

**Town of Sudbury ~ Finance Committee
Minutes of Meeting
Thursday – January 21, 2010
7:00pm – Lower Town Hall**

PRESENT: Chairman Chuck Woodard, Joan Carlson, Jamie Gossels, Bob Jacobson, Bill Kneeland, Marty Ragonas, Jim Rao, Robert Stein, Sheila Stewart

Opening Comments

The meeting was opened at 7pm.

Other Business

Maureen Valente, Town Manager, asked the committee to approve the deficit spending of the Snow & Ice accounts. She informed the committee of the remaining balances as of tonight. The concern is for the bills that will come in due to this past week's snow storm. The Town Manager & Finance Committee must give their permission before the DPW may deficit spend this account.

VOTE: Pursuant to M.G.L. Chapter 44 - Section 31D, motion is made to authorize the Department of Public Works to deficit spend the Snow & Ice accounts. Motion made by Jim Rao and seconded by Bill Kneeland. On vote, motion carries 7 in support, 0 opposed, and 2 absent (Ragonas, Jacobson)

Prior to the SPS budget hearing, Chuck Woodard gave a brief overview of the budget process, and how the 4.5% spending limit came into being. It was explained that the cost centers would be presenting their Fixed Growth budgets tonight.

Budget Hearing: Sudbury Public Schools

Jim Rao, liaison to SPS, introduced Superintendent John Brackett.

John Brackett informed the committee that some of the slides will be different than what was originally submitted to the committee. There were some small edits made to some of the slides. He also informed the committee that not all of the slides would be reviewed tonight, but are available on the school's website.

FY11 Budget Outlook and Drivers:

The FY09 budget growth was 1.5%, while FY10 was 1.26%.

In FY09 22 FTEs were laid off and 12 more FTES were slated for FY10. The FY10 layoffs were avoided because of the settlement between the school committee and the labor unions.

In terms of revenues and cost offsets, a 10% reduction in state aid is currently being projected along with a projected shortfall in the Special Education Circuit Breaker of \$250,000+. In FY10, the school system received \$163,485 in Federal stimulus grants. The stimulus funds were used for additional technology, professional development, and math enrichment materials. In terms of

stimulus funds, the school system received \$363,981 in IDEA funds and \$14,164 in Pre-K IDEA funds.

In FY11, the school is in year 2 of a 3 year contract. Salaries and wages are known, so they are able to budget accordingly. The employee benefit contribution rates will change from 15% to 17.5%.

The number of students on IEPs in FY10 is down 3% from FY09. The number of out-of-district students increased by 2, bringing the number to 38. Special Ed staffing is down 2.7 FTEs in FY10.

There were no increased fees in FY10, but these are still being reviewed for FY11.

Full-Day Kindergarten (FDK) has been a success. The current projection is slightly above cost-neutral. The school system is monitoring this on a monthly basis and if this trend continues, would allow for a slight reduction of the last month's tuition. There is a greater demand for FDK in FY11. Although they are in the preliminary stage of reviewing the tuition charges, the fee may remain unchanged for FY11. Chuck Woodard asked if they are including the cost of the potential retirees' health premiums when they state that the tuition is covering the cost of the program. John Brackett explained that the tuition is only covering the direct costs of operating the program. Bill Kneeland questioned whose decision it was to make it Sudbury's policy to be cost neutral in regards to FDK. John Brackett stated that the state restricts school systems from making a profit on this program.

School Enrollment:

John Brackett reviewed the enrollment figures with the committee. It was explained that the information being provided does not take any of the redistricting that might take place into consideration at this time. The K-8, FY10, enrollment population is 3,102 students, which is down 65 from the prior year. There were 2 unforeseen factors when projecting the enrollment figures. There were more transfers to private schools and a higher number of move-outs than move-ins into the town. The FY11 enrollment projection is 3,044 students, which will be down by 58 students.

John Brackett reviewed the number of students of staff attending SPS and the number of Metco students. It was explained that the students of staff are allowed depending on space available. Their children are not guaranteed a specific school if a space issue arises. A policy that allows the children of staff to attend a school in the system where the parent works is a widely accepted practice across the state. The state also allows the school to count these students as residents for funding purposes.

Bob Stein questioned how students are selected to participate in the Metco program and whether or not the system could deny a student if they are on an IEP. John Brackett reviewed the selection process with the committee. It was explained that the school gets a folder regarding the student. They look to see if the student is in good standing, and whether or not they can handle a one-hour bus ride. The school is not allowed to discriminate against Special Education students, and they can not be denied because they might be/are on an IEP.

For FY10, there are 28 staff children and 65 Metco students attending SPS.

FY11 Roll-Up Budget:

Based on FY10 level staffing and programming, the total budget increase would be 3.07%, for a total budget of \$35,323,963. The net salary increase would be 1.24% over FY10. Benefits are projected to increase by 1.10%. Expenses are increased at 3%, but may be a little less. Special Education expenses are increased by 10%, which included a 15% increase in the CASE assessment.

FY11 Fixed Growth:

In the current fiscal climate, this budget is not feasible without a substantial override. The total budget would be \$35,812,272. The net salaries would increase by 2.98%. This reflects a \$488,309 difference between the Roll-Up budget and the 4.5% target budget. The staffing would include restored positions. The FTE count would be 401.31, which is equal to their 2006 total. Some of the restored positions would be a .5 FTE Unified Arts teacher, 2.0 FTE Literacy Tutors, and 2.0 Math/Enrichment Specialists, and a .5 FTE shared Facilities Manager position with the town.

