

**Finance Committee's recommendations on annual budget
and town meeting warrant articles**

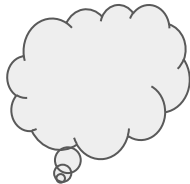
3.16.21

Finance Committee Goals for FY 22 Budget Year

- Clarify and meet our statutory responsibilities
- Improve Communication with Town Departments
- Understand current capital management policies and practices, and advocate for improvement if warranted

Our Process

- Remote trainings from the Massachusetts Municipal Association
- Update rules and operating procedures
- Document responsibilities with Fin. Director and Town Manager
- Decentralize responsibilities across the committee
- Revamp and simplify Finance Section of the Warrant
- Document questions prior to hearings for efficiency and thoroughness



Documented 217 questions across 3 cost centers prior to hearings

LSRHS

Positives	Concerns
<p>Managed COVID-related expenses utilizing State and Federal grants</p> <p>Absorbed large increase in Out of District costs while expanding Mandarin and computer science offerings</p> <p>Negotiated 1-year contract extension with staff for 0 Cost of Living Adjustment for FY 22</p> <p>Renegotiated health benefits with approval of teachers to substantially reduce costs</p> <p>Strong capital planning and management</p> <p>Launched LS Academy to improve student services while offsetting costs</p>	<p>Possibility of needing to further utilize E&D to manage OOD expense in the current budget year. These funds should typically not be used for operational expenses. LSRHS has been proactive in managing this situation</p> <p>Potentially diminished circuit breaker carryover which could create an issue in FY22, if there are insufficient funds to manage unexpected OOD costs</p> <p>Potential COVID expenses not covered by State and Federal funding. E.g. Pool testing</p> <p>Maintaining or increasing OPEB contribution in the future</p> <p>Used all the levers they could to close the budget gap this year, putting pressure on FY23</p> <p>Need to revisit the regional agreement between Sudbury and Lincoln</p> <p>Unresolved questions over calculations related to claimed staff reductions. E.g. change in FTEs in FY21 to FY22</p>

SPS

Positives	Concerns
<p>Restored 3 custodians to the budget to support short and long-term needs</p> <p>Successfully met the increased needs of students by adding number theory, aligning the algebra sections to guidance, and increasing student services where necessary</p> <p>Proactive approach to supporting students with needs related to educational progression over the summer with the SMILE program</p>	<p>Negotiation of the FY 22 contract is not yet settled, therefore the Cost of Living Adjustment cost is not yet known</p> <p>Finance Committee would like more visibility into how SPS accounts for circuit breaker</p> <p>Potential COVID expenses not covered by State and Federal funding. E.g. Pool testing</p> <p>Better capital planning within SPS, along with improved coordination with the Town pertaining to the long-term capital plan</p>

Town

Positives	Concerns
<p>The Town is carrying excess levy capacity to reduce burden to taxpayers during uncertain times</p> <p>Costs related to previously added fire personnel absorbed into the budget, because the SAFER grant decreased by \$90,000</p> <p>OPEB contribution has been put back into the levy. It was mostly funded by free cash in FY 21 to provide tax relief</p> <p>Department of Public Works is doing an excellent job anticipating long-term capital planning needs</p> <p>Select Board has made improved capital planning and financial policies its top goal for this year</p> <p>Town Manager and Finance Department's successful management of FY 22 budget given challenges from extended FY 21 budget process due to COVID</p>	<p>Negotiation of the FY 22 contract is not yet settled, therefore the Cost of Living Adjustment cost is not yet known</p> <p>Significant portion of the Town Manager capital budget is still being funded by free cash, rather than being funded within the levy. This was meant to be a short-term change to provide relief to taxpayers due to COVID</p> <p>Potential COVID expenses not covered by State and Federal funding</p> <p>Significant need for improved 5 and 15-year capital planning related to policies, documentation of maintenance plans, updated asset inventories, and communication across departments and cost-centers</p> <p>Need for improved financial management policies</p> <p>Concerns over budget process and timing impacting the Finance Committee's ability to deliberate timely</p>

Positions on Articles

Article	FinCom	Comments
4. FY 22 Capital Budget	7-1	\$202,180 is being funded within the levy. The Finance Committee would like to see continued progress towards funding more capital within the levy.
13. Capital Stabilization Fund	6-2	The Finance Committee would like to see a clear policy for how the Capital Stabilization Fund will be funded and utilized in the future. The majority of the committee was in favor of this allocation while this policy is being developed.
15. Melone Stabilization Fund	0-9	The Finance Committee would like to wait to see if these funds will be required as part of an overall plan for the use of various funds that are available. We would like to see improved capital planning, however our intent is not to leave funds in this fund in perpetuity.
16. Fire Station #2		[Awaiting feedback on funding source and Staff/Select Board confidence with project approach
30. CPC Frank Feeley Fields Improvement	8-0	The Finance Committee's recommendation to support this article does not reflect our opinion on Phase 2 of the proposed project, as the design is not yet complete and costs are not fully estimated.

See positions on all FinCom Articles [here](https://docs.google.com/spreadsheets/d/1EdqKicJUVy103_YzHqqnGPoUS6Gi0UhvHbHM94G5QHg/edit?usp=sharing) (or click Articles List on our recent agendas)
https://docs.google.com/spreadsheets/d/1EdqKicJUVy103_YzHqqnGPoUS6Gi0UhvHbHM94G5QHg/edit?usp=sharing