

**Sudbury Finance Committee
Meeting Minutes
August 21, 2017**

ATTENDANCE

Finance Committee Members Present: Bryan Semple, Chairman
Jeff Barker, Vice Chairman, Susan Berry, Joan Carlton, Tammie
Dufault, Jose Garcia-Meitin, Eric Poch

Absent: Jeff Atwater, Adrian Davies

Also Present: Dennis Keohane, Finance Director/Treasurer
Collector, Bill Miles, Fire Chief/EMT B, Jim Kelly, Combined
Facilities Director, Christine Hogan, Sudbury School Committee,
Susan Iuliano, 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.

ITEM 1: Public Comment

Chairman Semple opened this portion of the meeting for Public
Comment. There were no public comments.

ITEM 2: General Business

- **Approve Meeting Minutes**
There were no minutes to approve.
- **Transfers**
There were no transfers.
- **Other Business**
No other business.
- **Liaison Reports**
There were no Liaison Reports given.

**ITEM 3: Presentation and/or discussion by Cost Centers of 3
year employee cost model. Discuss plan depending on
the readiness of Cost Centers to present.**

Chairman Semple introduced this item and recapped the previous
discussion from the July 10 Finance Committee meeting on the
Three-year Operating Plan. Chairman Semple yielded the floor to
the Finance Committee Liaisons to present their reports based on
their meetings with the Cost Centers on this request.

- **Lincoln-Sudbury Regional High School**

Jeff Barker gave the report. Mr. Barker stated that there is support from LS to put together a three-year operating forecast. He stated their primary focus currently is contract negotiations. Mr. Barker added L-S would like their School Committee to review a proposed three-year forecast before it is presented in a public meeting. Mr. Barker stated that in the short term, Bella Wong and Sherry Kersey have agreed to present data on critical needs, supplies, utilities, etc., at the September Finance Committee meeting and would present labor projections for FY19, FY20, and FY21 at the December meeting.

- **Sudbury Public Schools (SPS)**

Tammie Dufault gave the report. Ms. Dufault stated that she met with SPS and the new Director of Finance. She stated that he is doing a lot of detail work aligning the account numbers with the town in order to align them with the Department of Revenue account numbers. Ms. Dufault explained the importance of this work and the significance to the contract negotiations. Ms. Dufault stated that SPS would like to present their three-year operating forecast to their School Committee before it's presented at a public meeting. She added that SPS would present a year one forecast in October and a three-year forecast in November. Ms. Dufault stated that she supports this delay. She explained that it would help solve some of the challenges with getting information in a timely manner.

- **Town Presentation**

Chairman Semple gave the report. Chairman Semple stated that the Town Manager would like to convene a joint meeting with the Board of Selectmen but not until later in the year because they are working through contract negotiations. He explained that their salary charts and organization sheets have changes in steps and site positions. He added that the Finance Committee needs to understand the contracts relative to the cost structure. Discussion followed on having a baseline of employee cost for the next three-years. Chairman Semple stated that he would keep this item on the agenda as an update on the process. He also stated that the Finance Committee is confident that it will get to a three-year operating forecast before the budget deliberation process. Chairman Semple suggested that the Finance Committee Liaisons request from the Cost Centers a timeline, with dates, and current baseline differences on the three-year forecast.

ITEM 4: Fall Town Meeting Warrant Articles - Jim Kelly

Chairman Semple introduced this item ahead of Item 2: General Business. Chairman Semple welcomed Fire Chief Bill Miles and Combined Facilities Director, Jim Kelly and invited them to present information on the proposed Special Town Meeting Warrant Article - Construction of a new Fire Station #2.

Chief Miles presented an overview of the request. He stated that the plan is to build a new Fire Station on the property of the current station. He added that the current Station 2 was built in 1961 as a two-person station and is inadequate to serve the needs of a growing town. He explained that the driving forces for new construction are that the town is growing and the fire department must grow with it. Chief Miles described the inefficiencies associated with the current site. Chief Miles stated that he is working with the Permanent Building Committee and the Combined Facilities Director. Chief Miles stated that an architect has been hired to develop a schematic design, which will be presented at the October Special Town Meeting. Chief Miles described plans for a temporary fire station. The discussion that followed included a conversation on cost estimates, bunk rooms, appropriate bathrooms, accommodations for female firefighters, and space. The conversation veered to a discussion on the Development Agreement - Meadow Walk Development and anticipated tax revenue to mitigate impacts to the town.

- **SPS - School Administration**

Chairman Semple asked if the existing space for the SPS administrative offices is inadequate. Jim Kelly responded that it is not that the SPS space is inadequate, it's that space is needed for the Fairbank Community Center renovations. Mr. Kelly referred to the 2002 Master Plan when describing space needs for Sudbury Public Schools administrative offices. Mr. Kelly stated that it is imperative that the town find a new location for the SPS administrative offices. Mr. Kelly stated that the proposed Special Town Meeting Warrant Article - Sudbury Public Schools Administrative Offices, would be a space needs assessment for a new location to house SPS administrative offices. A brief discussion followed purchasing versus leasing space. Mr. Kelly spoke about his recommended approach to finding a new location for the SPS administrative offices, which would be to add on to the Nixon School as the preferred option for the SPS administrative offices. Members of the Finance Committee expressed their opinion on that option, and some members thought the plan should be a little more conservative in space. Chairman Semple stated that he would like to see a long-term space needs analysis for the town.