Budget Hearing: Town of Sudbury

Marty Ragonas, liaison to the town, introduced Maureen Valente, Town Manager.

Maureen Valente introduced the town's selectmen and department heads that were in attendance.

Budget Accounts under Town Manager

There are 30 different departments that report to the Town Manager. Some of these departments only have 1 or 2 employees. The committee was informed of the senior management team that is made up of six department heads. The creation of this team has allowed the town to achieve streamlining in areas, better communications and operations.

Municipal Strategy

- *Achieve and maintain efficient workforce organizational structure/processes. The town's 30 departments consisted of 171.66 FTEs during FY10.
- *Achieve Selectmen's goals and long range strategies.
- *Continuing protecting and investing in the towns physical assets through capital planning.

Recap of FY10 budget

The budget increases by \$296,199 (1.7%) over the FY09 budget of \$17,731,871. The wage and benefit negotiations mirror those of the SPS settlement. The committee was informed that the Police and Fire union are currently unsettled. The DPW, Engineers, and dispatcher unions had agreed in previous contracts to switch the health plans once all the other unions have settled.

Recap of FY09 budget

The budget increases by \$209,190 (1.19%) over the FY08 budget of \$17,522,681. An equivalent of 7 FTEs was reduced and \$250,000 was cut in non-personnel expenses. The snow & ice actual spending came in at \$641,320 as opposed to the \$414,655 that was budgeted.

FY11 Budget Assumptions

- *Goal is to retain all staffing positions.
- *No across the board wage increases (0% cola)
- *Steps are included, including a new partial step for those employees at the top step. It was explained that the non-union employees have 7 steps, and the police and fire have 5 steps.
- *Employees will contribute an additional 2.5% to the cost of the health plans.
- *Because all of FY10 contracts are unsettled, they are not clear on the final increase in health

insurance for FY11.

Overview of Fixed Growth Budget

The budget increases by \$725,777 (4.03%) over the FY10 budget of \$18,028,070. This budget allows for the restoration of items that have been cut over the past 2 years. The budget includes adding staffing in areas that are important for the well being of the town and to protect investments in current assets and programs.

Overview of Public Safety – Police

The budget assumes the police union will achieve a settlement similar to the other groups. This budget allows for an increase in overtime, which will allow for 65% of the open shifts to be covered. It also allows for the restoration of a Traffic Officer position that was previously cut.

Overview of Public Safety – Fire

The budget assumes the fire union will achieve a settlement similar to the other groups and includes a proposal to add four new firefighters. Bob Stein questioned if with the hiring of the 4 additional firefighters that is to reduce the overtime costs a dollar to dollar savings is expected. Chief Ken MacLean stated that it will not be a dollar to dollar savings, but it will help generate revenues and reduce overtime costs. Chief MacLean stated that the whole package is revenue neutral. The current vacancies are already being filled by paramedics. Bob Jacobson stated that they are not really hiring four new firefighters, but replacing positions that were previously eliminated.

Overview of Inspectional Services

All employees have made changes to the new health insurance plan and contribution rates. Primary differences between FY10 and FY11 budgets are: utilities budget is down, restores cleaning service hours, and a proposal to create a shared facilities management department with SPS.

Budget Hearing: Lincoln-Sudbury Regional high School

Robert Stein, liaison to LSRHS, introduced Scott Carpenter, Superintendent.

Budget Guidelines

Scott Carpenter explained that he made a presentation to the Town of Lincoln last month and presented a non-override budget which resulted in a decrease of .5% from FY10. Sudbury's FY11 budget based on the 4.5% assumption would result in an increase over the roll-up budget of \$167,071.

Budget Assumptions

The budget is based with a level staff service, with the employees receiving step increases. The projected cost of utilities, Special Education, and health insurance premiums are based on the figures as of December 9, 2009. All fees were kept at the same level as of FY10.

Enrollments

The projected student enrollment for FY11 is 1,645 students, which is based on a 10-year average.

Chuck Woodard questioned the number of non-resident students. It was explained that there are 91 Metco students, 13 staff children, 1 tuition student, and 1 student who attends under the

Superintendent's agreement with another district. The average class size as of today is 22.8 students, and if the above mentioned students were pulled from school today, the class size would decrease to 22.1 per class.

Salaries

The salary lines will include a total increase of \$575,671. This includes a 1.75% cost of living increase for all teachers and an additional 1% for teachers on the top step. Bob Jacobson reminded the committee that approximately 40% of the teachers at LS are at the maximum step.

Pensions & Insurances

The insurance and pension costs will increase by \$352,957. It has been negotiated that the employees' contribution percentage will change from 25% to 30%. An incentive plan is being offered to persuade employees to change to the less expensive plans. This will result in a cost to the school in the short-term to incent employees to change plans, but will realize savings long-term.

Assessment to the Towns

The assessment has 3 components: school budget, revenues from the state and other sources, and debt service. Each component is apportioned to the town based on the ratio of students, using a 3-year rolling average. Chapter 70 State Aid is unknown at this time. The school is assuming a 10% reduction.

Jamie Gossels asked about the school's Capital Budget. Scott Carpenter explained that this is a separate budget. Judy Belliveau explained the school's stabilization fund, which has approximately \$480,000.

There being no further business, the committee adjourned at 10:40pm.