

Town of Sudbury
Budget Review Task Force
Final Report
June 30, 2009

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EXECUTIVE SUMMARY

Background

The Sudbury Budget Review Task Force was comprised of citizen volunteers who dedicated two years to help Sudbury solve our structural deficit and improve funding for our schools and town services.

In June 2007, Sudbury's Board of Selectmen voted to establish the Budget Review Task Force ("BRTF"). This committee was intended to provide a mechanism for the Finance Committee to work with interested residents to study the Town's recurring budgetary deficit situation. The goal was to determine if there were ways in both the short and long term to enhance revenues and/or reduce expenses beyond what the town and schools were already doing.

By August 2007, the committee was formed and consisted of 18 members: nine from the community at large, four from the Finance Committee, two members from each school committee (with only one having voting privileges) and one Selectman. Fortunately, Sudbury has a wealth of human resources from which to draw. Community members were chosen for their financial/consulting/management expertise as there was motivation for "fresh eyes" to consider Sudbury's financial issues: expense constraints include collective bargaining and mandated services by the State and Federal government and regarding revenue, there are limited options other than property tax, which falls primarily on the residential sector (93.3%) as proportionally, there is a much smaller commercial sector (6.7%).

Budget Review Task Force Members:

Robert N. Jacobson, Co-Chair BRTF, Finance Committee

Martha M. Ragonese, Co-Chair BRTF, Finance Committee

Jeffrey Beeler, Sudbury Public Schools Committee (*resigned June, 2009 did not vote on final report*)

Miner Crary (*resigned June, 2008 did not vote on final report*)

Daniel C. DiFelice

Tammie Dufault

Paul Fuhrman

Paul C. Gannon

Radha Gargeya, Lincoln-Sudbury Regional School Committee (*resigned June, 2009 did not vote on final report*)

Jamie Gossels, Finance Committee

Robert C. Haarde

William E. Kneeland, Jr., Finance Committee

Karen Massey

Sabino Merra

Lawrence W. O'Brien, Selectman

Paul E. Pakos

Richard Robison, Sudbury Public Schools Committee

Jack Ryan, Lincoln-Sudbury Regional School Committee (*resigned June, 2009 did not vote on final report*)

In order to give those not currently serving on a town board a comprehensive overview of the budget and other financial issues, there was an education period from September through December, 2007, which consisted of six meetings. Prior to each meeting, town and school officials disseminated a reading list to committee members to assure a level of preparation so these informal seminars, led by the appropriate cost center, would promote active discussion and questions. The committee studied other municipal structural deficit reports issued by other communities. All BRTF participants agreed that everything was “on the table.” Special interests were to be put aside to work in the best interests of Sudbury.

Subsequent to the education period, each committee member submitted their own individual “brainstorming” list of specific ideas to generate revenue and reduce expenses. These ideas were combined into a master list, which formed the basis of discussion for the next four meetings occurring from February through May, 2008. (It was necessary to decrease the pace of BRTF meetings as town officials/boards were engaged with the FY 09 budget process, elections and Town Meeting). As the various ideas were discussed, additional information and the feasibility of each idea were explored.

In early June, 2008, the BRTF was divided into two sub-committees, Revenue and Expense:

Revenue:

Martha M. Ragonas, Chair
Jeffrey Beeler
Daniel C. DiFelice
Paul C. Gannon
Radha Gargeya
Robert C. Haarde
Jamie Gossels
Sabino Merra
Lawrence W. O’Brien

Expense:

Robert N. Jacobson, Chair
William E. Kneeland, Acting Chair
Daniel C. DiFelice
Tammie Dufault
Paul Fuhrman
Robert C. Haarde
Karen Massey
Lawrence W. O’Brien
Paul E. Pakos
Richard Robison
Jack Ryan

Each sub-committee was tasked with reviewing the revenue and expense ideas in the brainstorming document, determine which had the most merit for continued research and study, and break up into subgroups to explore these ideas in more detail. Based on the work of these subgroups, the Revenue and Expense sub-committees would then generate recommendations to present to the Finance Committee and the Board of Selectmen.

On September 23rd 2008, the BRTF presented their preliminary revenue recommendations to the Board of Selectmen. On December 15th 2008, the BRTF presented their preliminary expense reduction recommendations to the Board of Selectmen and Finance Committee. The BRTF acknowledges the following changes which have taken place:

- Interim Superintendent/Principal was hired at Lincoln-Sudbury.
- The Town of Sudbury and SPS have identified areas of cost-savings through collaboration via the CORE project which began in August 2008.

- Sudbury has applied for grants to provide soil testing studies to identify areas for a wastewater treatment plant.
- The Town of Sudbury and SPS have decided to collaborate on a joint payroll system.
- Sudbury has jointly hired a Recreation and Parks Director with the town of Wayland thereby achieving regional collaboration.
- Contract negotiations are ongoing and have been prolonged in Sudbury which will hopefully result in mutually beneficial agreements that reduces our structural deficit for the long-term.

The Sudbury Board of Selectmen has voted to form new committees to address the individual BRTF recommendations and take specific action to implement the recommendations, if appropriate. The Sudbury Town Manager has created progress report tracking worksheets (to be available on the town's website) to track the ongoing progress of each individual recommendation made by the Sudbury Budget Review Task Force.

On June 29, 2009, nine members of the Sudbury Budget Review Task Force attended its final meeting. The vote was unanimous to approve this Final Report.

The Sudbury Structural Deficit

Structural deficits occur when systemic spending rises faster than sustainable revenues. Structural deficits require resolution by structural changes. Structural changes to the tax base, cost centers' organizational models and spending practices are necessary to address the structural deficit. Reducing headcount or instituting a pay freeze, without structural change, is only a short-term fix to address the symptoms of a larger problem. In order to address the real problem a municipality must make structural changes, which will reduce the deficit on a continuing basis while maintaining, or potentially even increasing, the level of services to the town. Increasing the budget of a flawed model will not solve the problem. In other words, "throwing money at the problem" is not going to fix the problem. Applying structural solutions to the problem, allows the opportunity to achieve permanent savings while potentially enhancing town services.

The BRTF compared Sudbury's per capita spending for each category to peer communities and determined our statewide rankings compared to 351 towns and cities in Massachusetts. Sudbury spends the 6th highest amount in the state on Education on a per-capita basis. Sudbury also has relatively high rankings in per-capita spending for Total Expenditures (#22), Culture/Recreation (#51), Fire (#57), Other Public Safety (#59) and Other Expenditures (#66). Sudbury's spending on Education (#6) is likely the driver behind Sudbury's high rank in Total Expenditures (#22). Most other spending areas are within the normal distribution for Massachusetts municipalities. It is important to note that despite Sudbury's extensive school building and renovation projects, our Debt Service (#85), while a substantial liability, is not a significant outlier relative to our peers and municipalities statewide.

The Sudbury Board of Selectmen has recently hired a joint Recreation Director with the Town of Wayland to alleviate spending in Culture and Recreation. Sudbury needs to identify and pursue more areas of collaboration, economies-of-scale and cost-savings to achieve efficiencies and reduce our budget constraints. With Sudbury's notable investment in Education, ranking #6 in the state, the Sudbury Schools should not be resource-constrained.

Fiscal Year 2008 Per Capita Expenditure	Carlisle	Lincoln	Dover	Acton	Wayland	Boxboro	Concord	Southboro	Northboro	Sudbury	Sudbury Rank out of 351 Towns
General Gov't	\$211	\$233	\$280	\$209	\$211	\$161	\$198	\$226	\$126	\$131	172
Police	\$235	\$168	\$261	\$156	\$168	\$247	\$200	\$151	\$136	\$145	195
Fire	\$46	\$134	\$66	\$134	\$151	\$146	\$171	\$172	\$80	\$163	57
Safety	\$72	\$92	\$69	\$9	\$74	\$10	\$20	\$13	\$15	\$53	59
Education	\$2,851	\$1,548	\$2,716	\$2,253	\$2,251	\$2,246	\$2,226	\$2,218	\$1,819	\$2,698	6
Public Works	\$214	\$180	\$314	\$102	\$172	\$191	\$191	\$202	\$147	\$187	135
Services	\$38	\$20	\$24	\$15	\$75	\$14	\$34	\$47	\$30	\$34	89
Culture & Rec	\$121	\$161	\$128	\$74	\$126	\$60	\$106	\$52	\$59	\$80	51
Debt Service	\$236	\$157	\$327	\$151	\$292	\$276	\$305	\$501	\$96	\$261	85
Fixed Costs	\$290	\$491	\$379	\$248	\$707	\$334	\$152	\$496	\$352	\$174	214
Intergovern- mental	\$13	\$22	\$0	\$10	\$12	\$0	\$21	\$24	\$16	\$10	260
Other Expenditures	\$63	\$31	\$0	\$6	\$1	\$0	\$28	\$0	\$0	\$5	66
Total Expenditures	\$4,390	\$3,237	\$4,564	\$3,370	\$4,240	\$3,685	\$3,652	\$4,101	\$2,876	\$3,941	22
Population	4,882	7,994	5,627	20,753	13,017	5,097	17,482	9,484	14,611	17,159	115

Table i. 2008 Municipal Expenditures with Rankings for Sudbury. Source: Mass Dept of Revenue Municipal DataBank.

The five municipalities with higher per-capita spending in education have much lower populations. Per-capita spending is a function of spending divided by population. Sudbury's population of 17,159 is the highest of these municipalities with the next closest being Dover with a population of 5,627.

Rank	Town	Per Capita Education Spending	Population
1	Rowe	\$ 3,100	347
2	Sherborn	\$ 3,038	4,217
3	West Tisbury	\$ 2,883	2,628
4	Carlisle	\$ 2,851	4,882
5	Dover	\$ 2,716	5,627
6	Sudbury	\$ 2,698	17,159

Table ii. 2008 Per Capita Education Spending – Top Six in Mass. Mass Dept of Revenue Municipal DataBank.

Sudbury's education expenditures account for approximately 75% of our total municipal budget which is the 4th highest percentage of all municipalities in Massachusetts behind Hancock (population: 1,082), Clarksburg (pop.: 1,631) and Hampden (pop.: 5,305). Sudbury's expenditures on education are a large example, or symptom, of Sudbury's structural deficit. While spending on education is an admirable investment in our community, we can no longer ignore the impact our structural deficit is having on education and other town services.

Despite Sudbury’s spending on education which is the 6th highest on a per-capita basis and the 4th highest in terms of percentage of total municipal budget, Sudbury is pressed to reduce curriculum, reduce classes and reduce Full-Time-Equivalent employees (“FTE’s”) in our schools every year. With our level of investment in education, Sudbury should be expanding curriculum, hiring teachers and reducing class sizes. Instead, Sudbury engages in annual budget cycles involving severe estimates of teacher layoffs and ongoing debate over property taxes.

Student enrollment is not the cause of Sudbury’s structural deficit, but rather it is a symptom of the structural deficit. Sudbury’s high percentage of families with school-age children, while a reality, can no longer be used as a reason to avoid addressing Sudbury’s structural deficit. Rather, Sudbury’s high percentage of school-age children demands the pursuit of a more efficient economic model. Sudbury’s elected and employed leaders need to pursue a model of economic efficiency which will result in excellence in education and town services.

Sudbury’s population grew 2% from 2000 to 2007 which is exactly equal to the 2% population growth for the entire state of Massachusetts and comparable to the 3% growth for the peer group in the table below. From 1990 to 2000, Sudbury’s population grew 17% compared to 16% for the peer group and 6% for the state of Massachusetts.

It does not appear that Sudbury has experienced significant deviations in population growth relative to our peer communities and, for the last 7 years, Sudbury’s population growth has been exactly equal to the state of Massachusetts. Although Sudbury’s student enrollment may be increasing relative to our peers, our population is not, which suggests that the increase in enrollment is due to the changing composition of Sudbury’s population as opposed to the growth of our population.

Town	1990 Population	2000 Population	2000 over 1990 Growth %	2007 Population	2007 over 2000 Growth %
Acton	17,872	20,331	14%	20,753	2%
Boxborough	3,343	4,868	46%	5,097	5%
Carlisle	4,333	4,717	9%	4,882	3%
Concord	17,076	16,993	0%	17,482	3%
Holliston	12,926	13,801	7%	13,941	1%
Hopkinton	9,191	13,346	45%	14,307	7%
Lincoln	7,666	8,056	5%	7,994	-1%
Stow	5,328	5,902	11%	6,327	7%
Sudbury	14,358	16,841	17%	17,159	2%
Wayland	11,874	13,100	10%	13,017	-1%
Westford	16,392	20,754	27%	21,790	5%
Weston	10,200	11,469	12%	11,698	2%
Southborough	6,628	8,781	32%	9,484	8%
Northborough	11,929	14,013	17%	14,611	4%
Dover	4,915	5,558	13%	5,627	1%
Peer Group	154,031	178,530	16%	184,169	3%
Massachusetts	6,016,425	6,349,097	6%	6,471,579	2%

Table iii. Population Analysis from 1990-2007 for Sudbury and Peer Communities. Source: www.massbenchmarks.org

Sudbury has a high percentage of children who require education. Sudbury has a low percentage of taxpayers who do not have school-age children. Education is expensive. Taxpayers who do not have school-age children are fundamental to a municipality's ability to fund a quality education for its children. We have too many students and not enough taxpayers without students. Our costs are exceeding our revenues. The structure of our tax base is struggling to support the quality education we demand for our growing number of students.

Sudbury has eliminated more than 48 FTE employees from our schools over the last two years despite over \$11M in overrides since 2000 and the 6th highest per capita education spending in the state. As Dr. Ritchie said at the L-S Committee Meeting on December 16th 2008: "I have been here 13 years and we have been constantly cutting things."

	Reductions in School Employees in FTE's		
	SPS	L-S	Total
2008	22	4.7	26.7
2009*	12.3	9.11	21.41
Total School Employee Reductions	34.3	13.81	48.11

Table iv. School Employee Reductions in FTE's. Source: School budget presentations.

* 2009 is an estimate from Town Meeting presentations on 6-15-09

Sudbury's class sizes are getting larger, curriculums are shrinking, course sections are being eliminated, school fees are skyrocketing and teachers are being laid off. Sudbury's spending on K-8 teachers is 18% below the Massachusetts average, on a per-student basis. Sudbury's K-8 Teacher Spending ranks #283 out of 328 Massachusetts School Districts. An affluent Boston suburb like Sudbury with the 6th highest per capita education spending in the state should not be spending so far below the state average on K-8 teachers.

The table below compares Teacher Spending (salaries and stipends) for Sudbury K-8 and Lincoln-Sudbury with peer school districts and the Massachusetts average for all school districts.

Sudbury's K-8 Teacher Spending is 18% below the state average for all school districts which ranks 283rd out of 328 school districts statewide. Lincoln-Sudbury's Teacher Spending is \$6,058 per-student which ranks 41st in the state. When Sudbury K-8 and L-S Teacher-Spending are combined for a normalized K-12 comparison, we are 3% below the state average which ranks 154th out of 328 school districts statewide. The combined teacher spending for Sudbury K-8 and Lincoln-Sudbury is comparable to the K-12 school districts in Revere, Marlborough, Lynn and New Bedford. Nearly all school districts in Massachusetts are K-12 or have a joint K-12 administration, meaning they only have one back-office administrative structure for their Superintendent, METCO Director, HR, Finance, Student Services, Transportation, Food Service, Accounting, Payroll, etc. for grades K-12.

Teacher-Spending on salaries and stipends for Sudbury K-8 is \$3,851 per-student, which is also well below the average for the five other standalone K-8 school districts across the state which spend \$4,802 per student. There are 51 school districts in Massachusetts which have more students in grades K-8 than Sudbury and 47 of those districts spend more on Teachers than Sudbury K-8.

	Number of Students	Classroom & Specialist Teachers Spending Per-Student	Percent Above or (Below) State Average	Rank of Spending on Teachers out of 328 Mass. School Districts
Lincoln K-8	1,233	\$ 6,883	46%	19
Dover-Sherborn HS	1,089	\$ 6,701	42%	26
Lincoln K-8 and Lincoln-Sudbury HS	2,857	\$ 6,414	36%	31
Lincoln-Sudbury HS	1,623	\$ 6,058	29%	41
Holyoke K-12	7,000	\$ 6,043	28%	42
Dover K-5, Sherborn K-5 and Dover-Sherborn HS	2,211	\$ 5,966	27%	47
Concord K-8	1,906	\$ 5,955	27%	48
Concord K-8 and Concord-Carlisle HS	3,194	\$ 5,872	25%	51
Newton K-12	11,783	\$ 5,749	22%	55
Concord-Carlisle HS	1,289	\$ 5,749	22%	56
Carlisle K-8 and Concord-Carlisle HS	2,069	\$ 5,651	20%	61
Weston K-12	2,438	\$ 5,620	19%	63
Lexington K-12	6,330	\$ 5,578	18%	66
Lowell K-12	14,865	\$ 5,565	18%	67
Wayland K-12	2,851	\$ 5,479	16%	73
Framingham K-12	8,414	\$ 5,474	16%	74
Wellesley K-12	4,848	\$ 5,121	9%	104
Nashoba K-12	3,408	\$ 5,118	9%	105
Northboro K-8, Southboro K-8 and Algonquin HS	4,976	\$ 4,879	4%	118
New Bedford K-12	13,323	\$ 4,748	1%	127
Massachusetts Average all Schools		\$ 4,707		133
Lynn K-12	14,064	\$ 4,700	0%	134
Sudbury K-8 and Lincoln-Sudbury HS	4,935	\$ 4,578	-3%	154
Marlborough K-12	4,936	\$ 4,538	-4%	156
Revere K-12	6,112	\$ 4,484	-5%	166
Maynard K-12	1,416	\$ 4,353	-8%	192
Sudbury K-8	3,311	\$ 3,852	-18%	283

Table v. FY08 Spending on Classroom and Specialist Teachers on Per-Student Basis by District Compared to State Average. Comparisons are made for K-8 Districts, 9-12 Districts and combinations of K-8 and 9-12 for normalized K-12 comparison purposes. Spending includes salaries and stipends. Source: DESE.

The following table compares health care insurance spending for Teachers on a per-student basis by school district. The Sudbury K-8 and Lincoln-Sudbury Insurance expenditures are both 4% above the state average which is comparable to Lowell K-12, Northboro K-8, Southborough K-8 and Maynard K-12. Springfield is the only Group Insurance Commission (“GIC”) member which has data for FY08. The law to allow municipalities and regional school districts to join the Massachusetts GIC was signed in 2007. It is worth noting that there are school districts in Massachusetts which outperform school districts which have joined the GIC in terms of “Teacher Insurance Cost” on a per-student basis.

The employer insurance contribution rate for Lincoln-Sudbury is 75% for active employees and retirees. The employer insurance contribution rates for Sudbury K-8 are 90% for employees and 50% for retirees.

School District	Active Teacher Insurance Cost per-student	Retired Teacher Insurance Cost per student	Total Teacher Insurance Cost per-student	Percent Above or (Below) State Average
Weston K-12*	\$ 2,293	\$ 518	\$ 2,811	78%
Framingham K-12	1,710	\$ 566	\$ 2,276	45%
Wellesley K-12	\$ 1,356	\$ 710	\$ 2,066	31%
Lynn K-12	2,027	\$ -	\$ 2,027	29%
Algonquin HS	1,364	\$ 502	\$ 1,866	18%
Dover-Sherborn HS	\$ 1,847	\$ 0	\$ 1,847	17%
Lincoln K-8	\$ 1,303	\$ 392	\$ 1,695	8%
Maynard K-12	1,201	\$ 489	\$ 1,690	7%
Southboro K-8	1,520	\$ 156	\$ 1,676	6%
Northboro K-8	1,386	\$ 284	\$ 1,670	6%
Sudbury K-8	\$ 1,475	\$ 162	\$ 1,637	4%
Lincoln-Sudbury HS	\$ 940	\$ 694	\$ 1,634	4%
Lowell K-12	1,284	\$ 331	\$ 1,615	3%
Massachusetts Average all Schools	\$ 1,228	\$ 347	\$ 1,575	
Marlborough K-12	1,216	\$ 258	\$ 1,474	-6%
Springfield K-12 (GIC Member FY08)	\$ 1,107	\$ 309	\$ 1,416	-10%
Lexington K-12	1,284	\$ 65	\$ 1,349	-14%
Dover K-5	\$ 1,317	\$ 0	\$ 1,317	-16%
New Bedford K-12	756	\$ 551	\$ 1,307	-17%
Nashoba K-12	\$ 1,093	\$ 145	\$ 1,238	-21%
Revere K-12	1,160	\$ 56	\$ 1,216	-23%
Concord-Carlisle HS	\$ 1,122	\$ 0	\$ 1,122	-29%
Wayland K-12	\$ 772	\$ 332	\$ 1,104	-30%
Concord K-8	\$ 1,047	\$ 0	\$ 1,047	-33%

Table vi: FY08 Active and Retired Teacher Insurance Per-Student by District Compared to State Average. Source: DESE.

* Weston joined the GIC effective July 1, 2009

Among peer school districts, it is interesting to note that Concord-Carlisle, Nashoba, Wayland, Concord K-8, Lexington and Dover K-5 are *above* average in Teacher Salaries (Table V), but *below* average in Teacher Health Care Insurance (Table VI). Concord-Carlisle is 22% *above* the state average in Teacher Salaries and 29% *below* the state average in Teacher Insurance. Concord K-8 is 27% *above* average in Teacher Salaries and 33% *below* average in Teacher Insurance. Weston, Wellesley, Algonquin, Lincoln, Dover-Sherborn and Lincoln-Sudbury are above average in *both* Teacher Salaries and Teacher Insurance. Sudbury K-8 is below the state average in Teacher Salaries and above average in Teacher Insurance.

With the escalating rate in the cost of health care insurance, it would be prudent to seek significant efficiencies in healthcare in order to reduce the growth of the long-term burden on our tax base. Since the cost of health care insurance is growing at a much faster rate than the growth rate of salaries, every dollar which can be moved from health care insurance to salaries will pay dividends to our municipality every year thereafter.

Sudbury does not have the commercial or industrial tax base to compensate for the structure of our tax base and cost centers. Sudbury’s commercial and industrial tax base percentage of 6.7% ranks 9th out of the 15 peer communities in the table below.

	% Commercial Tax Base	Residential Property Tax Rate	Commercial Property Tax Rate	Population	Residential Tax	Commercial and Industrial Tax	Total Tax
Bedford	37.4%	12.43	28.45	13,146	26,707,083	17,202,955	46,018,854
Needham	18.9%	9.96	19.56	28,323	63,779,919	15,511,414	81,925,651
Northboro	18.3%	13.76	13.76	14,611	26,799,983	6,258,184	34,239,613
Southboro	14.9%	14.16	14.16	9,484	25,444,032	4,664,094	31,208,784
Acton	11.7%	16.53	16.53	20,753	53,769,049	7,270,424	62,008,247
Wellesley	11.7%	9.47	9.47	26,985	77,907,521	10,450,381	89,216,036
Concord	8.4%	11.90	11.90	17,482	56,820,656	5,235,723	62,648,642
Stow	6.9%	15.28	15.28	6,327	16,841,558	1,282,556	18,473,557
Sudbury	6.7%	15.29	19.30	17,159	57,882,646	4,226,866	63,263,123
Wayland	4.0%	16.37	16.37	13,017	49,133,609	2,069,377	51,751,542
Weston	2.9%	11.02	11.02	11,698	54,969,338	1,651,864	56,998,334
Lincoln	2.7%	10.82	14.21	7,994	20,093,056	558,576	20,973,871
Sherborn	2.3%	16.52	16.52	4,217	18,291,507	437,367	19,110,512
Dover	1.0%	9.86	9.86	5,627	23,268,531	236,879	23,815,930
Carlisle	0.7%	14.04	14.04	4,882	19,167,655	142,443	19,492,416

Table vii. Commercial Tax Base Analysis – Based on 2008 data. “Commercial” tax base represents both commercial and industrial tax revenue. Source: www.mass.gov.

When residential property tax rates are increased to a level which is higher than neighboring communities, residents without children in schools are compelled to leave and their homes are likely purchased by families with students. The Sudbury overrides are driving the increase in student enrollment, not the other way around. The burden for educating our growing number of students is becoming larger than our tax base can afford. When property tax rates become higher than peer communities, we lose seniors, single professionals, empty-nesters and we create a mentality among many families who decide they are going to leave Sudbury as soon as their children graduate high school.

When Sudbury tax rates are increased higher than tax rates in peer communities, Sudbury home prices decline. When home prices decline, property tax assessments decline also. Tax revenue is a function of the property tax rate and property assessments. When home prices do not keep pace, property tax rates need to increase even more to maintain the tax revenue necessary to fund our school and town budgets.

The increase in the value of Sudbury homes over the last 10 years ranks 149th out of all 155 towns in the greater Boston area. Compared to 14 of those towns which are peer communities, Sudbury has higher residential tax rates than all but two other towns and higher commercial tax rates than all but three other communities. Sudbury’s residential real estate value growth is the smallest of this group of 14 peer communities.

	Residential Tax Rate	Commercial Tax Rate	Home Price Growth over last 10 years	10 Year Home Price Growth - Rank of 155 Greater Boston Towns
Weston	11.02%	11.02%	119.58%	11 out of 155
Wellesley	9.47%	9.47%	119.43%	12
Hopkinton	15.03%	15.03%	92.33%	39
Lincoln	10.82%	14.21%	88.29%	43
Newton	9.96%	19.00%	85.37%	51
Dover	9.86%	9.86%	84.91%	53
Lexington	12.97%	24.62%	79.49%	75
Maynard	14.51%	23.63%	77.21%	84
Stow	15.28%	15.28%	75.19%	90
Acton	16.53%	16.53%	70.54%	109
Concord	11.90%	11.90%	66.07%	123
Carlisle	14.04%	14.04%	64.41%	127
Southborough	14.16%	14.16%	60.00%	134
Wayland	16.37%	16.37%	48.53%	148
Sudbury	15.29%	19.30%	46.79%	149

Table viii. Ranking of Home Price Growth over the Last Ten years for the 155 Greater Boston Towns with Residential and Commercial Property Tax Rates. Sources: ww.mass.gov and The Warren Group/Banker and Tradesman.

Sudbury’s growing structural deficit is uncommon in Massachusetts. Every town in Massachusetts has to deal with reductions in state and federal aid and increasing health care costs. But not every town in Massachusetts has a structural deficit requiring major overrides, declining services and lagging home prices. Sudbury has the 4th highest override amount in the State of Massachusetts since 2000 behind Wellesley, Lexington and Newton, which have larger populations, lower residential property tax rates and lower per-person override amounts.

	Override Revenue Approved since 2000	Residential Property Tax Rate	Population	Per Person Override Amount
Sudbury	\$11,329,161	15.29%	17,164	\$660
Wellesley	\$13,907,927	9.47%	26,515	\$525
Lexington	\$13,505,193	12.97%	30,419	\$444
Newton	\$11,500,000	9.96%	83,802	\$137

Table ix. Communities with the

Highest Override Revenue Approved since 2000 with Residential Property Tax Rate, Population and Ranked by Per-Person Override Amount. Source: www.mass.gov.

Despite the fourth highest override amount in the state of Massachusetts over the last ten years, Sudbury is not a leader in residential real estate value growth or expanding school curriculum or town services. On the contrary, we find ourselves with declining school and town services, high property taxes and lagging growth in home prices.

In an analysis of 31 peer communities below sorted by total override amount since 2000, Sudbury has a per-person override amount of \$660 over the last ten years compared to an average of \$255 for these peer communities who have comparable socioeconomic demographics and standardized school test scores. The statewide average for override tax revenue since 2000 is \$52 per person. There are 195 communities in Massachusetts with zero override revenue since 2000.

	Town	Total Override Revenue Approved since 2000	Residential Property Tax Rate	Population	Per Person Override Amount	2008 Combined HS MCAS	2008 Combined SAT
1	Wellesley	\$13,907,927	9.47%	26,515	\$525	282.6	1829
2	Lexington	\$13,505,193	12.97%	30,419	\$444	290.9	1892
3	Newton	\$11,500,000	9.96%	83,802	\$137	287.4	1809
4	Sudbury	\$11,329,161	15.29%	17,164	\$660	285.9	1758
5	Sharon	\$8,670,674	17.72%	17,347	\$500	292.2	1770
6	Concord	\$8,528,537	11.90%	16,919	\$504	294.6	1802
7	Wayland	\$8,446,000	16.37%	13,063	\$647	292.1	1795
8	Acton	\$6,800,000	16.53%	20,660	\$329	291.6	1840
9	Brookline	\$6,200,000	10.69%	56,188	\$110	277.8	1764
10	Winchester	\$5,897,000	11.27%	21,167	\$279	288.4	1746
11	Belmont	\$5,400,000	11.89%	23,604	\$229	290.3	1769
12	Westwood	\$5,391,754	12.01%	14,020	\$385	289.6	1702
13	Needham	\$4,185,358	9.96%	29,022	\$144	291.3	1766
14	Medfield	\$3,638,000	13.85%	12,397	\$293	294.2	1773
15	Weston	\$3,560,000	11.02%	11,595	\$307	290.3	1847
16	Harvard	\$2,786,250	13.43%	6,083	\$458	293.3	1809
17	Westford	\$2,500,000	13.97%	21,475	\$116	289.4	1774
18	Lincoln	\$2,285,000	10.82%	8,000	\$286	285.9	1758
19	Hopkinton	\$4,633,119	15.03%	14,031	\$330	290.3	1663
20	Dover	\$1,900,000	9.86%	5,657	\$336	295.9	1801
21	Holliston	\$1,850,000	15.46%	13,919	\$133	289.6	1673
22	Southborough	\$1,802,276	14.16%	9,549	\$189	288.1	1681
23	Cohasset	\$1,430,000	10.78%	7,274	\$197	291.6	1671
24	Northborough	\$1,166,151	13.76%	14,320	\$81	288.1	1681
25	Boxborough	\$1,025,360	14.84%	5,044	\$203	291.6	1840
26	Stow	\$1,014,511	15.28%	6,119	\$166	287.8	1708
27	Manchester	\$985,000	8.25%	5,370	\$183	293.3	1773
28	Norwell	\$840,953	11.75%	10,390	\$81	290.9	1630
29	Hingham	\$753,682	9.75%	21,198	\$36	289.5	1683
30	Bolton	\$635,000	15.91%	4,389	\$145	287.8	1708
31	Bedford	\$0	12.43%	13,146	\$0	282.5	1720
	Peer Group Total	\$142,566,906	12.79%	559,846	\$255	289.5	1756
	Statewide Total	\$329,088,163	11.29%	6,349,097	\$52	256.8	1468

Table x. Analysis of 31 Peer Communities Sorted by Total Override Amount Since 2000. Sources: www.mass.gov, SAT.

The average residential property tax rate for these 31 peer communities is \$12.79 per thousand and the average override amount over the last 10 years for this peer group is \$4.6M. Average high school MCAS scores for this peer group are 289.5 and average combined SAT scores for this peer group are 1756. Sudbury's residential tax rate is \$15.29 per thousand and our override amount over the last ten years is \$11.3M. Sudbury's high school MCAS scores are 285.9 and our combined SAT scores are 1758.

“Pay Sudbury Taxes or Move Out”

The sentiment of *“Pay Sudbury Taxes or Move Out”* is not only divisive and troublesome but also economically unfeasible and unsustainable.

Sudbury is in a competition for homebuyers. This competition drives real estate values. Prospective homebuyers analyze property tax rates, standardized school test scores and other statistics when choosing where to live. Sudbury does not operate in an economic vacuum. Sudbury’s home prices are impacted by the variables homebuyers analyze. Sudbury’s residential tax rate of \$15.29 per thousand is already 50% higher than some of our closest peer communities and Sudbury’s home price growth ranks 149th out of all 155 Greater Boston communities over the last ten years.

Increasing residential property tax rates will eventually reduce real estate values if other competing communities are providing equivalent services without increasing tax rates to the same level. When home values decline, tax revenues decline which necessitates even higher property tax rates. It is unrealistic to believe that Sudbury’s residential property tax rates, which are already 50% higher than some of our closest peer communities, can continue to be leveraged as a means for solving our annual deficits.

Although it may be an available luxury for some to advocate increased tax rates as the solution to Sudbury’s ongoing budget deficits (*“Pay Sudbury taxes or move out”*), we must recognize the economic competition in which Sudbury participates. Raising taxes via overrides eventually results in declining real estate values. Overrides drive out taxpayers who use fewer services, such as schools. Our costs are exceeding our revenues. The current model is unsustainable as declining real estate growth necessitates even higher tax rates. The downward cycle of increasing tax rates, declining real estate value growth and insufficient tax revenue is unsustainable. Consistently raising property tax rates does not result in a sustainable tax revenue base.

The microeconomic principle of supply and demand is applicable. With more homes available due to people leaving Sudbury because of high taxes, the supply of homes goes up. When supply goes up, the price of homes goes down. With property tax rates in Sudbury higher than most peer communities which have equivalent services, the demand for homes in Sudbury declines. When demand goes down, the price of homes goes down. High property tax rates can impact both the supply and demand curves for the price of homes.

