ATTENDANCE
Finance Committee Members Present: Chairman, Bryan Semple, Jeff Barker, Vice-Chairman, Jeff Atwater (arrived at 7:30 pm), Susan Berry, Adrian Davies, Jean Nam, Glenn Migliozzi, Lisa Gutch (arrived at 7:31 pm), Eric Poch

Also Present: Dennis Keohane, Finance Director/Treasurer-Collector, Pat Brown, and Janie Dretler members of the Sudbury Board of Selectmen

CONVENE:
Chairman Bryan Semple called the meeting to order at 7:01 p.m. The meeting convened at Flynn Building, in the Silva Meeting Room, 2nd Floor, 278 Old Sudbury Road, Sudbury, MA 01776.

ITEM 1: Public Comment
Chairman Semple opened this portion of the meeting for Public Comment. Chairman Semple recognized Pat Brown, Sudbury Board of Selectmen member.

Ms. Brown stated she just wanted to remark that the Finance Committee December 17 presentation of the LS Budget was substantially different than the presentation that was made the week prior to the LS School Committee. She stated that slides were significantly different. She suggested that the Finance Committee review the LS School Committee meeting from December 10 and look at the slides from that meeting. She added that this might help everyone get on the same page.

ITEM 2: General Business
  ● Approve Meeting Minutes
The committee approved in a most gracious, thankful and excited manner, the November 5, 2018, minutes 5-0.

  ● Transfers
There were no Budget Transfers to approve.

  ● Liaison Report
Jeff Barker presented an update on the Lincoln-Sudbury (L/S) health care rates for FY20. A general discussion followed.
Susan Berry stated that the Strategic Financial Planning Committee for Capital Funding will meet on Thursday to complete its list of recommendations for the Board of Selectmen’s consideration. Ms. Berry stated that she recommends that the Finance Committee wait to hear from the Board of Selectmen regarding the Strategic Financial Planning Committee for Capital Funding’s recommendations.

Jean Nam stated that the Sudbury School Committee approved their FY20 School Operating Budget. She stated that it is within the Town Managers’ guidance.

Eric Poch provided an update on the Community Preservation Committee (CPC) meeting he attended. He stated that there was some discussion on the Sewataro property and Coolidge as well as other projects, bonding considerations and spending. He stated that there had been some back and forth discussion on why the CPC recommended partial funding for Coolidge.

- **Review Calendar**

Chairman Semple stated that an additional meeting in March has been added; Tuesday, March 5th. He stated that this will be a joint meeting between the Finance Committee, the Board of Selectmen and the Capital Improvement Advisory Committee (CIAC). He added that the purpose of the meeting will be to discuss all capital items and review potential Town Meeting Warrant Articles.

Chairman Semple stated that budgets are due on January 31 and the next scheduled meeting is February 4. He added that there will be a budget presentation from L/S and a review of Town Meeting Warrant Articles.

**ITEM 3: Budget Definitions - Understanding Circuit Breaker Accounts, Stabilization Funds, Revolving Accounts and Their Role in Town Finances - Dennis Keohane.**

Chairman Semple opened this item for discussion. The conversation focused on understanding Circuit Breaker reimbursement and budgeting for the reimbursement. Dennis Keohane explained that Circuit Breaker is reimbursement of the high cost for special education students with extremely high needs. He stated that reimbursement for FY19 is based on FY18 actuals and paid to school districts in quarterly payments. He also stated that the amount of expected state reimbursement should be accrued as of June 30, and the accrued State reimbursement must offset the special needs expenses. Funds accrued in the Circuit Breaker account, in one year, must be
spent in the following year. He stated that school districts plan accordingly to deal with unforeseen qualified special education expenses, which helps to smooth the impact on the Operating budget. A general conversation followed including the Finance Committee’s need to see the actual special education cost, what is being used from the Circuit Breaker fund balance, and what is being used from the operating budget, the FY19 Circuit Breaker reimbursement, and balance in the Circuit Breaker fund. Chairman Semple stated that the Finance Committee will need the circuit breaker balance from L/S and SPS. The Finance Committee continued to discuss the impact of Circuit Breaker on the operating budget and the Circuit Breaker fund balance.

