

Town of Sudbury ~ Finance Committee
Minutes of Meeting
Tuesday – February 2, 2010
Lower Town Hall – 7pm

PRESENT: Chairman Chuck Woodard, Joan Carlton, Jaime Gossels, Bob Jacobson, Bill Kneeland, Marty Ragonas, Jim Rao, Robert Stein, and Sheila Stewart.

Opening Comments

Due to technical difficulties, the meeting was not opened until 7:25pm. Chuck Woodard explained that we would be hearing about the non-override budgets tonight. He discussed the reduction in State Aid, the decline in local revenues, and what constitutes a non-override budget.

LSRHS Non-Override Budget Presentation

Scott Carpenter, Superintendent and Judy Belliveau, Finance Director made the presentation. Scott Carpenter will be discussing the education impacts, while Judy Belliveau will discuss the financial aspects of the non-override budget.

Non-Override vs. Override Budget:

Judy Belliveau discussed the difference between the override and non-override budgets. The FY11 non-override budget results in a zero increase from FY10 while the override budget increases by approximately \$1 million dollars. The non-override budget results in a reduction of approximately \$800,000 from a roll-up budget and the loss of 10.25 FTEs.

Enrollment

The FY10 enrollment was projected to be 1,640 students, but the actual count is 1,614. One of the reasons for students leaving was to attend private schools. The FY11 projected enrollment is increased by 31 students, for a total count of 1,645 students. To maintain the FY10 class sizes an additional 1.6 FTEs are needed.

Non-Override Impact

A non-override budget will compound the losses to the school over the last three years. The Teachers' work load will increase by approximately 9%. The FY11 professional FTEs will be reduced by 8 to 9, with the support FTEs being reduced by 2.

Scott Carpenter reviewed the impact of cutting 9 teachers would have on student-teacher ratios. Since 2003, staffing has not kept pace with the enrollment. By FY11, enrollment will have increased by 268 students (19.5% in eight years). By FY11, the faculty staff has become 4% smaller (5.5 less FTEs) over that same period.

Scott Carpenter reviewed the impact the non-override budget would have on the optimal class sizes for English, Math, and Science classes. He stated that for writing classes they try to cap the class at 25 students, but next year the classes will have over 30 students. He stated that for the past decade some of the math classes have been over the optimal number for the classes to be effective. This hurts the students in the lower levels that need more attention. He stated that safety is being compromised in the science classes. The lab was built to hold 24 students, but they are already exceeding that number. Next year all science classes will be above the optimal level.

Robert Stein questioned who decides the optimal class level size. Scott Carpenter responded that it is not arbitrary. They look at national research. Right now California has a big push to keep the class sizes at 22 students. Lots of research will come out of this. He stated that he sits in on classes to watch how many times students have a chance to interact with the teacher. Robert Stein questioned what the surrounding town class sizes were like. Scott Carpenter responded that LS was a little higher, but that all communities are seeing class size increases.

Budget Assumptions

- Staffing will remain at the same level as FY10
- The staff receives step increases and the cost of living increase that was negotiated as well as other contract provisions.

- Athletic, Activity, and other fees will be continued at the same amount as FY10. It was noted that the school committee does have the authority to increase these fees if they so choose.

FY11 Budget Scenarios

Salaries will increase by approximately \$30,882. This amount includes step increase and a reduction in FTEs.

Pensions and Insurance will increase by \$371,945.

The Utilities Line will be decreased by \$76,669. There were changes made to this line since the last presentation.

Operational requests are down by \$8,699. The advertising line has been cut since the school is facing layoffs.

Robert Stein questioned if the school has seen a reduction in the parking fees and bus fees being collected. Scott Carpenter responded that they are not having a problem selling parking spaces. There has been a reduction in the parking fees, since students are not driving as much. The school can only charge an amount that they can justify the cost of.