Indiana University Economics Department Chair Emeritus Morton Marcus estimated that for every \$1,000 increase in property taxes, the value of a home falls by almost \$12,000, with all other variables held constant. A 2008 study by Economists Donald Vandegrift and Michael Lahr entitled *“Open Space, House Prices, and the Tax Base”* estimated that *“All else constant, higher property tax rates imply lower property values.”* A 2000 Massachusetts study on Proposition 2 ½ by Economists Kevin Lang and Tianlun Jian concluded that *“increased expenditure/revenues generally raised property values although the impact differs across expenditure types or revenue sources.”* There is little argument that investment in town services will generally raise property values for that town. When investments in town services begin to decline, however, and property tax rates are discretely higher than surrounding communities, home prices for that particular community are likely to decline.

The challenge for a municipality is to maintain or increase services with sustainable revenues without increasing residential property tax rates higher than surrounding communities which have equivalent services. Maintaining tax revenues sufficient to support town services is the long-term goal. Raising tax rates can eventually reduce a town's ability to maintain sufficient tax revenues by reducing the home values which comprise the tax base.

We need to recognize the economic competition impacting our revenue source and the value of our homes. Turning a blind eye to the economic reality will only lead to a larger structural deficit and the need for more drastic corrections than are currently necessary.

Sudbury's structural deficit leads to annual budget deficits which require enormous amounts of time and energy to address each year. Our educators spend far too much time trying to find ways to balance insufficient budgets instead of finding ways to expand our curriculum with a sustainable funding source. Sudbury's investments in education should result in expanding education and increasing real estate values, not contracting education and declining home prices.

Until Proposition 2 ½ is repealed or expanded, all Massachusetts communities are playing by the same rules. Success for a municipality is measured by the extent to which they can provide a level of excellence in school and town services without an inordinate amount of Proposition 2 ½ overrides.

If Sudbury's property tax rates were equal to or lower than most peer communities, Sudbury could attract and retain seniors, empty-nesters, single professionals and other taxpayers who are crucial for school funding. Lower tax rates would increase demand for Sudbury real estate and would reduce the supply of Sudbury homes by keeping empty-nesters in their homes longer. The increase in demand and decrease in supply of Sudbury homes would increase our real estate values and boost our overall tax revenue which would perpetuate a sustainable foundation to support our schools and town services for the long-term.

Personnel and Healthcare Costs

Maintaining unsustainable personnel costs while making reductions in FTE's rather than in real headcount does not effectively alleviate future pension and healthcare liabilities. As a result, the town faces constant pressure to reduce current services to fund these long-term obligations. We continue to address our annual budget deficits by reducing "sections" (classes) which result in an overall reduction in FTE's without reducing long-term personnel or healthcare costs. Reducing FTE's has the deleterious effect of shrinking the curriculum of our education program but does not effectively reduce our structural deficit. The practice of reducing FTE's and fostering the increase of part-time educators, shrinks the education curriculum while escalating the long-term healthcare liability for Sudbury taxpayers.

We need to address our budget deficits by employing more full-time teachers and less part-time teachers thereby requiring less people to teach more classes per day. Instead, we address our annual budget deficits by requiring more people to teach fewer classes per day. As health care costs are escalating, Sudbury needs to reduce our health care burden by managing attrition more effectively and pursue more cost-effective health care plans.

The Massachusetts Group Insurance Commission (GIC) health plan premiums increased only 3.78% for fiscal year 2008. Very affluent towns, such as Weston and Swampscott, have joined the GIC to curtail the rising cost of healthcare so they can invest in school and town services. Sudbury's 2009 per-employee cost of healthcare was \$17,209 for SPS/Town and \$13,570 for L-S compared to \$8,961 for Concord/Carlisle and \$10,174 for the GIC (Weston and Swampscott joining this year).

Town/School	Most Common Benefit Plan	FY 09 – Annual Cost per employee		
		Total Cost	Town %	Town Cost
Concord/Concord Carlisle	Tufts EPO	\$ 17,232	52%	\$ 8,961
Mass Group Insurance Commission	Many plans, except BCBS	\$ 13,565	75%	\$ 10,174
Lincoln	BCBS HMO Family	\$ 17,268	60%	\$ 10,361
Medfield	Harvard Pilgrim HMO Family	\$ 18,720	58%	\$ 10,858
Bedford	Tufts HMO Plus Family	\$ 18,241	61%	\$ 11,127
Wayland	Harvard Pilgrim EPO Family	\$ 17,604	68%	\$ 11,971
Acton & Acton-Boxborough	BCBS Family	\$ 14,604	85%	\$ 12,413
Winchester	BCBS MMO Family	\$ 18,516	71%	\$ 13,146
Duxbury	BCBS HMO Family	\$ 17,969	75%	\$ 13,477
Lincoln-Sudbury	Tufts HMO Family	\$ 18,093	75%	\$ 13,570
Wellesley	Harvard Pilgrim Family	\$ 17,604	79%	\$ 13,960
Sudbury Public Schools and Town	BCBS HMO Family	\$ 19,114	90%	\$ 17,203

Table xi. Health Plan Cost by Town/School (source Wayne Walker, Sudbury Human Resources). LS and SPS/Town reflect mid-year rate increase 10%. Percentage contribution in GIC can vary; the 75% is an estimate for comparison purposes.

The GIC leverages the economies-of-scale and group purchasing power of 289,275 people including state, municipal and regional school employees and their dependents. The GIC can control the growth of their health care expenditures more effectively based on the bargaining power of 289,275 members versus a municipality, such as Sudbury, with the bargaining power of 600 members.

Each year that Sudbury maintains a level of personnel expenditures that cannot be maintained over time, it accrues additional liabilities for retiree health care and pension costs, which will negatively impact future operating budgets and town services. These accrued liabilities will lead to future unavoidable operating expense reductions, which will be more severe due to the accumulation over time. When Sudbury is faced with reductions to staff, it should consider eliminating actual headcount rather than just FTE's. A reduction in FTE's, rather than actual headcount, does not ameliorate Sudbury's future healthcare and pension liabilities.

To quote the Brookline Report: "We are well past the point where our elected and employed officials can tread gingerly around addressing cost issues and avoid making contemporaneous adjustments to offset the costs that have led to the structural deficit. As position reductions are likely, not replacing attrition vacancies will provide an ongoing opportunity to bring employment levels into better balance." The Sudbury BRTF agrees with the Brookline guidance and recommends that our elected leaders use forthcoming attrition vacancies to bring spending levels into better balance while achieving economies of scale aided by collaboration.

Massachusetts Governor Deval Patrick has recommended that communities should “increase the size while reducing the number of the Commonwealth’s current school districts to streamline administration and management structures while expanding opportunities to ensure strong oversight and leadership and to improve teaching and learning.” The Massachusetts Legislature has also made grant funding available to municipalities who have voted to form committees to explore regionalization with other municipalities. The proactive support from State Government to pursue school regionalization, expand current school districts and reduce the number of school districts is a signal of a potential future mandate in Massachusetts for school regionalization which has occurred in other states.

While a statewide effort is underway to consider regionalizing and combining multiple K-12 school districts, Sudbury remains one of the very few remaining municipalities which still supports two separate partial school districts (K- 8 and 9-12) each with a separate back-office administrative structure. Lincoln-Sudbury Regional High School is the only remaining standalone 9-12 high school district in the state of Massachusetts requiring its own administrative structure.

The BRTF Blueprint

After two years of studying, analyzing and discussing Sudbury’s structural deficit, the Budget Review Task Force supports these recommendations to control costs and increase revenue. The BRTF acknowledges that other organizations in Sudbury have already been pursuing some of these recommendations:

- Attract and retain seniors, empty-nesters, professional singles and other taxpayers who utilize fewer services; by means of residential property tax rates which are equal to or lower than most peer communities.
- Reduce our healthcare expenses by joining the Massachusetts Group Insurance Commission or implementing a plan which has a sustainable cost structure equal to or better than the GIC.
- Enhance Sudbury’s commercial district with a wastewater treatment plan and zoning/planning which would result in tasteful development to complement the character of Sudbury and increase our commercial tax base.
- Pursue a more efficient economic model which will support long-term excellence in schools and town services by considering regionalization, collaboration and consolidation to reduce costs by utilizing shared resources where appropriate.
- Support the development of 55-and-over communities as opposed to single family homes with zoning, planning and development incentives favorable to 55-and-over communities.
- Invest in renewable energy sources which will provide long-term revenue and cost-reduction opportunities for Sudbury
- Engage in extensive and effective fundraising and grant applications to support key under-funded areas. Reduce the barriers, limitations and restrictions on fundraising and increase the incentive for fundraising by allowing parents to earmark funds for specific uses, such as teaching specialists.
- The BRTF is opposed to increasing school fees and would recommend pursuing savings from healthcare restructuring, administrative efficiencies and other BRTF recommendations as opposed to increasing school fees.

Summary of Recurring Annual Estimated Savings

The table below summarizes the Recurring Annual Estimated Savings from the BRTF Expense Reduction Recommendations. These savings will occur every year after implementation and should be maintained for budgeting purposes and not considered “just one-time” savings.

Recommendation	Potential Savings
SPS/L-S Administrative Joint Hiring	\$800K to \$1.2M
Public Safety	\$570K
Streets & Roads Maintenance	\$510K
Health Insurance	\$2M to \$3M
Total Recurring Annual Estimated Savings	\$3.9M to \$5.3M

Table xii. Summary of Recurring Annual Estimated Savings from BRTF Recommendations

While there will be legitimate debate about the exactitude of our projections, there should be no doubt about the magnitude of our recommendations. Consolidation and regionalization of Sudbury’s Town Services is worthy of our attention. The current financial climate is such that there is little reason to delay consolidation or regionalization efforts. The BRTF recognizes that the employee unions involved have vested interests and these recommendations warrant a dramatic departure from the way things have been done for so long and, therefore, these initiatives will require significant effort and willingness on the part of all involved.

The Pioneer Institute very recently published a report on regionalization success and failure in Massachusetts. Among their conclusions, they state “Regionalization makes more sense than ever. Pressure on state and local budgets means that our attachment to home rule across 351 jurisdictions is a costly artifact that needlessly drains money from more effective uses.”

As will be made clear in this report, the legislative path has been paved for Sudbury officials to consolidate town services and begin earnest discussions with neighboring towns regarding agreements to regionalize services. The Sudbury Budget Review Task Force acknowledges some of these initiatives and discussions have already begun and we encourage these continuing efforts.

Summary of Findings – Sudbury Budget Review Task Force

The Budget Review Task Force looked at a number of possibilities and identified the following recommendations which have the potential to increase revenue and reduce expenses in Sudbury. In some instances, a recommendation includes both revenue and cost-saving components and for simplicity, those recommendations are in one section.

[Order of recommendations does not indicate priority]

Revenue Recommendation Summaries:

Commercial Development/Sewers:

- Install a Route 20 sewer line, plant, leaching field and related facilities
- Appoint an Interim Route 20 Sewer Committee, appoint a Sudbury Sewer Commission
- Appoint a Sudbury Economic Development/Architectural Review Commission

Energy:

- Continue and intensify conservation efforts at all cost centers
- Adopt a uniform energy policy that advances energy conservation for all cost centers
- Create an entity to consider the future use of alternative energy technologies in Sudbury
- Submit as soon as possible a feasibility study application for solar photovoltaic and wind technologies to the Massachusetts Technology Collaborative and to the state under the Green Communities Act
- Examine the use of solar photovoltaic technology for all cost centers immediately

Fundraising:

- Expand the Payment in Lieu of Taxes program
- Begin a Restricted Gift/Priority Projects Campaign initiative. Allow parents or other donors to earmark donations or fundraising campaigns for specific educational uses, such as literacy specialists or teaching specialists, for example.
- Enlist a volunteer for each Cost Center to take one or several of the five grant writing courses currently offered by the Sudbury Parks and Recreation Department and become a designated grant writer for each Cost Center.

Legislative Initiatives:

- Form a Legislative Initiative Committee
- Organize a BRTF special meeting with state legislators to push Sudbury's top five issues

Expense Reduction Recommendation Summaries:

Reunite the Administration of L-S and SPS: Lincoln-Sudbury was created under a single back-office administration with Sudbury Public Schools and operated with a single K-12 back-office for many years. A K-12 administration model is not only consistent with the formation of L-S but also consistent with four other comparable regional school districts in our area: Concord-Carlisle, Acton-Boxborough, Dover-Sherborn and Northborough-Southborough (Algonquin). This K-12 model will streamline the schools' operation and administration and increase cost-efficiency allowing Sudbury to invest in education and expand curriculum again. Given the current economic conditions and the prospect of future override failures, the K-12 model will better stabilize the budget process and provide voters with an economic reason to consider future overrides and enhance funding for town and school services.

Recurring Annual Estimated Savings: K-12 Model: \$800K to \$1.2M
Sudbury Share: ~\$940,000

Regionalize L-S-W: The BRTF recommends the Selectmen further explore the expansion of Lincoln-Sudbury Regional High School to include the Town of Wayland and provide a status report at Town Meeting 2010.

Regionalize L-S K-12: The BRTF recommends the Selectmen further explore the regionalization of all school districts in Lincoln and Sudbury into one regional K-12 school district and provide a status report at Town Meeting 2010.

Regionalize Public Safety Administration: The BRTF recommends the Selectmen validate and pursue the regionalization of the Public Safety (Police and Fire) departments of a core group of neighboring towns which may include Wayland, Lincoln, Concord, Maynard, Weston, Hudson, Stow and Sudbury and provide a status report at Town Meeting 2010. Regionalization will allow participating towns to achieve economies of scale and exploit the proximity of all these departments within such a small geographic footprint which is based on the colonial boundaries of these towns dating back hundreds of years.

Recurring Annual Estimated Savings: \$570,000

Regionalize Road Maintenance: The BRTF recommends the Selectmen validate and pursue the regionalization of the Road Maintenance departments of a core group of neighboring towns which may include Wayland, Lincoln, Concord, Maynard, Weston, Hudson, Stow and Sudbury and provide a status report at Town Meeting 2010.

Recurring Annual Estimated Savings: \$510,000

Collective Bargaining: The BRTF recommends the Town and School leaders of Sudbury develop a collective bargaining strategy which can attract and retain quality employees as well as reduce the long-term liabilities contributing to our structural deficit. The BRTF has conducted an extensive comparative analysis of the collective bargaining agreements from Sudbury and peer communities and offers a number of recommendations for future negotiations as set forth in the Collective Bargaining Section of this report.

Health Insurance: The BRTF recommends that Sudbury join the Massachusetts Group Insurance Commission and review all healthcare plans to improve cost-efficiency.

Recurring Annual Estimated Savings: \$2,000,000 to \$3,000,000

Full Day Kindergarten: The BRTF recommends the Sudbury Public Schools introduce an optional fee-based full-day kindergarten program. The program would be optional and would not require redistricting. Without consideration of the grants available from the Massachusetts Department of Education, and based on a 75% participation rate of the current 284 student level, Sudbury could offer an optional full-day program for \$2,800 tuition per year. If Sudbury applied for and received grants, Sudbury could offer the full-day kindergarten program for \$2,200 tuition per year. The average tuition for full day kindergarten across Massachusetts is \$2,400. This program would offer the residents of Sudbury a program which parents have long requested and enhance SPS' educational offerings. The tuition considers the reinstatement of kindergarten assistants to the full-day program, improves funding

for curriculum materials, and adds a specialist to the program. Revenue generated from the temporary fees, if necessary, can only be used for the full-day Kindergarten program and cannot be used to support other areas of the budget. This program must be bottom-line neutral

Town Services, Comparative Analysis: The Budget Review Task Force recommends the Selectmen agree to continue the comparative analysis conducted by the Budget Review Task Force to further determine opportunities for increased costs savings. Based on preliminary comparative analysis of town services for all Massachusetts communities, the BRTF has identified areas for potential cost savings.

Many of these recommendations are consistent with ongoing efforts by town officials and boards. We hope the recommendations in this report will be helpful in focusing efforts toward implementation.

Please send feedback to: BudgetReviewFeedback@sudbury.ma.us

REVENUE RECOMMENDATIONS

Commercial Development/Sewers

Install a Route 20 sewer line, plant, leaching field and related facilities

Existing Conditions

Commercial: Boston Post Road in Sudbury is primarily comprised of Mill Village, a retail village with a style consistent with traditional New England architecture, a large strip mall with TJ Maxx and Sudbury Farms, another large strip mall with Shaw's Supermarket and CVS, several smaller strip malls on the North side of Boston Post Road, and some independent commercial and residential buildings. Boston Post Road has changed over the years from a recreational area with driving ranges and bowling alleys to a strip mall styled retail area. Recently, the reconstruction of Mill Village brought the allure of "village" shopping which stands in stark contrast to the strip mall trend now in decline in many Massachusetts suburbs.

Sudbury residents often find themselves traveling outside of town to conduct many commercial transactions, whereas a revitalized commercial district could persuade them to do more business at home. Currently, redevelopment and elimination of under/undeveloped sites are limited given that potential investors are unwilling to consider investment in, and beautification of Route 20 without a sewer system. A sewer system may even provide additional options for determining the future of the Route 20 police station: higher sale proceeds from the increased property value of the police station parcel may assist in funding a new station, or renovation/expansion of the existing Route 20 police station building might be more viable with a sewer system. The net result would be taxpayer costs to resolve this issue could be reduced.

Environmental: Sudbury's water wells are located south of Boston Post Road in Sudbury. The proximity of Sudbury's commercial district to our community's drinking water without a wastewater treatment system is of great concern. Septic systems in general, especially older systems taxed by years of overuse, are much less effective in treating wastewater and returning drinkable quality water to the subsurface water supply. New wastewater treatment plants utilizing the latest technologies are not only more cost effective but are also more environmentally effective in preserving the quality of drinking water and ground soil. Years of overuse of septic tanks in this area of Sudbury (which has a high water table) has had detrimental impacts to the ground soil and could jeopardize the wells which provide drinking water.

Primary Objectives

1. To construct a modern wastewater treatment plant and sewer system in Sudbury's Boston Post Road commercial sector to preserve and revitalize the ground soil and adjacent water wells which provide water to the community. This area's high water tables increase the environmental dangers of old and overused septic systems. Many current septic systems are beyond their capacity, with little or no ability to upgrade.
2. To enhance the character and appeal of Boston Post Road by instituting zoning and architectural restrictions sensitive to the unique character of Sudbury which will (a) favor

architecture consistent with a Village shopping experience, similar to Mill Village, (b) prevent the development of any more strip malls or any commercial development which will jeopardize the character of Boston Post Road and Sudbury in general, and (c) encourage the redevelopment of “brownfield” and underutilized sites along Route 20 consistent with this Village concept.

3. To increase the commercial tax base in Sudbury and reduce the tax burden on its residents. For example, the average Sudbury family’s tax bill could decrease by approximately \$150 annually for every \$1M increase in commercial property tax revenues as a result of sensitive development and property value increases along Route 20.

Sewer System Overview

System Description

The proposed coverage area includes two options: the “core” district along Route 20 of one mile in length (extending from the eastern end of Mill Village to the western end of Shaw’s strip mall) and a longer distance of 3.6 miles (extending from the Wayland line to the intersection of Boston Post Road and Lafayette Drive). Taking into account mobilization, cost efficiencies, disruption issues, overall integration issues, and potential additional revenues, the longer 3.6 mile distance is arguably the favored option.

Approximate costs to plan and install each system are included in Appendix N. Based on initial estimates, the system will likely be self-funding (or have minimal impact on taxpayers) through reasonable initial connection fees based on usage and long term annual usage fees.

The system would include a package treatment plant with a capacity of approximately 200,000 gallons per day, with a leaching field discharge area of approximately 4-5 acres (subject to soil conditions). The plant is proposed to be located on approximately 1-2 acres in Chiswick Park, which land may be donated by the property owner.

Leaching System

One of the final preliminary issues to be resolved is securing a viable leaching field. Currently, subject to soil testing, three potential options exist: the Curtis School playing fields, Haskell fields and a privately owned parcel near Route 20. Based on an analysis of available land (excluding the Cavicchio nursery land, an unlikely option in the near/medium term), these are the only leaching field options sufficient in size and/or characteristics to support the Route 20 sewer system. All discharges to the leaching field are subsurface, so surface uses may be fully maintained. Also, discharges approximate drinking water quality, minimizing concerns regarding underground water.

The advantage of using Curtis or Haskell is that neither involves cost to the town for acquisition. The disadvantage of each is the distance from the site to Route 20, involving higher pipe and pumping costs. In Curtis’s case, the field may interfere with potential relocation of the school in 40-50 years. The Route 20 property’s disadvantage is that it will involve cost to acquire rights or title, however, its obvious advantage is its proximate location. Any site chosen may face neighbors’ complaints regarding proximity to a leaching field.

Financing

Funding will consist of various long term financing options through state programs (including the “More” program where the state allows towns to borrow against future revenues for timely cash flows and a cost neutral impact), federal programs, grants and bonding. Timely compliance with the procedural steps discussed in the next section will allow early application for these programs, allowing Sudbury’s project to be early “in line.” These procedural steps will also allow Sudbury to gauge the viability and availability of all financing options to determine the timing and commitment of resources to the project.

Procedural/Implementation

Initially, a part-time professional will be hired to initiate, coordinate and facilitate this process, including the creation of the sewer district, collection of architecture review standards, zoning requirements, and implementation of the Route 20 Vision Statement. (Town Meeting 2002 approved \$90,000 in funding to analyze Route 20 wastewater issues which has not yet been used.) This person would also foster relationships with users and developers to attract desirable projects to the Route 20 corridor as well as generate interest in beautifying it. A Town Meeting bylaw article would be proposed to permit investigation/application to the state and other entities to explore financing and permitting issues. These are long lead items which will uncover any obstacles to financing and permitting, and will gauge the amount of state support available. In addition, this will allow Sudbury to effectively establish its place “in line” with the state without commitment of significant town resources.

As the above moves forward, next steps will include the establishment of a sewer overlay district, rules and regulations, sewer betterment bylaw, any special legislation, and a sewer oversight committee. In addition, architectural standards for Route 20 development and a review committee will be established that will promote the goals and standards cited in this report. These committees are more fully discussed below.

Experience in other communities suggest that there may be procedural and other delays at any stage of this project, necessitating proactive management of the entire development process, including permitting, approvals, and financing.

Time Frame

It is estimated that it will take approximately 3-4 years from Town Meeting approval to date of system operation, based on a comparable project in Acton, Massachusetts.

Sudbury’s Commercial Potential Outlined in The Vision Statements

The Boston Post Road Vision Statements (dated August 2001 prepared by Mullin Associates; and June 2002 prepared by The Cecil Group) resulted from community input, consultant analysis, reports and conceptual drawings as well as analysis from other Sudbury committees. Boston Post Road is a vibrant commercial district for Sudbury and the proposed changes are intended to improve the current positive climate.

The vision for Boston Post Road in Sudbury is a business district with tasteful roadside storefronts lining both sides of the road with a single parking lane in the front and parking lots in the back of the

storefronts out of view. Building architecture is the traditional New England style with fieldstone foundations, clapboard and shingle sided buildings, and colonial accents such as gas-lamp style street lights. Wide landscaped sidewalks on both sides of the road, buried utility lines with telephone and power line poles removed, landscaped parks, and bike paths will enhance appeal and provide open space.

Objectives

1. Create a vibrant pedestrian friendly area with potential for mixed uses, senior housing, tree-lined landscaping, walkways and bike paths, common landscaped parks.
2. Integrate walkways with rest of business district using creative landscaping and site design.
3. Enhance pedestrian and cyclist safety
4. Improve the retail shopper's experience by car, bike or walking
5. Enhance the overall appearance of Sudbury.
6. Provide more accessible short and long term parking.
7. Increase community involvement with a traditional downtown commerce area. Also allow for business community responses such as beautification programs, business district initiatives, arts programs.
8. Utilize CPA funds (to the extent permissible to offset costs) in conjunction with sewer construction, to remove utility poles, bury telephone and utility lines, and create wide sidewalks, open space and courtyards on both sides of Boston Post Road
9. Allow for "high margin" tax revenue from development to increase tax base without burdens to school system, including an emphasis on senior housing development along the Route 20 corridor to enhance pedestrian use, provide convenience to seniors, maintain "village" feel, promote residential architecture, and derive other benefits from the increased presence of senior housing.

The development of a Route 20 sewer system gives our community the potential to realize this vision. This option does not exist today given the reluctance to invest in Route 20 because of a lack of sewer service.

Appoint an Interim Sudbury Sewer Commission, appoint a Sudbury Sewer Commission

Interim Sudbury Sewer Commission

This group will oversee the initial feasibility activities, followed by the coordination and facilitation of all activities necessary to implement the sewer project until such time as a Sewer Commission is appointed and operational.

Sewer Commission

Among other duties, this group will determine the entity that will be responsible for system management and accounting, betterment policies, connection and usage charges, incentives to connect, waivers for residential uses, administration and regulation issues. The committee will also be responsible for orchestrating concurrent design, planning, budgeting, financing and bidding activities, along with local, state and federal permitting, and special legislation.

Appoint a Sudbury Economic Development/Architectural Review Commission

Economic Development/Architectural Review Commission

This group will be responsible for the establishment and enforcement of architectural standards along Route 20, and for encouraging favorable uses, policies and initiatives sensitive to the character of Sudbury and the town in general.

The Economic Development Commission will also be charged with promoting Sudbury and fostering relationships with developers and users to encourage the highest and best uses of designated land in town, including the Route 117 parcel, in a manner sensitive to Sudbury's character and the interests of its residents. This committee will also promote the development of potential parcels, such as the Gravel Pit site, to encourage "high margin" developments that will increase property tax revenues without increasing taxpayer burdens derived primarily from the costs of educating school age students and maintaining our school system. Accordingly, committee policies will discourage residential projects with the potential to add such costs, and encourage senior housing, office and other projects sensitive to the character of Sudbury.

UPDATE AS OF JUNE 1, 2009

Town representatives continue to seek suitable parcels for the leaching field to handle potable water from the treatment facility. An application has been submitted for a Department of Environmental Protection grant of \$50,000 to conduct studies relating to a suitable parcel, conduct public outreach, and promote stakeholder support. Town representatives expect to complete soil testing by the spring of 2010.

The town is collecting the names of interested parties to form an interim sewer commission to oversee and develop the initial stages of the process.

Energy

Introduction

Given skyrocketing energy costs and the current interest in alternative energy as a possible way to free Sudbury from the whims of the fossil fuels market, the BRTF addressed three areas:

1. FY 08 energy expenditure data (electricity and natural gas) was gathered from the Town's three cost centers (SPS, LS and the Town). While earlier data was available, the FY 08 data was deemed most relevant given the recent entry into new long term (5 yr) contracts that will likely lead to similar costs for the next 4 years.
2. Efforts were made to determine what, if any, attempts have been made in Sudbury to consider the feasibility of the use of alternative energy.
3. Efforts were made to explain and determine the feasibility of various alternative energy technologies for use in Sudbury.

At the outset, a note about energy conservation efforts in Sudbury is warranted. During data collection, information was shared by various cost centers about conservation efforts. Given our revenue-generating mission, such efforts were deemed to be more in the realm of expense control and were therefore not analyzed. However, it is our sense that the responsible person at each cost center is aware of the need for continuing aggressive conservation efforts. Going forward, no energy-related decisions or equipment changes should be made without appropriate consideration being given to whether more efficient alternatives are available.

Current Energy Expenditure Overview

In FY 08, Sudbury's three cost centers spent approximately \$2.7M for electricity and natural gas. No data related to fuel for vehicles was analyzed. The combined costs for electricity and natural gas amounted to approximately 3.7% of Sudbury's total budget of approximately \$74M. As reported by the cost centers, FY 08 expenditures (rounded to nearest thousand) were as follows:

Town FY 08 Energy Expenses by Location

Location	Electric	Gas	Total
Fairbank	\$ 40,000	\$106,000	\$ 146,000
DPW	\$ 36,000	\$ 52,000	\$ 88,000
Library	\$ 57,000	\$ 17,000	\$ 74,000
Fire Dep't	\$ 20,000	\$ 24,000	\$ 44,000
Flynn Bldg	\$ 28,000	\$ 12,000	\$ 40,000
Town Hall	\$ 7,000	\$ 24,000	\$ 31,000
Police	\$ 18,000	\$ 8,000	\$ 26,000
Total	\$ 206,000	\$243,000	\$ 449,000

Lincoln-Sudbury FY 08 Energy Expense

Location	Electric	Gas	Total
LSRHS	\$1,270,000	\$ 63,000	\$1,333,000

Sudbury Public Schools FY 08 Energy Expenses by Location

Location	Electric	Gas	Total
Curtis	\$ 250,000	\$104,000	\$ 354,000
Loring	\$ 101,000	\$ 58,000	\$ 159,000
Noyes	\$ 84,000	\$ 72,000	\$ 156,000
Haynes	\$ 67,000	\$ 75,000	\$ 142,000
Nixon	\$ 65,000	\$ 47,000	\$ 112,000
Total	\$ 567,000	\$356,000	\$ 923,000

Total Sudbury FY08 Energy Expenses = \$2,705,000

To put these costs in perspective, employee salaries and benefits (employee costs) amount to at least 75% of Sudbury's total \$74M budget. Thus, setting aside employee costs of approximately \$55.5M, energy spending amounts to roughly 15% of the remaining budget of \$18.5M.

	Heating Cost per student	Utility Cost per student	Total Heating and Utility Cost per student	Percent Above or (Below) State Average
Weston K-12	\$ 585	\$ 104	\$ 689	81%
Dover-Sherborn HS	\$ 189	\$ 359	\$ 548	44%
Concord-Carlisle HS	\$ 227	\$ 300	\$ 527	39%
Lincoln-Sudbury HS	\$ 465	\$ 54	\$ 519	37%
Algonquin HS	\$ 183	\$ 329	\$ 512	35%
Acton-Boxborough HS	\$ 130	\$ 367	\$ 497	31%
Lincoln K-8	\$ 153	\$ 322	\$ 475	25%
Concord K-8	\$ 197	\$ 276	\$ 473	24%
Wayland K-12	\$ 145	\$ 251	\$ 396	4%
Wellesley K-12	\$ 216	\$ 169	\$ 385	1%
Dover K-5	\$ 143	\$ 242	\$ 385	1%
Massachusetts Average	\$ 145	\$ 235	\$ 380	0%
Acton K-8	\$ 101	\$ 249	\$ 350	-8%
Nashoba K-12	\$ 138	\$ 191	\$ 329	-13%
Southboro K-8	\$ 155	\$ 165	\$ 320	-16%
Sudbury K-8	\$ 115	\$ 185	\$ 300	-21%
Northboro K-8	\$ 119	\$ 177	\$ 296	-22%

Roughly 83% of our energy expenses come from our schools, which is normal because schools are usually the largest and most utilized buildings in any town. Energy use in a high school is expected to be higher due to increased usage at night, for activities and events, which is not as common in elementary schools. Sudbury K-8 has a total Heating and Utility Cost per student of \$300 which is 21% below the state average and among the lowest compared to local school districts. Lincoln-Sudbury's total Heating and Utility Cost per student is \$519 which is 37% above the state average for all school districts. Lincoln-Sudbury's Heating Cost is \$465 per student and Utility Cost is only \$54 per student.

Current Alternative Energy Efforts

Currently, there is no organized approach to potential alternative energy opportunities in Sudbury. It is apparent that the three cost centers work, in large part, in isolation from each other. Accordingly, inquiry was made of each of the cost centers to determine what, if any, alternative energy technologies had been considered.

SPS

SPS has investigated both solar photovoltaic and cogeneration technologies. To date, its work, which has examined the financial and technical feasibility of such proposals, has focused in large part on the Curtis Middle School, the largest user of energy among its schools. Proposals have been obtained for both solar photovoltaic (PV) systems and cogeneration technologies.

Cogeneration

The cogeneration proposal obtained by SPS is from American DG Energy. Cogeneration would utilize an on-site engine that would burn natural gas to power a turbine that would generate electricity. Through the installation of a Tecogen CM-75 cogeneration unit, installed in a soundproof enclosure near the boiler room, DG Energy proposes to produce over 338,000 kWh of electricity and offset more than 34,000 therms of heat annually. In addition to providing electricity, the unit would be used to produce hot water and heat through heat exchangers. Current utilities would remain connected.

The proposal is for a 15-year term and, with no capital outlay, would, according to American DG Energy, save SPS \$6,920/year. American DG Energy guarantees a 15% discount on electric rates from the local utility. As drafted, thermal energy (heat and/or hot water) is billed at “avoided cost” and thus the proposal would provide no natural gas cost savings.

Solar

SPS has also received a detailed proposal from Borrego Solar relating to the installation of a 270kW PV system at Curtis Middle School which would offset approximately 22% of electricity charges. Total equipment and installation costs are \$2,019,000 and, after total anticipated rebates of \$636,000, would have a net cost of approximately \$1,315,000. The first year utility savings would be approximately \$40,000. Under Borrego’s proposal, the payback period for the system, if bought outright, would be 17 years. Over a 30-year term, the system would save SPS approximately \$650,000.

