

**Sudbury Finance Committee
Meeting Minutes
October 24, 2016**

ATTENDENCE

Finance Committee Members Present: Susan Berry, Chair, Joan Carlton, Vice Chair (Ms. Carlton joined the meeting from a remote location at approximately 8:10 pm) Jeff Barker, Adrian Davies, Fred Floru, Jose Garcia-Meitin, Bryan Semple

Also Present: Dennis Keohane, Finance Director/Treasurer Collector, Chuck Woodard, Board of Selectmen

Absent: Jeff Atwater, Tammie Dufault

CONVENE:

The meeting was called to order at 7:32 p.m., by Chairman Susan Berry in the Sudbury Police Department, 75 Hudson Road, Sudbury, MA 01776

ITEM 1: General Business

Chairman Berry stated that Joan Carlton is out of town and will be joining the meeting remotely. Chairman Berry explained that once Ms. Carlton joins the meeting all votes would be taken as roll call votes.

- **Approve Meeting Minutes**

Motion and Vote

Jeff Barker moved and Jose Garcia-Meitin seconded the motion to accept the minutes of the September 12, 2016 meeting per changes as described by Chairman Berry.

The motion carried. The vote was 5 yes, 1 abstention.

- **Transfers**

There were no transfers to approve.

- **Other Business**

Chairman Berry announced that there would be a Board of Selectmen meeting on Wednesday, October 26, 2016, at 7:00 p.m. in the Lincoln-Sudbury Regional High School auditorium. Chairman Berry stated that the Board of Selectmen will hear a presentation from Eversource and that following this meeting it is expected that Eversource will file plans with the state's Energy Facilities Siting Board, which will ultimately make the decision on which route, if

any, will be approved. More information is available at www.sudbury.ma.us.

ITEM 2: Public Comment

There were no comments.

ITEM 3: User Fees and Field Maintenance/Replacement

The committee reviewed the draft correspondence regarding user fees and field maintenance at Lincoln-Sudbury Regional High School. After a brief discussion, a few revisions were suggested. Chairman Berry stated that she would include the committee's revisions.

ITEM 4: Free Cash Policy Review

Chairman stated that this item is an annual review per the Free Cash Policy that was recommended by the Finance Committee and was adopted by the Board of Selectmen in FY16. Mr. Semple asked if the Committee is comfortable with maintaining a level of unallocated free cash only equal to one-half of one percent (1/2%) of the current year's operating budget and the end of the fall Town Meeting or does the Committee want to reduce this further. After a brief discussion the Finance Committee decided not to make any changes to the Free Cash Policy this year. Chairman Berry stated that the Finance Committee would review the Free Cash Policy on an annual base in either May or June and recommend changes as deemed necessary. Mr. Floru suggested that during deliberations in which Free Cash is being requested that committee refer to the Free Cash Policy guidelines during those discussions.

Motion and Vote

Fred Floru moved and Jose Garcia-Meitin seconded the motion to keep the Free Cash Policy as recommended by the Finance Committee and adopted by the Board of Selectmen in FY16.

The motion carried. The vote was unanimous.

ITEM 5: Capital Funding and Approval Process

Chairman Berry referred to the draft handout on the capital process. Chairman Berry stated that the draft is an attempt to outline what the capital funding process has been since the appointment of the Capital Improvement Advisory Committee (CIAC). Chairman Berry explained that the Strategic Financial Planning Committee for Capital Funding is reviewing the capital approval and funding process. A brief discussion followed. Chairman Berry explained that the draft is just for informational purposes only. She added that the CIAC and the Community Preservation Committee (CPC) are also reviewing the draft document on

the capital process. The Finance Committee will forward suggestions and or changes to Chairman Berry.

ITEM 6: FY18 Budget Planning

• **Budget Guidance Letter - Discussion and Vote**

Chairman Berry referred to the Budget Reconciliation Spreadsheet and reviewed some of the changes. She stated that the out-of-district cost estimates for LSRH have gone down, and that she has taken out the transportation cost because of what was learned at the Budget Strategies Task Force meeting relative to the transportation contract. Chairman Berry summarized what the changes entailed.

Chairman Berry then referred to the FY18 Budget Guidance Letter - Revision 3. Chairman Berry reviewed her suggested changes with the Committee. The conversation veered toward a short discussion on comparing the current year budget reconciliation spreadsheet with the previous year. Chairman Berry noted that the Multi-year Data Comparison spreadsheet would show comparative appropriations and actuals from each of the Cost Centers. In an effort to follow the appropriated and actual budgets Chairman Berry suggested that the Finance Committee Liaisons request quarterly year-to-date updates from their Cost Centers.

