

Town of Sudbury ~ Finance Committee
Minutes of Meeting
Monday – December 20, 2010
Flynn Building – 7:30pm

Present: Joan Carlton, Tammie Dufault, Jamie Gossels (arrived 7:39pm.), Bob Jacobson, Bill Kneeland, Marty Ragonas, Jim Rao, Robert Stein, and Chuck Woodard.

Opening Comments

The meeting was opened at 7:37pm.

Item 1: Approve Meeting Minutes

The committee was asked if they had any comments or suggested changes for the November 15, 2010 minutes.

VOTED: Motion to approve the minutes from the November 15, 2010 meeting. Motion made by Bill Kneeland and seconded by Tammie Dufault. On vote, motion carries 8 in support, 0 opposed, and 1 absent (Gossels).

Item 2: Transfers and Other Business

Transfer #11-02 is in the amount of \$120,000 and is being requested by the Town Manager. Committee members were provided with a copy of the request prior to the meeting. Maureen Valente, Town Manager, explained that the funds would be transferred from the Medical Insurance Line and transferred to the Unemployment Line. Depending on the claims for the next few months, it is possible that they will need to come back and request another transfer. \$100,000 will be used to cover claims for the school department and \$20,000 will be used to cover town's claims.

VOTED: Motion to approve transfer request #11-02 in the amount of \$120,000. Motion made by Bill Kneeland and seconded by Marty Ragonas. On vote, motion carries 9 in support and 0 opposed.

Other Business: The committee was informed that due to the Martin Luther King Holiday, the January meeting will be held on January 10th.

Item 3: Public Comments

There were no comments made from the public.

Item 4: Town Departments Liaison: Report & Discussion

Bob Jacobson and Tammie Dufault serve as the liaisons to the town departments.

Prior to the meeting the FinCom members had received, via email, answers to the FY12 FinCom Questions and the updated "FinCom Spreadsheet". Maureen Valente, Town Manager, reviewed the information with the committee.

Maureen Valente stated that the town is doing ok at this time, although there are vacancies that have not been filled. Maureen Valente reviewed some of the problems that the DPW were having in getting

projects completed because of the lack of funding. She reviewed the major cuts that have resulted in the reduction of tree removal/maintenance throughout the town.

Maureen Valente also discussed what the perpetual care account is for and how it works. They are hearing complaints because of the lack of work being done, but this has resulted in the investments being down. Marty Ragonis suggested holding a general discussion with the citizens so that they understand the program. Maureen Valente stated that she has asked the DPW to put together a statement. Marty Ragonis suggested that the statement be available on the website.

Maureen Valente reviewed the overtime budgets for the Police and Fire Department. Currently they are doing ok. She is being questioned as to whether or not Fire Station 3 will be able to be kept open. The Fire Department has been filling vacancies, which is helping in reducing the number of vacant shifts. Bob Jacobson informed the committee that the town departments donated their time for the Lt. Milley funeral so there should be no additional costs to the town.

Robert Stein questioned what was being done with the Regional Life Support. Bob Jacobson stated that the fire department staff consisted of 31 to 32 fire fighters and that the town wanted to hire four more. Maureen Valente stated that as they fill vacancies, they are hiring candidates who hold paramedic certifications. Not all have firefighting skills, so some have had to or will be sent to the Massachusetts Fire Academy. Once we get up to the right number of employees, the department will be able to reduce the overtime and be able to use the back-up ambulance to make additional runs. We will still do mutual aid by helping with surrounding communities. Tammie Dufault recommended that this topic be brought up at a Board of Selectmen's meeting as she, and most likely others have questions.

Jim Rao questioned the cost of the upcoming Special Town Meeting and Election. The cost is expected to be \$10,000 for the special election and \$6,000 for the Town Meeting. Maureen Valente stated that they are hoping to have the town meeting completed in one night. She stated that Ralph Tyler will be presenting an article on Senior Tax Relief.

Robert Stein questioned if there were pay freezes, what kind of savings the town could expect. Maureen Valente stated that she does not have the figure available. She stated that the Non-Union employees did not receive a COLA increase. She explained some of the union contracts and what the increases for FY12 would be. Chuck Woodard stated that the average tax payer does not understand the step increases. Maureen Valente explained the number of steps in some of the union contracts, and stated that she estimates that 60% of the town employees are at the top step.

Chuck Woodard stated that he has difficulty with the concept that salary contracts are negotiated on a 3-year basis when we do not know what the revenue figures will look like that far ahead. He is wondering if town officials would consider negotiating salaries on a one-year basis. She stated that this is something that would need to be discussed with the unions, and informed the committee that she knows some towns are beginning to do one-year contracts. She stated that the town has achieved things in the past with the three-year contracts, such as capping sick buybacks, revising work hours, and revising the roles of some supervisory positions.

Item 5: Lincoln Sudbury Regional High School Liaison: Report & Discussion

Chuck Woodard and Robert Stein serve as the liaisons to Lincoln-Sudbury Regional High School.

Prior to the meeting the FinCom members had received, via email, answers to the FY12 FinCom Questions and the updated "FinCom Spreadsheet". Chuck Woodard reviewed the information with the committee.

The committee was informed that the school's Excess & Deficiency Fund balance is currently \$380,851.37. It was explained that this fund works similar to the town's Free Cash and, as with the town, is below the level recommended by the accountants when measured as a percentage of the operating budget. Chuck Woodard also pointed out that there has been considerable discussion about whether to use funds in the stabilization fund, which are earmarked for capital expenditures, to deal with pressing technology upgrade and replacement needs.

