

IN BOARD OF SUDBURY SELECTMEN
WEDNESDAY, FEBRUARY 6, 2008

Present: Chairman John C. Drobinski, Vice-Chairman Lawrence W. O'Brien, Selectman William J. Keller, Jr., and Town Manager Maureen G. Valente

The statutory requirements as to notice having been complied with, the meeting was convened at 7:31 p.m. in the Lower Town Hall, 322 Concord Road.

Opening Remarks

Chairman Drobinski thanked the Town Clerk's Office for coordinating a very busy Primary Election Day yesterday, and he congratulated the respective election winners.

Chairman Drobinski also noted that February 7, 2008 is the last day for candidates to take out Town papers for local elections. He noted that a few openings on Town committees and boards remain, and he urged those interested to view the Town website for position vacancies.

Joint Meeting with the Sudbury Finance Committee - FY09 Budget Discussion

Present: Finance Committee Chair Chuck Woodard and Finance Committee members Ralph Verni, Jim Jacobson, Martha Ragonas, Bob Jacobson, Sheila Stewart, Debbie Zurka and Jamie Gossels

At 7:35 p.m., Chairman Drobinski welcomed the Finance Committee to this joint meeting with the Board of Selectmen, and he thanked the members for the hard work they have completed this year. Chairman Drobinski emphasized that all Sudbury citizens will need to be well informed this year regarding budget considerations in order to participate in voting for the best decisions for the community. Chairman Drobinski complimented the Town Manager, Town staff and the Finance Committee on the excellent budget package which has been prepared this year. He encouraged the community to review the budget information, which is available on the Town website and at the Goodnow Library, and to attend upcoming budget forums to be better prepared for the challenging decisions ahead.

Chairman Drobinski noted that, as part of its evaluation process, the Finance Committee asked Town Cost Centers for budget recommendations earlier this year. He stated that the Finance Committee has honed its evaluations to the following three scenarios, which the Committee will elaborate on tonight: a reduction by 1% from last year's operational budget, which the Selectmen are inclined to not support due to its potentially catastrophic consequences for the Town; a level-staff budget; and the Town Cost Center recommended budget which totaled approximately \$3.8 million dollars. Based on preliminary information, Chairman Drobinski stated that the level-staff budget, which would result in an increase of \$2.8 million from available funds, seems most appropriate. However, Chairman Drobinski emphasized that the citizens of Sudbury should be the ones to decide what level of services Sudbury wants and needs. He opined that it will ultimately be up to the voters who participate through the election polls and the Town Meeting process to decide how their tax dollars are spent. He said the Selectmen will hear from the Committee tonight so as to determine its position regarding what is in the financial best interest of the Town.

Finance Committee Chair Chuck Woodard briefly described that an analysis of the FY09 budget indicates that the Town is operating with a structural deficit. The Committee believes that to sustain the accustomed levels of services from the Town offices and school systems will require annual override events, which it does not believe is realistically possible. He explained that the FY09 budget will require a 4.7% increase for a level-staff budget. This type of budget would result in a 9.2% increase in the average residential tax bill.

Mr. Woodard further reported that the Committee reviewed information regarding many factors such as current expenses, key cost-drivers and historical data as part of its analysis. He noted that much of this information was also reviewed and discussed at public hearings in January 2008.

Mr. Woodard opined that the Committee's assessment is that the Town and schools are running lean operations extremely well. He stated that, because these entities are so well-run, it is difficult for the Committee to identify areas where significant savings can be realized. Mr. Woodard cited a few examples noting that education spending for the K-8 level is below the State average, and that Lincoln-Sudbury Regional High School spending levels are only at those of the State average.

Mr. Woodard reported that the Finance Committee has determined that override options should be provided to the community. The first override option would be in the amount of \$2.8 million dollars, which would support the level-staff budget mentioned previously, and would represent a 4.7% increase in operating expenses. The second override option, and the one preferred by the Finance Committee, would be in the amount of \$1.8 million dollars, which would necessitate a moderate reduction in some services, and would represent a 3.4% increase in operating expenses, resulting in a 7.6% increase to the average residential tax bill. Mr. Woodard stated that the Committee has concluded that level-staff budgets are not sustainable in the near future for the Town. Thus, the Finance Committee is prepared to support the \$1.8 million dollar override option.