Borrego also has a program that it calls the “Purchase Power Agreement” (PPA) that uses third-party funding to pay for the systems. By using the PPA, the PV system could be installed and would generate immediate cash flow to SPS. According to Borrego’s projections, this arrangement would produce \$107,000 in savings over the first 20 years and calls for SPS to purchase the system for \$404,000 after year 20. Thereafter, all benefits of the avoided utility bills would accrue to SPS. According to the proposal, the total cumulative cash flow to SPS over 30 years would be \$1,474,000, with \$224,000 of that sum accruing in the last year alone.

More recently, Borrego advised that it does not view the recently enacted Green Communities Act as particularly material to costs associated with such projects. Moreover, the company is now recommending that SPS host three 100kW systems at Curtis, Loring and Nixon Schools. The company estimates that such systems would generate over \$500,000 in savings over a 20-year term.

Discussion between SPS and Borrego are fluid and ongoing. These proposals provide useful initial data in connection with decision making.

Town

The Town has obtained an email proposal to install a small PV/Solar array (25kW) on the DPW building through the efforts of James Kelly, who functions primarily as the Building Inspector. The net cost would be approximately \$115,000 and the system would generate approximately 28,000kW/year. More recently, Mr. Kelly has been investigating the siting of such a system on the Fairbanks Center roof, where he will be utilizing assistance from the Massachusetts Technology Collaborative (MTC).

LS

Alternative energy efforts at LS took place during the design and construction phase of the new high school, which was designed with geothermal in mind. Unfortunately, due to geologic conditions and despite a number of wells being drilled, the site was found to be unsuitable for this technology. No other alternative energy technologies are under investigation at this time in any organized fashion at LS, although representatives indicated the school would be interested in any economically feasible alternatives.

Alternative Energy Technologies¹

There are many alternative energy technologies in the market today. They run the gamut from those that are in their infancy, such as technologies that generate electricity by using algae, to more established technologies such as photovoltaic/solar (PV). Other potential sources of energy include such things as fuel cells, bioenergy, hydropower and ocean energy. Some of these technologies are plainly inapplicable to Sudbury due to geographical realities or environmental conditions. While an understanding of such technologies—and advances in them—is worthwhile, the BRTF's research focused on those technologies that appeared to be technologically feasible for immediate use in Sudbury. Thus, the focus was on Solar, Wind, Geothermal and Cogeneration.

Solar/PV

Solar photovoltaic technology uses solar energy to produce electricity. Photovoltaic technology uses the electrical properties of materials known as semiconductors to produce electricity. When hit by sunlight, a semiconductor material creates an electrical charge which can then be transferred through a circuit to anything that uses electricity. In a PV system, these semiconductors are produced in the form of cells, which are then assembled in a structural panel. There are many different types of panels available, and each has its particular advantages. Depending on the amount of electricity needed, these panels can then be connected in an array of any size to provide the electricity needed for a home office, or larger facility.

PV is one of the most environmentally friendly technologies available and is very easy to install on a building or property. While cost can be a barrier to some installations, there are many incentives available for PV and over 400 systems are installed in Massachusetts today—more installations than any other source of electricity. PV offers an obvious means of severing Sudbury's reliance on the volatile fossil fuels market, as opposed to cogeneration which still relies on burning natural gas.

¹ Information on solar and wind in this section was drawn from the Massachusetts Technology Collaborative website at www.mtpc.org.

Wind

Wind turbines provide significant amounts of energy using only the natural power of the wind. Today's wind technology harnesses the kinetic energy of flowing air and then transforms the mechanical energy of spinning blades into pollution-free electricity. Over the past 25 years, major advances in turbine technology have made this process ever more efficient, making wind energy a cost-competitive option for a growing number of applications.

In general, a wind speed of 14.5 mph is required in order to economically use wind power given current technology. According to tools on the MTC website, there are two places in Sudbury that meet these criteria. One is in the area around the Town Hall/Noyes School. The second appears to be near the summit of Kato Drive. Many areas in Sudbury have winds in the 13.4-14.5 mph range at a height of 100 meters.

The capacity of a wind turbine is determined largely by its rotor diameter. Present day technology may be divided into three broad size ranges, briefly characterized below:

1. Residential: rated capacity below 30kW, rotor diameter of 4-43 feet, hub height of 60-120 feet.
2. Medium: rated capacity between 30-500kW, rotor diameter of 43-100 feet, hub height of 115-164 feet.
3. Commercial: rated capacity between 500kW and 4.5MW, rotor diameter of 100 feet to more than 325 feet, hub height of 164 to more than 260 feet.

Setting aside the potential inadequacy of Sudbury's wind resources given current technologies, other considerations in connection with using such technologies include: ownership and financing structures; local permitting and zoning requirements; visual and noise impacts and impacts on birds, bats and other species. Given emerging technologies in this area and efforts to reduce both the height/size of viable wind equipment and the wind speeds necessary to economically generate electricity, it would be prudent to monitor developments in this area.

Geothermal²

Almost everywhere, the upper 10 feet of the earth's surface maintains a nearly constant temperature between 50 and 60°F (10 and 16°C). A geothermal heat pump system consists of pipes buried in the shallow ground near the building, a heat exchanger, and ductwork into the building. In winter, heat from the relatively warmer ground goes through the heat exchanger into the building. In summer, hot air from the building is pulled through the heat exchanger into the relatively cooler ground. Hot air removed during the summer can be used as no-cost energy to heat water.

During the design and construction phase of LS, geothermal was the planned alternative energy solution that was to be used for heating the facility. Reportedly, however, during the process, it was determined through repeat drilling that the area was geologically unsuitable for the use of this technology. Inquiry was made of the facilities manager at SPS as to the viability of geothermal for us in its facilities. Given that the heating systems use a glycol mixture that is substantially hotter than the system contemplated at LS, it was reported that geothermal would not be a feasible alternative unless SPS replaces the current heating systems. No information was obtained about consideration of

² Information in this section was drawn from the US Department of Energy's website at www1.eere.energy.gov/geothermal.

geothermal in any of the Town facilities where it may be a viable alternative as existing systems are replaced at the end of their useful life.

Cogeneration – See the discussion above under SPS.

Green Communities Act³

Governor Deval Patrick's recent signing of the Green Communities Act, Ch. 169 of the Acts of 2008, is of particular interest given this committee's mission. This law is intended to

1. significantly expand investment in energy efficiency measures that will reduce electricity demand and deliver energy savings;
2. maximize the benefits of Massachusetts' adoption of a ground-breaking regional power plant CO2 cap and trade program;
3. promote renewable energy by strengthening the Massachusetts Renewable Portfolio Standard (RPS) and promoting net-metering, long-term contracts, and municipal/utility ownership of renewables. Of particular interest are the provisions that level the playing field for on-site (or "distributed") renewable energy generation by promoting "net-metering." Under these provisions, excess energy is sold into the grid for which a fair price must be paid. Wind and solar facilities up to 2MW qualify. Moreover, municipalities are allowed to own renewable energy facilities. The Act provides for authority to issue bonds or notes for financing.
4. establish the Green Communities Program. This program will provide up to \$10M/year statewide in technical and financial help to municipalities to promote energy efficiency and the financing, siting and construction of renewable and alternative energy facilities. In order to qualify, communities must adopt:
 - a) as-of-right siting for renewable or alternative energy generating, manufacturing or R&D facilities in designated locations;
 - b) expedited permitting process for approving such facilities within one year of the filing of an application;
 - c) energy use baseline and a program to reduce use by 20% within 5 years
 - d) policy to purchase only fuel-efficient vehicles; and
 - e) policy to minimize lifecycle energy and water costs for all new commercial, industrial and large residential construction.

Funding is to be provided by cap and trade programs, compliance payments to the Massachusetts Renewable Portfolio Standard, Energy Efficiency systems benefit charge revenues and the Renewable Energy Trust Fund.

The Green Communities Act is administered by the Massachusetts Department of Energy Resources. This agency is currently in the process of generating the regulations by which the Act will be implemented. Eligibility criteria for municipalities are expected to be issued by November 15, 2008.

³ Information in this section was drawn from the excellent summary of the Act on the Conservation Law Foundation's website at www.clf.org.

Recommendations:

Continue and intensify conservation efforts which should remain a consistent goal of all cost centers and their employees.

No energy-related decisions should be made without due consideration being given to efficiency and opportunities to employ alternative energy technologies in a concerted effort to move away from reliance on fossil fuels.

Adopt a uniform energy policy that advances energy conservation for all cost centers including, but not limited to, the use of motion sensors, timers, efficient light bulbs, computer hibernation settings, programmable or remotely controlled thermostats, insulation and weather stripping standards.

Any such policies should encourage the use of alternative energy technologies where financially feasible. Moreover, all cost centers should use uniform data collection practices in order to facilitate easy and useful comparisons of energy costs between facilities so that energy saving (or generation) resources can be efficiently directed to the areas where they are most needed.

Create an entity to consider the future use of alternative energies in Sudbury.

Each cost center addressing this question on its own creates the unnecessary risk of duplication of effort and the waste of resources. Any group formed should consist of at least one policy-making representative from each cost center in addition to interested community members who represent a significantly underutilized asset.

Submit as soon as possible a feasibility study application for solar photovoltaic and wind technologies to the Massachusetts Technology Collaborative and to the state under the Green Communities Act.

Moreover, any group formed under this recommendation should aggressively pursue all available funding from these sources.

Examine the use of solar photovoltaic technology for all cost centers immediately.

As noted previously, at least one current proposal exists for PV at Curtis Middle School which could be installed at third-party cost. Analysis of the two most complete alternative energy proposals available, one for cogeneration and one for PV at Curtis Middle School, reveals that cogeneration would provide savings of 28.9% and PV 45.7% from expected kW charges of \$86,132/year at current prices. Any assessment of proposals should examine the relative benefits of utilizing third-party funding verses outright purchases of the necessary equipment financed through the issuance of bonds.

UPDATE AS OF JUNE 1, 2009

Since the issuance of the preliminary BRTF report, the Board of Selectmen has established an Energy and Sustainability Green Ribbon Committee to explore energy issues as addressed in the BRTF report on a Town wide basis. It is the hope of the BRTF working group that the work of this subsequent committee will result in cost-effective alternative energy technologies being brought to bear on the Town's energy expenditures at the soonest possible opportunity.

Fundraising

Expand the Payment in Lieu of Taxes Program⁴

Under state law, many properties in Sudbury are exempt from paying property taxes, but still consume local government services and resources. Some communities ask such property tax-exempt organizations to make voluntary “Payments in Lieu of Taxes” (PILOT) to the municipalities where they are located.

Massachusetts state law provides property tax exemption for a variety of entities including properties owned by:

1. Federal and state government
2. Charitable organizations
3. Religious organizations
4. Health services providers
5. Educational institutions.

However, a number of communities enter into PILOT agreements with the tax-exempt property owners they host. Under these agreements, the tax-exempt property owner acknowledges its responsibility to become a full partner in the development of the quality of life of the host community. These agreements are based upon good faith and public relations, not on any legal requirement.

The following illustrates the scope of PILOT estimated payments in Cambridge and Boston:

City	Payment	Insitution
Cambridge (FY09)	\$2,223,715	Harvard
	\$2,019,386	MIT
Boston (FY08)	\$4,615,523	Boston University
	\$1,929,787	Harvard University
	\$ 276,901	Boston College
	\$ 264,991	Berklee School of Music
	\$ 30,571	Northeastern University

While universities are among the largest PILOT participants, the scope of this revenue in other communities also includes other types of tax exempt organizations. Of the seven exempt organizations in Sudbury that are non-church, non-governmental agencies, only the Wayside Inn currently pays \$25,000 in PILOT, an amount which has not increased in at least eight years.

Below is a list of current values provided by the Town of Sudbury’s assessor’s office:

⁴ Information in this section was drawn from the Newton, Massachusetts “Report on Revenue Expansion and Cost Savings Opportunities for the City of Newton, May, 2005, available on website at www.ci.newton.ma.us

Owner	Total Land Area	Total Value	If Taxed, Full Tax Amount
American Legion Post	0.46	\$ 489,500	\$ 9,041
Sudbury Foundation	0.12	\$ 222,900	\$ 4,117
Willow School	23.88	\$ 3,924,900	\$ 72,493
Buddy Dog	1.32	\$ 885,300	\$ 16,351
Mass Federation of Woman's Clubs	53.9	\$ 1,134,500	\$ 16,189
Sudbury Valley Trustees	681.96	\$19,053,500	\$271,893
Wayside Inn	136.37	\$12,832,500	\$210,125
Total	898.01	\$38,543,100	\$600,209

This committee recommends a representative from the Board of Selectmen and the Town Manager meet with each non-profit above and request a FY 10 PILOT equal to 25% of the amount it would be taxed if it were a taxable entity.

Begin a Restricted Gift/Priority Projects Campaign Initiative

The Sudbury Trust is a charitable donation program sponsored by the Town of Sudbury currently under consideration by the Board of Selectmen. Implicit in the program's creation is the fact that quality of life is important to the future of our community because it reflects the economic, social and emotional health of a town. To solicit gifts that contribute to these factors is a responsible and worthwhile effort. While the Sudbury Trust consists of multiple components (Unrestricted Gifts, Memorial Gifts, Endowments), the BRTF recommends that one facet of this program be actively pursued as soon as possible with wealthy Sudbury residents. This initiative is Restricted Gifts/Priority Projects.

Restricted Gifts/Priority Projects can only be used for the purpose given. Options include strengthening a particular program, department or capital need. A good current example is Park and Recreation was recently awarded \$150,000 to construct a handicapped accessible playground at Haskell field. The donor was a Sudbury family who opened the grant to approximately 40 communities in the Metrowest area and ultimately decided to fund a hometown project. Last winter, a different Sudbury family donated a walking path with handicapped accessible exercise stations to be constructed in another area of Haskell field. These are real quality-of-life enhancements to our town.

Sudbury's current budget climate is serious. An override failure led to budget cutbacks. Monies to fund ongoing operations are tight, and funding for extras is non-existent. It was felt that since Sudbury is fortunate to have a number of wealthy families who are already involved in significant charitable giving elsewhere, if they were made aware of specific needs in town, perhaps they could be persuaded to give on a local level as well. Much care would be taken to assure that funds raised for a particular project would not trigger increased future operating costs for the town.

During discussions on this topic, it became apparent that a BRTF member would be willing to step forward and initially head this effort. It is our recommendation that Paul Gannon and one or two other volunteers form a Restricted Gifts/Priority Projects Committee, which would keep Maureen Valente, Town Manager and the Board of Selectmen informed of its efforts.

It should be noted that this committee will work to fund town projects. If a prospective donor is interested in funding an educational effort, appropriate school officials would be contacted and the donor would communicate with them directly.

Project List

Before the Restricted Gifts Committee can begin its work, it is important to have a list of possible projects in place. Prospective donors, who may never have thought about a possible gift to the town, might find an appealing option from the list. The possibility would also exist to customize gifts based on the donor's specifications. Appendix O contains a current list of priority projects generated by Town Manager Maureen Valente with the help of various Town Department Heads.

Enlist a volunteer for each Cost Center to write grants

In FY 08, the Town of Sudbury generated \$338,950, Sudbury Public Schools generated \$1,289,611, and Lincoln Sudbury Regional High School generated \$871,479 in revenue from outside grants.

Grant revenue represents significant benefits and it would be highly desirable to increase these revenues. Given the current budget status, no money exists to hire the talent to research and write grants. However, two options exist to attract a volunteer:

1. The Town Manager/SPS/LS could advertise for an experienced volunteer grant writer to come forward and work on a weekly/monthly basis for a pre-determined number of hours on behalf of a particular cost center.
2. Two grant writing courses are offered on the Park and Recreation website: "Become a Grant Writing Consultant" and "Advanced Grant Writing." The cost of these courses could be absorbed by the town in exchange for a year commitment of a specific amount of time to interact with a specific cost center, research and write grants. The Town Manager would advertise for applicants to this program.

As this effort progresses, a financial incentive could be built into the grant requests which would enable these skilled volunteers to receive some remuneration.

UPDATE AS OF JUNE 1, 2009

Payment in Lieu of Taxes Program

The Town Manager appointed a staff task force to develop program guidelines for PILOT efforts. The task force will use program guidelines to approach and negotiate with non-profits in Sudbury. If any BRTF members are interested in joining this effort, contact the Town Manager or a BRTF chair.

Restricted Gift/Priority Projects Campaign

The Town Manager has developed policy and program guidelines for a gift/development campaign. The Board of Selectmen has agreed to have the Town Manager work with the BRTF to find residents willing to begin such a campaign.

Grantwriting

The BRTF will be asked to help recruit residents willing to serve on a grant writing team for the town.

Legislative Initiatives

Form a Legislative Initiative Committee

Unfunded and underfunded federal and state-mandated initiatives and various state required practices which hamper local towns and school districts in terms of dollars and resources are a huge frustration. While the Sudbury Board of Selectmen, Finance Committee, School Committees, the Town Mgr and School Superintendents have maintained ongoing relationships with our state representatives to the Senate and House, our conclusion was that a more organized effort both on local and regional levels could create more effective lobbying.

The BRTF recommends the creation of a Legislative Initiative Committee which would report to the Board of Selectmen. Core committee membership would be one representative of the Board of Selectmen, the Finance Committee, each School Committee and 8-12 at-large members from the community who have a strong interest in pursuing legislative changes at the state level. As various efforts are pursued and promoted to the community, additional interested residents can be recruited to strengthen the committee's voice on particular issues. The ultimate goal is for this committee to reach out to other towns with a similar profile to Sudbury through existing lobbying organizations to form regional coalitions. Accomplishing this would bring an even stronger message to our legislators. Clear reporting by this committee via the town website could keep the electorate well-informed, prompt easy communication with legislators on issues of interest and be an effective recruiting tool.

The Legislative working group looked at several organizations with which the Town of Sudbury Legislative Initiative Committee might align. The Suburban Coalition (suburbancoalition.org), the Massachusetts Municipal Association (mma.org), Stand for Children (stand.org) are likely candidates. Also, the Massachusetts Taxpayers Foundation (masstaxpayers.org) is an independent resource which devotes itself to providing unbiased research and recommendations on state spending, tax policy and the Massachusetts economy. When the Town of Sudbury Legislative Initiative Committee convenes, begins its work and sets priorities, it will determine which organization(s) with which to align.

Legislative Issues

The BRTF wanted to identify the current pressing legislative issues for the town and schools in Sudbury. The town as well as the schools submitted lists which can be found in Appendix P.

Organize a BRTF meeting with state legislators to push top five legislative issues

After compiling the list of legislative initiatives that are important to Sudbury, the BRTF felt that the top five issues should be identified and all state representatives invited to a BRTF meeting where the issues are presented to them with a request for immediate action.

UPDATE AS OF JUNE 1, 2009

Legislative Initiative Committee

Selectmen will develop action plans on this item.

Special Meeting with State Legislators

Selectmen will develop steps for progressing on this item.

EXPENSE REDUCTION RECOMMENDATIONS

The Case for Consolidation and Regionalization

Massachusetts has 351 cities and towns, many of them incorporated long before the country gained its independence, and formed at a time when travel and communication was rudimentary compared to our modern society today. Continuing with fundamentally the same or similar administrative structures that have been in place for hundreds of years misses the opportunities that modern society offers to make the delivery of services to citizens in the Commonwealth more efficient. It is not too much of an exaggeration to say that in the more populated eastern half of the State, duplicate administrative structures are in place every 5 miles, with each town running its own school systems, its own police department, its own fire department, its own public works department, etc. Furthermore, within each of these towns, there are also duplicate administrative structures which could be consolidated to reduce overhead and achieve efficiencies.

This inefficiency results in escalating property tax bills while towns, such as Sudbury, strive to maintain the same level of services *with the same multiple administrative structures* in the face of increasing costs. The question of how the town could deliver services to its citizenry in a more efficient manner leads one to change existing administrative structures and explore the concepts of consolidation and regionalization.

The Commonwealth's position on inter-municipal regionalization has become very proactive with Governor Deval Patrick recently issuing public guidance for municipalities to actively pursue opportunities to regionalize and reduce the number of administrations which would increase the ratio of towns to administrations to achieve economies of scale resulting in lower property taxes. In July of 2008 the Governor signed into law an amendment to MGL Chapter 188 which gives Selectmen the authority to enter into inter-municipal regional agreements *without the approval of Town Meeting*. (See Appendix B.) This change provides Selectmen a new level of independence to make executive decisions that are in the best long-term interests of the Town and its citizenry. Using this independence may require some political courage, but it should be viewed as a welcome change to the law, and Sudbury should explore taking advantage of it.

Three major service areas, which may provide the largest savings, were examined to determine the potential cost savings that could result from consolidation and regionalization: School Systems, Public Safety, and Maintenance of Streets & Roads. Estimates of the potential savings that could be realized in these areas are discussed in the following report, but it should be recognized that the analyses supporting those savings have been performed using only published budgetary figures in the 2008 Town Warrant and other publicly available data. Further discussions with knowledgeable parties could produce even greater cost savings projections.

Reunite Administration of L-S and SPS into K-12 model

Reunite the Administration of L-S and SPS: Lincoln-Sudbury was created under a single backoffice administration with Sudbury Public Schools and operated with a single K-12 backoffice for many years. A K-12 administration model is not only consistent with the formation of L-S but also consistent with four other comparable regional school districts in our area: Concord-Carlisle, Acton-Boxborough, Dover-Sherborn and Northborough-Southborough (Algonquin). This K-12 model will streamline the schools' operation and administration and increase cost-efficiency allowing Sudbury to invest in education and expand curriculum again. Given the current economic conditions and the prospect of future override failures, the K-12 model will better stabilize the budget process and provide voters with an economic reason to consider future overrides and enhance funding for town and school services.

- K-12 administration model does not require an act of legislature
- K-12 administration model does not require a Town Meeting Vote
- K-12 administration model does not require approval from the Mass Dept of Education
- K-12 administration model simply requires L-S and SPS hiring the same Superintendent and allowing for the sharing of administrative resources

Recurring Annual Estimated Savings:

K-12 Model:	\$800K to \$1.2M
Sudbury Share:	approximately \$940,000

- Savings expected in the following areas:

- Comprehensive collective bargaining strategy
- Consolidation of physical plant
- Supplies and Inventory
- Facilities maintenance and operations
- Purchasing
- Accounting and payroll
- Human Resources
- Vendor consolidation
- Long-term pension and healthcare savings
- Transportation management and busing contracts
- Food Service
- Regional busing is reimbursed by the state, if we eventually form a K-12 region with Lincoln we can expect savings from busing reimbursement
- Healthcare savings from spouses and dependents who are also enrolled in Sudbury's healthcare program in addition to the employee. Healthcare savings for each employee will be exponential due to the high number of spouses and dependents who are also enrolled in Sudbury's healthcare program.

Recommendations to Reunite the Administration of SPS and L-S into a K-12 model:

1. Form a search committee to identify candidates for the K-12 Superintendent position.
2. Hire a Principal for L-S and eliminate/promote one Housemaster position at L-S.
3. L-S Principal will report to the Superintendent of SPS/LSRHS.
4. The Town of Lincoln will only pay its percentage of the time spent on L-S for shared resources. For example, if the Superintendent spends 50% of his/her time working on L-S related initiatives, then Lincoln will pay 15% of 50% of the Superintendent’s salary (specifics of shared percentages to be worked out in collaboration with Lincoln representatives).
5. The BRTF supports the efforts of the School Administration Consolidation Working Group to identify the most effective governance structure.

	Acton-Boxborough	Concord-Carlisle	Algonquin	Dover-Sherborn	Lincoln-Sudbury	Total
Superintendent	●	●	●	●	●	5
Assistant Superintendent			●	●	●	3
Business/Finance	●	●	●	●	●	5
Human Resources		●			●	2
Curriculum Coordinator	●	●				2
Special Education		●	●		●	3
Information Technology	●	●	●		●	4
Student Services	●		●			2
Facilities Director	●				●	2
METCO Director		●		●	●	3
Assistant Special Ed Coordinator			●			1
Total	6	7	7	4	8	

Table 1. Comparison of the Composition of the K-12 Models in the Area. Data gathered manually by contacting School Committees and district offices, BRTF 2008.

This proposal is made, respectfully, for the appropriate administrators to consider and evaluate. The goal of the Budget Review Task Force is to recommend a model, which will maintain the academic excellence of these fine schools within an administratively cost-efficient model.

The table above represents the proposed administration structure for the SPS/L-S K-12 model with comparisons to the four other unions in our area. Algonquin and Acton-Boxborough do not have a METCO Program. Concord-Carlisle and Dover-Sherborn have METCO programs which are consolidated with one person running the METCO Program for both school districts within their respective unions

The proposed organization chart below does not consolidate or reduce Curriculum Coordinators, Student Services or Special Education. Grant savings realized from the consolidation of the METCO program should be applied to the tuition of METCO students consistent with the other K-12 schools in our area. According to Hadley Cabral, ESE School Finance, Massachusetts Department of Education, METCO grants are based on the number of students in the METCO Program for each district and the transportation necessary for those students.

The proposed organization chart below is designed to create an administratively efficient economic model while maintaining or potentially enhancing the level of education.

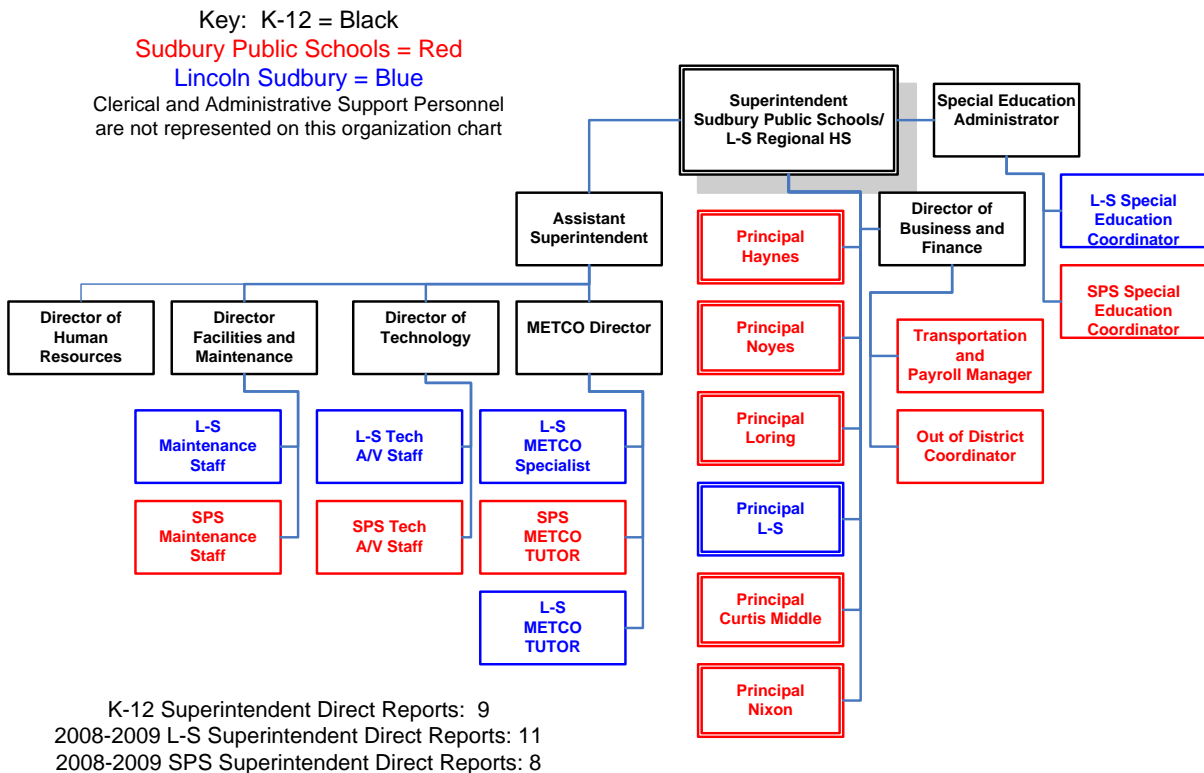


Table 2. Organization Chart for the Proposed K-12 model. BRTF 2009.

Supporting Information

Governor Deval Patrick is encouraging Massachusetts communities to bolster school capacity and increase the number of towns participating in regional school districts thereby reducing the number of school districts while increasing the ratio of towns to school districts. The inherent cost savings and economies-of-scale achieved by school regionalization are apparent solutions to the structural deficits facing many Massachusetts communities. Regionalization and K-12 unions have become such prevalent trends in Massachusetts that there are only 5 other standalone K-8 school districts in Massachusetts and no other standalone 9-12 High School district in Massachusetts. Furthermore, there are no other municipalities in the commonwealth which have both a standalone K-8 district and a standalone 9-12 High School district in their town.

The Massachusetts Legislature has enacted a state-funded grant program (see Appendix I) to assist municipalities which are seeking to create or expand regional school districts. A grant of up to \$150,000 was made available to qualifying municipalities, which are currently involved in a planning effort to:

1. Join two or more separate municipal or regional school districts into a new regional district;
2. Fully regionalize current regional members; or
3. Expand the membership or grade range of existing regional school districts.

Eligible school districts and local municipalities are those that provide evidence of:

1. Votes from two or more municipalities to establish a regional planning committee to investigate regionalization;
2. Regional school committee votes to establish a regional planning committee to expand or enlarge the existing region;
3. Votes from two or more municipal school committees to establish a committee to investigate regionalization; or
4. Records of joint meetings held by two or more municipalities or districts for the purpose of discussing the creation or expansion of a regional school district.

The Administrations of Lincoln-Sudbury and Sudbury Public Schools require their own School Committees, School Districts and Superintendents. The Sudbury Budget Review Task Force recommends school district administrative consolidation to achieve potentially significant cost savings.

- There are only 5 other standalone K-8 School Districts in Massachusetts which are not part of a K-12 union. They are Lincoln, Carlisle, Acushnet, Berkley and Shirley. Carlisle is considering joining the existing Superintendency Union with Concord Public Schools/Concord-Carlisle High School.
- There are no other standalone 9-12 High School Districts in Massachusetts, aside from Lincoln-Sudbury High School, which are not part of a K-12 model.
- Concord-Carlisle has a consolidated School District. There is a Superintendent of Concord Public Schools/Concord Carlisle Regional High School. Carlisle has a separate K-8 School

District which is considering joining the existing union. The Concord Public Schools/Concord-Carlisle School Committee meets regularly and alternates with two members from Carlisle attending the meeting to discuss the operation of the high school.

- Acton-Boxborough has a similar consolidated model. There is a Superintendent of Acton Public Schools/Acton-Boxborough Regional High School. The Acton Public Schools/Acton-Boxborough School Committee meets regularly and alternates with three members from Boxborough attending the meeting to discuss the operation of the high school.
- Dover-Sherborn has a K-12 consolidated Superintendency Union model where all public schools in both Dover and Sherborn report to one School Superintendent.
- Northborough-Southborough (Algonquin) has a K-12 consolidated Superintendency Union model where all public schools in both Northborough and Southborough report to one School Superintendent
- The 2008 School budgets, which were impacted by the override failure in Sudbury, resulted in 22 FTE reductions and 22 real headcount reductions for Sudbury Public Schools and 4.7 FTE reductions and 2.0 real headcount reductions for Lincoln-Sudbury.
- Section 18 which requires Medicare-eligible retirees to use Medicare as primary insurance instead of Town-funded healthcare was adopted by the Town of Sudbury and Sudbury Public Schools in 2006. The Lincoln-Sudbury School Committee voted in November of 2008 to adopt Section 18.

Lincoln-Sudbury has a Student-to-Principal ratio of 324 compared to Acton-Boxborough: 490, Concord-Carlisle: 419, Algonquin: 471, Dover-Sherborn: 290 (D-S only has 580 total students). “Principals” are defined as Superintendents, Principals, Headmasters, Vice Principals, Assistant Principals, and Housemasters. Not included are Supervisors, Coordinators and Directors of Instructional Services, Student Services, Curriculum, Finance, Special Education, Guidance, Athletics and Department Chairs.

Regional High School	Students	High School Superintendents	Principals	Vice Principals	House Masters	Total Principals	Students per Principal
Lincoln-Sudbury	1,622	1			4*	5	324
Acton-Boxborough	1,961		1	3		4	490
Concord-Carlisle	1,258		1	2		3	419
Algonquin	1,414		1	2		3	471
Dover-Sherborn	580		1	1		2	290

* L-S has a Director of Central in addition to the four L-S Housemasters. BRTF has been unable to find a matching administration title in other comparable high schools. The Director of Central is not included in the number of Housemasters in the above table.

Table 3. Ratios of Students to Principals for Five Comparable Regional High Schools. Data gathered manually from publicly available information, 2008.

The Town and taxpayers of Lincoln and Sudbury should also benefit from a more stable budget process and will not be as dependent on the risk of uncertain override approvals.