Chuck Woodard stated that historically negotiations have taken place to settle on 3-year contracts. Due to the uncertainty of revenue figures, he asked if it was reasonable to start thinking about settling contracts regarding salary on a one-year basis. Mark Collins, LS School Committee, stated that it was not an unreasonable request, but it would be a significant diversion compared to how negotiations are handled across the commonwealth. Judy Belliveau, LS Finance Director, stated that it becomes a very time consuming project when it is done yearly.

Robert Stein stated that he had attended an LS School Committee meeting where department heads were invited to discuss the effects of cuts to their respective departments. He stated that the meeting lasted for 2-hours. The discussions revolved mainly on the impacts to the kids and quality of the education. The FinCom members were presented with a hand-out, "The Potential Future of L-S, which was used at the LS School Committee meeting.

Robert Stein commended Scott Carpenter for the fact that at the school committee meeting, he presented a potential figure of what could be saved if pay freezes were put into effect. Scott Carpenter, LS Superintendent, informed the committee that even if the employees agreed to a voluntary pay freeze for one year, this would not fix everything.

Robert Stein also informed that the committee that they discuss the impacts of teaching 5 classes vs. 4. Tammie Dufault questioned when the number of classes the teachers teach was reduced from 5 to 4. Scott Carpenter responded that he believes it was sometime around 1990. They discussed some of the potential affects to class sizes and scheduling issues.

Robert Stein informed the committee that the possibility of cutting elective classes was discussed. This would have a greater effect on the kids who are B and C students. These are the classes that this type of student excels in. Scott Carpenter stated that they did not discuss actual figures if electives were cut. There is a potential it could cost more in the long run if the electives are dropped, as teachers who are teaching the elective classes have more students in these classes. He stated that the electives help to keep the kids interested and motivated.

Item 6: Sudbury Public Schools Liaison: Report & Discussion

Joan Carlton, Jamie Gossels, and Marty Ragonese serve as the liaisons to the Sudbury Public School.

Prior to the meeting the FinCom members had received, via email, answers to the FY12 FinCom Questions and the updated "FinCom Spreadsheet". Jamie Gossels reviewed the information with the committee.

The failed override resulted in the elimination of 4.5 FTE teacher positions. The increased class sizes were one of the most significant impacts of the failed override.

The school department used federal funds to reduce lay-offs. Jim Rao questioned if funds were set aside to cover unemployment claims when the federal funds run out. Superintendent John Brackett stated that the school has.

One of the positive impacts has been the donations from SERF. John Brackett stated that they have received \$50,000 from SERF and that they make donations to the school department every year.

Tammie Dufault commented on the grant funds being received and questioned how much was being set aside for unemployment claims. Mary Will, SPS Finance Director, responded that 36% of the employee's salary is being set aside with a cap of \$18,000.

The committee questioned the school department about the possibility of contracting out the food services. Marty Ragonis stated an analysis of the program has been done, and that it is not operating at a loss. Chuck Woodard questioned if the benefits were included in the analysis. If the benefits are included, then the program is operating at a loss. Mary Will informed the committee that benefits were not included, and that there are approximately 15 employees working in the food services.

Tammie Dufault questioned how our meal rates compare to other communities. Mary Will stated the meal rates are not regulated and that we rate on the lower end of the scale. John Brackett stated that they are still in the process of reviewing the food service analysis. Besides outsourcing the service, they have the potential to change the management style, change their pricing, or find ways to lower their labor costs.

Chuck Woodard questioned the possibility of changing the contract negotiations from a 3-year contract to a 1-year contract. John Brackett stated that this clearly could be done, but there is a down side. One of the problems is that if they negotiate on a broader agreement that consists of more than just compensation. He stated it might not be possible to reach our goals in one year, such as the benefit negotiations that have just taken place. Jeff Beeler, SPS School Committee, stated that although we would have a better idea of revenues when dealing with a 1-year contract, we would have never seen the benefits savings that were a result of this past negotiation. The benefits savings being achieved is because the concessions were able to be made over a 3-year period. Jim Rao stated that the trade-off becomes available jobs or higher compensation.

Robert Stein questioned if there was a pay freeze, without COLAs or step increases, for the next three years how much the SPS district could save. John Brackett stated that he was not sure, but could look into it and report back at a later date.

Item 7: Review Preliminary Budget Hearing Calendar

Joan Carlton provided the committee members with a preliminary draft of the FY12 Budget Hearing Schedule. She stated the presenters she has been in touch with stated they would use 30 to 45 minutes to make their presentations. It was agreed that the budget hearings would begin on Feb. 7th at the Grange Hall.

Robert Stein suggested starting the budget hearings at 7pm.

Bob Jacobson stated he would like to see the Budget Working Group meetings to be continued even though the meetings will need to be opened to the public.

Tammie Dufault stated that she would like a public discussion to take place to address how the budget funds are allocated between the cost centers. She stated that it is time to start doing things differently. This could be an educational session.

Jim Rao stated that it is less relevant as to what has been done in the past. More importantly, we need to look at where we currently are and what will be happening in the future. He recommended having this discussion after the cost centers have presented their budgets.

There being no further business, the committee adjourned at 10:38pm.