Mr. Woodard clarified that a reduction in the growth of expenses will translate into a reduction of services; however, the effect for the Town will be more gradual with the lower override option. The Committee supports specifying a limit of the amount of increase in operating expenses for the FY10 through FY12 budgets so that collective bargaining groups will understand the Town's expectations prior to negotiations. He further stated that the Committee has not yet determined what that annual rate of growth should be. However, towards this end, the Committee will meet with the Town Cost Centers in the next few weeks. Mr. Woodard announced that a Town Budget Forum will be held on March 24, 2008, which will provide more details regarding the override options.

Selectman Keller summarized that if residents want similar Town and school services and staffing, then a larger \$2.8 million dollar override would be required. Mr. Woodard responded that the Committee considers the \$2.8 million dollars to be a fair price for the services presently experienced in Sudbury.

Chairman Drobinski emphasized that, if the Selectmen were to support that no override be offered to the voters, the services residents now know would change dramatically. He opined that the Board is not prepared to endorse such a proposal. He summarized that the voters will be faced with a choice of dramatic, moderate or minor cuts in services, noting that even a level-staff budget will likely incorporate minor reductions in service. Chairman Drobinski further stated that the Board is inclined to believe that the \$3.8 million budget requested by the Town Cost Centers is not fundable in the foreseeable future.

Lincoln-Sudbury Regional High School School Committee member John Ryan asked the Finance Committee to further clarify how a 4.7% increase in operating expenses translates to a 9.2% increase for the average taxpayer. Mr. Woodard and the Committee responded accordingly by briefly explaining the increase in operating expenses, the increase in debt service, the fact that reimbursements from the State are decreasing, investment income has decreased, and that the Town does not have the amount of free cash available as in prior years. Ms. Ragonis emphasized that, even if no override is voted this year, the average taxpayer will still realize an approximate 4.6% increase in their property tax bill. Mr. Bob Jacobson offered further clarification regarding the decreased levels of free cash and local receipts available for the Town. In response to a question from Mr. Verni, Town Manager Valente briefly described how free cash is determined for towns by the Department of Revenue to be sure that the funds are free for appropriation.

Mr. Bob Jacobson emphasized that the Committee separated budget issues from revenue issues when determining what would be reasonable and sustainable. The Committee has suggested that an Override Stabilization Fund be established which would help to reduce future overrides.

Ms. Gossels noted that, although the Town's taxes needed for debt payment has increased, the amount of the debt service has not. Town Manager Valente briefly explained how one-time adjustments are made for recent projects which were front loaded in this regard.

Mr. Bob Jacobson explained that the \$1.8 million dollar override proposes that \$1.7 million will go to the Cost Centers for operating expenses, \$100,000 would go into the Town's Stabilization Fund to ensure the Town maintains its AAA bond rating, which affords the Town many financial advantages, and \$21,200 would go to the Lincoln-Sudbury Regional High School fund. He noted that a \$2.8 million dollar override would follow the same disbursement pattern, with \$2.7 million dollars going to the Cost Centers for operating expenses.

Mr. Jim Jacobson stated that through its deliberations, the Finance Committee has remained sensitive to the fact that the average tax bill will surpass \$10,000 a year, and the difficulties these economic times bring to the homeowner, the schools and the Town. Chairman Drobinski noted that the Board has the difficult task of assessing what is in the best interests of the entire community, including its senior citizens, during difficult economic conditions, and tries to balance all of the Town's needs.

Selectman Keller asked Town Manager Valente whether the timing is appropriate for the Committee's suggestion of informing collective bargaining groups of what the future Town expectations will be. Ms. Valente responded that the Town employee collective bargaining groups are on a staggered schedule. However, she further stated that the Police and Fire Associations are on a similar schedule to the two school systems, with current contracts expiring in FY09. New contract discussions will likely ensue in the early fall of 2008. Mr. Bob Jacobson emphasized that the message from the Committee is a proactive one, so that collective bargaining groups can be realistic in negotiations to minimize reductions.

Ms. Ragonis reiterated that a Town Budget Forum will be held March 24, 2008, and she encouraged the community to attend. Chairman Drobinski also announced that the Selectmen will highlight the FY09 Budget, with guests from the Finance Committee, in an upcoming televised episode of *Town Hall Matters*.