Through the synergies of consolidating the school districts, the Towns of Sudbury and Lincoln can achieve projected cost reductions of \$1,000,000 in the annual school budget without impacting teaching personnel and considering other synergies such as collective bargaining, supplies, facilities, operations, guidance, pension, purchasing, payroll, transactions, healthcare, pension costs.

The current costs to administer SPS and L-S are shown in the table below. The L-S figures reflect the administrative costs of the entire school, not just Sudbury's share. All figures reflect the full costs except for debt, and exclude grants, fees, and state subsidies.

	Salaries	Benefits	Expenses	Total
Lincoln-Sudbury				
Administration	\$1,143,906	\$275,198	\$133,752	\$1,552,856
Admin Support	\$100,706	\$24,228		\$124,934
Clerical	\$762,615	\$183,468		\$946,083
SPS				
System Administration	\$850,096	\$265,715	\$320,105	\$1,435,916
Total of Both School Systems	\$2,857,323	\$748,609	\$453,857	\$4,059,789

Table 4. FY09 Administrative Costs Exclusive of L-S Debt, Fees, and State Subsidies. Town Warrant, 2008.

The school budget could be reduced by a projected \$1,000,000 through the consolidation of the administration of L-S and SPS. These savings include the reduction of a Superintendent, hiring an L-S Principal, eliminating one Housemaster, consolidating some other administrative positions and reducing the administrative support for these positions.

	L-S	SPS	Total
Total Operating Costs	\$24,667,088	\$35,818,453	\$60,485,541
Number of Sudbury Students	1382	3,247	4629
Number of Lincoln Students	247	0	247
Cost per Student	\$15,142	\$11,031	
Sudbury Share	\$20,926,897	\$35,818,453	\$56,745,350
Lincoln Share	\$3,740,191	\$0	\$3,740,191

Table 5. Current Operating Cost Sharing of L-S and SPSS, excluding Subsidies. Town Warrant, 2008.

L-S is a separate entity from Sudbury and Lincoln, governed by a separate school committee and a superintendent. Sudbury would be expected to continue to bear all the non-administrative costs of the

K-8 system, the current proportional share of non-administrative costs of 9-12 students, and a new proportional share of the newly combined administrative costs of L-S and SPS. To see the potential impact of these savings on Sudbury’s share of costs, it is helpful to examine the current cost sharing arrangement. See the table above.

If the expected administrative cost savings of \$1,000,000 are proportionally spread to the total L-S and SPS costs shown in Table 5, the resultant situation is shown in Table 6.

	L-S	SPS	Total	Savings
Total Operating Costs	\$24,276,195	\$35,250,846	\$59,527,041	
Number of Sudbury Students	1382	3,247	4,629	
Number of Lincoln Students	247	0	247	
Cost per Student	\$14,903	\$10,856		
Sudbury Share	\$20,588,641	\$35,250,846	\$55,839,487	\$940,000
Lincoln Share	\$3,687,554	\$0	\$3,687,554	\$60,000

Table 6. Cost Sharing after Consolidation of L-S and SPSS. Town Warrant, 2008.

Table 6 shows that after consolidation, the projected net savings to Sudbury would be \$940,000. This figure assumes that administrative savings are shared proportionally based on the costs of the two systems, and Lincoln would continue to pay for educating its students but at the reduced cost.

A Study on Academic Performance and Cost Efficiency and the K-12 Model

The relationship between cost-efficiency and academic performance is an important one, especially in Sudbury, where citizens are concerned about the quality of our schools and the level of our taxes. In order to learn more about the K-12 model and school districts which employ that model, the Budget Review Task Force spoke to school leaders who use the K-12 model and studied data from the Massachusetts Department of Education and data gathered for the September 2008 Boston Magazine Report: “The Best Public High Schools in the Boston Area.” In addition to studying this data, we contacted the people from the Massachusetts Department of Education and Boston Magazine responsible for gathering this data to ensure our interpretations were correct and verify that some inconsistencies exist and assumptions and comparisons need to be tempered in some instances.

Our research found that four two-town regional high schools in our area which use the K-12 union or joint-hire model and are relatively good comparisons to Lincoln-Sudbury in terms of academic performance and cost-efficiency as well as the socioeconomic profiles of the communities these schools serve. We found that these comparable schools are not only cost-efficient organizations but also exceptional schools. Since no Sudbury resident wants to see a negative impact on academic performance, it was important for us to verify that the K-12 model works for schools and communities

similar to ours. In fact, we found that the K-12 union or joint-hire model is the model of choice for many of the top performing schools in the Boston Area.

	Public School	2008 Boston Magazine Cost-Efficiency Rank	2008 Boston Magazine Academic Performance Rank	2008 Per-Pupil Spending	2008 Combined MCAS	2008 Combined SAT
1	Lexington	52	5	\$ 14,469	290.9	1892
2	Boston Latin	11	4	\$ 16,467	298.7	1886
3	Weston	5	3	\$ 17,017	290.3	1847
4	Acton-Boxborough	22	31	\$ 12,228	291.6	1840
5	Wellesley	9	14	\$ 13,916	282.6	1829
6	Newton South	16	6	\$ 15,498	287.6	1819
7	Bromfield (Harvard)	30	44	\$ 12,429	293.3	1809
8	Concord-Carlisle	1	13	\$ 17,486	294.6	1802
9	Dover-Sherborn	3	7	\$ 15,690	295.9	1801
10	Newton North	17	10	\$ 15,498	287.2	1799
11	Wayland	12	9	\$ 14,033	292.1	1795
12	Westford	37	47	\$ 9,796	289.4	1774
13	Medfield	50	22	\$ 9,957	294.2	1773
14	Manchester	105	100	\$ 12,998	293.3	1773
15	Sharon	6	12	\$ 12,204	292.2	1770
16	Belmont	106	79	\$ 11,301	290.3	1769
17	Needham	20	19	\$ 12,552	291.3	1766
18	Brookline	7	1	\$ 15,431	277.8	1764
19	Lincoln-Sudbury	10	2	\$ 15,549	285.9	1758
20	Winchester	33	30	\$ 10,865	288.4	1746
21	Amherst Regional	NA	NA	\$ 16,131	281.4	1723
22	Westborough	15	17	\$ 12,890	290.3	1718
23	Nashoba (Stow-Bolton-Lancaster)	NA	NA	\$ 12,071	287.8	1708
24	Westwood	41	29	\$ 13,305	289.6	1702
25	Bedford	4	15	\$ 14,634	282.5	1700
26	Algonquin (Northboro-Southboro)	2	11	\$ 12,585	288.1	1681

Table 7. Per-Pupil Spending, MCAS scores, SAT scores, and Boston Magazine Rankings Comparable High Schools in the Boston area, sorted by SAT. Source: www.mass.gov, SAT, Boston Magazine, September 2008

The above table represents data for spending-per-student, MCAS scores, SAT scores and Boston Magazine Rankings for comparable high schools in the Boston area.

Although per-pupil spending, MCAS, and SAT scores are readily available data points, the Budget Review Task Force has concluded that increased spending on education does not directly correlate to improvement in MCAS and SAT scores. As shown in the table above, there are peer communities who spend significantly less per-student on education and have superior MCAS and SAT scores as there are communities who spend more per-student on education and have inferior test scores. Although MCAS and SAT scores are often analyzed and used for comparisons, the true effectiveness of an education cannot, and should not, be measured by these standardized test scores alone.

In addition to these metrics we also researched and compared how K-12 union schools spend their money on education resources. We found that the non-teacher staff, teacher-student ratios, and AP courses were comparable between K-12 union High Schools and Lincoln-Sudbury. The only significant outlier in this analysis was the teacher-student ratio of Acton-Boxborough which also has a correspondingly lower per-pupil spending level.

SCHOOL	Students	Per-Pupil Spending	Teacher-to-Student Ratio	Non-teacher Staff	Extra Curricular Programs	AP, Elective, and Honors Courses
DOVER-SHERBORN	580	\$15,698	01:11.1	15	60	120
LINCOLN-SUDBURY	1,622	\$14,534	01:12.8	52	163	130
CONCORD-CARLISLE	1,258	\$16,331	01:12.9	43	86	79
ALGONQUIN	1,414	\$12,606	01:13.4	10	102	150
ACTON-BOXBOROUGH	1,961	\$11,582	01:17.2	26	100	130

Table 8. Comparative Data of School Spending and Education Resources, Boston Magazine, September 2008.

The Massachusetts Department of Education has a wealth of data available for the research and comparison of public schools in the Commonwealth. The Budget Review Task Force conducted extensive analysis on this data to validate the K-12 union model by comparing schools which use this model to Lincoln-Sudbury and Sudbury Public Schools.

The table below represents data from the Massachusetts Department of Education for fiscal year 2007. We compared expenditures per-pupil for Lincoln-Sudbury and Sudbury Public Schools against the state averages for all schools, K-8 schools and high schools statewide as well as the four K-12 union schools in our area and the average of those four schools. When comparing some statistics to statewide averages it is important to understand that the socioeconomic profile of the community which the school serves may be significantly different than the socioeconomic norms across the state. For example, there is a variation between the statewide socioeconomic profile and the socioeconomic profiles of Lincoln, Sudbury and the comparable communities which use the K-12 union or joint-hire model in our area and this variation needs to be considered whenever using state averages for

comparative analysis. Although there are many factors driving the cost model of a school district, aside from the administration model, we did find the comparisons between Lincoln-Sudbury and the average of the K-12 union High Schools helpful in validating our recommendation. The average cost per pupil for the four K-12 union High Schools is 3% less than Lincoln-Sudbury. This 3% would equate to \$778,000 and although this does not exactly match our projected savings from consolidation it is directionally consistent and provides some evidence to validate our recommendation.

Schools	Total Expenditures Per Pupil
SPS	\$10,395
SPS compared to State Avg	(12%)
SPS compared to K-8 State Avg	(21%)
L-S	\$14,534
L-S compared to State Avg	+23%
L-S compared to HS State Avg	+9%
L-S compared to K-12 union HS Avg	+3%
K-12 union High Schools	
Acton-Boxborough	\$11,582
Concord-Carlisle	\$16,331
Dover-Sherborn	\$15,698
Algonquin	\$12,606
K-12 union HS Avg	\$14,054
K-12 union HS compared to state avg	+19%
K-12 union HS compared to HS state avg	+6%
K-8 State Avg	\$13,128
High School State Avg	\$13,295
All Schools State Avg	\$11,859

Table 9. Comparisons of Per-Pupil Cost Between SPS, L-S, State Averages and K-12 Union or Joint-Hire High Schools. From Mass DOE FY07.

When comparing state-provided data for Massachusetts schools it is important to understand that inconsistencies exist, comparisons may not always be practical and assumptions need to be carefully applied. There are many different school districts in the Commonwealth ranging from Kindergarten to K-12 and many in-between. Comparing districts comprised of different grades can be problematic and assumptions need to be validated. Although it may be a safe assumption that K-12 districts, in general, when averaged across a large number of districts may spend less than the average high school district, that assumption cannot be accurately applied to direct comparisons involving specific schools. For example, Newton has a K-12 District which spends more than the average of all high school districts statewide. Out of the 207 K-12 districts statewide, Newton spends more than all but 11 of those districts, putting it in the top 5% of K-12 districts statewide which is much higher than the K-12 state

average and higher than many high schools in the Commonwealth. Furthermore, it may also be a safe assumption that K-8 districts spend less per-student than high school districts, but when comparing the state-provided data, the averages of K-8 and high school districts are equivalent. There are some K-8 districts which spend more on a per-student basis than the statewide high school average. The Budget Review Task Force went to great lengths to analyze school data and understand the relationships within the data which can impact the practicality of comparisons and the application of assumptions.

Table 10 below represents data which also needs to be carefully analyzed as it represents inconsistencies of a different nature which need to be understood in order to determine the comparative effectiveness of schools. The table below compares Administration spending and Payments to out-of-district Schools on a per-student basis. Because this data is reported to the state by schools and not gathered by a central source and because the state does not apply strict guidelines to define the categories measured, schools tend to treat the same categories very differently. For example, Lincoln-Sudbury has a per-student Administration cost of \$363. This metric is based on a total Administration cost of \$580,000. This figure seems to very accurately represent the salaries of the Superintendent and the four Housemasters at L-S. Lincoln-Sudbury's per-student Administration cost is not only efficient and competitive, but also straightforward and easy to understand. In looking into the per-student Administration cost for Concord-Carlisle, however, we found that their \$801 per-student Administration cost is based on a total Administration cost of \$995,000. Concord-Carlisle has one Principal and two Assistant Principals and while it is safe to assume that the \$995,000 does not represent the salaries for those three administrators, it is difficult to determine which titles they are including in their administration cost, but they are likely including many more titles in their definition of "Administration" than Lincoln-Sudbury.

The Payments to out-of-district Schools Per-Pupil represents another inconsistency in the data which must be understood to adequately apply comparisons. For all the other per-pupil cost metrics provided by the state, the common denominator is the total number of pupils in the district. For the state-provided Payments-to-out-of-district-schools per-pupil data, however, the common denominator is the number of students sent out-of-district for schooling, a much smaller number. As this denominator is inconsistent from the denominator used for all other comparisons, it is common for more outliers to appear in this category as the number of students sent out-of-district for special education can vary significantly. For example, Dover-Sherborn has zero. To normalize this data, the Budget Review Task Force looked at this category with both denominators: Total Pupils (ALL) and Pupils who are Out-of-District (OOD). When the data is normalized using the common denominator of Total Pupils (ALL), the Payments to out-of-district schools for both Lincoln-Sudbury and Sudbury Public Schools are relatively comparable to state averages and the K-12 union High Schools. But when the number of Out-of-District (OOD) pupils is used as the denominator, Sudbury Public Schools has a per-pupil cost of \$46,280 compared to the K-8 average of \$24,682 and Lincoln-Sudbury has a per-pupil cost of \$81,535 compared to the high school average of \$24,671. The average for out-of-district payments for all schools in the state is \$19,347 and is \$34,500 for the four comparable K-12 union High Schools. This is a per-pupil cost, so the difference cannot be explained by a greater number of out-of-district students in Sudbury. Sudbury has a high cost per-student for out-of-district payments.

Schools	Admini- stration	Payments To Out-Of- District Schools Per Pupil (ALL)	Payments To Out-Of- District Schools Per Pupil (OOD Only)	Total Expenditures Per Pupil
SPS	\$363	\$664	\$46,280	\$10,395
SPS compared to State Avg	(10%)	(36%)	+139%	(12%)
SPS compared to K-8 State Avg	(30%)	(73%)	+88%	(21%)
L-S	\$364	\$1,654	\$81,535	\$14,534
L-S compared to State Avg	(9%)	+59%	+321%	+23%
L-S compared to HS State Avg	(22%)	+47%	+230%	+9%
L-S compared to K-12 union HS Avg	(31%)	+38%	+136%	+3%
K-12 union High Schools				
Acton-Boxborough	\$420	\$1,862	\$37,952	\$11,582
Concord-Carlisle	\$801	\$2,376	\$71,667	\$16,331
Dover-Sherborn	\$565	-	-	\$15,698
Algonquin	\$318	\$552	\$28,380	\$12,606
K-12 union HS Avg	\$526	\$1,198	\$34,500	\$14,054
K-12 union HS compared to state avg	+31%	+15%	+78%	+19%
K-12 union HS compared to HS state avg	+12%	+6%	+40%	+6%
K-8 State Avg	\$522	\$2,483	\$24,682	\$13,128
High School State Avg	\$468	\$1,129	\$24,671	\$13,295
All Schools State Avg	\$401	\$1,039	\$19,347	\$11,859

Table 10. Comparison of Cost-Per-Student Spending for Administration and Out-of-District Payments for L-S and SPS Compared to State Averages and K-12 Union or Joint-Hire schools. From Mass DOE FY07. See Appendix L for more details.

Due to these inconsistencies in the data reported for “Administration” and the variation of reporting practices of schools, the Budget Review Task Force determined that the total cost per-pupil metric, such as Table 9, is reliable as a bottom line number and can be used reliably for comparisons, but when some other budget-line item subtotal categories, such as ‘Administration,’ are used for comparisons, the inconsistencies must be understood and conclusions should not be based on these numbers alone. The definition of “Administration” can vary widely from school to school. Some schools may view only Principals and Vice-Principals as “Administration,” while other schools may include every administrative title including Department Chairs, Director of Athletics, Wellness Director, etc. and all administrative support personnel as well. The Definition of “Teachers,” however, is much more uniformly understood and reported with much more consistency from school to school. This understanding is why the Budget Review Task Force also considered data from other sources, such as in Table 3, where the total number of students is divided by the total number of Principals in order to ascertain another metric regarding administration cost.

The Budget Review Task Force carefully examined the relationship between cost-efficiency and academic performance as it relates to the K-12 model. K-12 unions are being used to manage school districts not only across the state but also in communities which are very similar to Lincoln and Sudbury with regard to school expenditures, academic performance, socioeconomic profile and geographic proximity. We have concluded through our research that the K-12 joint hire model or union model is a model which promotes both cost-efficiency and academic excellence.

Update as of June 30, 2009: The Boards of Selectmen in Lincoln and Sudbury have formed a working group to develop an article for Town Meeting 2010 concerning Administration Consolidation. This working group is determining the most appropriate and effective governance structure.

Regionalize Lincoln-Sudbury-Wayland

The BRTF recommends the Selectmen further explore the expansion of Lincoln-Sudbury Regional High School to include the Town of Wayland and provide a status report at Town Meeting 2010.

After preliminary discussions with Selectmen in Wayland to determine their level of interest and cooperation, the Sudbury Board of Selectmen should support the formation of a joint Sudbury-Lincoln-Wayland committee to consider the feasibility of inviting Wayland to create a 3-Town Regional High School to achieve economies of scale instead of building a new high school in Wayland. Preliminary analysis indicates that there are likely to be savings resulting from such a decision, but it is essential that Wayland actively participate in a more detailed study of the opportunity.

As long as the focus is placed upon reducing total administrative and other fixed costs that do not directly impact education, expanding the regional school system should not reduce the level of direct teaching services provided to the students. From a purely economic perspective, a school system should expand until the point where the incremental costs of expansion exceed the incremental benefits, and from that perspective, L-S could invite other towns to join as well. However, Wayland is of particular interest because Wayland is currently preparing to build a new high school for its 906 students in Grades 9 – 12. This will involve a major capital expenditure that could be significantly mitigated if Wayland were to join Sudbury and Lincoln to form a 3 Town Regional High School. Currently, L-S has excess capacity for 221 students and if found to be economically feasible, the high school could also be expanded to support all of Wayland’s 906 HS students. Either alternative is conceptually feasible, because a regional high school need not be restricted to a single campus; there is no reason why a central administration could not manage multiple campuses.

	L-S	SPS	Wayland	Total	Savings beyond consolidation
Total Operating Costs	\$24,276,195	\$35,250,846	\$2,708,307	\$62,235,348	
Sudbury Students	1382	3247		4629	
Lincoln Students	247	0		247	
Wayland Students	221			221	
Cost per Student	\$14,586	\$10,856			
Sudbury Share				\$55,408,998	\$437,122
Lincoln Share				\$3,602,796	\$78,125
Wayland Share				\$3,223,554	(\$3,223,554)
If L-S absorbs Wayland students to current building capacity. Note that savings are in addition to consolidation savings					

Table 11. Savings from Regionalization with Wayland to extent of L-S capacity. Town Warrant, Mass DOE FY07 and BRTF, 2008.

Table 11 is a preliminary analysis of the potential savings to Sudbury and Lincoln (and the cost to Wayland) if L-S absorbed 221 Wayland students while Wayland either renovated their existing HS or built a smaller facility. The savings stem from the assumption that there would be no changes required of the L-S building and grounds and that the existing L-S administrative costs would remain the same. That would result in the cost of accepting Wayland students (\$2.7M) to be restricted to the variable

cost/student (See Appendix E), while requiring Wayland to pay both the variable cost and its share of the fixed costs (the \$3.2M figure), thereby resulting in the approximately \$0.5 M savings shown in Table 11. (Any increase in fixed costs would likely be balanced by the fact that some classes could absorb one or more students at a variable cost much less than that shown in Appendix E.

An alternative to accepting students to the extent of existing capacity at L-S would be to expand the building at L-S to accommodate all Wayland HS students. Table 12 shows the impact on operating costs; construction costs have been ignored. (If this alternative were to be pursued, Wayland should be responsible for the construction costs.)

	L-S	SPS	Wayland	Total	Savings beyond consolidation
Total Operating Costs	\$24,276,195	\$35,250,846	\$12,454,152	\$71,981,193	
Sudbury Students	1382	3247		4629	
Lincoln Students	247	0		247	
Wayland Students	906			906	
Cost per Student	\$14,489	\$10,856			
Sudbury Share				\$54,275,043	\$571,077
Lincoln Share				\$3,578,854	\$102,067
Wayland Share				\$13,127,295	(\$13,127,295)

Table 12. Assumes all 906 Students Would Attend LSW Using a Wayland Cost per Student Figure of \$12,255. Town Warrant, Mass DOE FY07 and BRTF, 2008

Note that this preliminary analysis indicates that the resultant savings to Sudbury and Lincoln would only be marginally better than that which would result from simply using L-S to its existing capacity. This is due to the fact that a physical school expansion results in increases to fixed operating costs as well as variable costs. While there are gains in efficiency nevertheless, those gains are much smaller than gains that result from using an existing facility to its full capacity. A much more detailed analysis is called for, but it is likely that the conclusion reached would show that a multi-campus approach is more efficient, more timely, and likely to be more acceptable to Wayland.

Update as of June 30, 2009: The Board of Selectmen in Wayland have indicated that Wayland is currently not interested in regionalization.

Regionalize Lincoln-Sudbury K-12

The BRTF recommends the Selectmen further explore the regionalization of all school districts in Lincoln and Sudbury into one regional K-12 regional school district and provide a status report at Town Meeting 2010

Consistent with the recommendation to consolidate L-S and SPS, the Selectmen should enter into discussions with Lincoln's Selectmen to explore the interest in creating a K-12 regional system in order to achieve additional economies of scale. If there is interest, a joint Sudbury-Lincoln committee should be formed to fully explore the feasibility. Economies can potentially be achieved through the integration of administration, buildings, operations, facilities, transportation, guidance, collective bargaining and other functions, which could be leveraged by both towns. In terms of the process to create an expanded K-12 school district, the following is from the:

Regional Agreement between the Town of Lincoln and the Town of Sudbury with respect to the formation of a Regional School District, as amended

“The current Lincoln-Sudbury Regional High School agreement may be amended in any manner approved by the majority vote of those present and voting on the question at an Annual Meeting or a Special Meeting called for the purpose in the Member Towns, provided that no such amendment shall adversely affect any obligation previously contracted by the Regional School District or affect in any adverse manner the liability of the Regional School District or of the respective member Towns on or with respect to the payment of principal of or the interest on any bonds or other evidences of indebtedness issued by the Regional School District, provided that this provision shall not prevent the admission of new towns to the District and the reapportionment accordingly of that part of the cost of construction represented by bonds or notes of the District then outstanding and of interest thereon. A proposal for amendment may be initiated by the Board of Selectmen of a Member Town, by a majority of all the members of the Regional School District Committee or by a signed petition bearing the signatures of 500 registered voters of the District, provided the petition shall contain the signatures of a least 100 registered voters from each member town.”

The Budget Review Task Force recommends a phased approach to complete school district regionalization between Sudbury and Lincoln as follows:

Phase 1: K-12 union/joint-hire between Sudbury Public Schools and Lincoln-Sudbury

Phase 2: Superintendency Union or joint-hire shared-administration, depending on the most appropriate governance model, between Lincoln Public Schools, Sudbury Public Schools which would have a shared administration with Lincoln-Sudbury,

Phase 3: Regionalization of all three school districts into a Lincoln-Sudbury K-12 District.

Update as of June 30, 2009: The Boards of Selectmen in Lincoln and Sudbury have formed a working group to develop an article for Town Meeting 2010 concerning Administration Consolidation. This working group is determining the most appropriate and effective governance structure.

Regionalize Public Safety Administration

The BRTF recommends the Selectmen validate and pursue the regionalization of the Public Safety (Police and Fire) departments of a core group of neighboring towns which may include Wayland, Lincoln, Concord, Maynard, Weston, Hudson, Stow and Sudbury and provide a status report at Town Meeting 2010. Regionalization will allow participating towns to achieve economies of scale and exploit the proximity of all these departments within such a small geographic footprint which is based on the colonial boundaries of these towns dating back hundreds of years.

Public safety is a major expenditure for towns like Sudbury, and given the relatively close proximity of neighboring towns with police and fire departments, it is a strong candidate for regionalization. The Sudbury Board of Selectmen should enter into preliminary discussions with neighboring towns to assess the level of interest and cooperation that could be expected, to be followed by chartering a joint inter-municipal committee to consider the feasibility of combining fire and police departments under one central administrative staff. First priority should be given to towns that border Sudbury. It is not essential that all communities participate, but preliminary analysis indicates that the more that do, the more savings the regional system would generate. As is the case with school systems, the optimum size of a regional system is reached when the incremental costs of further expansion (such as higher costs of the central authority) exceed the incremental savings to be expected.

Regionalization of police and fire departments has not been successful in Massachusetts to date. To quote from a Pioneer Institute study published in October 2008, "The attempts to regionalize fire services on the South Shore are emblematic of the obstacles faced by regionalization. Despite a study on cost savings and implementation, this attempt foundered because of funding disparities between large and small communities, an unwillingness to relinquish local control of budgets and services, and resistance by employees – both union and management – to change. Similarly, attempts to regionalize police and fire dispatch services in MetroWest foundered. Despite a study detailing millions in potential savings, resistance from union and management employees, as well local control issues, ended the effort. (The fire service and centralized dispatch initiatives took place in the 1990's). BRTF acknowledges that these hurdles still exist, but the pursuit of a more efficient way of delivering police and fire services to the citizenry should continue nevertheless. While not including police and fire services, the Hampshire and Franklin County Council of Governments offer a model as to the relationship between a regional authority and the towns within the region

To explore the potential cost savings of a regional approach to public safety among the neighboring towns, the police and fire budgets of Hudson, Wayland, Lincoln, Concord, Maynard, Weston, Stow and Sudbury were investigated, with the focus being upon consolidating the administration and centralized dispatch services, not by reducing the number of operational police and firefighters. Because of their size, Framingham and Marlborough were not considered likely candidates for an initial phase of regionalization except for the establishment of co-operative agreements for assistance when needed. Within the area encompassed by these eight towns, there are eight police headquarters and 12 fire stations, all appropriately spaced. If a regional approach to public safety was adopted, response times to emergencies should be equal to or better than the existing situation, and the centralized co-ordination of a response to an emergency should allow citizens in the regional district to continue to feel safe.

Information regarding police and fire expenditures was obtained from the various Town web pages or, in the case of Wayland, from the Town Meeting Warrant. Unfortunately, there is no standardization to budget presentations, nor is the level of detail the same from town to town. In some cases, the figures represent the actual budget while in others the figures represent those displayed in the Warrants. Nonetheless, given reasonable assumptions, the figures are considered to be sufficiently accurate to estimate the approximate savings that would arise from a regional approach.

Potential savings to a particular town were assumed to be restricted to those staff positions that are involved in administration or centralized operations. Specifically, savings were assumed to be associated with the individual police and fire chiefs, clerical staff, and dispatchers. In addition to exploring potential savings, estimates were made as to the cost of the regional public safety staff that would have to be created. These cost estimates were used to offset the savings and a net savings estimate per town was developed.

Estimated Financial Impact: Appendix C shows the details of the analysis. For Sudbury, it is estimated that with regionalization there would be an approximately 14% savings in the police and fire salary and benefits budget. This approximation was also applied to the police and fire budgets in other towns to develop an estimate of total savings. These savings were then reduced by estimates of the staffing and expense needs of the regional public safety office that would have to be created.

In the absence of any other information, staffing for the regional public safety authority was assumed to be the equivalent of two police chiefs, two fire chiefs, twice as many dispatchers and clerical staff currently employed by Sudbury, and no change to the existing total numbers of other police and firemen employed by all of the towns. It is assumed that the regional staff and the centralized dispatch center could be housed in one of the existing facilities in the seven towns, but it may require some initial level of capital expenditure to modify an existing structure. In the case of Sudbury, it was assumed that any capital expenditure contribution would be more than offset by terminating the initiative to build a new police station and modifying the existing structure instead. Eliminating Sudbury's dispatch center, the office of the police chief, and clerical space should allow for modifications that would result in an adequate local facility.

Based on the foregoing assumptions, the potential annual net operational cost savings to Sudbury is estimated at **\$570,000**. Including other neighboring towns such as Acton would tend to increase this projected savings, and the reverse is also true: the fewer towns that participate, the smaller the savings. Nevertheless, it is not a necessary condition that all listed towns participate; priority should be placed on crafting regional agreements with those towns sharing the largest boundaries with Sudbury.

Update as of June 30, 2009: Town Manager, Fire Chief and Police Chief are reaching out to other municipalities and investigating opportunities for collaboration.

Regionalize Road Maintenance

The BRTF recommends the Selectmen validate and pursue the regionalization of the Road Maintenance departments of a core group of neighboring towns which may include Wayland, Lincoln, Concord, Maynard, Weston, Hudson, Stow and Sudbury and provide a status report at Town Meeting 2010. The maintenance of streets and roads is another major expenditure and is also a strong candidate for regionalization. The Sudbury Board of Selectmen should enter into preliminary discussions with neighboring towns to assess the level of interest and cooperation that could be expected, to be followed by chartering a joint inter-municipal committee to consider the feasibility of combining street and road maintenance under one central administrative staff. First priority should be given to towns that border Sudbury. It is not essential that all communities participate, but preliminary analysis indicates that the more that do, the more savings the regional system would generate.

To develop a preliminary estimate of potential savings, the costs of Engineering and Streets & Roads within the Public Works Department were analyzed to develop estimates of the proportion of costs directly associated with maintenance of the roads vs. internal support such as engineering and administration. The latter would presumably be centralized under the adoption of a regional approach. A comparison with neighboring towns was attempted, but the differing budget formats, lack of detail, and lack of consistency in the departmental structures among the various towns made questionable an attempt at determining costs within those other administrations.

If a regional approach could be agreed upon with neighboring towns, the non-operational costs to Sudbury could be eliminated. Estimates were made as to what Sudbury's contribution to such a regional authority would be, and net savings to the town were computed. (If the initiative on regionalizing public safety goes forward, it would require a regional authority be established, so it would be preferable to create a regional road maintenance organization composed of the same towns that participate in Public Safety, but that is not considered to be a necessary condition.)

Results: The results are shown in the spreadsheet attached as Appendix D. The Sudbury FY 09 costs including benefits are approximately \$3 Million, of which about 25% appear to be associated with non-operational costs, and it is those costs which could reasonably be expected to be saved (about \$800,000) if a regional approach to road maintenance was adopted.

As is the case with any regionalization initiative, there would be costs associated with the establishment of a regional authority that would offset those savings. It is difficult to know precisely what those offsetting costs would be, but using the public safety analysis as a guide, if the cost were to be about 36% of the gross savings of each participating town, the net savings to Sudbury would be approximately **\$510,000**.

Update as of June 30, 2009: Town Manager is investigating opportunities for collaboration with other municipalities.

Collective Bargaining

The BRTF recommends the Town and School leaders of Sudbury develop a collective bargaining strategy which can attract and retain quality employees as well as reduce the long-term liabilities contributing to our structural deficit. The BRTF has conducted an extensive comparative analysis of the collective bargaining agreements from Sudbury and peer communities and offers a number of recommendations for future negotiations as set forth below.

In order to attract high quality teachers and town employees and bring Sudbury's healthcare agreements into balance with peer communities, the Budget Review Task Force recommends negotiating an increase in the salaries of teachers and town employees commensurate with adjusted healthcare benefits.

According to Governor Patrick's June 2008 press release (Appendix G) Massachusetts is moving toward statewide teacher contracts: "Establish and support a statewide career ladder for educators, creating a path of professional advancements with commensurate salary increases for educators who assume instructional mentoring and leadership positions within our schools and school districts." The BRTF recommends that town leaders conduct negotiations consistent with the statewide trends of salary increases, healthcare efficiencies and professional advancements.

The Budget Review Task Force offers the following recommendations to the Town of Sudbury for future collective bargaining negotiations:

- Teachers' salaries should be evaluated concurrently with healthcare reform (i.e. GIC adoption).
- Increase the course-load at Lincoln-Sudbury from 4 to 5 courses.
- Establishment of 2 evening parent teacher conferences, other schools offer 3 or 4 evening conferences
- Expand methods and update processes for teacher evaluation to new standards(see Southborough K-8 as example)
- Alignment of professional development to a fixed amount for district and away from per teacher allowance
- Reduction of steps to no more than 12, the highest noted in peer community contracts
- Sudbury's K-8 and 9-12 Teacher contracts should be negotiated together as one contract consistent with Acton-Boxborough and Acton Public Schools.
 - As an alternative, negotiations for the Sudbury Public Schools CBA and the Lincoln-Sudbury CBA should occur on alternate years and not at the same time or same year.
- Sick days should not be permitted to accumulate as high as the current contracts allow and accumulated sick days should not be available to employees after returning from leave of absence
- Although the expenditures associated with paid sabbaticals and early retirement bonuses have been nominal in recent years, the collective bargaining agreements do allow for these benefits and the Budget Review Task Force recommends that these particular benefits not be granted

under the present economic conditions. Funds established for these purposes should be used for direct teaching resources.

