

Sudbury Finance Committee
Meeting Minutes
July 10, 2017

ATTENDANCE

Finance Committee Members Present: Bryan Semple, Chairman, Susan Berry, Joan Carlton, Adrian Davies, Jose Garcia-Meitin, Eric Poch

Absent: Jeff Atwater, Jeff Barker, Tammie Dufault

Also Present: Lisa Kouchakdjian, Sudbury School Committee, Susan Iuliano, Sudbury Board of Selectmen

CONVENE:

Chairman Bryan Semple called the meeting to order at 7:00 p.m. The meeting convened at the Flynn Building, 278 Old Sudbury Road, Sudbury, MA 01776. Chairman Semple stated that Susan Berry is participating from a remote location and as such, all votes will be taken on a roll call.

ITEM 1: Public Comment

Chairman Semple opened this portion of the meeting for Public Comment.

There were no comments.

ITEM 2: General Business

- **Approve Meeting Minutes**

There were no minutes to approve.

- **Transfers**

There were no transfers to approve.

- **Liaison Reports**

Chairman Semple stated that Jim Kelly, Combined Facilities Director has forwarded a copy of the updated draft Capital Plan to the Finance Committee. Chairman Semple stated that Capital Plan identifies items that will be on the October 16th Special Town Meeting Warrant. Chairman Semple pointed out that Mr. Kelly would attend the next Finance Committee meeting to formally present the draft Capital Plan and to discuss potential funding sources, as well as answer any specific questions from the Finance Committee. A general discussion followed on the draft items.

Eric Poch stated that he would meet with Selectman Pat Brown to review the Board of Selectmen fiscal policies. Mr. Poch also stated that he spoke briefly with Town Manager Melissa Murphy-Rodrigues regarding the Community Preservation Committee (CPC) Capital Plan.

Chairman Semple reported that he met with Selectman Brown to discuss changes in legislation affecting the funding formula for Regional School Districts. He added that it would be beneficial to have a discussion with Lincoln regarding the assessment estimates for Sudbury.

ITEM 3: Three Year Operating Plan - Part II

Chairman Semple led the discussion on this item. He referenced the letter that he sent to the Cost Centers and asked members for their opinions. Adriane Davies offered that the Cost Centers should present their Three Year Operating Plan in a format that works best for them. Joan Carlton suggested that the Cost Centers should include carrying forward one year of their proposed additions and reductions. After a brief discussion, Chairman Semple invited members from the Cost Centers to share their thoughts on Three Year Operating Model request. Chairman Semple welcomed Sudbury School Committee member, Lisa Kouchakdjian, and invited her to share her thoughts on the request.

• **Q&A with Cost Center representatives**

Ms. Kouchakdjian stated that she forwarded Chairman Semple's summary of the Three Year Operating Model: Early Guidance to the SPS Chair and Vice Chair. Ms. Kouchakdjian stated that although the request is fiscally prudent, the timing of the request may prove to be a bit challenging. She noted that the SPS School Committee is meeting on July 19th to discuss the budget. She stated that she supports the request, it is clear, and is in town's best interest.

Chairman Semple stated that the core of the request is modeling out employee cost for steps and lanes over the next three years. A brief discussion followed on SPS enrollment. Ms. Kouchakdjian stated that enrollment is steady and will be steady in the future.

After a brief recap of the Town response to the Three Year Operating Model: Early Guidance, Chairman Semple welcomed Sudbury Board of Selectmen member, Susan Iuliano, and invited her to share her thoughts on the request.

Ms. Iuliano stated that Town Manager, Melissa Murphy-Rodrigues agrees with the concept of developing a three-year operating model and is happy to work on the forecasting process, but would like to start with something that is more detailed. She explained that the Town Manager would like to start with something broader that relates to how she and the Finance Director/Treasurer-Collector would budget, based on projections, and budget assumptions.

Chairman Semple stated that the goal is first to figure out what is needed to operate the town on a level service budget. He stated that he understands that there is a lot of detail behind this, but that he wants to have a baseline for discussion. He suggested starting with the employee table and make assumptions on steps and lane increases for the next three years. He added that he would like to have this information in time for the August meeting. A general discussion followed on how COLA's would be used in the three-year model.

