

Town of Sudbury ~ Finance Committee
Minutes of Meeting
Monday - December 3, 2007
LSRHS Conference Room A318 – 6:30pm

Present: Chair Chuck Woodard, Jamie Gossels, Bob Jacobson, Jim Jacobson, Bill Kneeland, Marty Ragonas, Sheila Stewart, Ralph Verni, and Debbie Zurka

Item 1: Special Town Meeting – Article 3

Chuck Woodard asked if Town Manager Maureen Valente would give a brief overview of the article.

Maureen Valente introduced 3 firefighters who were in attendance; Brian Lewis, Robert Boyd, and Mike Hamill. The committee was informed that Brian Lewis & Robert Boyd participated in the negotiation meetings. The committee was informed that fire & police departments are allowed to go before the Commonwealth of Massachusetts Joint Labor-Management Committee, if they are not able to negotiate a contract. The committee assigns a 3-member panel that consists of a union panelist, a town panelist, and a chairman/neutral panelist. Once the panel decides each contract, it is understood that the union & town will work together to get the funds appropriated at town meeting.

Marty Ragonas asked when the negotiations had started. Wayne Walker informed the committee that the negotiations started on 1/23/06.

Maureen Valente stated the funds were being held in the salary contingency account, but that these funds switched over to free cash when the union & town did not settle by 6/30/07. She is looking for this article to be approved to pay the FY07 retroactive portion of the settlement. The funds needed to cover FY08 are in the salary contingency account.

All Town departments have been asked to cut their FY09 budgets by 1%.

Chuck Woodard asked how this settlement compared to that of the Supervisory & engineering union contracts. Wayne Walker stated that the Supervisory is the same as the fire, and that engineering is the same for FY08. Both unions settled with a paragraph in the respective contracts stating they will receive the same COLA as the other unions that are unsettled.

Bob Jacobson asked if someone could explain the differential rate. Wayne Walker informed the committee that there was an 11% differential between the Fire Fighter/EMT and the Lieutenant/EMT rates, and then an 11% differential between the Lieutenant/EMT and the Captain/EMT rates. The new contract will increase the differential to 13% for FY07, 13.75% for FY08, and 14.25% for FY09.

Chuck Woodard stated that looking at the figures for each fiscal year, and he was wondering why the first year has such a large difference compared to the other two years. Wayne Walker stated the difference is more because the union is receiving a 2% COLA increase, and then the differential between the positions was increased by 1.5%.

Wayne Walker informed the committee that the town was planning on a total of 7.25% increase for COLA over a 3 year period, and a 1.35% increase for other benefits. The other benefits came back as less than expected, but the COLAS were increased significantly. Bob Jacobson asked if funds were needed for FY08. Maureen Valente stated that FY09, the third year of the award, will be a problem.

Selectmen John Drobinski stated the board had instructed the town to hold the line as best as they can in the negotiations. A chance is always taken when you go into arbitration. This will have an affect on the town employees and town services.

Bob Jacobson stated that he has reviewed the contract thoroughly. If it had been settled earlier he would not of had a problem supporting it, but he is now a little uncomfortable with it because of the revenue forecast. He doesn't think the union should be penalized because they did not settle earlier. He was not pleased to see that the issue of health insurance costs was not even mentioned in the negotiations. He believes the committee needs to make a statement that the rate of cost increases has to stopped, and that it is not prudent to keeping funding them.

Selectmen John Drobinski stated the board does share his thoughts, and that they are aware that the town will be facing hard times.

VOTED: On motion, to recommend the approval of Article 3 as presented at the Special Town Meeting. Motion made by Bob Jacobson and seconded by Marty Ragonese. On vote, motion carries 9 in support and 0 opposed.

Item 2: FY09 Budget:

Chuck Woodard stated because of the revenue situation the town is facing, the committee will need to start thinking of a budget strategy. The committee was informed that the town manager made a revenue presentation for at the Board of Selectmen's meeting this past Tuesday. The town is looking at only a 1% revenue increase for FY09. All departments were asked to adjust their no override budget to a 1% decrease in expenses other than pensions and insurance as compared to the original request of a 2% increase. He had emailed a copy of a spreadsheet to all the committee members regarding expense trends.

Debbie Zurka asked if the increase to the LS benefit figure was correct. Bob Jacobson stated that this question would need to be run by Judy Belliveau.

Chuck Woodard stated that the bold numbers are of interest to him. The biggest driver right now is compensation. The current fiscal year average salary per FTE is up 6%. In a two year period these saw a 10% increase. There are only two solutions to deal with this type of increase: an override or face drastic cuts to the budgets. He does not like the idea of either one. He is proposing that they obtain a firm commitment from the cost centers to keep salaries under control. He handed out a list of conditions to a FinCom override recommendation that he would like to propose to each cost center.

Bob Jacobson stated that this could be sent out to get the message of the committee across, but that you can not legally bind the cost centers to this. Each negotiation is suppose to be done individually & with some confidentiality.

Maureen Valente reminded the committee that nothing can be done about the percentage that the retirees pay unless there is a change to the state law. The town has already adopted that the retiree is to pay 50% of the premium.

Jamie Gossels asked if the committee can really be this specific in a memo like this. Maureen Valente stated that she and probably the school committees could not commit to a percentage figure or total dollar amount. You can't predict the COLAS until the negotiations began. Chuck Woodard stated that the committee could make a recommendation and that they could state what the expectations are.

Bob Jacobson stated that this list could be presented at the working group meeting.

There being no further business, the committee adjourned at 7:33pm to attend the Special Town Meeting.