- The current agreement which prevents a teacher from being denied a sabbatical twice in a row, with other conditions, should be removed or amended.

Due to time limitations, the BRTF did not complete comparative analysis of collective bargaining agreements for Police, Fire, Town employees and contracts for non-union employees as well.

Update as of June 30, 2009: No steps have been taken to create a mechanism for developing an overall strategy at this time. The Sudbury Public School Committee and the Board of Selectmen have met and worked to develop an overall strategy/proposal for changing the health insurance program offered to SPS and Town employees, but other parts of the collective bargaining are developed separately by each cost center.

NOTE: The Ed Reform law provides that the Town Manager or her designee will serve as a voting member of the School Committee for the purpose of collective bargaining. The Town Manager has designated Larry O'Brien to serve on the SPS School Committee and Selectman Bill Keller to serve on the L-S School Committee for bargaining purposes.

NOTE: The three major cost centers were given budgetary guidelines to work within by the FinCom in the fall of 2008, and they include that health insurance should be managed to grow no more than 7% annually and cost of living related compensation no more than 2% annually. Thus, each cost center may be taking different approaches to achieving these goals, but the FinCom has been clear that for FY10, FY11 and FY12, any contracts negotiated by the leadership of the cost center should not exceed these parameters.

Health Insurance

The BRTF's specific recommendations regarding employees' healthcare plans, which it understands may be subject to collective bargaining, are as follows:

- Discontinue the Harvard Pilgrim Healthcare Plan offered to a few Town of Sudbury employees under a special "grandfather" program. Year-one estimated savings as well as permanent benefit budget reduction: \$100,000.
- Participate in the Massachusetts Group Insurance Commission benefit programs, which includes medical, dental, life and other insurance programs. For the purpose of this review, the BRTF focused only on the medical insurance plan. Estimated year-one savings as well as long-term permanent benefit budget reduction: \$2,000,000 - \$3,000,000, less future medical increases. This projection is *without* consideration of savings that may also be realized from a better negotiated, lower allowable "reimbursement" of claims. Claims are estimated at \$2,000,000 per year. Participation in the GIC should provide Sudbury savings on this \$2,000,000 experience given the GIC's negotiating power when comparing our 600 person participation level vs. the GIC's 289,275 person group. Example: Sudbury may reimburse \$100 for an office visit, while the GIC may only reimburse \$75 for that same visit, a 25% savings due to the "negotiating power" of 289,275 participants.
- The Legislature presently requires a 70% "hurdle" rate (i.e. – the percentage of union employees that must vote to approve a change to the GIC plans). The BRTF would encourage lobbying of the Legislature to eliminate this approval rate altogether and allow the Town to make the decision to utilize the GIC plans (i.e. – remove health insurance from collective bargaining). Without the elimination of this approval rate, projected savings would realistically be reduced by some dollar amount that would be an incentive that the Town and schools would have to negotiate to the benefit of the unions to obtain support of a change in plans to the GIC.
- Another long term impact of the ever increasing rate of medical insurance costs is the escalating level of retiree insurance liabilities, which now amount to tens of millions of dollars. Focus will need to be placed on these liabilities and how they are to be funded in the future.

The BRTF notes the following in making its recommendation of participation in the GIC:

- The GIC premium increased 49% in 5 years compared to Sudbury's increase of 105%.
- The 2009 annual premium for GIC Healthcare options is projected to be nearly 23 - 35% less expensive than Sudbury's most popular Blue Cross Blue Shield Plan offered and 54% less expensive than the Harvard Pilgrim Healthcare plan noted in the previous healthcare recommendation.

Sudbury is a community with great budgetary challenges due to one of the highest households with children ratios in Massachusetts and low commercial tax base. As such, Sudbury, since 2000, ranks in the top 5th through 8th highest in the state in average property tax amount and recent years have seen consistent override requests. Sudbury has benefited from voter approved overrides to cover operational costs in the past, but continuation of this strategy is not feasible in the long term.

Consistent with many public and private organizations, Sudbury has significant budget challenges due to the rising costs of benefits, including escalating health care costs. The Town of Sudbury, including

Sudbury Public Schools and Lincoln Sudbury Regional High School offers insurance to approximately 600 employees with 2009 healthcare premium costs in excess of \$9,000,000, or 14% of Sudbury’s total operating budget. Since 2001, healthcare costs in Sudbury have more than doubled. This increase in health care costs is not sustainable and requires that Sudbury, and most other municipalities, alter existing health insurance agreements. As a community we must seek ways to ensure our town maintains its credit rating, school system, and town services while still providing fair levels of health insurance to the town’s and regional district’s employees.

The BRTF believes this can only be achieved in the short-term through higher property taxes, which is not a solution, or to significantly modify employees’ benefits (pension and healthcare), which must be accomplished. Recent trends regarding benefit plans indicate municipalities are shifting away from expensive, benefit rich, healthcare plans as they have more control in making healthcare cost modifications rather than modifications in pension reform, which would require legislative action.

School	Most Common Benefit Plan	FY08 – Annual Cost pp			FY 09 – Annual Cost pp		
		Total\$	Town%	Town\$	Total \$	Town%	Town\$
SPS* & Town Sudbury	BCBS HMO Family	17,193	90%	15,574	19,114*	90%	17,203
L-S*	Tufts HMO Family	16,488	75%	12,366	18,093*	75%	13,571
Concord/Concord Carlisle	Tufts EPO	16,488	52%	8,574	17,232	52%	8,961
Lincoln	BCBS HMO Family	15,698	60%	9,419	17,268	60%	10,361
Medfield	Harvard Pilgrim HMO Family	17,339	58%	10,057	18,720	58%	10,858
Bedford	Tufts HMO Plus Family	16,873	61%	10,292	18,241	61.0%	11,127
Wayland	Harvard Pilgrim EPO Family	16,296	69.5%	11,326	17,604	68%	11,971
Acton & A-B	BCBS Family	15,538	85%	13,207	14,604	85%	12,413
Winchester	BCBS MMO Family	17,508	71%	12,431	18,516	71%	13,476
Duxbury	BCBS HMO Family	16,335	75%	12,251	17,969	75%	13,476
Wellesley	Harvard Pilgrim Family	16,296	79.3%	12,923	17,604	79.3%	13,960
Mass GIC**	Many plans, except BCBS				13,565-15900		

Table 15. Health Plan Cost by Town (source Wayne Walker, Sudbury Human Resources).

* reflects mid-year rate increase 10%.

**The GIC has higher co-pays and deductibles than plans traditionally offered by Sudbury yet more in line with that of the private sector. Most GIC plans provide for a 15%, or 20% employee responsibility portion of the premium.

Listed above are the most popular plans offered by the Town of Sudbury as well as peer communities (provided by the Town of Sudbury), including cost-sharing percentages. As this table indicates,

Sudbury pays a substantially higher portion of employees' health care premiums than others (though a proper analysis of total compensation would include salary comparisons as well).

The Town of Sudbury Healthcare costs as reported to the Massachusetts Department of Revenue are noted below:

<i>in Millions</i> Municipality	Healthcare Costs in		Percent Change year-over year					
	2001	2006	01-02	02-03	03-04	04-05	05-06	5-year
Sudbury	\$2,840.0	\$5,821.0	21.4%	20.0%	14.1%	9.4%	12.7%	105.0%

Following extensive review of the healthcare plans currently offered by the Town of Sudbury, including Sudbury Public Schools, and Lincoln-Sudbury Regional High School, the BRTF identified two areas of concern. The cost of plans offered by both employers are not sustainable under longer term property tax trends in Sudbury and the town and Regional School District must take significant steps to eliminate the need to make annual personnel reductions, which will occur if overrides are not consistently approved.

Harvard Pilgrim Healthcare EPO Plan: Estimated Savings, \$100k one-time

The BRTF's review of health plans noted there are 18 employees currently covered by Harvard Pilgrim EPO. This plan costs \$29,940 (family) and \$11,412 (individual). Despite the employee paying 20% rather than 10% under the most popular plan above, this plan costs the Town of Sudbury 46% more than the most popular plan, Blue Cross Blue Shield HMO. In the absence of new information why this is required, the offering of this plan is not in the best fiscal interests of the Town of Sudbury.

The BRTF recommends the Town of Sudbury immediately transfer these 18 employees to a plan offered to the remaining employee group, even if it is only a short-term transfer prior to GIC adoption. The discontinuation of the Harvard Pilgrim EPO plan will reduce the healthcare costs by ~\$100,000 in year one as well as future savings due to a lower premium base on the alternative plans. This savings is computed based on the cost difference between the HP EPO plan and the most popular Blue Cross and Blue Shield Plan.

Benefit Plan(s) Offered: Discontinue Current Plans and Participate in the Massachusetts Group Insurance

Estimated Savings: ~\$2,000,000 - \$3,000,000 savings in year one and future savings due to lower cost base.

“The Group Insurance Commission, referred to as the GIC, was established by the Legislature in 1955 to provide and administer health insurance and other benefits to the Commonwealth's employees and retirees, and their dependents and survivors. The GIC also covers housing and redevelopment authorities' personnel, participating municipalities, and retired municipal employees and teachers in certain governmental units. (www.mass.gov/gic)

Health coverage options include an Indemnity plan, Preferred Provider-type Organizations (PPO), and multiple HMO plans. The GIC also manages basic and optional life insurance coverage. As part of its Indemnity and Navigator Plans, it manages mental health/substance abuse benefits and also manages pharmacy benefits for the Indemnity Plans. For active employees only, the GIC offers a long term disability (LTD) program, two pre-tax employee programs - Health Care Spending Account (HCSA) and Dependent Care Assistance Program (DCAP), and for managers, legislators, legislative staff and certain Executive Office staff, a dental/vision plan. The GIC also offers a discount vision and a dental plan for retirees.

The Group Insurance Commission is a quasi-independent state agency governed by a fifteen member Commission appointed by the Governor. Commission members encompass a range of interests and expertise including labor and retirees, the public interest, the administration, and health economics.

Municipal officials must employ a process known as coalition bargaining to negotiate collectively with union and retiree representatives through a Public Employee Committee. Agreement to enter into the GIC requires approval of 70 percent of the Public Employee Committee and administrators must notify the GIC of their participation by October 1, for coverage effective date of July 1.

The GIC's FY2009 appropriation is \$1.203 billion. The GIC covers more than 250,000 enrollees and over 300,000 lives. The mission of the GIC is to deliver high quality care at reasonable costs.

In **Table 15**, provided by the Town of Sudbury, you will note the Group Insurance Commission, GIC, included by the BRTF for comparison. The 2009 annual premium for Tufts Healthcare is projected to be nearly 23% less expensive than Sudbury's most popular Blue Cross Blue Shield Plan offered and 54% less expensive than the Harvard Pilgrim Healthcare plan noted in the previous recommendation. Part of the difference in cost is due to the fact that the GIC plan is not as benefit rich (e.g. – higher co-pays more in line with the private sector) as the Town's existing plans.

Early in the process, BRTF members extensively evaluated the benefit plans' impact to Sudbury's budget. As the educational phase continued, the BRTF learned that healthcare benefit plans and costs pose additional challenges due to employee collective bargaining agreements. Sudbury's budget is restricted due to these high medical benefits costs.

To review other communities' healthcare costs trends in recent years, the BRTF gathered information from a variety of resources including the MA Municipality databank as well as reports issued by community groups similar to the BRTF. The following list highlights communities that should be consulted to understand their experiences in reining in health care expenses. It should be noted that many communities in recent years have followed trends in the private sector where higher co-pays and deductibles, in addition to cost-sharing have been shifted more to the employee.

- Franklin, Belmont, Gloucester, and Lunenburg have all decreased health care expenses over the 5-year period, while Southbridge, Hingham, Danvers and Brookline have kept increases below 60%.

<i>in Millions</i>	Healthcare Costs in		Percent Change year-over year					
Municipality	2001	2006	01-02	02-03	03-04	04-05	05-06	5-year
Franklin	\$3,727.2	\$1,621.5	9.2%	-69.1%	11.1%	-1.9%	18.1%	-56.5%
Belmont	\$4,339.1	\$3,371.9	30.0%	17.0%	9.1%	-57.2%	9.4%	-22.3%
Gloucester	\$4,271.4	\$3,360.4	-47.3%	8.6%	11.4%	2.1%	20.9%	-21.3%
Lunenburg	\$1,516.9	\$1,266.6	26.8%	16.2%	-52.2%	51.5%	-52.8%	-16.5%
Southbridge	\$2,247.1	\$2,312.0	25.6%	-42.9%	7.3%	11.1%	20.4%	2.9%
Hingham	\$2,182.1	\$2,876.6	-9.6%	15.4%	13.6%	17.0%	-5.0%	31.8%
Danvers	\$4,202.9	\$5,889.8	0.9%	38.1%	-8.4%	2.5%	7.1%	40.1%
Brookline	\$10,501.5	\$16,442.5	-1.7%	73.4%	17.8%	-17.3%	-5.6%	56.6%
<i>in comparison:</i>								
Sudbury	\$2,840.0	\$5,821.0	21.4%	20.0%	14.1%	9.4%	12.7%	105.0%

Table 16. Percentage Changes in Health Insurance Costs for Peer Communities

Brookline conducted a similar budget review committee/process concluding in early 2008. The following is taken from Brookline’s final document and is informative:

Health Care Cost Control: Since FY96, when Brookline implemented a self-insured, managed health care plan, the health insurance budget has grown from \$7.4 million to \$21 million, an increase of \$13.6 million (184%). From FY96 to FY00, moderation of national health care costs kept expenditures reasonably under control. Since then, the town has seen double-digit rate increases. Amid these increases, the number of enrollees has also increased by 362 (15% since FY06). To address this, the town consolidated coverage into a single insurer (Blue Cross/Blue Shield), which slowed growth to 7% in FY05.

Premium growth then jumped again by 11% from FY06 through FY07. For FY08 the town cut its anticipated rate of increase in half from 12% to 6% by more than doubling co-pays. This was negotiated through a collective bargaining method called “coalition bargaining,” which has the potentially restrictive feature of extending negotiating rights to retirees. However, because of the changes adopted by the town both in FY05 and FY08, group health costs are \$2 million less than would otherwise be the case. Despite these changes, the town has been notified to plan for a likely 14%-15% rate increase for FY09.

The BRTF notes that despite a continued rise in healthcare costs, Brookline is not absorbing all of these costs as they have increased cost-sharing of these increases by town employees. The BRTF recommends that Sudbury consider actions similar to those of Weston, Millis and Watertown in getting their employees to join the Group Insurance Commission. Key takeaways from a 10/23/08 Globe article including Millis town administrator Charles Aspinwall as well as mention of Weston, Watertown and Brookline include:

- Millis health insurance costs had been increasing 18-25% annually
- GIC has slowed that to 7-11%
- Millis expects decrease in health insurance costs from \$1.5m to \$1.2m

- In the previous 5 years, Millis had been unsuccessful in pushing higher co-pays through unions and retirement boards, but now the average family costs has decreased from \$2k to \$1,242 annually, while co-pays have increased
- Weston will save a projected \$1.8m next year by joining GIC
- Watertown will save \$1.6m and while subscribers themselves save a projected \$1.1m as a result of joining GIC
- Both towns increased contribution (although Sudbury already has very high contribution) and still save money
 - Weston 80 to 85% (still save 20%)
 - Millis 60 to 70%
 - Watertown not increasing contribution, but increasing wages 3.5% (Watertown Educators Assoc agreed to 4.5% increase, join GIC and increase member portion from 10% to 20%)
- Benefit – towns don't have to negotiate health care in contracts

The BRTF reviewed various options of how Sudbury could best manage future healthcare costs and determined participation in the GIC is the best option at this time.

Based on detailed analysis of benefit plan participation, including family/individual plan participation, the BRTF estimates the cost difference between the current plans and GIC plans is ~\$3,000,000. For its projections, the BRTF utilized the following assumptions:

- plan costs based on a two-tiered health plan approach considering the HMO and PPO plans offered and applied those plans based on current enrollment levels in Sudbury's BCBS plan, and
- Selection of GIC plans that were more extensive in coverage, Tufts & Harvard Pilgrim plans were considered, in order to ensure Sudbury's employees that the objective of providing quality healthcare coverage remains.
- Employee's participating in Blue Cross and Blue Shield HMO and/or PPO were split 50/50 between Tufts & Harvard Pilgrim for estimate purposes..

Based on this, the BRTF estimates potential savings based on FY09 rates, plans, and participation:

Existing Benefit Plan Offerings FY09			
Family:	Total	Town\$	EE\$
Network Blue + HPHC EPO (select EE's)	\$ 6,442,317	\$ 5,734,884	\$ 707,433
LS Blue Cross Blue Shield	\$ 2,901,309	\$ 2,175,982	\$ 725,327
Blue Cross Blue Shield PPO	\$ 299,400	\$ 239,520	\$ 59,880
Individual:			
Network Blue + HPHC EPO (select EE's)	\$ 974,304	\$ 867,744	\$ 106,560
Blue Cross Blue Shield PPO	\$ 39,360	\$ 29,520	\$ 9,840
Total costs with current plans	\$ 10,656,690	\$ 9,047,649	\$ 1,609,041

Utilizing the Tufts / Harvard Pilgrim plan as a GIC participating member, the estimated costs savings first are:

Net Impact of GIC Adoption			
Different from GIC (- Savings / + Cost)			
<i>Family:</i>	Total	Town\$	EE\$\$
GIC F (Tufts / Harvard)	\$ (1,500,924)	\$ (1,781,769)	\$ 280,845
GIC F (Tufts) - LS	\$ (494,648)	\$ (250,653)	\$ (243,995)
<i>Individual:</i>			
GIC I (Tufts)	\$ (541,402)	\$ (521,423)	\$ (19,980)
GIC I (HP)	\$ 399,546	\$ 321,605	\$ 77,941
Total	\$ (2,137,428)	\$ (2,232,240)	\$ 94,812

Due to the 10% employee contribution cost under the existing benefit plan, some Town of Sudbury employees, including those at Sudbury Public Schools may experience an increase in payroll deductions for medical costs; Lincoln-Sudbury Regional High School employees may have less of a payroll deduction impact as they currently have a higher contribution percentage. The BRTF considered this and compared surrounding community school contracts and recommendations of the following salary increases (cash compensation to offset some increased medical costs). The following recommendations for salary increases should not be considered without modification of the contracts as previously noted and in accordance with the recommendations under the collective bargaining section of this report.

Net Impact of GIC Adoption				
Diff. of Tufts / HP GIC and Current Offerings (- Savings / + Cost)				
	Town\$	EE\$\$	Post Tax Incr EE Comp	Net GIC Savings
Town of Sudbury (Note 1)	\$ (634,108)	\$ 108,418	\$ 86,409	\$ (547,699)
SPS (Note 2)	\$ (1,347,479)	\$ 230,389	\$ 183,620	\$ (1,163,859)
LS (Note 3)	\$ (250,653)	\$ (243,995)		\$ (250,653)
	\$ (2,232,240)		\$ 270,029	\$ (1,962,211)
Net FY10 Budget Savings to Town of Sudbury				\$ (1,962,211)

Note 1: The BRTF recommends employee compensation offsets to the extent the employee has a net tax adjustment. The BRTF made its calculations based on a net tax impact to the employee. The employee receives a pre-tax medical plan deductions benefit. The BRTF used a 75% factor (after tax benefit) multiplied by the difference in employee cost between the existing plans at a 10% share to 20% for the Tufts / Harvard Pilgrim Healthcare plans in the above estimate.

Note 2: The BRTF supports an average salary increase of \$580 per insured for the Town and SPS employees.

Despite the expected and necessary debate on this recommendation, including the required support of the town employee groups, the BRTF strongly urges Sudbury's Board of Selectmen, Sudbury Public School Committee, and the Lincoln-Sudbury Regional High School (LSRHS) Committee negotiates for the adoption of the GIC as a provider for employee health benefits offered. While the BRTF acknowledges the challenges faced with negotiating this change in benefits, other communities are experiencing success with GIC adoption. The GIC has demonstrated great success at managing healthcare costs, saving both the Commonwealth as well as municipalities millions of dollars each year. In 2008, additional municipalities and educational institutions will join the GIC, including Quincy, Stoneham, Wenham, Melrose, Blue Hills Technical Regional School, and Weston to name a few. Weston projects a savings of more than \$1.6 million dollars through its participation.

Sudbury's participation in the GIC and the overall budget reduction which could reach more than an estimated \$3,000,000, could be a key factor in reducing or eliminating some future override requests by the Board of Selectmen to the taxpayers of Sudbury. As such, the BRTF urges the Board of Selectmen to support this recommendation. This is a fundamental shift in Sudbury's and the Regional School District's bargaining strategy, however, it would align Sudbury with other communities in healthcare cost management and aid Sudbury's ability to maintain its credit rating and quality of community, as well as its school system.

Update as of June 30, 2009: Based on changes to employee contributions and health care plan selection the Recurring Annual Estimated Savings may vary. Savings could be substantially higher if many employees and their dependents switch to their spouse's healthcare program, instead of Sudbury's healthcare plan, as a result of GIC adoption. Union negotiations are currently ongoing.

Full Day Kindergarten

Sudbury Public School Introduction of Optional Full-Day Kindergarten Program

The BRTF recommends the Sudbury Public Schools introduce an optional fee based full-day kindergarten program, with a pilot program in place for FY10. Sudbury Public Schools currently offers ½ day kindergarten for approximately 284 students based on FY08 enrollment. Sudbury is fortunate to have a strong tuition based SED (Sudbury Extended Day) program which covers the alternate time of the day the current ½ day kindergarten students are not in class. The SED program is an independent non-profit program and not affiliated with Sudbury Public Schools.

While a key concern of school officials is space, SPS administration believe non-permanent accommodations may be a consideration to balance the facility needs. In addition to facility requirements, availability is expected to pose an issue. Based on research of best practices, the BRTF recommends lottery placement, if necessary, without redistricting.

In 2002, SPS conducted a “full-day kindergarten” feasibility study which indicated Sudbury parents were willing to pay a fee to cover the costs of the full-day kindergarten expansion. The feasibility study also noted enrollment may likely increase as families consider returning to SPS programs from the private sector kindergarten programs if the full-day option was available.

Excerpt, SPS Feasibility Study

“...Sudbury Public Schools explored introduction of a full-day kindergarten program. Though the literature delineates the benefits of full-day kindergarten over the half-day, benefits must be weighed against the costs of establishing such a program including additional teachers, classrooms and support space, materials and startup expenses.

While kindergarten has been delivered primarily as a half-day program since the Great Depression of the 1930's, fundamental changes in American society and education over the past 20 years support a greater emphasis on full-day kindergarten. Today, full-day kindergarten offers several potential benefits:

- provides continuity for children accustomed to full-day experiences outside the home;
- provides continuity with schedules in 1st grade and beyond;
- reduces the number of disruptions and transitions children experience in a typical day;
- allows teachers more time for both formal and informal instruction that provide deeper and more meaningful learning opportunities

Sudbury Full-Day K Feasibility Study also revealed...

- 83% of parents polled would prefer full-day kindergarten while 17% expressed an interest in staying with the traditional half-day model
- 63% would be willing to pay for extended day
- 65% would support an increase in the school budget to fund full-day K
- Most incoming kindergarteners arrive having experienced longer preschool and/or childcare programs

The feasibility study concluded with the following position of Sudbury Public Schools (page 11 of the study):

We believe that the early childhood learning experience is critical to a child's learning and his/her long-term educational success. Currently, Sudbury Public Schools offers a quality early childhood program, with a highly qualified staff, targeted to children in kindergarten and those with disabilities who are at least age 3. We are fortunate in Sudbury, that several good private preschool, childcare and full-day kindergarten programs are available for families' consideration.

To Improve on Excellence in our early childhood programming, we propose the following:

- Private providers remain the primary source of childcare and preschool for children ages three and four, except those with disabilities and special needs.
- The Integrated Preschool Program will remain vital and high quality, but all classrooms will be located at a single location.
- Given access to full-day kindergarten through private providers and considering all the pre-K to grade eight needs, a careful analysis of costs and opportunity costs be completed prior to making a decision to transition to full-day kindergarten programming.
- If the cost consideration is favorable, the district will provide a full-day kindergarten program, along with the half-day option.
- State and grant funding be pursued to support the transition to full-day programming.
- Tuition, on a sliding scale, will be charged to participating families for the full-day kindergarten program.
- The decision of an Early Childhood Center vs. in-school programs should be determined in the context of all pre-k to grade eight space needs, availability of land or add-on feasibility, support for construction funding, and ability to sustain the ongoing operating costs. There appears to be no researched-based argument for center-based or in-school programming.

These proposals are not offered as a solution to all problems or needs; rather to help structure a dialogue around the future of early childhood education in Sudbury.

End of excerpt from SPS 2020 feasibility study

BRTF research identified Sudbury may be eligible for a grant up to \$15k per class for transition costs incurred to move to the full-day program (Massachusetts Kindergarten Development Grants, Line Item 7003-1002, see attachments. Transition grants are used for administration needs including training necessary to update curriculum specialists and ensure best practices are adopted for the full-day kindergarten. Districts may also receive funding in the form of "quality grants" from the Department of Education for kindergarten classrooms at two levels, based on 2008:

- \$14,900 if teachers or instructional assistants are funded; or
- \$7,500 if grant funds are not used to fund classroom staff.

In addition, the BRTF noted from the 2007 Massachusetts Department of Education report on Kindergarten comments on the fee based program:

Tuition and equity: Some districts charge tuition for the second half of the day to families with children in full-day kindergarten. In FY2007, 23% of the grantee districts charged tuition for the non-mandated half of the day. Tuition charged in those districts range from \$650 to \$4,000, with the average being \$2,400. In funded districts where full-day kindergarten is not available to all children, the Department's policy on tuition must be followed.

Based on 2006 data, the 2007 DOE report also notes:

- Annual FDK tuition *averaged* \$2,400
- 29 grant-funded districts are charging tuition in FY 07: Acushnet, Arlington, Ashland, Barnstable, Belchertown, Berkley, Beverly, East Longmeadow, Framingham, Georgetown, Leominster, Marblehead, Marlborough, Melrose, Milford, Millis, Nashoba RSD, Norfolk, N. Andover, N. Reading, Northborough, Shirley, Shrewsbury, Southborough, Stoneham, Taunton, Wareham, W. Bridgewater, Winthrop
- 24 districts without grants charged tuition for full-day kindergarten in charged in FY 06: Acton, Andover, Bellingham, Boxford, Boylston, Dedham, Douglas, Gardner, Holliston, Longmeadow, Lunenburg, Lynnfield, Marion, Mattapoissett, Medway, Newburyport, Reading, Rochester, Sharon, Tyngsboro, Wrentham, Dennis-Yarmouth RSD, Southwick-Tolland RSD, Triton RSD (Newbury, Rowley, Salisbury)
- Where there is not 100% full-day kindergarten, reporting districts noted children were placed based on
 - lottery – 18 districts
 - parent request – 4 districts
 - school location – 3 districts

It is not possible to guarantee that a district with the characteristics of Sudbury would be viewed favorably in a competitive grant process. The BRTF also acknowledges school districts receiving the "quality grant" are subject to the maximum allowed fee for voluntary full-day program, not to exceed that of residual program costs.

Due to the current Massachusetts budget challenges for the purpose of this recommendation, the BRTF provides projections of the full-day fee based program without the quality grant. Transition grants are not considered material at this point. However, the BRTF encourages SPS to pursue these grants to the extent possible.

Recommendation:

The BRTF recommends the Sudbury Public Schools introduce an optional fee-based full-day kindergarten program. The program would be optional and would not require redistricting. Without consideration of the grants available from the Massachusetts Department of Education, and based on a 75% participation rate of the current 284 student level, Sudbury could offer an optional full-day program for \$2,800 tuition per year. If Sudbury applied for and received grants, Sudbury could offer the full-day kindergarten program for \$2,200 tuition per year. The average tuition for full day kindergarten across Massachusetts is \$2,400. This program would offer the residents of Sudbury a program that parents have long requested and enhance SPS' educational offerings. The tuition considers the reinstatement of kindergarten assistants to the full-day program, improves funding for

curriculum materials, and adds a specialist to the program. Revenue generated from the temporary fees, if necessary, can only be used for the full-day Kindergarten program and cannot be used to support other areas of the budget. This program must be bottom-line neutral

The BRTF used actual salaries, materials, and other costs, yet actual tuition results may vary slightly due to classroom sizes. For the purpose of this estimate, the BRTF used class sizes of 18. Please review the Kindergarten addendum for further details on the calculation.

Update June 2009: The BRTF applauds Sudbury Public Schools for its prompt response to this recommendation. Beginning school year FY11, the BRTF strongly encourages the district to apply for the “quality” grant available by the Massachusetts Department of revenue to reduce the fee required for the full-day program by approximately \$400 per student based on current state funding.

Town Services, Comparative Analysis

The mission statement of the BRTF is to provide Sudbury's Board of Selectmen with recommendations to pursue increases in revenue and reductions in expense to impact Sudbury's structural budget deficit and the ongoing challenges associated with annual overrides. This mission also stated that recommendations shall not reduce levels of vital services for the community.

The BRTF learned through our research that Sudbury's structural deficit is due in large part to the complex municipal government infrastructure, employee contract terms and conditions, and the challenge of balancing significant property tax increases to maintain the high quality education system which was the reason for which so many people decided to live in Sudbury.

Following the education phase, the BRTF identified various areas of potential cost savings for further review. This included primarily regionalization of town services, consolidation of the school systems, employee benefits, and legislation.

While the BRTF strongly supports Sudbury to regionalize some town services, we acknowledge this is a recommendation that will take extensive time in planning and implementation, assuming agreement can be reached with participating communities. However, the BRTF also acknowledges the immediate need of Sudbury to identify areas where savings may be realized due to Sudbury's structural budget deficit, which will result in annual overrides unless significant increases in commercial revenues, state funding and/or significant modification in expense structures are made.

Following various review of the material provided of the key functional areas within Sudbury's town services budget (town manager, police, fire, etc), BRTF members explored resources of information available to the public. The comparative analysis utilized information from the Massachusetts databank of Municipal data and evaluated every community in the commonwealth.

The information contained here is reported as required by every Massachusetts community. BRTF members reviewed all communities' key costs as reported for FY07, key census data (population, parcels, centerline road miles, housing per square mile, population per square mile, etc), and override history, etc. Our intention was to explore potential opportunities of cost savings by the exploration of best practices of other communities. For the purpose of this analysis, this exercise excluded significant evaluation of the school systems as it was determined it would not be possible to make a fair analysis given the time constraints of developing this preliminary report.

Following the data mining exercise, the BRTF expanded its definition of peer communities (between 5 and 10) during the educational phase and established a pool of 33 communities' similar attributes. These communities were selected based on town size in square miles, centerline road miles, housing density per square mile, houses per community, etc. As an example, a community was selected if centerline miles were relatively close to Sudbury's, regardless of other town statistics, since centerline miles were considered a valid measurement for comparing some DPW expenditures. For the purpose of this evaluation, these parameters were considered more appropriate for evaluation of town services than percentage of total operating budget, headcount per town, or year-over-year cost increases.

The BRTF cannot draw any conclusion from this analysis yet as insufficient work has been completed. Initial impressions are that several areas may exist where Sudbury appears to spend more compared to other towns, but additional research is needed. However, the BRTF recommends continued evaluation in the areas of police, fire, department of public works, and other public safety to identify potential cost savings.

The following are some of the data compiled for comparative purposes.

Item #1: According to the Department of Revenue website: Sudbury has ranked 5, 6, 7, or 8th for the highest property tax bills in the state since 2000.