Susan Berry suggested waiting to the end of September as outlined in the Town Manager's memo. She added that at that time the Finance Committee would have a more detailed forecast than they would in August. Ms. Iuliano stated that she understands why the Town Manager and the Finance Director/Treasurer-Collector would be better prepared in September and that she too recommends waiting. Ms. Iuliano added that the Town Manager and the Finance Director/Treasurer-Collector are committed to the forecasting process.

After a brief discussion, it was the consensus of the Committee to have the Cost Centers submit their assumptions on Steps, Lanes, and COLA changes as well as some basic assumptions on retirements at the August Meeting. A more formal presentation will take place the end of September.

- **FinCom volunteer to serve as spreadsheet owner/maintainer**
No action is taken.

ITEM 4: FinCom Document Sharing Discussion - Part II

Chairman Semple introduced this item. Chairman Semple summarized comments from Town Counsel. He stated that committee members should not engage in collaboration and commentary on online documents. Chairman Semple explained that the Finance Committee document sharing is a repository for file sharing only. Chairman Semple stated that as a general philosophy any supporting documents for a meeting should be posted in the online site. A

general discussion followed on how to edit and make changes to the minutes on the online site. Chairman Semple stated that he would contact Town Counsel for more clarification on editing and making changes to minutes online.

ITEM 5: CIAC Prioritization Discussion

• **CIAC member remote participation/dial in**

Chairman Semple opened this item for discussion and welcomed Mark Howrey, Chairman of the Capital Improvement Advisory Committee (CIAC) who is joining the meeting from a remote location. Chairman Semple invited Mr. Howrey to help the Finance Committee better understand how the CIAC prioritizes capital projects.

Mr. Howrey spoke about the CIAC's practice of prioritizing the 5-15 year Capital Plan. He stated that prioritization is a result of information from the Cost Centers. He explained that the Cost Centers, throughout the process, are discussing how they prioritize and what their needs are, which can change from year to year. He stated that each year the CIAC receives a list of projects that have been prioritized by the Cost Centers. He added that the Strategic Financial Planning Committee for Capital Funding makes recommendations on what the funding would be for a given year. The CIAC determines whether or not the projects have been vetted and fit within the funding cap that the CIAC have been provided. A general discussion followed on funding sources for the CIAC 5-15 Capital Plan.

ITEM 6: Budget Guidance Discussion - (time permitting)

Chairman Semple led the discussion on this item. He summarized the process that has been the Finance Committee's practice from year to year. He stated that this year he would like the Finance Committee to consider starting the budget process with a zero percent increase and outlining the cost to operate the town from last year to this year without changing anything. A general discussion followed. Susan Berry suggested Finance Committee ask the Cost Centers for a maintenance budget. She added that if the Cost Centers feel that a maintenance budget isn't sufficient to provide the services they feel they need to provide, then they would give the Finance Committee an additional budget. The Finance Committee would consider both budgets. A general discussion followed on incremental increases, and budget assumptions as well as which budget the Finance Committee would present to Town Meeting. After a lengthy discussion, Chairman Semple stated that he would draft a letter to the Cost Centers letting them know that the Finance Committee is proposing a change to the budget process. Rather than issue a Budget Guidance Letter, the Finance Committee would ask for the

presentation of a Maintenance Budget and an Additional Services Budget based on the Budget Reconciliation Spreadsheet.

ITEM 7: Future Agenda Topics

Chairman Semple opened the items for discussion. The Committee discussed future agenda topics. This included a discussion on the following:

Revenue Sources, Capital Funding, Town Manager Capital Budget, Multiyear plan, and Free Cash Policy.

ITEM 8: Public Comment

Chairman Semple recognized Susan Iuliano. Ms. Iuliano stated that that the CIAC drafted a report on their long-term recommendations.

ITEM 9: Adjournment

Motion and Vote:

Jose Garcia-Meitin moved, and Eric Poch seconded the motion to adjourn the July 10, 2017, Finance Committee meeting at approximately 9:30 p.m.

The motion carried. On a roll call, the vote was unanimous: Susan Berry, in favor; Joan Carlton, in favor; Adrian Davies, in favor; Jose Garcia-Meitin, in favor; and Bryan Semple, in favor.

Next scheduled meeting of the Finance Committee is Monday, August 21, 2017, at 7:30 p.m. in the Flynn Building.

Respectfully Submitted: Cheryl Gosmon, Recording Secretary