Sudbury School Committee member Bill Braun stated that the difference between a \$1.8 million and a \$2.8 million dollar override will be the loss of countless jobs and potentially a \$500,000 decrease in funding for the Sudbury Public Schools, and a \$250,000 decrease each for both the Town and the Lincoln-Sudbury Regional High School. He believes that, if the \$1.8 million dollar override is pursued as a managed reduction of expenses, layoffs will still be required every year. He believes the result for the Town is the same as if no override is passed, but the decline will merely be gradual over several years versus a sudden impact. Mr. Bob Jacobson opined that the Committee agrees and understands that such a decision for moderate reductions will be painful. However, he emphasized that the Finance Committee is merely an advisory board.

Vice-Chairman O'Brien offered a more positive outlook for the future. He hopes that, by the Town taking such proactive measures now, more options will become available to the Town in future years.

Chairman Drobinski stated that the Selectmen do not intend to control the ballot. The Board prefers to provide the public as many options as are appropriate so that the voters are allowed to choose their preferences. He further stated that the Board will need to consider how best to structure the options and communicate them clearly to the community.

A brief discussion ensued regarding how tiered and pyramid overrides are structured.

It was on motion unanimously

VOTED: To instruct the Town Manager to consult with Town Counsel regarding the viability of placing on the March 31, 2008 ballot a two-tiered override question, for a \$1.8 million and a \$2.8 million dollar override respectively, and to instruct Town Counsel to provide an explanation of how the voting process works on a tiered ballot.

It was also on motion unanimously

VOTED: To instruct the Town Manager to prepare a draft of the proper voting language for a two-tiered question to appear on the March 31, 2008 ballot for the Board's review at its February 12, 2008 meeting.

On behalf of the Finance Committee, Mr. Woodard thanked the Board for the opportunity to meet this evening. He stated that the Committee will look forward to the resolution of these issues by the community.

At 8:40 p.m., Chairman Drobinski thanked the Committee for its thoughtful presentation, and he concluded the discussion.

Articles for 2008 Annual Town Meeting & Ballot Questions

Town Manager Valente, distributed to the Board, for review and discussion purposes, a Draft listing of the 2008 Annual Town Meeting Warrant Articles dated February 6, 2008. She noted that a previously submitted article from the Fire Chief regarding fines for not clearing snow away from hydrants is not ready, and has been withdrawn. Ms. Valente asked the Board to review the numbering of the articles and the initial draft assignment of speakers. She asked for comments or revisions to be submitted to her as soon as possible so as to meet the established Warrant publication schedule deadlines.

The Board briefly considered if Article #21 regarding changing the term of the Town Moderator from one to three years should be part of the Consent Calendar. It was determined Article 21 should not be on the Consent Calendar.

It was on motion unanimously

VOTED: To approve the numbering of the 38 Warrant Articles as presented in the February 6, 2008 Draft listing of the 2008 Annual Town Meeting Warrant Articles.

It was also on motion unanimously

VOTED: To support Article #22 and Article #23 be presented as Consent Calendar articles at the 2008 Annual Town Meeting.

Town Manager Valente highlighted to the Board that the amount of \$5,500,000 has been added to the Draft for Article #33. She asked if the Board was now inclined to determine its position for Article #33.

It was also on motion unanimously

VOTED: To support the 2008 Annual Town Meeting Warrant Article #33 for \$5,500,000 to purchase the development rights for Nobscot Reservation Phase I through the use of Community Preservation Act funds.

Town Manager Valente noted for the Board that the name has been changed on the 2008 Annual Town Meeting Warrant Petition Article #37 to the George Pitt Tavern Historic District. Selectman Keller questioned whether the name of a Historic District should somehow suggest its location. Ms. Valente will consult with the Sudbury Historic Districts Commission Chair regarding this concern, and provide the Board with feedback from that communication.

Town Manager Valente reported that, again this year, the local Boy Scouts will deliver both the Town Report and the 2008 Annual Town Meeting Warrant to Sudbury households. The delivery by the Scouts over the March 8th and March 15th weekends will provide the Town with considerable mailing cost-savings. Both the Warrant and Town Report will also be made available on the Town website.

At 9:00 p.m., Chairman Drobinski announced the close of the regular meeting.

There being no further business, the meeting adjourned at 9:00 p.m.

Attest: _____
Maureen G. Valente
Town Manager-Clerk