	Avg Tax Bill (per house)	Increase per year per household	% year/year	Ranking (highest to lowest in State)
FY00	\$ 5,987			6 th
FY01	\$ 6,636	\$ 649	11%	5 th
FY02	\$ 7,399	\$ 763	11%	6 th
FY03	\$ 8,052	\$ 653	9%	5 th
FY04	\$ 8,025	\$ (27)	0%	6 th
FY05	\$ 8,101	\$ 76	1%	7 th
FY06	\$ 8,956	\$ 855	11%	7 th
FY07	\$ 9,221	\$ 265	3%	8 th
FY08	\$ 9,758	\$ 537	6%	8 th

History of Sudbury Overrides (since 2000):

Description of Override Request:	Year	Yes	No	WIN/LOSS	Amount\$
operating expenses of Sudbury school	27-Mar-00	1,482	1,272	WIN	1,740,946
SCHOOL OPERATING BUDGET	9-May-01	1,110	1,019	WIN	1,018,820
SUDBURY SCHOOL EXPENDITURES-LINCOLN-SUDBURY REG.DIST.HIGH SCHOOL	25-Mar-02	2,582	2,139	WIN	2,999,995
GENERAL OPERATING EXPENSES	5-Apr-05	1,744	1,649	WIN	3,050,000
GENERAL OPERATING EXPENDITURES	26-Mar-07	2008 1,981	1,551	WIN	2,519,400
general operating expenditures	31-Mar-08	2009 1,771	2,431	LOSS	1,821,200
general operating and school expenditures	31-Mar-08	2009 1,290	2,880	LOSS	2,821,200

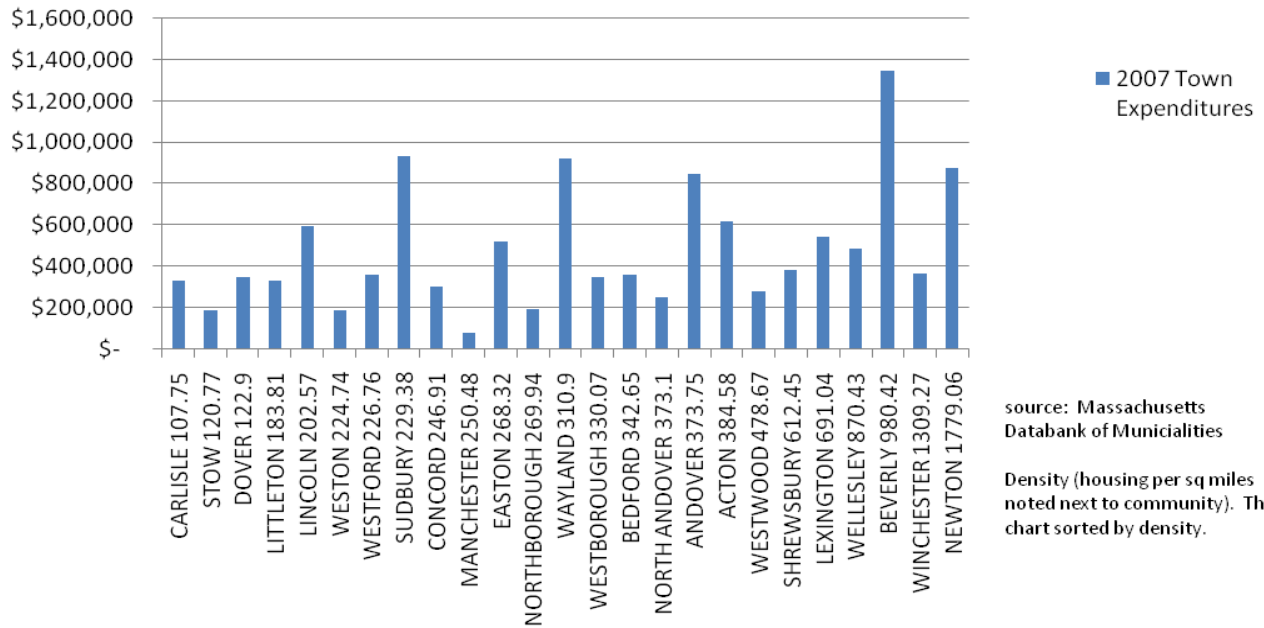
As noted earlier, to evaluate expenditures, BRTF members reviewed expenses by key functions within town services such as, police, fire, public safety, public works, and general government.

Item #2: In general, total expenditures for the Town of Sudbury, excluding education, resulted in Sudbury ranking 65th in spending out of 351 Massachusetts communities.

We have listed functions by priority for consideration of a more extensive comparative analysis of these expenditures to determine line-item expenditure savings.

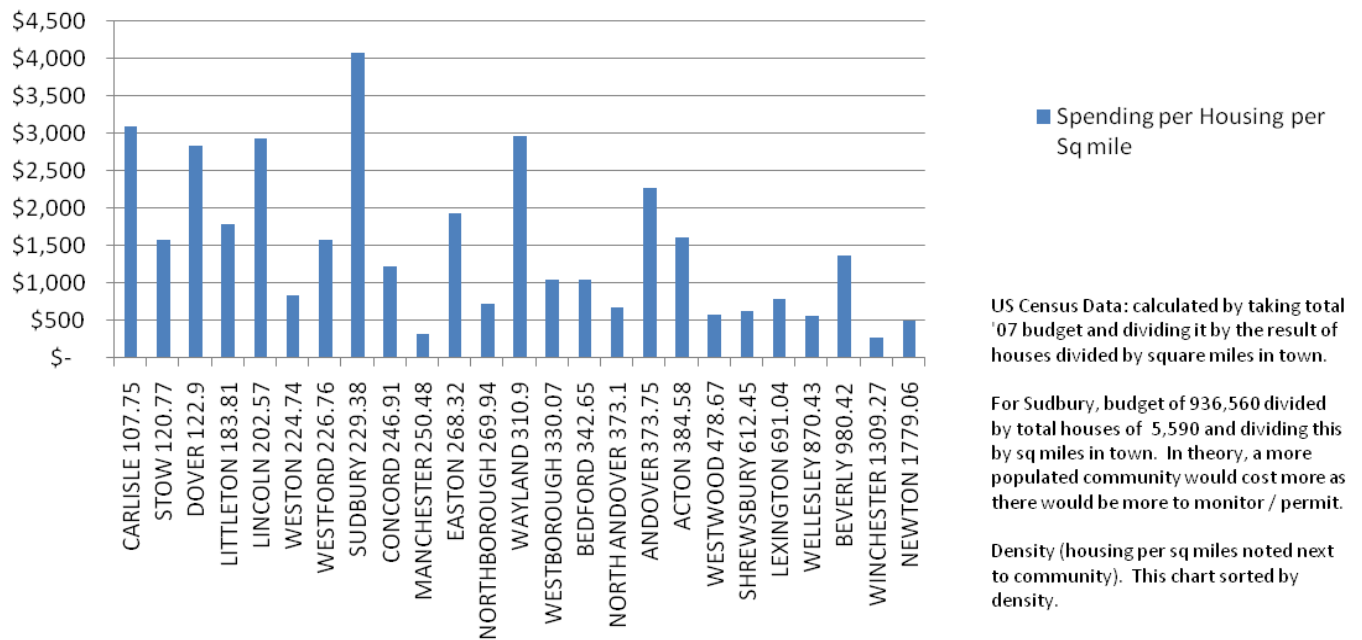
Other Public Safety Expenditure bys Town:

2007 Other Public Safety Expenditures by Town



The BRTF explored some alternative analytics such as expenditures based on housing density to determine if there was anything that might stand out in comparisons. Sudbury's density is 229 houses per square mile. Density for other communities is noted below. Based on this analytic, Sudbury appears to have a higher cost than some peer communities.

Public Safety Spending per Housing in a Square Mile



The Sudbury Budget Review Task Force applauds the Board of Selectmen and Town Manager for their spirit and candor in commissioning a Task Force which was comprised and run largely by at-large citizens without an experience or background in Town government or a link to past decisions. The Budget Review Task Force is gracious and respectful for the opportunity to serve as volunteers for the Town of Sudbury by providing this final report.

End of Report.

Please send feedback to: BudgetReviewFeedback@sudbury.ma.us

ACKNOWLEDGEMENTS

Many of Sudbury's Town Officials were gracious with their time and knowledge during the education phase for the Budget Review Task Force and continued to support us over time as questions arose. We wish to thank the following individuals, and their listing below does not indicate approval or endorsement of recommendations.

Town

Lawrence O'Brien, Selectman
Maureen Valente, Town Manager
Wayne Walker, Assistant Town Manager
Andrea Terkelson, Director of Finance
Maureen Hafner, Assessor
Jody Kablack, Director of Planning and Community Development
Lisa Eggleston, Vice-Chair, Planning Board; Chair, Wastewater Committee
Peter Fadgen, Police Chief
Kenneth MacLean, Fire Chief
James Kelly, Building Inspector

Sudbury Public Schools

Dr. John Brackett, Superintendent
Mary Will, Director of Finance
Debbie Dixon, Director of Special Education
Joseph Kupczewski, Supervisor of Facilities

LS

Dr. John Ritchie, Superintendent
Judy Belliveau, Director of Finance
Kevin Rossley, Buildings and Grounds Department Coordinator

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Louis Salemy, Concord-Carlisle School Committee, Carlisle School Committee
Claire Jackson, Dover-Sherborn School District
Acton Boxborough Regional School District
Acton Public Schools
Wayland Public Schools
Algonquin School District

Jason Schwartz, Boston Magazine

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Morton J. Marcus, Director Emeritus of the Indiana Business Research Center of Indiana University's Kelley School of Business.
Massachusetts Department of Revenue – Municipal DataBank

APPENDIX A: State and Local Property Tax



State and Local property tax per capita, FY 2005-2006

Rank, state and local property taxes per capita	State	State and local property taxes per capita	Rank, state and local property taxes per capita	State	State and local property taxes per capita
1	New Jersey	\$ 2,355	26	Maryland	\$ 1,062
2	Connecticut	\$ 2,159	27	Minnesota	\$ 1,034
3	New Hampshire	\$ 2,115	28	California	\$ 1,021
4	Wyoming	\$ 1,913	29	Nevada	\$ 1,005
5	NEW YORK	\$ 1,887	30	North Dakota	\$ 998
6	Vermont	\$ 1,841	31	Oregon	\$ 996
7	Rhode Island	\$ 1,768	32	South Dakota	\$ 981
8	Massachusetts	\$ 1,682	33	Georgia	\$ 955
9	Maine	\$ 1,673	34	South Carolina	\$ 916
10	Illinois	\$ 1,524	35	Arizona	\$ 896
11	Alaska	\$ 1,446	36	Missouri	\$ 853
12	Wisconsin	\$ 1,444	37	Idaho	\$ 845
13	Texas	\$ 1,382	38	North Carolina	\$ 789
14	Michigan	\$ 1,340	39	Hawaii	\$ 764
15	Indiana	\$ 1,332	40	Utah	\$ 736
16	Florida	\$ 1,274	41	Mississippi	\$ 713
17	Nebraska	\$ 1,263	42	Tennessee	\$ 683
18	Virginia	\$ 1,208	43	Delaware	\$ 622
19	Kansas	\$ 1,184	44	West Virginia	\$ 582
20	Pennsylvania	\$ 1,143	45	Louisiana	\$ 576
21	Iowa	\$ 1,137	46	Kentucky	\$ 576
22	Montana	\$ 1,121	47	Oklahoma	\$ 504
23	Colorado	\$ 1,108	48	New Mexico	\$ 488
24	Ohio	\$ 1,097	49	Arkansas	\$ 470
25	Washington	\$ 1,081	50	Alabama	\$ 419
United States Total		\$ 1,199			
NYS +/- U.S. Average		57%			

Source: Public Policy Institute Analysis of Census Bureau State and Local Government Finances: 2005-06

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APPENDIX B: Chapter 188 of the Acts of 2008

AN ACT FURTHER REGULATING INTERMUNICIPAL AGREEMENTS.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is forthwith to further regulate intermunicipal agreements, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. The first paragraph of section 4A of chapter 40 of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by striking out the first sentence and inserting in place thereof the following sentence:-The chief executive officer of a city or town, or a board, committee or officer authorized by law to execute a contract in the name of a governmental unit may, on behalf of the unit, enter into an agreement with another governmental unit to perform jointly or for that unit's services, activities or undertakings which any of the contracting units is authorized by law to perform, if the agreement is authorized by the parties thereto, in a city by the city council with the approval of the mayor, in a town by the board of selectmen and in a district by the prudential committee; provided, however, that when the agreement involves the expenditure of funds for establishing supplementary education centers and innovative educational programs, the agreement and its termination shall be authorized by the school committee.

SECTION 2. Said first paragraph of said section 4A of said chapter 40, as so appearing, is hereby further amended by striking out the last sentence and inserting in place thereof the following sentence:- For the purposes of this section, a "governmental unit" shall mean a city, town or a regional school district, a district as defined in section 1A, a regional planning commission, however constituted, a regional transit authority established under chapter 161B, a water and sewer commission established under chapter 40N or by special law, a county, or a state agency as defined in section 1 of chapter 6A.

APPENDIX C: Public Safety Regionalization Analysis

Appendix C

Analysis of Potential Savings if Public Safety Program was Regionalized

Existing Public Safety Costs

	Estimated		Police & Fire			Police & Fire
	Police	Fire	Non-Salary Costs *	Salaries	Estimated Benefits (31%)	Salaries & Benefits Total
Sudbury	\$2,592,832	\$2,861,658	\$627,537	\$4,826,953	\$1,496,355	\$6,323,308
Weston	\$2,892,517	\$2,659,222	\$638,725	\$4,913,014	\$1,523,034	\$6,436,048
Concord	\$3,548,055	\$3,389,261	\$798,136	\$6,139,180	\$1,903,146	\$8,042,326
Maynard	\$2,061,522	\$1,730,704	\$436,294	\$3,355,932	\$1,040,339	\$4,396,271
Wayland	\$2,296,650	\$1,931,342	\$486,429	\$3,741,563	\$1,159,885	\$4,901,448
Hudson	\$3,032,983	\$2,585,534	\$646,408	\$4,972,109	\$1,541,354	\$6,513,462
Lincoln	\$1,296,090	\$1,208,596	\$288,163	\$2,216,523	\$687,122	\$2,903,645
Stow	\$1,220,274	\$584,045	\$207,586	\$1,596,733	\$494,987	\$2,091,720
Totals	\$18,940,923	\$16,950,362	\$4,129,279	\$31,762,006	\$9,846,222	\$41,608,228

* All Towns assumed to be in same proportion as Sudbury

Potential Cost Savings with Regional Approach to Public Safety: Sudbury Alone

Potential Reductions

Police Chief	\$134,181	
Clerical	\$102,927	
Dispatchers	\$169,051	
Fire Chief	\$122,004	
Clerical	\$34,476	
Dispatchers	\$105,978	
Sub-Total	\$668,617	
Benefits Estimate	\$207,271	(31%)
Total	\$875,888	

13.9% Savings on Sudbury's fire & police salaries & benefits

Estimate of Offsetting Regionalization Costs

Police Chief/Deputy	\$268,362
Clerical	\$205,854
Dispatchers	\$338,102
Fire Chief/Deputy	\$244,008
Clerical	\$68,952
Dispatchers	\$211,956
Sub-Total	\$1,337,234
Benefits Estimate	\$414,543
Other Expenses	\$250,000
Total	\$2,001,777

Potential Cost Savings with Regional Approach to Public Safety for All Listed Towns

Assume Savings would be similar in other Towns, i.e. 13.9%

Total Salaries & Benefits	\$41,608,228
Potential Savings	\$5,763,464 (Before cost of regional public safety staff)
Less	-\$2,001,777 Estimated Annual Cost of Regional Public Safety Staff
Net Savings	\$3,761,687

Net Savings/Town

Sudbury	\$571,673
Weston	\$581,866
Concord	\$727,085
Maynard	\$397,455
Wayland	\$443,127
Hudson	\$588,865
Lincoln	\$262,511
Stow	\$189,107
Total	\$3,761,687

APPENDIX D: Road Maintenance Regionalization Analysis

Analysis of Potential Savings if Street & Road Maintenance was Regionalized

Existing Cost to Maintain Streets & Roads in Sudbury (Benefit costs assumed to be 31% of salaries)

	Operational Costs	Support Costs	Total
Engineering Department			
Engineer Salaries		\$344,837	
Engineer Benefits		\$106,899	
Clerical Salaries		\$48,178	
Clerical Benefits		\$14,935	
Engineering Expenses		\$15,855	
Streets & Roads			
Administrative Salaries		\$204,199	
Administrative Benefits		\$63,302	
Non-Clerical Workforce	\$606,497		
Non-Clerical Benefits	\$188,014		
Roadwork	\$511,000		
Street Lighting	\$54,635		
Snow & Ice	\$414,655		
Internal Maintenance	\$496,517		
	\$2,271,318	\$798,205	\$3,069,523
Ratio Operational Cost to Total	74.0%		
Theoretical Savings With Regional Approach	\$798,205		
Expected Contribution to Regional Authority	36%		
Net Savings to Sudbury	\$510,851		

APPENDIX E: FY 09 Costs of SPSS and L-S

(Costs do not consider Fee or Grant Income or State Subsidies)

Current SPSS Situation (FY09 Non-Override Budget Figures)

Source of Data: 2008 Town Warrant

Schools	Capacity DOE Standards	FY 08 Enrollment	FY 09 Enrollment
Haynes	478	441	
Noyes	740	648	
Nixon	550	519	
Loring	604	574	
Curtis	1143	1077	
Totals	3,515	3,259	3,247

	Salaries	Benefits	Expenses	Total
Fixed Costs (Not assoc w/# students)				
System Admin & Operations	\$850,096	\$265,715	\$320,105	\$1,435,916
Plant Maintenance	\$805,544	\$251,789	\$439,038	\$1,496,371
Other Salaries	\$564,263	\$176,372		\$740,635
Utilities			\$1,218,926	\$1,218,926
Equipment			\$10,000	\$10,000
Elementary Support			\$93,119	\$93,119
Middle School Support			\$47,784	\$47,784
Curriculum, Instruction, Technology			\$33,974	\$33,974
				\$5,076,726
Fixed Cost/Student	\$1,564			
Variable Costs				
Elementary Instruction	\$8,875,473	\$2,774,211	\$227,514	\$11,877,198
Middle School Instruction	\$4,745,440	\$1,483,284	\$105,865	\$6,334,590
Curriculum, Instruction, Technology	\$522,307	\$163,258	\$280,350	\$965,914
Special Ed Instruction	\$4,741,322	\$1,481,997	\$3,339,225	\$9,562,544
Health, Transportation, & Cafeteria	\$717,062	\$224,132	\$1,060,287	\$2,001,481
				\$30,741,727
Variable Cost/Student	\$9,468			

Total Cost/Student	\$11,031	\$6,820,759	\$35,818,453
Less Offsets from State Subsidies & Adjustments			-\$1,972,739
Total Budget			\$33,845,714

FY 09 L-S Situation (Data from Town Meeting Warrant)

Number of Students	1,629			
School Capacity	1,850			
	Salaries	Benefits	Expenses	Total
Fixed Costs (Not assoc w/# students)				
Administration	\$1,143,906	\$275,198	\$133,752	\$1,552,856
Admin Support	\$100,706	\$24,228		\$124,934
Clerical	\$762,615	\$183,468		\$946,083
Building & Grounds Maintenance	\$598,796	\$144,057	\$370,450	\$1,113,303
Extra Services	\$53,201	\$12,799		\$66,000
Utilities			\$870,870	\$870,870
Contingency			\$30,000	\$30,000
Debt/Stabilization			\$2,914,200	\$2,914,200
Total Fixed costs to L-S				\$7,618,246
Fixed Cost Per Student				\$4,677
Fixed Cost Per Student , excluding debt				\$2,888
Variable Costs				
Professional Staff	\$11,375,853	\$2,736,778		\$14,112,631
Course Reimbursement	\$35,000	\$8,420		\$43,420
Educational Support	\$830,498	\$199,799		\$1,030,297
Substitutes	\$60,000	\$14,435		\$74,435
Coaches/Trainer	\$321,021	\$77,231		\$398,252
Instruction			\$530,325	\$530,325
Educational Support			\$834,989	\$834,989
Special Ed			\$2,938,693	\$2,938,693
Total Variable Costs to L-S				\$19,963,042
Variable Cost/Student				\$12,255
Total Cost/Student				\$16,931
Total Cost/Student Excluding Debt				\$15,142
Ratio of System Administration to Total Costs				9.5%

Ratio of System Administration to Total Costs Excluding Debt

10.6%

Sub-Totals	\$15,281,596	\$3,676,413	\$8,623,279	\$27,581,288
Less Offsets from Fees, Grants, Circuit Breaker, State Aid	-\$451,634	\$0	-\$1,005,416	-\$1,457,050
Total Budget	\$14,829,962	\$3,676,413	\$7,617,863	\$26,124,238
Total Cost, Excluding fees, etc and excluding debt				\$24,667,088

APPENDIX F: School District Consolidation Analysis

Appendix F

Potential Cost Savings by Consolidating SPS and LS Administrative & Support Functions (FY09 Basis)

	SPS	LS	Total	Consolidated	Net Impact	Assumptions	Potential Savings
Administration							
Superintendents	1	1	2	0	-2	K-12 Union is formed	-\$470,695
K-12 Union				1	1	New Superintendent	\$282,469
Asst Superintendent	1		1	1	0		
Principal	5		5	6	1	Add 1 principal	\$162,500
Asst Principal	2		2	2	0		
Housemasters	3	4	7	6	-1	Reduce 1 Housemaster	-\$149,860
Clerical/Admin Asst	3	6	9	6	-3	Reduce 3 clerical support	-\$242,970
Subtotal	15	11	26	22	-4		-\$418,556
Finance							
Director	1	1	2	1	-1	Appoint single manager for district	-\$164,832
Clerical/Admin Asst	1	1	2	3	1	add one	\$80,990
Subtotal	2	2	4	4	0		-\$83,842
Personnel/HR							
Personnel Coordinator	1	1	2	1	-1	Appoint single manager for district	-\$110,500
Clerical/Admin Asst	1	1	2	3	1	add one	\$80,990
Subtotal	2	2	4	4	-		-\$29,510
METCO							
METCO Director	1	1	2	1	-1	Appoint single director for district	-\$117,000
Clerical/Admin Asst	1	1	2	1	-1		-\$80,990
Subtotal	2	2	4	2	(2)		-\$197,990
Information Technology							
Manager	2	1	3	2	-1	Appoint single manager for district	-\$91,000

Clerical/Admin Asst	\$	62,300
Maintenance Dir/Coord	\$	65,000
Custodial/Grounds	\$	55,000

Further analysis should include:

- Special Education
- Library
- Student Services
- Curriculum
- Support
- Health/Wellness
- Food Service
- Transportation
- Athletics

Estimated savings
excludes likely
additional savings from
physical consolidation of
office space into either
Fairbanks or L-S

Totals are rounded to
the nearest thousand.

APPENDIX G: Governor Deval Patrick on School Regionalization

DEVAL L. PATRICK, GOVERNOR

TIMOTHY P. MURRAY, LIEUTENANT GOVERNOR

June 24, 2008 - For immediate release:

Governor Patrick Prepares to Unveil Long-Term Plan for Education Innovation

Governor's Education Action Agenda seeks to elevate the teaching profession and align substance with needs of the global economy

BOSTON – Tuesday, June 24, 2008 – Continuing his focus on preparing students and the Commonwealth to compete in the global economy, Governor Deval Patrick announced additional features today of the Education Action Agenda – the state's blueprint to move Massachusetts through its next phase in education reform by 2020.

"Great schools don't happen without great teachers," Governor Patrick said surrounded by business leaders at EMC Corporation in Hopkinton, a global leader of information infrastructure technology and solutions. "Unlocking their creativity and building their capacity is the key to developing a highly-skilled, global workforce for Massachusetts companies and a highly engaged citizenry for our society."

"These initiatives go to the heart of one of our greatest challenges in teaching: attracting, developing and sustaining top talent," said Paul Reville, Secretary Designate of Education. "These strategies will help the Commonwealth to build a genuine appealing, teaching profession."

"The recommendations in the Governor's Education Action Agenda will empower Massachusetts to grow beyond a national leader and into a global leader of innovation, education and competitiveness, giving our students the tools and training to compete and succeed in the 21st century world economy, " said Joe Tucci, EMC Chairman, President and CEO. "The time to drive fundamental, systemic change is now, when Massachusetts leads the country, not when we are falling behind."

The announcement comes after nearly a year of work undertaken by the Readiness Project – a statewide initiative involving more than 200 educators, business leaders, and community leaders to develop a strategic blueprint for the next phase of education reform in the Commonwealth. The full action agenda will be released on Wednesday, June 25th at the first-ever joint meeting of the state's education boards: the Board of Early Education and Care, the Board of Elementary and Secondary Education, the Board of Higher Education and the University of Massachusetts Board of Trustees.

Boosting School Capacity

To equip students with the skills they need to succeed in the global economy, the state must help schools across the Commonwealth raise their capacity for teaching and learning. The

Governor's Education Action Agenda encourages teachers and educators to take ownership over their schools, and rewarding schools that advance overall student achievement.

The state must attract the best teachers to the districts most in need, and ensure make resources are spent on learning – not bureaucracy. The Governor's Education Action Agenda creates incentives to teach subjects like math and science that are required for 21st Century success, and establishes a fellowship program to increase the numbers of teachers qualified in these important subjects.

Recommendations include:

- Establish the **Readiness Science and Math Teaching Fellowship Program** to increase the Commonwealth's supply of qualified math and science teachers. Reward outstanding school performance by providing financial rewards for "whole school improvement" – continuous advances in overall student achievement.
- Establish differentiated pay for qualifying teachers in high-needs districts and schools, high-demand disciplines and for those who possess highly needed, extraordinary skills and knowledge or who volunteer for particularly challenging responsibilities.
- Establish regional Readiness Centers dedicated to the continuous improvement of education at all levels of our public education system. These centers could be located at state colleges or universities but would be directed by boards comprised of regional pre-K through 12, higher education, business and community organization leaders.
- The Department of Elementary and Secondary Education will accelerate efforts to make available to teachers an online, formative assessment system that will provide "real-time" data on student performance as measured against state standards. This data-driven instruction system will help teachers to analyze current student performance and continuously modify teaching practice to meet evolving student learning needs.
- Maintain the current MCAS graduation requirement and strengthen the system by adding complementary measures of student growth and 21st century skills. This could include a culminating, multidisciplinary senior project on a student-selected topic of interest.
- Launch a new high-autonomy, in-district school model – the Readiness School – to facilitate teacher ownership, innovation, choice, and responsiveness to student and family needs.
- Increase the size while reducing the number of the Commonwealth's current school districts to streamline administration and management structures while expanding opportunities to ensure strong oversight and leadership and to improve teaching and learning.

Initiatives Empowering and Supporting Teachers

- Launch a competitive grant program with funding for qualifying districts as determined by the Department of Elementary and Secondary Education to pilot intensive, systemic induction and mentoring in the first three years of teacher service.

- Establish and support a statewide career ladder for educators, creating a path of professional advancements with commensurate salary increases for educators who assume instructional mentoring and leadership positions within our schools and school districts.
- Foster an intensive approach to teacher development, especially in schools with significant achievement gaps, through a pilot program that places an emphasis on dramatically improving early literacy achievement (K- 3.)
- Simplify the state teacher certification and licensure processes as well as other teacher development policies to eliminate bureaucratic barriers and facilitate state capacity to attract, prepare, develop and retain a high quality, culturally diverse and inspiring teaching force for the students of the Commonwealth.
- Partner with the state's teacher colleges to develop a statewide teacher residency program similar to medical residency programs that would combine rigorous coursework, practical training in diverse settings and certification and licensure.
- Update Massachusetts' Teacher Preparation Programs for 21st century teaching by providing: 1) subject matter knowledge which is aligned with state standards; 2) pedagogical knowledge and skill tailored to the student body teachers will be serving; and 3) field experiences that engage pre-service teachers in observation, analysis and practice in varied school and district settings.
- Establish regional Readiness Centers dedicated to the continuous improvement of education at all levels of our public education system. These Centers will be hubs for local partnerships and collaborations to support continuous improvement of teaching, the development of academic curriculum and content professional development opportunities and resources, teacher externships and student teaching internships.
- Launch a Statewide Master Teacher Contract Initiative that would start a critical conversation about transforming the educator compensation and benefit structure to attract top talent into teaching by, for example, offering flexibility for teachers to receive different pay and benefit packages at different stages of their careers. In this kind of scenario, new teachers might have the option of choosing higher compensation in lieu of longer-term benefits. Such a contract might also provide for more equitable distribution of teachers throughout the state while creating the possibility of various cost savings. For example, the Master Teacher Contract would provide a vehicle for addressing escalating health care costs, disparities in pay across regions of the state, pension portability and other issues. Such a contract would achieve the efficiency of eliminating contract negotiations in more than 300 separate school districts.

APPENDIX H: Facts from EBRI

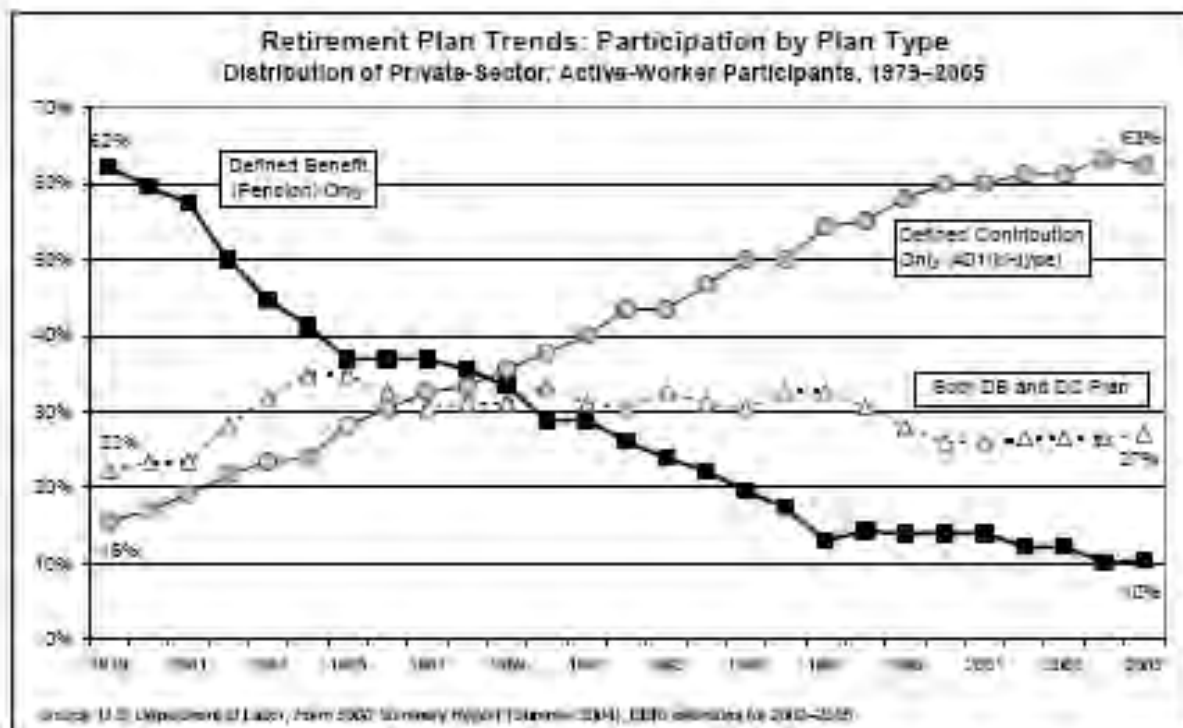
FACTS from EBRI

Employee Benefit Research Institute • 2121 K Street, NW, Suite 600 • Washington, DC • 20037

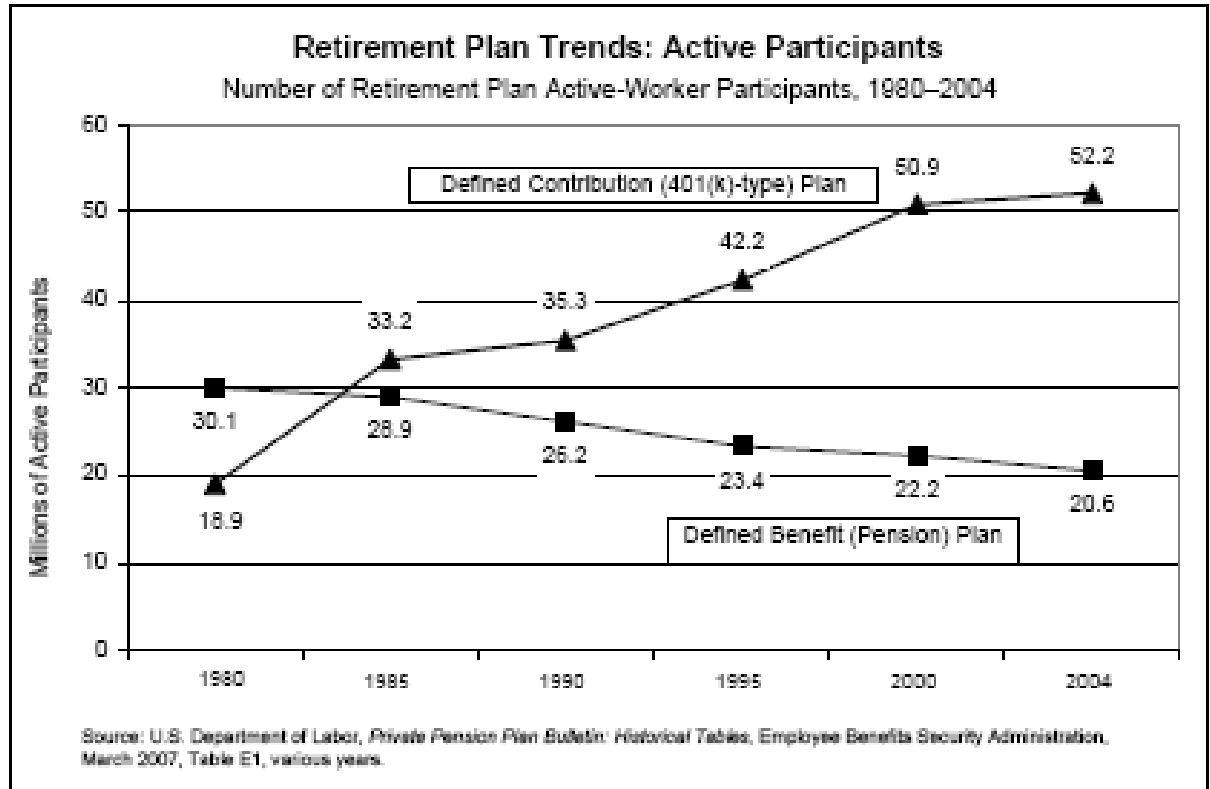
June 2007

Retirement Trends in the United States Over the Past Quarter-Century

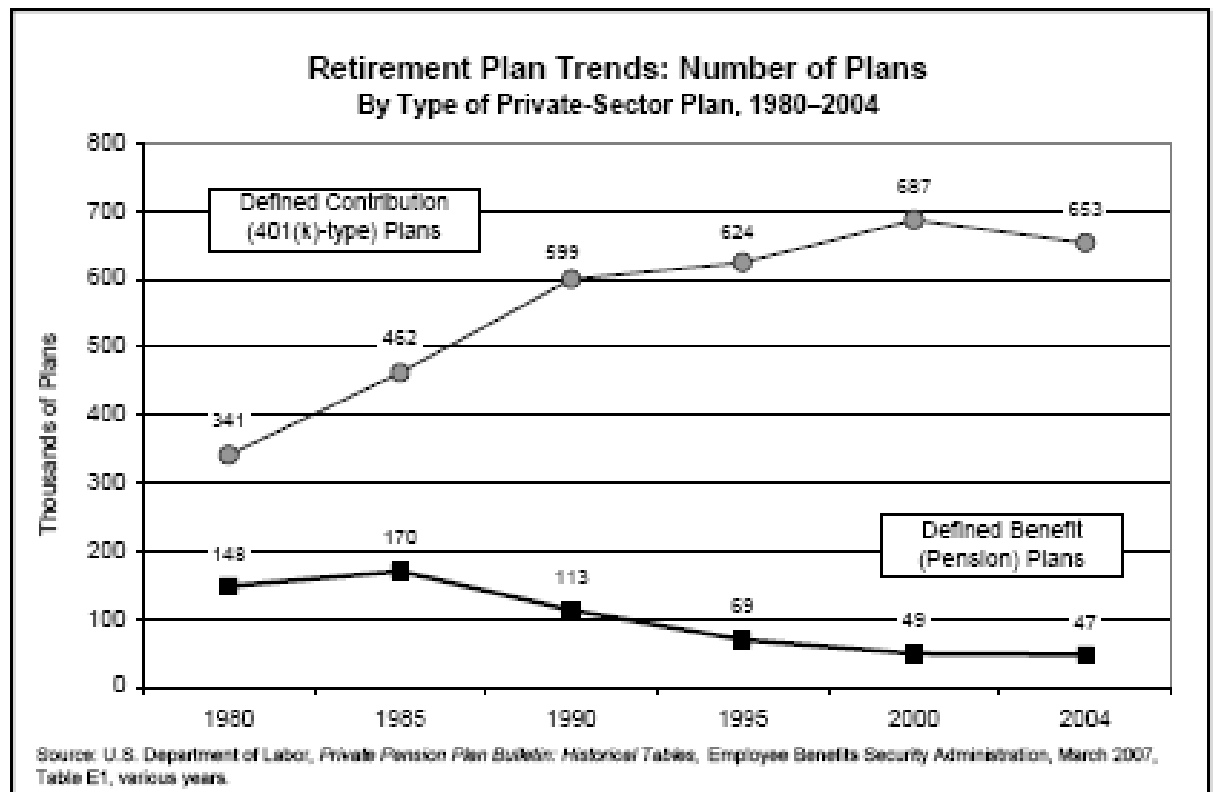
The vast majority of private-sector working-age Americans who have retirement and health benefits obtain them through their jobs. Since 1980, significant changes have occurred in the kind of employment-based retirement plan that workers participate in: Defined benefit (so-called "traditional" pension) plans have declined (reflecting pressures on defined benefit plan sponsors to control costs and funding volatility, in addition to increased regulatory burdens), while defined contribution (401(k)-type) plans have grown. The following figures give a quick overview of the changing trends in retirement plan coverage among American workers.



