

**Town of Sudbury ~ Finance Committee**  
**Minutes of Meeting**  
**Tuesday, January 13, 2004**  
**Lower Town Hall – 7:30pm**

**Present:** Co-Chairs Tracy Billig & Bob Jacobson, Michael Grosberg, Bill Kneeland, John Nikula, Marty Ragonas, Larry Rowe, Shauna Simmonds, and Sheila Stewart. Also present: Kerry Speidel, Finance Director, Robin Porcella, Recording Secretary, Maureen Valente, Town Manager, Selectmen Larry O'Brien & Kirsten Roopenian, LSRHS Superintendent John Ritchie, Pauline Paste, Business Director, and LSRHS School Committee members.

**Opening Remarks from Co-Chairs:**

The meeting was opened at 7:35pm. Bob Jacobson informed the committee that the meeting would run the same way as the meeting on January 8, 2004..

**Item 1: L/S liaison briefing on budget process:**

Bob Jacobson introduced Bill Kneeland and Sheila Stewart, the liaisons to LSRHS. Bill informed the committee that since the fall, there have been several meetings with the Lincoln & Sudbury FinCom, school committee members, John Ritchie and Pauline Paste.

**Item 2: Presentation of Lincoln Sudbury Regional High School FY05 Budget Request:**

School Committee Chairman Eileen Glovsky made the presentation. She thanked the FinCom for inviting LSRHS to make the presentation. She also thanked Bill Kneeland and Sheila Stewart for all their time and effort to attend the various meetings.

*Principles of Decision Making:* Make classroom teaching and learning the top priority, maintain reasonable class sizes, maintain athletic and extra-curricular activities, maintain mainstream opportunities for special need students.

*School Committee Approved Budget:* The school committee approved a 3% over zero dollars budget at their December 9, 2003 meeting. This budget will still require a cut of \$364,737, a cut to staff and programs. It will also require an increase to various fees, including athletic fees. This is still \$545,398 over zero dollars.

*Driving Forces:* Enrollment increase of 5.6% (enrollment has been on a steady increase over the past few years), operating costs of the new building (going from gas to electric and additional square footage), SPED Circuit Breaker, and mandated transportation. Bob Jacobson asked if the Circuit Breaker was reduced because of the number of SPED students in out-of-district programs. Glovsky does not believe so, because the school has many more students involved in the in-house programs.

*State's Commitment to Education:* State Aid estimated to be received in FY05, is close to the amount they received in 1998.

*Enrollment & Teacher:* a comparison of the number of teachers & enrollment figures.  
1998 enrollment=1,064 in 2005 it is projected at 1,498 – an increase of 434 pupils.  
Number of teacher in 1995 = 105.68 for 2005 they number is projected to be 133.22

*Teacher & Staff Reductions over 3 years:* FY03 1.1 FTE (2 people)  
FY04 6.5 FTE (17 people)  
FY05 approx. 8 or 9 FTE

*Operating Budget Development:* Where the school committee started: Maintained level staff (replaced retirees with less expensive new hires), reduced Text & Supply Budget for the 3<sup>rd</sup> straight year, included operating costs of new building (figures are still not definite right now), included increase for Sped due to Circuit Breaker Law.

*FY05 Requested Operating Budget:* Operations & SPED are the school's largest expenses now. The operating budget has increased from \$14,907,602 for FY04 to \$15,453,000 for FY05.

*Per Pupil Costs:* The information was obtained from the Department of Education's website. This shows that the school is attempting to keep SPED Costs down.

	<i>Regular</i>	<i>SPED</i>
Lincoln-Sudbury	\$9,21	\$16,546
Concord-Carlisle	\$9,206	\$23,840
Dover-Sherborn	\$10,535	\$20,052

*Cuts to meet School Committee approved budget:* Dr. John Ritchie made the presentation in regard to possible cuts/reductions. Dr. Ritchie informed everyone that none of these cuts are definite. They are just possibilities at this time. The reduction of 8 to 9 FTEs would include: .5 Administrator, 1.53 Professional staff, and 7.25 Support Staff. Program reductions have been a steady pattern of the past few years, and would include reductions to health, safety, and tutoring programs. Professional Development would be affected due to the lost of some State Grants. Fees would need to be increase again: athletic fees would increase from \$125 to \$150 per student per sport, and parking fees would possibly be increased (currently at \$200/year). John Nikula asked if a specific team (Varsity, Junior Varsity, or Freshmen) would be eliminated. Dr Ritchie informed him that the probability would be the teams or clubs not affiliated with the Dual-County League. There is no specific team or sport that has been decided upon right now.