The discussion continued with Revolving Fund Accounts. Dennis Keohane explained that revolving funds are governed by M.G.L section 53E ½. He described the various types of revolving accounts and explained how they are used. He stated that the Board of Selectmen and Finance Committee vote on the limit on the total amount that may be expended, and this amount must be approved by Town Meeting. A general conversation followed.

Mr. Keohane continued with a description on Enterprise Funds. He explained that enterprise funds are similar to revolving funds in the sense that you collect fees for certain purposes and accumulate funds, but the difference is that an enterprise fund is set up to be run as a business, with retained earnings and is separately certified by the state and the rate structure has to support the expenses. He stated that towns vote to establish enterprise funds and Sudbury has three: pool, transfer station and half of the field maintenance. A general discussion followed.

Mr. Keohane continued with a description of stabilization funds. He stated that Stabilization Funds are like savings accounts. They require a 2/3s vote at Town Meeting to use the funds. The town has a policy to maintain the general Stabilization Fund at a level that is 5% of the operating budget. He stated that the town has more than one Stabilization Fund, there is a Special Purpose Stabilization Fund for town-owned Turf Fund (balance $100.00), a Special Purpose Stabilization Fund for DPW Rolling Stock Stabilization Fund (balance $100.00), a Special Purpose Stabilization Fund for the former Melone Property (balance $1.1 million), an Energy Savings Programs Stabilization Fund, and the general Stabilization Fund (balance $4.9 million). The accounts require a 2/3s vote at Town Meeting to expend funds.
Mr. Keohane continued with a description on the Trust Fund Accounts such as the Goodnow Library and Town Cemeteries. He explained the difference between a Revolving Fund Account and a Trust Fund Account. He also described the regional schools Excess and Deficiency (E&D) Accounts. He explained that the E&D Account works much like Free Cash, and it has an undesignated fund balance. Chairman Semple stated that the Finance Committee should understand the balances of these accounts as part of the budgeting process.

ITEM 4: Camp Sewataro Update and Discussion - Eric Poch
Chairman Semple opened this item for discussion and yielded the floor to Eric Poch.

Mr. Poch stated that the owners of Camp Sewataro are extremely motivated to sell the property. He added that the property sits on approximately 40 acres of land, and it is the owner’s preference to sell the property to the Town in the hopes that the Town could continue some use like what is being used for now. He stated that three viable camps have approached the owner to lease the camp facility for three months of the year, which would make it a potential money-making asset to the Town. Mr. Poch stated that the owner is looking to sell for approximately $11M. A general discussion followed. Susan Berry mentioned that CPC has funded an assessment and the Town Manager is planning to do a Feasibility Study on the property.

Chairman Semple recognized Janie Dretler, Board of Selectmen member. Ms. Dretler referred to the last Board of Selectmen News Letter. She stated that she wrote a letter about Sewataro, which included a timeline per Town minutes that outlines what has happened in the past year. She stated that it wasn’t until October of 2018 that Mark Taylor came to the Town and said that he was finally ready to make a move regarding the land.

Chairman Semple stated that the Finance Committee is available to help with the financial analysis of Sewataro.

ITEM 5: Public Comment
Chairman Semple recognized Pat Brown, Board of Selectmen member. Ms. Brown stated that if the Finance Committee is interested in the Field Maintenance Enterprise Fund, it is Warrant Article 8, Town Meeting 2009.

ITEM 6: Possible Future Agenda Topics
Chairman Semple reviewed the calendar. A general discussion followed on the receipt of budget materials and location for budget meetings.

ITEM 7: Adjournment

Motion and Vote: Jeff Barker moved, and Susan Berry seconded the motion that the January 14, 2019, Finance Committee meeting be adjourned at approximately 9:05 p.m. The motion carried. The vote was unanimous.

Next scheduled meeting of the Finance Committee is Monday, February 4, 2019, at 7:00 p.m.

Respectfully Submitted: Cheryl Gosmon, Recording Secretary