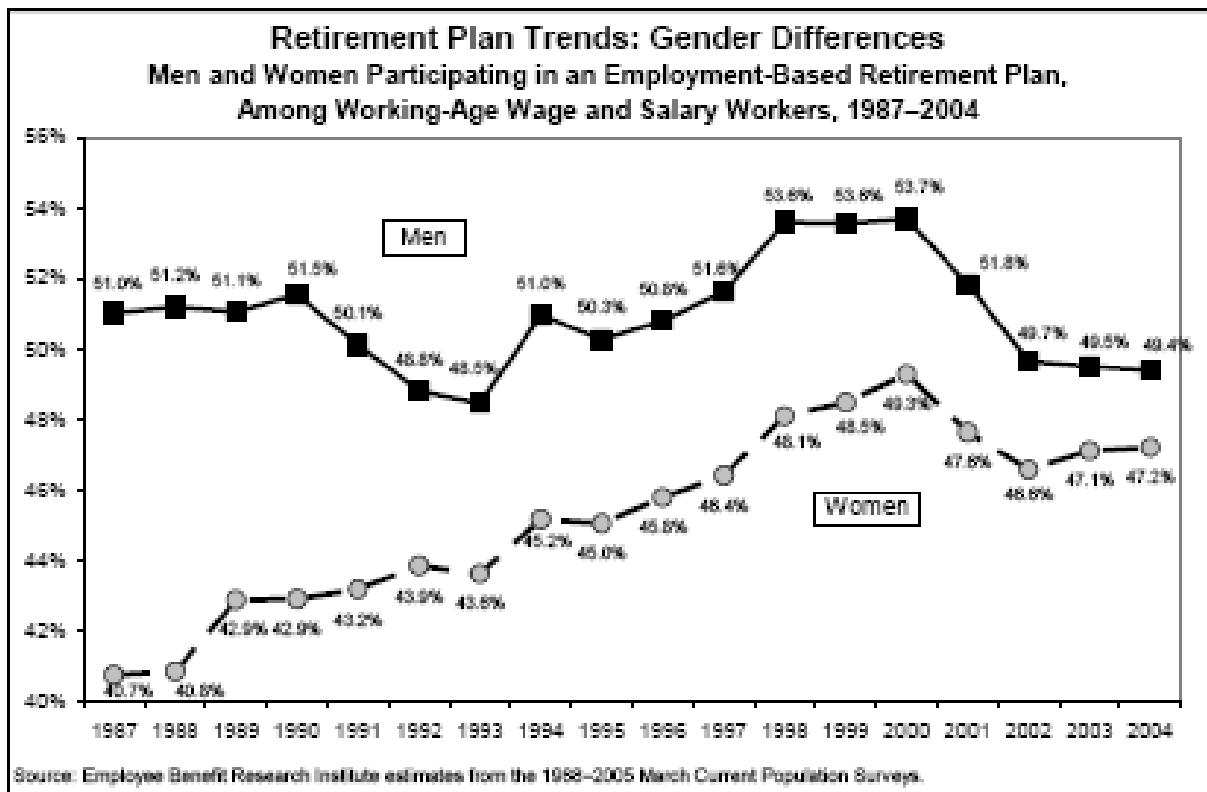
In the private sector, participation by type of retirement plan has largely reversed over the past quarter-century: "Traditional" defined benefit pension plans were dominant in 1979, but have been overtaken by defined contribution (401(k)-type) plans. The share of workers who are in *both* a defined benefit and defined contribution plan has remained fairly constant over the years.



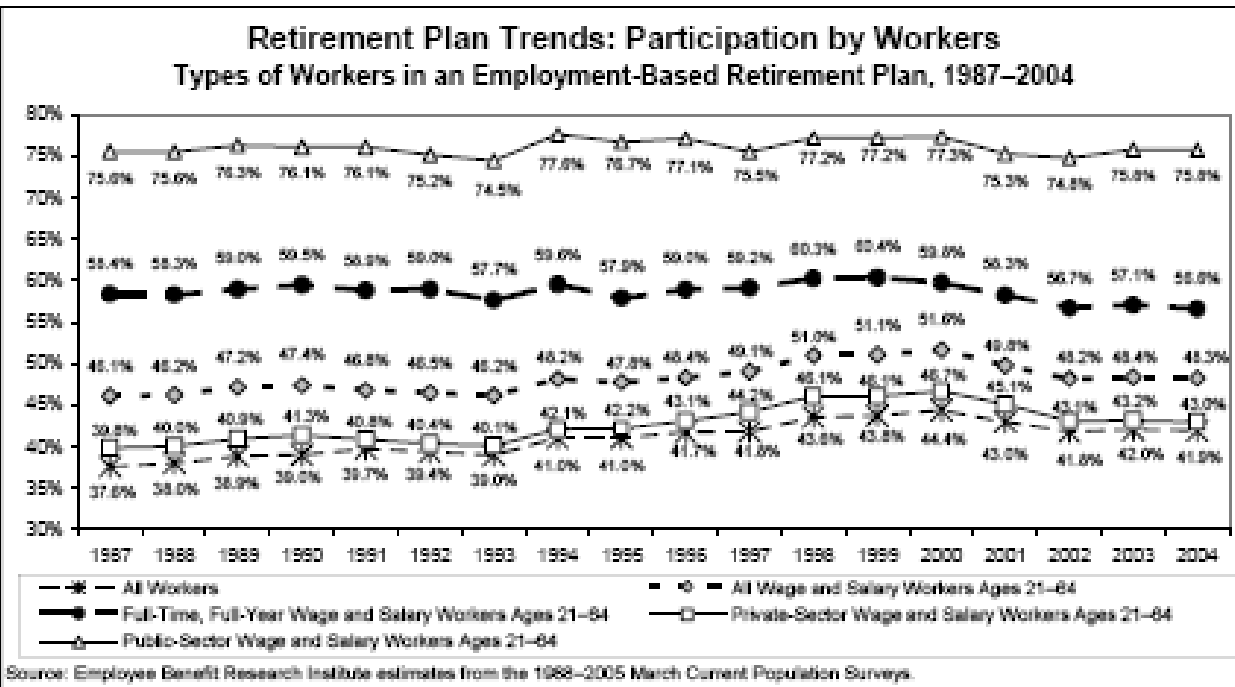
The number of active workers participating in an employment-based defined benefit (pension) plan has been steadily decreasing, while the number has been growing in 401(k)-type plans.



In the private sector, there are far more defined contribution (401(k)-type) plans than there are defined benefit (pension) plans; however, the average 401(k)-type plan has fewer participants than the average pension plan.



The gender gap in retirement plan participation has been steadily shrinking since the late 1980s.



Whether a worker is offered and participates in a retirement plan at work depends greatly on what type of worker the person is:

- *Public-sector workers* have the highest level of participation in a retirement plan (75.8% in 2004), while *part-time workers* typically are not offered a retirement plan or rarely participate when they are.
- Among *all workers*, less than half (41.9% in 2004) participate in a retirement plan.
- Among *full-time, full-year wage and salary workers*, more than half (56.6% in 2004) participate in a retirement plan.

APPENDIX I: Regional Planning Grants

Regional Planning Grants

Fund Code: 224

Purpose:	The purpose of this state-funded grant program is to support local planning efforts to establish or expand a regional school district, pursuant to Chapter 71, Sections 14-16I.
Priorities:	<p>Priority will be given to districts or municipalities involved in a planning effort to:</p> <ol style="list-style-type: none"> 1. join two or more separate municipal or regional school districts into a new regional district; 2. fully regionalize current regional members; or 3. expand the membership or grade range of existing regional school districts.
Eligibility:	<p>Eligible school districts and local municipalities are those that provide evidence of:</p> <ol style="list-style-type: none"> 5. votes from two or more municipalities to establish a regional planning committee to investigate regionalization; 6. regional school committee votes to establish a regional planning committee to expand or enlarge the existing region; 7. votes from two or more municipal school committees to establish a committee to investigate regionalization; or 8. records of joint meetings held by two or more municipalities or districts for the purpose of discussing the creation or expansion of a regional school district. <p>Priority will be given to those municipalities or districts that demonstrate a commitment towards implementing a new or expanded regional district and that articulate a specific need for funds to support their efforts.</p>
Funding:	\$150,000 is available. Each grant applicant must designate a lead district or municipality that will manage the grant funds. If the applicant is a municipality or municipal district school committee, identify at least two or more municipalities/districts that will participate in the planning activities. Grant awards may be limited to \$25,000.
Fund Use:	<p>Districts or municipalities may use these funds to: support planning activities around developing regional agreements; addressing collective bargaining issues; coordinating curriculum, financial, business, or administrative operations; and developing enrollment projections and other restructuring support efforts.</p> <p>Funds cannot be used to support school construction or renovation feasibility studies or for architectural services. Districts or municipalities that receive these awards will be required to submit a final report to the Department describing how the funds were used and documenting the outcomes of the planning process.</p>
Project Duration:	Upon Approval - 6/30/2009
Program Unit:	School Finance and District Support
Contact:	Christine M. Lynch clynch@doe.mass.edu
Phone Number:	(781) 338-6520
Date Due:	Friday, November 21, 2008

APPENDIX J: MGL Laws

PART I. ADMINISTRATION OF THE GOVERNMENT

TITLE XII. EDUCATION

CHAPTER 71. PUBLIC SCHOOLS

SCHOOL COMMITTEES

Chapter 71: Section 53A. Employment of medical personnel by superintendency district or union; compensation; removal

Section 53A. A superintendency district formed and conducted under the provisions of section sixty, or a superintendency union formed and conducted under the provisions of sections sixty-one to sixty-four, inclusive, may employ one or more school physicians and may employ one or more school registered nurses; determine the relative amount of service to be rendered by each in each town; fix the compensation of each person so employed; apportion the payment thereof among the several towns; and certify the respective shares to the several town treasurers. A school physician or registered nurse so employed may be removed by a two thirds vote of the full membership of the joint committee. The joint committee of any superintendency union may employ clerical and secretarial help, special teachers and supervisors, fix the compensation of each person so employed and apportion the payment thereof among the several towns; and certify the respective shares to the respective town treasurers.

PART I. ADMINISTRATION OF THE GOVERNMENT

TITLE XII. EDUCATION

CHAPTER 71. PUBLIC SCHOOLS

SCHOOL COMMITTEES

Chapter 71: Section 61. Superintendent of schools; employment by a town union

Section 61. The school committees of two or more towns, each having a valuation less than two million five hundred thousand dollars, and having an aggregate maximum of seventy-five, and an aggregate minimum of twenty-five, schools, and the committees of four or more such towns, having said maximum but irrespective of said minimum, shall form a union for employing a superintendent of schools. A town whose valuation exceeds said amount may participate in such a union but otherwise subject to this section. Such a union shall not be dissolved except by vote of the school committees representing a majority of the participating towns with the consent of the department, nor by reason of any change in valuation or the number of schools.

PART I. ADMINISTRATION OF THE GOVERNMENT

TITLE XII. EDUCATION

CHAPTER 71. PUBLIC SCHOOLS

SCHOOL COMMITTEES

Chapter 71: Section 62. Readjustment of town unions

Section 62. The department may form or readjust such unions whenever it becomes necessary to include one or more towns otherwise unable to comply with the preceding section, and in so doing may disregard the minimum number of schools prescribed therein, but no such readjustment shall deprive a town of its right to aid under section sixty-five.

PART I. ADMINISTRATION OF THE GOVERNMENT

TITLE XII. EDUCATION

CHAPTER 71. PUBLIC SCHOOLS

SCHOOL COMMITTEES

Chapter 71: Section 63. School committees as joint committee; representation: meetings; employment of superintendent, removal

Section 63. The school committees of such towns shall, for the purposes of the union, be a joint committee and shall be the agent of each participating town, provided that any school committee of more than three members shall be represented therein by its chairman and two of its members chosen by it. The joint committee shall annually, after completion of annual elections in all of the member towns meet at a day and place agreed upon by the chairmen of the constituent committees, and shall organize by choosing a chairman and a secretary. It shall employ for a three year term, a superintendent of schools, determine the relative amount of service to be rendered by him in each town, fix his salary, which shall not be reduced during his term, and may provide for fringe benefits, and other conditions of employment, including but not limited to, severance pay, relocation expenses, reimbursement for expenses incurred in the performance of duties or office, liability insurance, and leave for said superintendent and shall apportion the payment thereof in accordance with section sixty-five among the several towns and certify the respective shares to the several town treasurers. He may be removed, with the consent of the department, by a two thirds vote of the full membership of the joint committee.

PART I. ADMINISTRATION OF THE GOVERNMENT

TITLE XII. EDUCATION

CHAPTER 71. PUBLIC SCHOOLS

SCHOOL COMMITTEES

Chapter 71: Section 64. Union superintendent; compensation

Section 64. The salary of the superintendent in such a union or in any twelve grade regional school district or the combined salary received by a person serving in a dual capacity as a superintendent in a union and a regional school district or in two or more regional school districts shall be not less than the amounts provided in the following schedule: ninety-five hundred dollars for the first year of service, ten thousand dollars for the second year, ten thousand five hundred dollars for the third year, eleven thousand dollars for the fourth year. If his salary is not in excess of eleven thousand six hundred dollars the union or any twelve grade regional school district or the union and the regional school district or two or more regional school districts, as the case may be, shall, and otherwise may, reimburse him for his actual traveling expenses incurred in the discharge of his duties, but such reimbursement may be limited to six hundred dollars a year.

Focus

on Municipal Finance

Superintendency Unions

Christine Lynch, Department of Education

Small local school districts looking for ways to use resources more efficiently may want to explore forming a superintendency union. Despite the name, superintendency unions have nothing to do with collective bargaining and labor unions. Rather, they are cooperative arrangements between two or more school districts to share the services of a superintendent of schools and central office staff, while allowing each town to keep its own school committee and school buildings. Sharing the costs of administrative personnel among multiple school districts creates efficiencies that in turn can provide additional resources for the classroom or for other school district priorities.

Superintendency unions have been around for quite some time, having been first authorized by the Legislature in 1870. There are currently 20 superintendency unions encompassing 73 separate school districts. (See Figures 1 and 2.) The typical superintendency union consists of two to four elementary districts along with a regional school district serving the secondary grades. Districts participating in superintendency unions tend to have a small student enrollment, with the average being just over 700 students. The smallest union superintendency is comprised of three towns with a combined school population of less than 400 students; the largest is comprised of two towns with a combined student enrollment of over 5,000.

A typical example is Union #66, where Superintendent Barbara Ripa and her

staff serve the school committees of three local elementary districts (Southampton, Westhampton and Williamsburg); one regional elementary district (Chesterfield-Goshen); and one regional secondary school district (Hampshire).

Creation and operation of a superintendency union

Superintendency unions are governed by the Massachusetts General Laws, chapter 71, sections 53A and 61 through 64. The creation of a superintendency union does not require approval by either town meeting or the Department of Education. It simply requires the vote of two or more school committees. A written agreement is not legally required but is strongly recommended to clarify the staff to be covered, the apportionment of joint expenses, and the operation of the joint union school committee.

In most cases, all of the central office administrative staff is hired under the union agreement. The enabling legislation also permits the employment of "special teachers," who could be teaching specialists who provide services in several different school buildings within the union.

A superintendency union is governed by a joint union school committee, which consists of three members from each of the constituent district school committees — the chairperson of each district committee and two other members appointed by the district committee. The joint union school committee's primary responsibilities are hiring the superintendent of schools; establishing salary schedules, benefits and other conditions of employment for the shared staff; and apportioning the shared costs among the member towns.

continued on page four

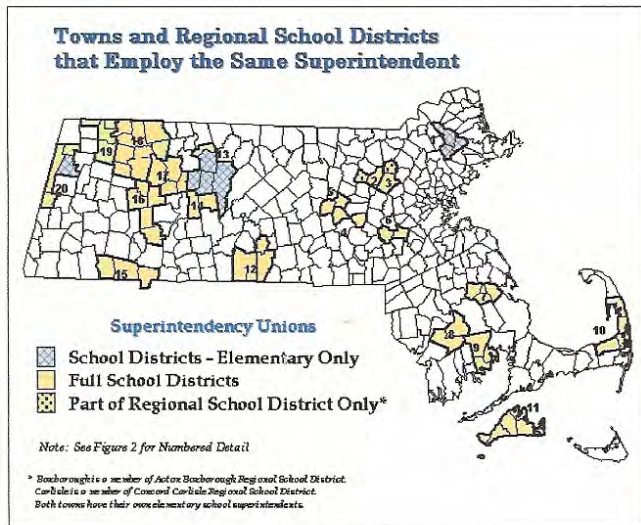


Figure 1

The individual district school committees continue to have control and oversight over their respective schools, including budget, curriculum, school policies, and salaries and employment conditions for school staff.

An existing superintendency union may be dissolved by the vote of the local school committees representing a majority of the participating districts and by a two-thirds vote of the joint union school committee. The chairperson of the union school committee must then submit to the commissioner of Education a written request for approval of the proposed dissolution by the state Board

of Education. The commissioner and the Board of Education will consider the dissolution request following a review of each district's proposed educational plan. This review ensures that the proposed dissolution will not impair the educational opportunities provided by each district, and that all contractual rights and responsibilities of the school system with regard to its employees have been met.

Advantages of a superintendency union

The management of a public school district has become increasingly complex over the past two decades. The state's

1993 education reform law and the federal No Child Left Behind legislation have set lofty goals for student achievement. To reach these goals, most districts need to expand their capacity in areas such as curriculum development, teacher mentoring and training, student assessment and evaluation, and information systems. New regulatory requirements, ranging from CORI checks to pesticide management plans to disaster planning, place additional demands on superintendents and their staffs.

Many small districts find it difficult to afford adequate central office staff to handle these new demands. In many cases, one person is responsible for multiple areas, which makes it difficult to develop in-depth expertise. Small districts may also find it difficult to match the higher salary levels offered by larger districts, leading to a continual loss of skilled personnel at all levels.

By pooling the resources of two or more districts, a superintendency union can provide the critical mass to fully staff a central district office and to allow the district to offer more competitive salaries. At the same time, economies of scale can provide savings that can be used to provide additional instructional services in the classrooms.

A superintendency union does require some extra administrative work to support multiple school committees and to track and allocate costs. Superintendents and other key staff have to spend many extra nights out attending school committee meetings. But on average districts in superintendency unions have lower administrative costs per pupil than do standalone local districts.

Comparison of superintendency unions and regional school districts

Regionalization is another organizational option that offers many of the same benefits as a superintendency union, including a critical mass and economies of scale for central office operation. In fact K-12 regional school districts have the lowest administrative costs per pupil

continued on page five

Superintendency Union Members and Districts That Share the Same Superintendent					
Map no.	School district	Union no.	Map no.	School district	Union no.
1	Boxford Middleton Topsfield	58	12	Brimfield Brookfield Holland Sturbridge Wales	61
2	Acton Acton Boxborough Regional (includes Acton and Boxborough)		13	Tantasqua Regional Erving Leverett Shutesbury	28
3	Concord Concord Carlisle Regional (includes Carlisle and Concord)		14	New Salem Wendell Regional Amherst Pelham	29
4	Northborough Southborough Northborough Southborough Regional	3	15	Amherst Pelham Regional Granville	
5	Berlin Boylston Berlin Boylston Regional	60	16	Southwick Tolland Regional (includes Southwick and Tolland)	66
6	Dover Sherborn Dover Sherborn Regional	50	17	Southampton Westhampton Williamsburg	
7	Halifax Kingston Plympton Silver Lake Regional	31	18	Chesterfield Goshen Regional (includes Chesterfield and Goshen) Hampshire Regional	
8	Freetown Lakeville Freetown Lakeville Regional	34	19	Conway Deerfield Sunderland Whately	38
9	Marion Mattapoissett Rochester Old Rochester Regional	55	20	Frontier Regional Rowe Hawlemont Regional (includes Charlemont and Hawley)	
10	Brewster Eastham Orleans Wellfleet Nauset Regional	54		Mohawk Trail Regional (includes Ashfield, Buckland, Colrain, Heath, Plainfield and Shelburne)	
11	Edgartown Oak Bluffs Tisbury Marthas Vineyard Regional UpIsland Regional (includes Aquinnah, Chilmark and West Tisbury)	19		Clarksburg Florida Monroe Savoy Hancock Lanesborough New Ashford Richmond	43 69

Figure 2

compared to all other organizational options. In a regional district, there is a single school committee, with one district budget, one curriculum and one set of policies. This, in turn, offers a greater opportunity to coordinate programs and staff to maximize resources.

Regional school districts are much more complicated to establish than superintendency unions. Approval is required from town meeting and from the Department of Education. A regional agreement must be negotiated, detailing the makeup of the regional school committee, the transfer of school buildings to the regional district, allocation of operating costs, and other issues. There is often reluctance on the part of local voters to give up direct control of their local schools.

It has not been uncommon for some towns to start with a superintendency union agreement and then later move to full regionalization.

In addition to the educational and organizational benefits, a regional district is the appropriate option if there is a need for a regional school, which is an individual school building serving two or more towns.

Who should consider a superintendency union

Compared to other states, Massachusetts' school districts tend to be very small in size. Nearly 85 percent of the operating academic school districts in the Commonwealth have enrollments of fewer than 5,000 students. Many of these are local districts that might benefit from the cooperative opportunities available in a superintendency union. Factors to be considered include the town's current fiscal capacity to meet the district's needs, and the proximity of other similar towns for which a union might be an option. Although most of the existing superintendency unions are either elementary districts only or

elementary districts combined with a regional secondary district, there is no reason why two or more small K-12 local districts could not benefit from a union agreement.

School committees interested in exploring the possibility of forming a new union need to carefully weigh the potential economic, organizational and educational impacts. Department of

Education staff are available to provide information and assistance. For more information, visit the DOE website at <http://finance1.doe.mass.edu/regional/> or contact Christine M. Lynch in DOE's school finance office, at 781-338-6520 or by e-mail at clynch@doe.mass.edu.

Editor's Note: This article represents the opinions and conclusions of the author and not those of the Department of Revenue.

Knowing What You Can Spend

The Importance of Multi-Year Financial Forecasting

by Christopher J. Ketchen

Every autumn, the 351 cities and towns across the Commonwealth begin their annual budget process. For most communities, the process begins with the presentation of budget projections that show a shortfall for the following year. Over the course of the budget process, local decision makers will find a way to balance next year's budget through a variety of methods depending on the community. However, very soon, the process starts all over again, and all the hard work and policy debates of the previous year will have officials back at the same place. In short: it may be a new year, but it is still the same old story and another budget in need of balance.

The Elusiveness of Structural Balance

The reason for this endless cycle is, while some communities may have balanced next year's budget, it was never *structurally* balanced for the long-term. That is, recurring government revenues are not sufficient to cover recurring expenses for programs and services.

The reasons for a lack of structural balance in municipal budgets are well defined.

1. Uncontrollable costs
2. Constraints of Proposition 2½
3. Variable state aid
4. Lack of financial planning

The first barrier to structural balance is rapid and uncontrollable cost increases. Examples from recent years include health insurance, pension obligations, special education and utilities. While such costs have routinely and significantly exceeded the rate of inflation, escalation alone does not create structural imbalance. As costs increase, structural difficulties are exacerbated by a second barrier — the revenue raising constraints of Proposition 2½.

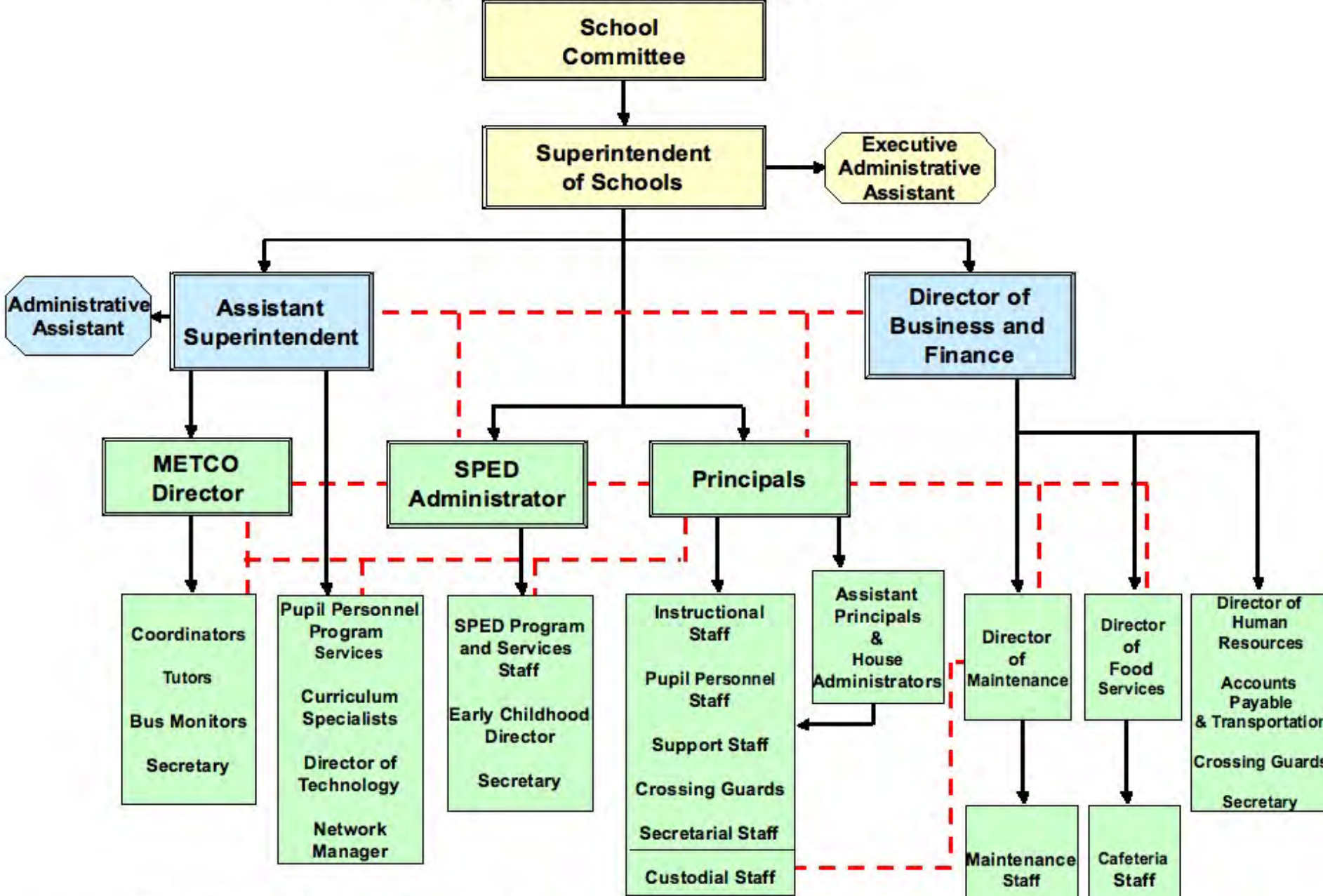
Most communities work to build a budget within the revenue constraints established by Proposition 2½. The magnitude of this job is demonstrated by the fact that an average of 62 communities attempt at least one operating override question every year. Since the passage of Proposition 2½, there have been 4,185 operating budget override questions placed on city and town ballots in the Commonwealth. This figure does not include debt or capital exclusions. These ballot questions have a long-term success rate of 40 percent, though there is variation depending on the political or economic climate.

Many observers contend that the need for so many overrides demonstrates government's inability to live within its means. On the other side of the coin, some argue that the services provided by government are vital and the 2½ percent rule neglects consideration of infla-

continued on page six

APPENDIX L: Current SPS Organization Chart

Sudbury Public Schools Organizational Chart 2007 - 2008



--- = Collaboration/Consultation Responsibilities

APPENDIX M: Current L-S Organization Chart

Lincoln-Sudbury Administrative Team

The administrators work as a team. Every administrator has certain responsibilities including: supervision/evaluation of staff; supervision of students; overview of curriculum, instruction, and assessment; community, parent, feeder school relationships.