Robert Stein questioned if there is an audit done to verify that the student's family actually live in town and that the student is not living with friends. Scott Carpenter responded that there is no formal means to audit this. The parents seem to monitor this on their own. He does receive emails from parents questioning certain student's residency. The police department has helped to double check the residency when questions arise. Robert Stein questioned if anyone was caught in the last 5 years. Scott Carpenter responded that there has been an issue where a family owns the home but does not live there since they rent the house out.

Bob Jacobson noted that Special Education mandates make up a large portion of the budget, and asked how this is affecting the FY11 budget. Judy Belliveau responded that the number of students has increased by 15 to 17%, and the costs have increased as well. She will need to report back with the actual figures.

G4 Discussion

Chuck Woodard stated that if the non-override budgets are the ones that are approved, than the cost centers could be faced with what he calls a "budget emergency". He is wondering if changes are being considered if the non-override budget passes and if there are any projects that the G4 could accelerate. Scott Carpenter responded that they are still in the conversation phase, but that he and John Brackett would try to create new arrangements where possible.

Susan Iuliano, SPS School Committee, stated that the school committee does understand the importance of the G4. They are aggressively looking at ways to cut costs and create efficiencies. She reminded everyone that the savings realized by the G4 will not be as great as the Budget Review Task Force's projected savings.

Radha Gargeya, LS School Committee, gave an overview of what the G4 is. It is led by the superintendents of the four neighboring school systems: Lincoln, Wayland, Sudbury Public Schools, and Lincoln Sudbury Regional High School. Their goal is to find savings and to be able to offer the same or more services at a reduced cost. The G4 was formed this past summer. January 13 was their kick off meeting.

Robert Stein questioned that the committee was formed in June, but did not meet until a half year later. He also asked when the committee would be meeting again. Radha Gargeya stated that the group has been meeting informally, but are now meeting once a month on a formal basis. He reviewed who attends the meetings. The goal of the G4 is to have a preliminary report prepared by mid-March.

John Brackett, SPS Superintendent, stated that there is no target amount for the cost savings. The report in March will not include figures of actual savings because the numbers will need to be vetted. He stated that he is sure there will be savings and some improvements.

Chuck Woodard questioned if there are things that could be done sooner than later. John Brackett stated in his opinion that if there were easy answers they would already be making the changes. These are very difficult and complex matters that they are looking at. He stated that the conversations are continuing with all of the districts. Marty Ragonis stated that she is glad to see the committees putting so much effort into this. She asked that if mergers cannot take place, that the details of why be let known.

Town Non-Override Budget Presentation

Maureen Valente, Town Manager, made the presentation. She started by introducing the two selectmen (Larry O'Brien and Bill Keller) who were in attendance. She also introduced the town department heads.

Adjustments to FY10 Budget

Some of the funds from the Health Insurance Reserve voted at the 2009 Town Meeting have been used to settle labor contracts. There are still negotiations going on for the town.

A 3% wage adjustment was made in exchange for moving to rate saver plans and increasing the employees portion of the premium to be paid (increased 5% for FY10). New hires will pay 30% for HMO and 45% for POS plans. The retiree contribution rate was left at the 50/50 split, which is the minimum required by state law.

Roll Up Budget

- Represents a 2.25% net growth over the FY10 adjusted budget
- Requires \$406,262 over FY10
- Does not include four areas that are important: 5 more hours at the senior center, 4 new firefighters, GIS staffing capability, and a facilities management department.

Chuck Woodard questioned the cost of the 4 new firefighters. Maureen Valente stated that it would be cost neutral to bring the new firefighters on. It would help reduce the Fire Department overtime expenditures and the department would have the ability to bring in more ambulance revenues. The selectmen have not yet approved these positions.

Robert Stein questioned why Sudbury does not use on-call firefighters as other communities do. Ken MacLean, Fire Chief, stated that you can save money by using on-call firefighters, but a longer response time will result. Currently the department aims to have a 4-minute response time, but is actually responding in a little over 3-minutes. He stated that most communities do not operate with only on-call firefighters. He stated that they are working on getting more on-call firefighters.

