

**Town of Sudbury
Finance Committee
Minutes of Meeting
Tuesday, February 25, 2014
9:00 PM**

The Town of Sudbury's Finance Committee (FinCom) Meeting was called to order at 9:05PM by Chairman Doug Kohen at the Flynn Building. FinCom members present for this meeting were: Doug Kohen, Joan Carlton, Susan Berry, Robert Jacobson, William Kneeland, Robert Stein, Andrew Sullivan, Tammie Dufault and Mark Minassian.

Prior to this meeting, the Finance Committee met with the Board of Selectman. For details on this meeting please refer to the minutes from the Feb. 25, 2014 Board of Selectman meeting.

Item 1: Finance Committee Deliberations

Item 1a CPA Projects

CPA– Melone Property Engineering - \$150,000 to complete a Master Plan for the development of rental housing which counts towards the Town's 10% affordable housing goal.

Bob Stein asked how much money was in the Fund from the Melone Property. Bob Jacobson explained that it was around \$1,000,000 and that he expected that it would flow into free cash. Andrea Terkelsen confirmed this and said she expected some discussion on the use of this money in the future.

CPA – Musketahquid Village - \$200,000 to replace bathroom.

Tammie Default asked if they would be future requested for CPA funds for maintenance projects at Musketahquid. There was some discussion of this. Bill Kneeland was going to follow up with the CPC.

CPA – Sudbury Housing Trust 10% Allocation

No Discussion

CPA – Town Wide Sidewalks - \$50,000

Chairman Kohen explained that the request this year is \$50,000 less than in prior years because the project has some funds remaining from the prior year.

CPA – Historical Projects - \$162,500

No Discussion

CPA – Reversion of Funds

No Discussion

CPA – General Budget & Appropriations

No Discussion

Item 1B - Lincoln Sudbury High Technology Project - \$500,000 for technology infrastructure and \$120,000 for servers.

Joan Carlton explained the need for the project, explaining the technology at LS had been underfunded for many years and that the network at LS was woefully inadequate to meet the needs of the teachers and students. She explained that the consultant hired to plan the network upgrade described the existing Wi-Fi network as below substandard. Radha Gargeya added that we all know how much technology has changed in the last 10 years, and during that time there has been little funding to upgrade the technology at LS.

Andrea Terkelsen asked when they would know the cost of the network upgrade. Mr. Gargeya explained that he expected to have a better estimate in March and a final number by town meeting.

Joan Carlton asked Andrea Terkelsen how the items funded from free cash would be presented at town meeting. Ms. Terkelsen explained that the Rolling Stock (vehicles), the SPS project and the LS technology project would each be separate warrant articles.

Since the LS staff was available, Chairman Kohen asked Mr. Gargeya to bring the committee up to date on the LS School Committee's plans for the use of the reapportment funds. He explained that money would be added to Stabilization Fund, the OPEB liability, and the E&D Fund. He explained that once the E&D Fund exceeded 5% of the budget, reapportment funds would be distributed to the member towns. Mr. Gargeya explained that for this year the estimate is \$588,000 in the reapportment fund but this number has not been certified.

Mr. Gargeya explained that LS would like to be held harmless if there is a negative swing in the state specified portion of Sudbury's share of the LS budget after the budget has been established. He explained that if there was a positive swing, the money would be distributed to the cost centers. Andrea Terkelsen pointed out the need to discuss this with the other cost center.

Item 1C – Purchase of Replacement Vehicles for the highway department (Rolling Stock replacement)

Andrew Sullivan emphasized the need for these replacement vehicles. He explained that the number of vehicles replaced in recent years was less than the number required to keep up.

From this point on there was a long discussion on the use of free cash for capital items. The Board of Selectmen recommended using free cash for the LS technology project, the Rolling

Stock, and the SPS project. State Law required only a majority vote at Town Meeting for approval. Tammie Default and Bob Stein disagreed with this, they both felt that it should require a majority vote at the ballot box, not just a majority vote at town meeting. Their reasoning being that by requiring a vote at the ballot box, all citizens could more easily get a chance to vote on it.

Tammie Default then shared some research she had done on free cash and the Health Care Trust for the last 10 years. Her research showed that free cash had flowed into the next year's budget in many cases. It also showed the growth in the Health Care Trust.

Tammie Default requested a copy of the 2013 Audited Financials. Andrea Terkelsen explained that they had been completed but were typically not released until after they had been presented to the Board of Selectmen.

Then there was a long discussion with many members participating on whether the 2.5% budget guidance given by the Finance Committee to the cost centers in fall 2013 would have been different if the details on free cash from the prior year had been known at the time the budget guidance was given.

There was general agreement that next year the Finance Committee needs to put more time and planning into the development of the budget guidance given to the cost centers. Tammie Default thought that the shift in health care costs and declining enrollment need to be considered in developing the budget guidance.

Chairman Kohen wanted to be sure that all members understood that the committee was discussing two different issues – the first being the use of the free cash, and the second being whether the 2015 budget has too much padding in it.

Tammie Default again requested a copy of the Audited Financial Statement for 2013. The meeting concluded with two requests, this one and a request for more information on the details of the 2015 Health Care Budget.

Item 2: Public Comments

There were no public comments.

Item 3: Adjournment

Bill Kneeland made a motion to adjourn the meeting. Joan Carlton seconded it. Vote 9-0. The meeting was adjourned at 10:40 by Chairman Kohen.

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