Superintendent-Principal Dr. John Ritchie (x2373)			
Director of Finance Judy Belliveau(x2383)		Treasurer Pauline Paste	
Director of Athletics & Activities Nancy O'Neil (x3100)	Director of Student Services Joanne Delaney (x2385)	Curriculum Coordinator Leslie Belcher (x2337)	
East Housemaster Leslie Gray (x3353)	North Housemaster Scott Carpenter (x3253)	South Housemaster Eleanor Burke (x2453)	West Housemaster Iain Ryrie (x2353)
Director of Central Peter Fredrickson (x4261)		Director of METCO Nicole Stewart (x2254)	

Forms for L-S Staff Members	Parking application June 2008(pdf)	Send a Safety Concern	Community Service Requirement Form
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APPENDIX N: Sewer Cost Benefit Analysis

APPENDIX N

Route 20 Sewer Cost Benefit Analysis
Town of Sudbury Budget Review Task Force
September, 2008

Cost-Benefit Analysis of Sudbury Boston Post Road Sewer District, No Increase in Commercial Property Tax Base

Sewer Size Options	Size of System in Gallons per Day	Monthly Operating Costs*
200,000 GPD System	200,000	\$ 13,500
100,000 GPD System	100,000	\$ 7,000

Sewer Connection Fees	Users	Connection Fee	Total Connection Fee Revenue
200,000 GPD Sewer System	750	\$ 5,500	\$ 4,125,000
100,000 GPD Sewer System	350	\$ 5,500	\$ 1,925,000

Sewer Usage and Flat Fees	Users	Flat Monthly Sewer Fee Rate	Monthly Average Hundred Cubic Feet (HCF) of Usage*	Monthly Sewer Usage Rate per HCF	Average Per User Monthly Sewer Usage Fee	Monthly Total Usage Fees Collected	Monthly Flat Fees Collected	Gallons per month	Gallons per day
200,000 GPD Sewer System	750	\$ 15.00	10	\$ 5.00	\$ 50.00	\$ 37,500.00	\$ 11,250.00	5,610,000	187,000.00
100,000 GPD Sewer System	350	\$ 15.00	10	\$ 5.00	\$ 50.00	\$ 17,500.00	\$ 5,250.00	2,618,000	87,266.67

Average Annual Sudbury Sewer Cost:	\$ 780.00
Average Annual MWRA Sewer Cost*:	\$ 647.00
Average Annual MA Sewer Cost*:	\$ 485.00

Benefits:

- 1 A Boston Post Road Sewer District is arguably Sudbury's only opportunity to increase the commercial tax base
- 2 Increased potential for restaurants and other businesses which require a sewer system
- 3 Enhanced Boston Post Road business district with sidewalks, storefronts, parking spaces, benches and landscaping
- 4 Eliminates the need to replace costly septic systems
- 5 Eliminates the need for regular pumping, treatment, service and maintenance of costly septic systems
- 6 Protects the area's water wells from potential septic tank failures
- 7 Reduces Sudbury's costs for the Sudbury-Wayland Septage facility
- 8 Reduces travel and fuel costs for Sudbury residents who currently travel out of Sudbury for many commercial services

Number of Sudbury Households:	5,577
Number of Sudbury Businesses:	278

Government Sewer Grant:	\$ 1,000,000
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Cost-Benefit Analysis including Revenue Sources from Sewer Connection Fees, Flat Fees and Usage Fees, no increase in Commercial Property Tax Base

Sewer Options	Capital Cost	Total Connection Fee Revenue	Capital Cost Less Connection Fee Revenue	Capital Cost Less Connection Fee Revenue Less Sewer Grant	Monthly Bond Service obligation on remaining Capital	Monthly Revenue Less Operating Costs	Monthly Bond Service less Revenue	Monthly tax burden per household/business	Annual tax burden per household/business
Haskell 3.6	\$ 15,956,394	\$ 4,125,000	\$ 11,831,394	\$ 10,831,394	\$51,710.73	\$ 35,250	\$16,461	\$ 2.81	\$ 33.74
Curtis 3.6	\$ 15,114,973	\$ 4,125,000	\$ 10,989,973	\$ 9,989,973	\$47,693.66	\$ 35,250	\$12,444	\$ 2.13	\$ 25.50
Private 3.6	\$ 14,694,262	\$ 4,125,000	\$ 10,569,262	\$ 9,569,262	\$45,685.12	\$ 35,250	\$10,435	\$ 1.78	\$ 21.39
Haskell 1.0	\$ 12,234,085	\$ 1,925,000	\$ 10,309,085	\$ 9,309,085	\$44,443.00	\$ 15,750	\$28,693	\$ 4.90	\$ 58.81
Curtis 1.0	\$ 11,471,864	\$ 1,925,000	\$ 9,546,864	\$ 8,546,864	\$40,804.04	\$ 15,750	\$25,054	\$ 4.28	\$ 51.35
Private 1.0	\$ 11,030,034	\$ 1,925,000	\$ 9,105,034	\$ 8,105,034	\$38,694.67	\$ 15,750	\$22,945	\$ 3.92	\$ 47.03

* = estimates based on available data from the 2007 MWRA Survey and the Tighe and Bond Sewer Survey

Assumptions:

- 1 The equivalent of 750 average users can be attained for the 200k GPD sewer system - approximately 150 property lots directly about the 3.6 mile proposed Boston Post Road Sewer District with significant sewer using entities such as restaurants including Sky Bar, Lotus Blossum and Bullfinch's; supermarkets including Sudbury Farms and Shaw's; residential facilities including Wingate and Orchard Hill and Bosse Sports Club, and a significant number of residential dwellings adjacent to the Route 20 sewer district
- 2 The equivalent of 350 average users can be attained for the 100k GPD sewer system - approximately 50 property lots directly about the 1.0 mile proposed Boston Post Road Sewer District with significant sewer using entities such as Mill Village, Sudbury Farms, Shaws and Lotus Blossum and a significant number of residential dwellings adjacent to the Route 20 sewer district.
- 3 Average sewer usage per user is 120 HCF (Hundred Cubic Feet) per year which equates to 90,000 gallons per year - which is an MWRA statistic
- 4 Assumes 30 Year Municipal Bond @ 4%
- 5 Monthly Operating Costs do not include personnel costs as existing DPW or Water District personnel would be expected to oversee the sewer operations

APPENDIX N

Route 20 Sewer Cost Benefit Analysis
 Town of Sudbury Budget Review Task Force
 September, 2008

Conceptual Level Estimate for 1.0 Mile Sudbury Sewer System

Item	Description	Unit	Subsurface Leaching Field Location Options					
			Haskell Field			Curtis Middle School		
			Estimated Quantity	Unit Price	Total	Estimated Quantity	Unit Price	Total
A	Length of Sewer District	Miles	1			1		
B	Distance from Package plant to Subsurface Leaching Field	Miles	3.6			2		
1	Furnish and install 300 GPM Submersible Pump Station	Lump Sum	2	\$ 350,000	\$ 700,000	2	\$ 350,000	\$ 700,000
2	Furnish and install DI Force Main	Linear Feet	24,288	\$ 55	\$ 1,335,840	15,840	\$ 60	\$ 950,400
3	Furnish and install 6" and 8" resilient seat gate valve with box and cover	each	24	\$ 1,000	\$ 24,288	16	\$ 1,000	\$ 15,840
4	Bank run gravel for pavement subbase	Cubic Yards	4,858	\$ 16	\$ 77,722	3,168	\$ 16	\$ 50,688
5	Furnish and install initial biluminous pavement Type I-1 2 inch thick over trench width	Sq yards	17,002	\$ 9	\$ 153,014	11,088	\$ 9	\$ 99,792
6	Furnish and install final biluminous pavement Type I-1 3 inch thick	Sq yards	21,859	\$ 20	\$ 437,184	14,256	\$ 20	\$ 285,120
7	Multi-directional drilling under highway	Lump Sum	1	\$ 300,000	\$ 300,000	1	\$ 300,000	\$ 300,000
8	Resolve Utility Conflicts	Allowance	1	\$ 150,000	\$ 150,000	1	\$ 150,000	\$ 150,000
9	Air Release and Cleanout Manholes	each	12	\$ 5,000	\$ 60,720	8	\$ 5,000	\$ 39,600
10	Policing & Traffic Control	MD	486	\$ 400	\$ 194,304	317	\$ 400	\$ 126,720
11	Rock and Boulder Excavation	Cu Yards	1,943	\$ 70	\$ 136,013	1,267	\$ 70	\$ 88,704
12	Miscellaneous work and cleanup	Lump Sum	1	\$ 350,000	\$ 350,000	1	\$ 350,000	\$ 350,000
13	Mobilization	Lump Sum	1	\$ 350,000	\$ 350,000	1	\$ 350,000	\$ 350,000
Subtotal Pump Station, Sewer line and line to leaching field			Subtotal		\$ 4,269,085	Subtotal		\$ 3,506,864
					\$ -			\$ -
14	Treatment System Equipment (100,000 gpd Avg Daily Flow)	Lump Sum	1	\$ 1,400,000	\$ 1,400,000	1	\$ 1,400,000	\$ 1,400,000
15	Trash Tank (1/2 Avg Daily Flow - 50,000 gallons)	Lump Sum	1	\$ 80,000	\$ 80,000	1	\$ 80,000	\$ 80,000
16	Equalization Tank (1/4 x Avg Daily Flow - 25,000 gallons)	Lump Sum	1	\$ 40,000	\$ 40,000	1	\$ 40,000	\$ 40,000
17	Misc Tankage	Lump Sum	1	\$ 90,000	\$ 90,000	1	\$ 90,000	\$ 90,000
18	Allowance for Building (Foundation, Slab and Building)	Lump Sum	1	\$ 515,000	\$ 515,000	1	\$ 515,000	\$ 515,000
19	Emergency Generator	Lump Sum	1	\$ 75,000	\$ 75,000	1	\$ 75,000	\$ 75,000
20	Allowance for Electrical	Lump Sum	1	\$ 220,000	\$ 220,000	1	\$ 220,000	\$ 220,000
21	Allowance for site work	Lump Sum	1	\$ 180,000	\$ 180,000	1	\$ 180,000	\$ 180,000
22	Allowance for Yard and Piping work	Lump Sum	1	\$ 120,000	\$ 120,000	1	\$ 120,000	\$ 120,000
23	Allowance for instrumentation & Controls	Lump Sum	1	\$ 120,000	\$ 120,000	1	\$ 120,000	\$ 120,000
Subtotal for Package Treatment Plant					\$ 2,840,000			\$ 2,840,000
24	Land Acquisition/Easement Costs for Disposal System	Lump Sum			\$ -			\$ -
25	Subsurface Disposal Systems (110,000 gpd)	Lump Sum	1	\$ 1,100,000	\$ 1,100,000	1	\$ 1,100,000	\$ 1,100,000
Subtotal for Subsurface Leaching Field Disposal System					\$ 1,100,000			\$ 1,100,000
26	Design, Permitting	Lump Sum	1	\$ 1,000,000	\$ 1,000,000	1	\$ 1,000,000	\$ 1,000,000
27	Construction Contingencies	Lump Sum	1	\$ 1,675,000	\$ 1,675,000	1	\$ 1,675,000	\$ 1,675,000
28	Implementation Costs Incl DN	Lump Sum	1	\$ 1,350,000	\$ 1,350,000	1	\$ 1,350,000	\$ 1,350,000
Subtotal Design, Permitting, Contingencies and Implementation					\$ 4,025,000			\$ 4,025,000
Grand Total					\$ 12,234,085			\$ 11,471,864

Assumptions:

- 1 Pump Station and generator will be collocated with Package Plant
- 2 The bottom of the force main trench is 6' deep
- 3 Force main cost includes fittings
- 4 Gate valves are spaced every 1,000 feet
- 5 The trench width is 6 ft and BRG is 1 ft deep
- 6 Initial trench width has cut-back of 1 ft on each side; 8 ft wide total
- 7 Route 1 HDD is 150 ft
- 8 \$6,000/crew day to manage service conflicts
- 9 Manholes spaced every 2,000 feet
- 10 Assume 2 police officers per detail
- 11 Man days based on pipe construction days+paving days(15%)+traffic control devices (10%)
- 12 Rock quantity based on 18" deep and 18" trench width
- 13 Land acquisition costs for alternative private location to be covered by CPA funds
- 14 The 1.0 mile sewer district begins at the eastern end of Mill Village and extends on Boston Post Road to the western en

APPENDIX N

Route 20 Sewer Cost Benefit Analysis
 Town of Sudbury Budget Review Task Force
 September, 2008

Conceptual Level Estimate for 3.6 Mile Sudbury Sewer System

Item	Description	Unit	Haskell Field			Subsurface Leaching Field	
			Estimated Quantity	Unit Price	Total	Estimated Quantity	Unit Price
A	Length of Sewer District	Miles	3.6			3.6	
B	Distance from Package plant to Subsurface Leaching Field	Miles	3.6			2	
1	Furnish and install 600 GPM Submersible Pump Station	Lump Sum	2	\$ 500,000	\$ 1,000,000	2	\$ 500,000
2	Furnish and install DI Force Main	Linear Feet	38,016	\$ 55	\$ 2,090,880	29,568	\$ 55
3	Furnish and install 6" and 8" resilient seat gate valve with box and cover	each	38	\$ 1,000	\$ 38,016	30	\$ 1,000
4	Bank run gravel for pavement subbase	Cubic Yards	7,603	\$ 16	\$ 121,651	5,914	\$ 16
5	Furnish and install initial biluminous pavement Type I-1 2 inch thick over trench width	Sq yards	26,611	\$ 9	\$ 239,501	20,698	\$ 9
6	Furnish and install final biluminous pavement Type I-1 3 inch thick	Sq yards	34,214	\$ 20	\$ 684,288	26,611	\$ 20
7	Multi-directional drilling under highway	Lump Sum	1	\$ 300,000	\$ 300,000	1	\$ 300,000
8	Resolve Utility Conflicts	Allowance	1	\$ 150,000	\$ 150,000	1	\$ 150,000
9	Air Release and Cleanout Manholes	each	19	\$ 5,000	\$ 95,040	15	\$ 5,000
10	Policing & Traffic Control	MD	760	\$ 400	\$ 304,128	591	\$ 400
11	Rock and Boulder Excavation	Cu Yards	3,041	\$ 70	\$ 212,890	2,365	\$ 70
12	Miscellaneous work and cleanup	Lump Sum	1	\$ 350,000	\$ 350,000	1	\$ 350,000
13	Mobilization	Lump Sum	1	\$ 350,000	\$ 350,000	1	\$ 350,000
Subtotal Pump Station, Sewer line and line to leaching field			Subtotal	\$	5,936,394	Subtotal	
					\$		
14	Treatment System Equipment (200,000 gpd Avg Daily Flow)	Lump Sum	1	\$ 2,550,000	\$ 2,550,000	1	\$ 2,550,000
15	Trash Tank (1/2 Avg Daily Flow - 100,000 gallons)	Lump Sum	1	\$ 150,000	\$ 150,000	1	\$ 150,000
16	Equalization Tank (1/4 x Avg Daily Flow - 50,000 gallons)	Lump Sum	1	\$ 75,000	\$ 75,000	1	\$ 75,000
17	Misc Tankage	Lump Sum	1	\$ 90,000	\$ 90,000	1	\$ 90,000
18	Allowance for Building (Foundation, Slab and Building)	Lump Sum	1	\$ 515,000	\$ 515,000	1	\$ 515,000
19	Emergency Generator	Lump Sum	1	\$ 75,000	\$ 75,000	1	\$ 75,000
20	Allowance for Electrical	Lump Sum	1	\$ 220,000	\$ 220,000	1	\$ 220,000
21	Allowance for site work	Lump Sum	1	\$ 180,000	\$ 180,000	1	\$ 180,000
22	Allowance for Yard and Piping work	Lump Sum	1	\$ 120,000	\$ 120,000	1	\$ 120,000
23	Allowance for instrumentation & Controls	Lump Sum	1	\$ 120,000	\$ 120,000	1	\$ 120,000
Subtotal for Package Treatment Plant				\$	4,095,000		
24	Land Acquisition/Easement Costs for Disposal System	Lump Sum			\$ -		
25	Subsurface Disposal Systems (220,000 gpd)	Lump Sum	1	\$ 1,900,000	\$ 1,900,000	1	\$ 1,900,000
Subtotal for Subsurface Leaching Field Disposal System					\$ 1,900,000		
26	Design, Permitting	Lump Sum	1	\$ 1,000,000	\$ 1,000,000	1	\$ 1,000,000
27	Construction Contingencies	Lump Sum	1	\$ 1,675,000	\$ 1,675,000	1	\$ 1,675,000
28	Implementation Costs Incl DN	Lump Sum	1	\$ 1,350,000	\$ 1,350,000	1	\$ 1,350,000
Subtotal Design, Permitting, Contingencies and Implementation					\$ 4,025,000		
Grand Total					\$ 15,956,394		

Assumptions:

- 1 Pump Station and generator will be colocated with Package Plant
- 2 The bottom of the force main trench is 6' deep
- 3 Force main cost includes fittings
- 4 Gate valves are spaced every 1,000 feet
- 5 The trench width is 6 ft and BRG is 1 ft deep
- 6 Initial trench width has cut-back of 1 ft on each side; 8 ft wide total
- 7 Route 1 HDD is 150 ft
- 8 \$6,000/crew day to manage service conflicts
- 9 Manholes spaced every 2,000 feet
- 10 Assume 2 police officers per detail
- 11 Man days based on pipe construction days+paving days(15%)+traffic control devices(10%)
- 12 Rock quantity based on 18" deep and 18" trench width
- 13 Land acquisition costs for alternative private location to be covered by CPA funds
- 14 The 3.6 mile sewer district begins at Wayland Line and extends to intersection of Boston Post Road a

APPENDIX O: Fundraising
Budget Review Task Force
SUDBURY TRUST

Category	Description
<u>Restricted Gifts :</u>	-- Construct a museum to display Town artifacts, including a 1938 Ford Fire Engine (currently privately owned), donated by Henry Ford to Sudbury
	-- Repair the Carding Mill house and restore the Water Wheel to generate power for the building (perhaps house a Sudbury Museum at the location)
	-- Annual fireworks display (Fourth of July)
	-- Signage (Town Offices) over entry door of Flynn Building
	-- More canoe/kayak launches with parking areas
	-- Signage, maps, rules, etc. for historic “side of the road” turn-in areas
<u>Memorial Gifts:</u>	-- An added room for the Senior Center
	-- More exercise stations for Haskell Field site
	-- Park benches/signage and gazebo for Haskell Field site
	-- Blackout curtains for the Senior Ctr. for movie viewing or presentations
	-- Flagpole, light and landscaping at the DPW Building
	-- Flagpole at the Flynn Building
	-- History trail designed by Maria von Brincken
	-- Install a dock at Stearns Mill Dam
	-- Reconstruct bandstand near Noyes School
	-- Flowering tree groupings along Boston Post Road in the business area
	-- Stonewall encasing the “Alan Flynn Building” sign in front of Flynn Bldg., giving the area some definition
	-- Continuation of the front stone wall along the driveway side of Flynn Bldg. to contain a perennial garden entryway
	-- Stone benches and a water fountain in the area of the old bandstand
	-- Self Checkout and Security System for Goodnow Library
	-- Windows, Lighting to reduce energy costs in Town buildings (two satellite fire stations, Fairbank building, Town Hall and Police Station
<u>Unrestricted Gifts:</u>	-- Retrofitting Fire Stations 2 & 3 to accommodate separate male and female sleeping and bathroom facilities

APPENDIX P: Legislative Issues

Budget Review Task Force

Legislative Issues

TOWN OF SUDBURY

Administrative Requirements

1. Notifying abutters by certified mail for Conservation Commission hearings. We are not always required to do this, but when we are it always feels unnecessary because: 1) there is public notification in the newspaper; 2) the public hearings are posted on the Town website; 3) abutters have no real input in the decision process for wetlands permits.
2. Requirement to complete the Commonwealth Capital application each year for eligibility for certain state grants. The process is cumbersome and very time consuming, and not all that much happens in a town in 1 year. It would be better to make it a 2-3 year requirement instead of an annual requirement.
3. U.S. Department of Labor – Quarterly reporting of wages and number of employees by department. Takes payroll many hours to complete.
4. IRS – New law for tracking 403B and 457 (retirement plans) limits. The employers are now responsible for tracking rather than the employees.
5. Free Cash – Massachusetts is the only state that has Free Cash certified. Very involved time consuming project. If the state did away with this the free cash would just be part of fund balance.
6. Mandate under MGL Ch. 115 to appoint a full time Veteran’s Services Officer. Only communities under 12,000 population are permitted by law to have only a part time VSO.
7. The Health Care Reform Act of 2007. Requires creation of databases; written notification to part time employees; completion of numerous forms and compilations of data; reporting requirements to the Executive Office of Health and Human Services.
8. Reporting requirements under Ch. 193 of the Acts of 2004 regarding municipal construction projects and notification to the State Office of Minority and Women Business Assistance (SOMWBA).
9. CORI checks for summer recreation program employees, particularly employing high school and college students from your own town.
10. The reporting process for the state formula grant is unnecessarily complex. The grant is given based on the number of residents age 60 and older. Because the amount of the grant is not known until the legislature sets the budget, COAs are asked to prepare two different grant applications for two estimated amounts of money. This year they asked for three versions, and then when the actual amount was known there was actually a 4th version required (although this was just a small shift from one of the first three versions.) When the grant year is finished, the Executive Office of Elder Affairs requires an elaborate statistical report that takes 40-60 staff hours each August, in addition to about 10 staff hours a week for data entry.
11. CPA – Financial administration of the Fund. Since the implementation of the Community preservation Act, the Assessors’ office has been inundated with abatements of the surcharge. Citizens who may be exempt because of age and/or income must be qualified through a review of their finances. In addition, anyone who is eligible for a personal exemption or an abatement of taxes may also be entitled to a proportioned amount of the CPF surcharge. Furthermore, both the Accounting and Tax Collectors Office are required to maintain records of these charges and changes. Under the provisions of the CP Act the community may hold up to 5% of the funds for

administration. Yet it specifically prohibits the town from funding the finance department for the administration of the fund.

12. Annual Revaluations: For the past few years, the Department of Revenue has required cities and towns to revalue property annually instead of every three years. The third year still consists of the DOR coming to town to review the files and valuation models. But each year we must now provide all the analysis that we only provided every third year. This is incredibly time consuming. Even if the values don't change from one year to the next documentation must be presented as evidence that we have met the requirements of a revaluation.
13. Tailings/Unclaimed Checks. The handling of unclaimed checks is a bother. After so much time has passed it seems the onus should be on the claimant rather than the town. Advertising, etc. is costly.

Service Provision Mandates

1. The Check-out table at the polls. This was once needed to account for (and count) the ballots cast at each election. The ballots are now counted and read by the AccuVote machines. These machines are more accurate than the workers at the Check-out tables. The voters are already accounted for at the Check-in table on the Voter List. The Town Clerk's association has been trying for years to eliminate this duplication and with it the extra cost, in set up, materials and poll worker salaries. This was added to the recent Election Day Registration Bill this year, but of course, it was not passed.
2. Storage of State Election Ballots for 22 months in Sealed Containers. The State only requires Local Election Ballots to be kept for 30 days after an election. For State Elections the requirement is for 22 months. The time to request a recount of any election is passed after ten days. Storage of these ballots is a problem and when special elections are called, in particular, State special elections, having enough additional proper storage containers that can be sealed (they must be sealed at the polling places and then transported to the Town Clerk's office where they remain sealed for the 22 months) is expensive and difficult.
3. Maintaining the AutoMark (the handicapped accessible voting machine). The State purchased two of these machines, one for use at each of our polling locations and mandates their use. They also have provided the maintenance and memory card coding costs for elections through the end of 2008. Starting in calendar year 2009, this cost falls on the municipalities. The cost of memory card coding is around \$500 for each election. I estimate the yearly cost for maintenance and coding to be:
 - a. \$1000 for odd numbered years
 - b. \$2000 for even numbered years
 - c. \$2500 in a year with a Presidential Election.
 - d. This is if we have no repairs needed. The AutoMark machines have a poor history regarding repairs. We have already had one machine repaired, which was paid for by the State at a cost of about \$1000. That machine had only been used in two elections.
4. Emergency Medical Service Zone Plan: A well intended but essentially useless document that is designed to help establish measurable goals for ambulance service is the Service Zone Plan. While we submitted our plan to the Office of Emergency Medical Services (OEMS) on time, most did not, and of those submitted statewide very few were approved, including ours. This led us to question why we spent so much time identifying each parameter with such clarity, only to have the OEMS reject them even though these very parameters simply identify our individual standards. The stated purpose of the Service Zone Plan is to allow the primary emergency medical services (EMS) provider in a community to communicate their standards so that others

will know what they have to meet if they choose to compete. The primary EMS could say that the local standard is to be on scene within 4 minutes 95% of the time or within 10 minutes 80% of the time – the point is to have an established local standard, not adherence to some external standard. Unfortunately, OEMS has taken it upon themselves to accept or reject various local standards, and not always with consistency. An amusing example comes from one section where we are asked to identify our affiliate hospitals (Emerson, Framingham, UMass system) – in other words, where do we take our patients. Our response was rejected because these hospitals are not in Sudbury. Of course, there are no hospitals in Sudbury, but I doubt the intern reviewing our plan even knew that. A second rejection stemmed from requests for transport to patients' preferred hospitals which we will honor when appropriate, such as when they have just had surgery there, or their medical records are there, etc. OEMS rejected that parameter because the patient has no legal right to direct our transport. And then a statewide OEMS directive came out specifically recommending we honor those requests. Even OEMS can't agree what is acceptable. Preparing this plan and then amending it consumed vast quantities of time for no discernible value. We are confident that when all plans are approved, they will line some wall somewhere and look very impressive.

5. NEMSIS: The National Emergency Medical Services Information System is a new data collection device that will allow for national review of trends in the EMS system. While this will hopefully assist those who have created the program, no funding for compliance is provided at the local level. We have had to acquire 2 laptop computers, software, and install a wireless network at headquarters to meet the needs of NEMSIS. I have attended seminars trying to understand where the system is going and the deadline for compliance.
6. NIMSCAST: The National Incident Management System Compliance Assistance Support Tool (NIMSCAST) is an online tool that FEMA uses to evaluate a community's compliance with Presidential Directive #5 requiring all emergency responders to be trained in and operate under NIMS. This totally "voluntary" directive can be ignored so long as you never again intend to ask for federal funding for grants. It requires that certain levels of NIMS training be achieved, that tabletop exercises be held, and a host of other worthy activities be accomplished during the reporting period. There is no funding that comes as a result of being compliant, only a lack of automatic rejection for future grants requests. Filling out the NIMSCAST questionnaire and attending the annual seminar to understand it takes many hours. Underlying NIMSCAST is the NIMS program itself which had a compliance deadline of December, 2006. We worked diligently and met that deadline without funding support from the state or federal government. When many Massachusetts communities did not meet the deadline, it was extended and grant money made available to those who were delinquent, while the compliant towns (like Sudbury) got nothing.
7. EPA Stormwater: The EPA Phase II stormwater permit requirements are very time consuming to monitor and very costly to carry out. Funding is being achieved now mostly through grants but those are not likely to be available in the near future. Failure to meet permit requirements result in fines

Home Rule Limitations

1. Rezoning of property. Requirement in MGL c.40A, s. 5 which requires towns to obtain a 2/3 majority vote of Town Meeting to rezone land. This requirement makes it very difficult to change zoning due to the variability of Town Meeting members. It puts the Town at a disadvantage to make choices on growth and development.
2. Chapter 32B, contributory group general or blanket insurance for persons in the service of counties, cities, towns and districts, and their dependents.
3. Insurance, Ch 150E, including mandate to negotiate changes in health insurance.

Public Construction and Public Works Projects

1. Bonding requirements for contracts of \$2,000 or more for contractors involved in small public building or public works projects (the State threshold is \$5,000, and even that may be too low).
2. Requirement to obtain competitive quotes for all public building related work (anything greater than \$0 and less than \$25,000). And any proposed project with an estimated cost greater than \$25,000 requires a comprehensive, complex and cumbersome public bidding process and requires compliance with more complex and onerous requirements (e.g. advertising with the State Central Register, examining filed sub-bids for specific aspects of a project to be performed by subcontractors, compliance with prevailing wage rate regulations, mandate to accept the lowest “qualified” bidder) – qualified according to the state, not necessarily by the Town.
3. Construction Management requirements for public building projects greater than \$1.5 million.

Recently Enacted Laws

1. Laws that are written in the “one-size-fits-all” mode. Such is the case with the new sprinkler law, carbon monoxide detector regulations, trench safety requirement, and the new underground tank standards update. Each of these requires attending a seminar to understand the law, and then hours of challenge making it try to fit each building affected. In most cases the laws are simple to administer, but there are the 20% that take up 80% of the time. For instance, a local barn owner applied for permission to use it as an assembly occupancy raising the specter of a sprinkler requirement. The law did not fit this property well, and then to add to the challenge the sprinkler appeals board issued some rulings that seemed to contradict the original intent of the law. While I recognize that not all circumstances can be considered when a law is written, it is the number of new laws that are coming forth that make it very time consuming to keep abreast. This all takes time, and no funding comes from the state nor does each new law create new state resources to assist in decision making.

SUDBURY PUBLIC SCHOOLS

1. **Overturn the Hull Decision.** During the first three years, teachers should be employees “at will” as legislated. With the Hull Decision, non-renewal needs to be more like “just cause” and requires stated reasons for non-renewal. “Not a good fit” does not work anymore.
2. **Reduce the number of required data reports.** We are unsure of who uses them and why. Also, there is duplication of data in reports submitted by different departments.
3. **Drop the requirement for an audit for the End of Year Report.** It would save the district time and money.
4. **Reimburse Regular Education Transportation expenses for local districts.** We are basically required to transport students; we should be reimbursed for it as is done with the regions.
5. **Reimburse Special Education Transportation expenses via the Circuit Breaker.** There is no reimbursement for Special Education Transportation.
6. **Change the funding for Charter Schools.** The funding now comes from our Chapter 70 money. It is estimated on the number of children that the Charter School thinks that it is getting. (It is corrected later.) Charter Schools should count their students and receive their own Chapter 70 money. The local districts would not include those students in their counts.
7. **Work to make the Foundation Formula equitable.** Our Middle School is still receiving less per pupil than our elementary schools. Also, an issue exists about whether the Foundation Formula realistically addresses the needs of students.
8. **Overhaul the ESE (DOE) Department of Teacher Certification.** It is under-staffed and inefficient.

LINCOLN SUDBURY REGIONAL DISTRICT

1. **Revise the special education formula so that districts are more fairly reimbursed.** Currently the formula is 75% of the instructional costs incurred that exceed four times the foundation amount.

Current formula: if SPED instructional cost is \$80,000 and the foundation amount is \$15,000, amount reimbursed to the district is: $75\% \text{ of } (\$80,000 - 4 * \$15,000) = 75\% \text{ of } \$20,000 = \$15,000$. So, the district must absorb the remaining \$65,000).

2. **Revise the chapter 70 state aid formula for towns such as Sudbury with a higher density of households that send children to public schools.**
3. **Support the costs for mandatory regional transportation in a consistent and equitable manner.**

APPENDIX Q: Full Day Kindergarten Tuition Analysis

Analysis indicates tuition would be approximately \$2,200 with consideration of \$594 per student Chapter 70. It would increase about \$150 per student if specialist were allocated to 2nd 1/2 day only.

	1/2 day		Per Class Analysis (8 classes)		
	Total Program 8 classes	chargeback entire progr.	Per FD Class	1/2 charge back	
Avg. Kindergarten salary per M Will 12/8/08	\$ 458,776	\$ 229,388	\$ 57,347	\$ 28,674	Actual Salary per Email of SPS 12/8/08
Health Ins. (weighted avg \$13k pp) 60% Fam/40% ind	\$ 108,000	\$ 54,000	\$ 13,500	\$ 6,750	Health Insurance FY10 rates
Professional Dvlpmt per pupil materials (at \$140 pp)	\$ 27,200	\$ 13,600	\$ 3,400	\$ 1,700	SPS March 09 presentation
teachers aid * .25 per class SPS Mar-09 pres	\$ 20,160	\$ 10,080	\$ 2,520	\$ 1,260	
specialist (sal 45.6 + ben 17.5/ 13 classes)	\$ 85,161	\$ 85,161	\$ 10,645	\$ 10,645	
Bus Credit (16k total / 8 classes)	\$ 63,100	\$ 63,100	\$ 6,010	\$ 3,005	SPS March 09 presentation
		\$ (16,000)		\$ (2,000)	
cost per kindergarten class	\$ 762,397	\$ 439,329	\$ 93,422	\$ 50,033	
Cost per student (fd / 1/2 day)			\$ 5,190	\$ 2,780	tuition for FDK @ 18 per class (8 classes)
less chapter 70 funding @ \$1,188 per student (Note 1)	\$ (191,268)	-95634	\$ (25,776)	\$ (10,692)	Chapter 70 funding for Sudbury is \$594 per student for 1/2 day and 1188 for full day -- R. Hatch MA DOE
cost per kindergarten class	\$ 571,129	\$ 343,695	\$ 67,646	\$ 39,341	
Cost per student (fd / 1/2 day)			\$ 3,758	\$ 2,186	tuition for FDK @ 18 per class (8 classes)

This is all without consideration of savings from any healthcare restructuring.

Assumptions:

- chapter 70 funding for 09: \$ 10,692.00
Per Roger Hatch DOE: Sudbury's funding is 1188 for full day, 594 for 1/2 day Per pupil
- 8 FDK Classes, 161 students; 5 1/2 day classes. Per SPS March 09 presentation.

analysis Mar 09
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