Zero Growth Budget

- results in a reduction of \$493,031 from the Roll-Up Budget total
- \$300,492 in cuts have been determined
- \$86,769 in additional offsets have been identified
- \$105,770 still remains to be reduced

Cuts That Have Been Made

- Legal Expenses
- Police & Fire Overtime
- Building Maintenance
- Hours at the Library
- Teen Center Coordinator (PT position – Looking at funding using the revolving fund)
- Contracts across all departments

Cuts So Far – Consequences

- Reduced ability to keep police shifts filled and fire station opened
- Reduced ability to take care of the frail and needy in town
- Reduced ability for library to be open and have the needed materials
- Reduced ability to collect delinquent taxes
- Reduced ability to meet regulatory deadlines, with risk of consequences

Robert Stein questioned where the money is coming from for the new police station that is being proposed under Article 27. Maureen Valente stated that capital projects do not typically come from the operating budget. This article was submitted to keep this matter in the public view. Bill Keller, Selectmen, stated that the article was submitted as a place holder. The station is in need to be replaced or improved. A smaller station is being proposed. The estimated costs are less than the original proposal. The selectmen are undecided at this time whether or not the article will be put forth at the town meeting. If it is to go forward, it would be funded via a debt override.

SPS Non-Override Budget Presentation

The presentation was made by John Brackett, Superintendent. He stated that tonight's presentation will focus mainly on the impact of a 0% budget. He stated that a lot of the information has been discussed previously.

FY11 Roll-Up Budget

The SPS Roll-Up budget equals \$35,323,963, and is 3.07% higher than the FY10 budget. The benefits increase 1.10% over the FY10 budget.

Non-Override 0% Budget Summary

The FY11 Non-Override budget would equal \$34,270,642, which is equivalent to the FY10 budget. Compared to the roll-up budget, this results in a deficit of \$1,053,321.

Without the savings achieved from the most recent contract negotiations, the deficit would have been \$2,416,500. Cutting one teacher will save the school department \$46,986, and there are currently 197.8 professional FTEs not including special education. Cutting one support staff position saves \$23,000, and there are currently 81.7 support staff FTEs not including special education.

Enrollment is projected to be 2.9% (91) lower than FY10. Due to the declining enrollment, staffing is projected to be reduced by 2.5% (3.5 FTEs). Special Education expenses are budgeted at 10% growth, but may grow to 13%. The school is watching 3 to 4 potential out-of-districts placements that are more costly.

John Brackett reviewed \$813,008 worth of salary cuts (equivalent to 22.05 FTEs) and \$179,840 worth of expense reductions that were made 18 months ago.

FY11 Preliminary list of Cuts/Reductions ~ Non-Personnel

- \$43,750 – Reduced district supply budget and expenses by 5%
- \$34,242 – Reduce school supply budgets by 10%
- \$56,856 – Eliminate professional development budget (non-grants)
- \$35,000 - District Wide technology equipment and infrastructure
- \$119,000 – Restrict all expense budgets (excluding Spec. Ed.) to FY10 levels
- Explore proposals for contracting food services
- Explore proposals for contracting custodial services

FY11 Preliminary list of cuts/reductions under consideration

John Brackett reviewed 34.53 FTEs as potential cuts under consideration, which equates to \$1,733,587 in salaries.

Robert Stein question that if the enrollment is to drop by 300 to 400 in about 4 years, if there is a potential to close one of the schools. John Brackett stated that he expects to see the enrollment to continue to drop thru 2014, but does not see the opportunity to close one of the schools. One option to consider would to make one of the smaller schools into an early education center. The school department also does not have the physical capacity to combine the schools either.

Other Business

The committee discussed the agenda for the February 4, 2010 meeting.

The committee discussed working budget group meeting that is scheduled for tomorrow morning and some of the potential override amounts that were being discussed.

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