

**Town of Sudbury ~ Finance Committee
Minutes of Meeting
Monday – February 28, 2011
Sudbury Grange Hall -7:30pm**

Present: Jamie Gossels, Bob Jacobson, Bill Kneeland, Jim Rao, Robert Stein, and Chuck Woodard

Absent: Joan Carlton, Tammie Dufault, and Marty Ragonas

Opening Comments

The meeting was opened at 7:40pm

Item 1: Approve meeting minutes

Since Tammie Dufault was not in attendance and the minutes involved questions on some of her suggested changes to the December 20, 2010 minutes, the committee members agreed to defer discussion on all of the minutes until tomorrow night's meeting.

Item 2: Public Comments

There were no comments made from the public.

Item 3: Review of potential budget scenarios to be considered by the Board of Selectmen

Handouts: "FY12 Operating Budgets Scenarios"

Jim Rao presented the committee members with a copy of the handout showing five potential budget scenarios. He had prepared the spreadsheet in order to help begin the discussion.

Jim Rao informed the committee that the health rates for the town's & Sudbury Public School's (SPS) FY12 benefit plans will be presented to the Board of Selectmen tomorrow night. The costs have come in \$58,000 lower than expected, resulting in a savings of \$38,000 to SPS and \$20,000 to the town.

Robert Stein questioned if the \$125,000 savings that SPS will realized for outsourcing the food service program is included in the figures and if not, why they were not. Jim Rao informed him that the \$125,000 savings was not included in the scenarios, as he did not feel it should be included at this time. Susan Iuliano, SPS school committee, stated that a request for bids has not gone out yet. They are hoping to have more definite answers sometime in April. The school committee voted only to support to looking into the possibility of outsourcing the food service program. John Brackett, Superintendent, stated that they are hoping to have definite answers in time for Annual Town Meeting.

Robert Stein questioned if the possibility of pay freezes were accounted for in any of the scenarios. Jim Rao informed him that there were not.

Bob Jacobson proposed an override similar to scenario 3, but there would be conditions attached. His recommendation is a proposal for a \$1million dollar override, with the breakdown between the three cost centers being: \$370,000 for SPS, \$130,000 for the town, and \$500,000 for LSRHS. The conditions would be that the FinCom agrees to let LS use \$300,000 from the Excess & Deficiency Fund, the teachers' union agrees to restructure the FY12 health plans, the employees forfeit all incentives in order to move to the

rate saver plans (allows the school to realize the full savings). The agreement must be in writing and signed by both parties prior to the start of the Annual Town Meeting. This proposal will help save jobs, keep class sizes small, and continue to allow the employees to teach 4 classes as opposed to 5. The agreement of this proposal would show that all of the parties are working together, each has compromised a bit, and it will help all sides.

Scott Carpenter, LSRHS Superintendent, informed the committee the monthly premium for a plan is \$1,600. Bob Jacobson responded that this is still very high. If the luxury tax was in effect this year, anything over \$1,500 would be taxable. The \$1,600 premium is 25% more than what his company pays.

Jim Rao stated he would not sure if he could set conditions on whether he would or would not support an override. Chuck Woodard stated he liked the idea, and that it might be a way to show the type of changes we want made.

Jamie Gossels stated that she understands Bob's proposal, but she would support an override without the specific conditions being attached. She stated that she didn't think that LS in general did a good job in the contract negotiations, and it doesn't seem right to support the part of the shortfall that is due to the contract. However, she would support some amount of an override to address the Special Education costs as well as the large percentage increase in healthcare.

Bill Kneeland stated that he could support an override for a million dollars with the allocations that Bob presented. The proposal allows that town to support itself and pick up additional capital funding that is needed. He would hope that LS would agree to go back and look at the contract negotiations, and look at the salaries or look into restructuring the health plans.

Chuck Woodard stated that he was disappointed with the last labor contract negotiations by LSRHS. He does not know what to do about the staffing issues at the school. The cost of the labor contracts has these created significant problems. Thinks it is good to give specifics as to why the FinCom would be willing to support the school.

Robert Stein stated he could support an override if it was being used to hire firefighters, police officers, teachers, or to buy books. He stated that the SPS, LSRHS, the town manager, and the Board of Selectmen negotiated contracts allowing for \$1,844,529 in pay increase in FY12. They need to go back to the unions and require step and pay freezes. The tax payers and the children did not create this problem. He cannot support any override. He will only support an override if there are pay freezes.

Jim Rao stated that he is not very supportive of an override. If the consensus of the committee is to support an override he could back one. He believes Bob Jacobson's figures and proposal does make sense.

Chuck Woodard stated that we need to make sure the conditions of supporting an override are well known. He stated that FinCom should report their position on an override including those conditions at the Annual Town Meeting.

Jamie Gossels questioned what happens if the full \$80,000 is not needed for the town portion of the facility manager's position. Bob Jacobson responded that the extra \$20,000 could go to the capital budget. Maureen Valente asked if the funds could go back to the DPW budget to restore some of the services that were cut.

Robert Stein questioned if there were extra funds why they would not be used to cover the snow & ice deficit. Maureen Valente stated that the last time she looked, we are \$225,000 over budget, and they are

looking for ways to cover the deficit within the FY11 budget. Robert Stein questioned the “fat” that is in the town’s budget if they have an extra \$225,000 to cover this. Maureen Valente explained how there is no “fat” in the budget and explained how the Reserve Fund has been used to cover this type of deficit in the past.

Jim Rao asked if the committee would like to address that potential debt exclusion for the sewage project.

Chuck Woodard stated that the town has been talking about this for the last 40 years, so we need to support it.

Robert Stein stated that this \$1 million project is more sellable to the town residents than the \$1 million to cover wages. He would support it since the town needs to have it.

Bob Jacobson stated he would support the project as it was a major recommendation made by the Budget Review Task Force.

Bill Kneeland stated it would be hard not to support. We need to be able to expand our tax base, or we will need to continually go back to the residential tax payers for additional funding. He stated that they having been asking for a lot from the tax payers lately, but this would result in a positive impact to the taxpayers.

Jamie Gossels agreed with Bill Kneeland, but admitted she did not have a full understanding of the numbers right now. She wishes it could come forward at a better time.

There being no further business, the committee adjourned at 8:39pm.