*Example of Budget Cuts to Get to Zero:* the amount to cut to get to a Zero Dollar Budget would be \$545,398. The school would be radically different if this had to happen. Necessary cuts could include: deeper cuts to athletics & activities, make policy changes in curriculum, and total cuts as high as 21 FTEs.

*Example of Policy Changes:* Double enrollments (would not allow students to take more than 1 class involving the same subject), required number of classes could be reduced, course offerings (would need to change electives being offered), fees increased, larger classes, and reduced oversight (loss of administrators).

*Conclusion:* Increased enrollment, Reduced State Funding ( Chapter 70, SPED, and Transportation), 3% cut \$364,737, and 0% cut \$910,135.

Bob Jacobson asked if the audience had any questions.

State Senator Susan Fargo introduced herself, and pointed out that State Representative Sue Pope was in the audience as well. She informed everyone that the Governor's State of State address is scheduled for Thursday night, and that everyone should watch if possible. The Governor's budget (House 1) is scheduled to be released January 28, 2004. She reminded everyone not to take the first set of numbers to be released as definite. Tomorrow (January 14, 2004), the Senate President has called a briefing at 3pm with a press release to follow. It will probably be in regard to property classification. She reminded the committee that she would get any available information to them as soon as possible. The State is coming out of a recession, but new jobs are not being formed. Also, the Senate will be updating their computer systems this week, making information more accessible to the public.

*A five-minute break was given before beginning Item 3*

**Item 3: Presentation and vote on request to transfer interest income earned on bonds and/or notes to the Excess & Deficiency Fund.**

Presentation made by Pauline Paste, LSRHS Finance Director/ Treasurer.

State Law allows regional school districts to save surplus funds up to 5% of their budget in the Excess and Deficiency Fund. In order to transfer the money, approval is needed from both the Sudbury and Lincoln Finance Committees. The money must be used for nonrecurring or extraordinary expenses. The money being discussed tonight involves investment income earned on capital project funds.

*Investment Income on Capital Projects:*

For Fiscal Year 2004, as of November \$140,000 has been earned

FY01 Earnings	\$32,162
FY02 Earnings	\$63,268
FY03 Earnings	\$478,241

*Options for Investment Income:*

The following are three options for the investment income:

- a) Fund Stabilization Fund – the stabilization fund was established at Town Meeting in 1992. The new building project is on time and on budget, so they are not interested in transferring the income here.
- b) Fund Excess & Deficiency Fund – authorized by Mass. General Law Chapter 71, Section 16B 1 / 2. Current balance = \$380,169.50. It can only be funded with permission of the Sudbury and Lincoln Finance Committees. Can be used to cover any nonrecurring or extraordinary costs. The extraordinary cost for FY04 is the SPED Circuit Breaker. There is the potential for a shortfall of \$200,000.
- c) Offset Assessment

*How Previous Investment Income was used:*

FY01	\$32,162	Went to Stabilization Fund
FY02	\$63,268	Went to Stabilization Fund

*Conclusion:* The LSRHS School Committee is requesting that the Finance Committee allow the \$478,241 of Investment Income Earned in FY03 to be placed in the Excess & Deficiency Fund. Reasons: to replenish the potential shortfall in FY04 and to cover future extraordinary and nonrecurring costs.

Larry Rowe stated he understands the unexpected cost in regards to SPED, but not the utility costs. His concern is that utility costs should be part of the normal budget process.

Bob Jacobson pointed out that authorizing the transfer of this money is just a "band-aid" fix. It is very possible that the high school could find themselves in this position next year, but with less money being available. He informed the committee that they have the option to allow the high school to have the \$200,000 to cover the SPED expenses, and advance them the rest to cover the other expenses. This advance would just be reduced from any extra State Aid, or from the money available if there were an override.

Bob Jacobson informed everyone that a vote on this matter would not take place until the February 5, 2004 meeting. The Finance Committee would like to have the chance to hear all the budget hearings before voting on this matter.

**VOTED: On motion, to postpone the vote to authorize the transfer of interest income earned on bonds and/or notes to the Excess & Deficiency Fund until the February 5, 2004 meeting. Motion**

**made by Michael Grosberg and seconded by Larry Rowe. On vote, motion carries 9 in favor and 0 opposed.**

**Item 4: Other Business:**

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