Chairman Berry shared feedback from the Budget Strategies Task Force meeting. Chairman stated that the group talked about how the preliminary budget is progressing. Chairman Berry stated that the Town Manager expressed concerns that the 2% budget guideline increase will yield an unmanageable budget. Chairman Berry added that the Town believes that a 2.75% increase would be more reasonable and generate a more productive budget. Chairman Berry outlined what the shortfall would be for each Cost at 2% budget guideline increase. Chairman Berry pointed out that at 2% there would be \$650K to address critical need and at 2.5% there would be \$190K to address critical need. A discussion followed on contractual increases.

Mr. Keohane agreed that the 2% is an unmanageable number that will not yield a productive outcome. He stated that the 2.75% increase would foster a cooperative relationship between the Cost Centers while evaluating need.

Chairman Berry stated that she believes a 2.5% budget guideline increase is reasonable. The Finance Committee deliberated on whether to keep the 2% budget guideline recommendation or to increase it and what the increased percentage would be. After a lengthy deliberation and

before the motion and vote, Chairman Berry stated that she is proposing to include in the Budget Guidance Letter a request from the Cost Centers on a three-year forecast of need as well as their potential impact on cost and saving.

Motion and Vote

Jose Garcia-Meitin moved and Adrian Davies seconded the motion that the Finance Committee set the budget guidance percentage increase rate at 2.25%.

The motion carried. On a Roll Call the vote was: Jeff Barker, yes; Joan Carlton, yes; Adrian Davies, yes; Jose Garcia-Meitin, yes; Susan Berry, no; Fred Floru, no; and Bryan Semple, no. (4 yes, 3 no)

- **FinCom Multiyear Data Comparison Spreadsheets**

Chairman Berry referred to the FinCom Multiyear Data Comparison Spreadsheets. Chairman Berry described the organization of the spreadsheet. Chairman Berry stated that she would like the percentages to be actuals to actuals and actuals to appropriated.

- **Preliminary Budget Hearing Schedule**

Chairman Berry reviewed the Preliminary Budget Hearing Schedule with Finance Committee members. She stated that if an override vote is needed, the ballot vote might happen at the town elections prior to the annual town meeting. Chairman Berry stated that she has developed a draft preliminary schedule for Finance Committee consideration. Chairman Berry noted that this information would be included in the Budget Guidance Letter to the Cost Centers. A brief discussion followed.

ITEM 7: Liaison Reports

Chairman Berry provided a brief update on the Board of Selectmen's meeting. Chairman Berry stated that the Town Forum is scheduled for Saturday, January 21. The focus will be on the budget process. There was also some discussion about the need for a build out plan - future growth of the town that all of the departments are working from in their planning to get a better understanding of the towns needs.

Mr. Floru presented an update on the Community Preservation Committee (CPC) meeting. Mr. Floru stated that there was a kickoff meeting last week. The CPC discussed bonding capacity. Mr. Floru stated that the CPC had multiple spreadsheets to work from. Mr. Floru stated that there were discrepancies in the figures not just from this year or next year but also the past looked different as well. Mr. Floru stated that Denise Keohane would clarify the numbers.

Mr. Floru also reported on the CPC's discussion on the walkways. He stated that there was money allocated from CPC for walkways and sidewalks, but because of a specific court case last year it was determined that the allocation was not eligible for funding. The funds will need to be returned to the CPC account per Town Meeting vote.

Joan Carlton reported on the Capital Funding October 3 meeting. She stated that Melissa gave a report based on her research on how other towns fund capital projects. Concord was the most interesting. In FY17 they spent \$1.8M on town capital projects and \$1M on school capital projects within the levy limit. Concord's capital financing policy has a target of 7-8% of the total budget net of excluded debt in the levy. Arlington: the goal is to have planned capital spending around 5% in the operating budget. There was a long discussion on how to fund capital. There was a general agreement that there needed to be more money in the operating capital budget. There were different opinions expressed about how that could happen.

ITEM 8: Suggested Future Agenda Items

- **Report from Sudbury Housing Trust on Maynard Road Development**
- **Development Agreement Mitigation Payments**
- **Chapter 70 Funds**
- **Other**

ITEM 9: Public Comments

Chairman Berry recognized Pat Brown who updated the Finance Committee on an estimate possible tuition cost for students going to Minuteman or Assabet Valley in FY18. Transportation amounts still unknown. Also, Pat mentioned that at best there was a build out analysis for Sudbury done 15 years ago.

Item 10: Adjourn

Motion and Vote:

Bryan Semple moved and Jose Garcia-Meitin seconded the motion that the October 24, 2016 Finance Committee meeting adjourn at 9:35 p.m.

The motion carried. The vote was unanimous.

Next scheduled meeting is Monday, November 14 at 7:30 pm, Flynn Building

Respectfully Submitted: Cheryl Gosmon, Recording Secretary