- **Playgrounds**

Mr. Kelly presented an overview of the draft warrant article to address playground conditions at one or more of the Sudbury Elementary Schools. Mr. Kelly took a moment to acknowledge the work of a group of residents who came together with community involvement to help with a design that modernizes the school playgrounds. Mr. Kelly stated the group is called PlaySudbury and they have done a tremendous amount of work. Mr. Kelly stated that this article has not been voted on by the Sudbury School Committee to date. The funding source is potentially the Community Preservation Committee. The funding amount is \$725K. A brief discussion followed on funding sources.

ITEM 5: Follow-up on OML Discussion on Meeting Minutes - Follow-up on Question to Town Counsel on Editing Meeting Minutes

Chairman Semple presented a brief update on this item. Chairman Semple stated that he is looking to get clarification on administrative matters relative to Town Counsel's prior response to editing meeting minutes collectively in Google Docs before an open meeting. Chairman Semple will update the Finance Committee on Town Counsel's response.

ITEM 6: Defining Maintenance Budgets - Memo Discussion

Chairman Semple opened this item for discussion and yielded the floor to Susan Berry. Ms. Berry drew the Finance Committee's attention to the Forecasting Resources link from the Department of Revenue. She summarized the description of maintenance budgets and stated that the Finance Committee should consider including this definition in its letter to the Cost Centers. A brief discussion followed on amending the Budget Guidance letter to include the definition of a maintenance budget and how to guide the Cost Centers on including a second budget that would outline their additional budget needs. Chairman Semple stated that he would draft a new Budget Guidance letter to the Cost Centers requesting their maintenance budgets. He added that the letter would note that the Cost Centers could submit a supplementary budget that outlines their additional needs.

ITEM 7: Town Manager Capital Budget - How to Streamline or Fix This Process. Opening Discussion

Chairman Semple opened this item for discussion. Susan Berry suggested that in thinking about what should be in the Town Manager's Capital Budget, it would be helpful to know the breakdown of capital projects that are \$50K or less, \$100K or less, etc. She explained that knowing what the totals are for capital projects in varying amounts would be helpful to

determine what should be in the Town Manager's Capital Budget. Eric Poch suggested creating a Town Manager discretionary expense budget that would address a capital annual replacement cycle etc. A general discussion ensued on capital annual replacement cycle, debt exclusion, and the potential of requesting a by-law change to increase the maximum cost for items in the Town Manager's budget.

Dennis Keohane stated that in accordance with the Town Bylaw, the Town Manager's Capital Budget could only include items that do not exceed \$50K per item in a single year or \$100K per item over multiple years. A discussion followed on the merits of increasing this limit.

Chairman Semple stated that he would let the Board of Selectmen know that the Finance Committee supports an increase in the amount the Town Manager can spend as well as a bylaw change that would further support this. Discussion followed on Free Cash and the merits of increasing the Town Manager's Capital Budget.

ITEM 8: FinCom Multiyear Spreadsheet - Keeping it updated, should it be updated

There was no discussion on this item. This item will remain as a Future Agenda Topic.

ITEM 9: Funding Sources for Capital - What Makes Sense? How Much Debt Service? How Much Debt?

Chairman Semple led the discussion on this item. He summarized his thoughts on how available funding sources are expended during the budget cycle. He also stated that he doesn't understand the impact of capital projects on the debt exclusion.

Dennis Keohane explained that the vast majority of projects in town are excluded debt, which is debt raised over and above 2½ percent. He added that if there were no new projects, the taxes would increase less than 2½ percent, meaning a portion of the taxes would go down. He also added that if projects were added to the debt exclusion schedule, as debt payments for prior projects decrease, it is possible to add those projects and have the debt exclusion remain flat, thus not increasing taxes to pay off debt.

Chairman Semple stated that the Finance Committee needs to look at the debt capacity over the next five-years to better understand the Town's purchasing capacity or what can be spent without increasing taxes. A brief discussion followed on refinancing debt. Mr. Keohane will publish an updated debt schedule. A brief discussion followed.

**ITEM 10: Revisit Free Cash Policy in light of Meadow Walk
Deferred Spending Issue**

There was no discussion on this item.

ITEM 11: Public Comment

There were no public comments.

ITEM 12: Future Agenda Topics

ITEM 13: Adjournment

Motion and Vote:

Susan Berry moved, and Eric Poch seconded the motion that the August 21, 2017, Finance Committee meeting adjourns at approximately 10:18 p.m.

The motion carried. The vote was unanimous.

Next scheduled meeting of the Finance Committee is Monday, September 11, 2017, at 7:00 p.m. in the Flynn Building.

Respectfully Submitted: Cheryl Gosmon, Recording Secretary