollment they are not ready to close a school.

Item 2: Lincoln-Sudbury Regional High School

a. Budget for FY 2015

Lincoln's budget will be voted on 2/11/14. Lincoln stated that the minimum contributions for LS didn't swing much and that they have room for about \$192,000. Lincoln should be able to absorb their share of the cost of the LS technology project.

b. Status of Assessment Distribution between Lincoln and Sudbury

Sudbury calculated a \$122,000 swing based on the LS assessment changes. The question was raised; does the LS budget fit Sudbury's guidelines? Bob Jacobson expressed that E&D, OPEB statutory method, E&D build up and free cash needs to be discussed. It was agreed that there would be more discussions next year. Chairman Kohen asked how has Lincoln socialized the OPEB liability within Lincoln? Chairwoman Sanders said that it has come up with the Finance Committee and also came up when they had to approach Chapter 18, there hasn't been a lot of trade-off's and it does not seem to be an issue.

c. Lincoln-Sudbury High School Information Technology Project

Joan Carlton gave a brief presentation on the LS Technology Project. The key points from her presentation are as follows –

- When the high school opened in 2004, all the technology was new so there was no ongoing budget established to maintain it. After 3-4 years when the technology began to need a refresh, the recession hit, budgets were very tight, so there was minimum funding for technology each year thru 2014.
- The Network Infrastructure is 10 years old and we all know how much technology has changed in the last 10 years. The Network does not meet the needs of the students and the teachers. The Wi-Fi network is particularly bad – there are too few access points and many are low quality.
- The goal of the project is to bring the network up to date and support growth for the next 5 years. The new Wi-Fi network would support seamless access throughout the building and include the gym, auditorium, cafeteria and courtyard.
- So far a consultant has been hired, the existing network has been analyzed, and requirements have been collected. A Wireless study by an independent vendor is planned. Then bids will be collected from the major vendors.
- The current funding estimate for the network is \$585,000 (\$500,000 from Sudbury and \$85,000 from Lincoln). This is just an estimate and could change once the bids are in. There is also a funding request for \$140,000 for new servers (\$120,000 from Sudbury and \$20,000 from Lincoln).
- The goal is to update the network in the summer and have it ready for the students and staff in the fall.

Item 3. Capital Planning and Funding Process in Lincoln and Sudbury

Chairman Kohen reviewed the changes in the capital planning process that were voted on at the FY14 Sudbury Town Meeting, namely the reformation of the Capital Improvement Advisory Committee and the addition of LS to the capital planning process. Chairman Kohen then discussed the long-term strategic capital plan that had been assembled in Sudbury in the previous year, and the new committee established to develop sequencing and funding mechanisms..