

**Finance Committee ~ Minutes of Meeting
Thursday, January 16, 2003
Town Hall - 7:30pm**

PRESENT: Co-Chairs Michael Grosberg & Tracy Billig, Marty Ragonese, Don Hutchinson, Bob Hurstak, John Nikula, Bob Jacobson, Sheila Stewart. Also present: Kerry Speidel, Finance Director, Robin Porcella, Recording Secretary, Paul Lynch, Sudbury Representative to the Minuteman School Committee, and Superintendent Dr. Fitzgerald

Debt Service: Charges and Debt

This presentation was made by Finance Director Kerry Speidel.

FY 2004 Budget Request For Charges

| | |
|--|--------------------|
| Cherry Street Offsets | \$325,000 |
| Cherry Street Charges & Underestimates | \$300,000 |
| Recap Deficits (Snow & Ice, Other) | \$100,000 |
| Abatements & Exemptions | \$400,000 |
| Total | \$1,125,000 |

Cherry Street Charges:

- levied by State law -not by Town Meeting Appropriation
- FY2003 had charges of \$262,000. Put in \$300,000 to be conservative.
- If a charge is higher or lower, we get a credit/debit for this.

Recap Deficit:

- There are a few accounts that can be deficit spent
- \$100,000 put in
- largest account that can be deficit spent, is Snow & Ice

Deficit in pool enterprise account, sometimes overlay account. This usually happens after abatements for Motor Vehicles. Residents are allowed 5 years after a bill has been issued to submit an abatement application.

5 – Year History of Recap Deficits Raised

| | |
|-------|----------------------|
| FY 99 | \$60,843 |
| FY 00 | \$88,037 |
| FY01 | \$57,416 |
| FY02 | \$144,969 |
| FY03 | \$31,644 |
| FY04 | \$100,000 (estimate) |

Overlay Account:

5 – Year History of Overlay Account

| | |
|-------|------------|
| FY 99 | \$523,480 |
| FY 00 | \$315,867 |
| FY 01 | \$865,754 |
| FY 02 | \$526,533 |
| FY 03 | \$548,138 |
| FY 04 | \$400,000* |

*** FY 04 is a revalue year, and there are usually more abatements**

- We put excess funds in the overlay account, then use it the next Fiscal year. If the cash is put into Free Cash have to wait 2 years to use.
- State Law says no more than 5% of the Levy

MBTA:

The Town of Sudbury is part of the MBTA District. We pay an assessment, but we don't receive direct services. Most of the assessment goes to pay the Debt Service of the district.

The committee was informed that the Financial Advisor to the Town, is David Eisenthal from Unibank. He assists in determining the amount of debt service to be paid each fiscal year.

Minuteman Regional High School Budget Proposal

The budget proposal for Minuteman High School was presented by Dr. Ronald Fitzgerald, Superintendent, and Paul Lynch, Sudbury Representative to Minuteman H.S. School Committee.

Dr. Fitzgerald informed the committee that over the few weeks, State Aid and Transportation Aid have been cut. He is expecting the Chapter 70 aid to be cut by 15%

The salary accounts have been raised by approximately \$11,000. This amount was kept this low, due to the elimination of staff positions. The Health and Risk insurance accounts have gone up drastically.

Superintendent Fitzgerald stated the resources for the FY2004 Budget proposal are distributed as followed:

- 66% - Salary
- 12% - Fixed
- 7% - Transportation
- 7% - Maintenance
- 6% - Instruction
- 1% - Support
- 1% - Administration
- 0% - Equipment

Under Minuteman's High School FY2004 Budget Plan, the following scenarios would happen:

- All program support would be reduced
- 9.5 staff positions would be eliminated
- Budget lower by approximately 1% despite:
 - Extreme increase in insurance costs
 - Significant increase in SPED services

Superintendent Fitzgerald informed the committee that the CHOICE program has been eliminated. Enrollment is to 38 students, down from 82 a year ago.

Superintendent Fitzgerald stated the since the school serves 16 towns, it is not possible to comply with budget instructions from any one town. Enrollment figures are up.

Superintendent Fitzgerald told the committee that towns are assessed differently for the number of SPED students that are sent to Minuteman High School. Lexington and Concord have the highest fees. Concord took the high school to court over the way the SPED figures are obtained, and the school system won.

Other Business:

Co-Chair Tracy Billig informed the committee that Town Manager Maureen Valente has requested the presence of a Finance Committee member at a meeting scheduled for Wednesday, January 29, 2003.

Sheila Stewart informed the committee that last year, the Finance Committee sent 4 members to this meeting. She also stated that it was a very informative meeting and worth while going to.

Sheila Stewart volunteered to attend. Mike Grosberg, Marty Ragonas, and Bob Jacobson said they would check their schedules.

There being no further business, the meeting adjourned at 9:45pm.