

**Town of Sudbury
Finance Committee
Minutes of Meeting
Monday, October 21, 2013
7:30 PM**

The Town of Sudbury's Finance Committee Meeting, held in the Flynn Building, and was called to order at 7:36 PM by Chairman Doug Kohen. Finance Committee members present for this meeting were: Doug Kohen, Joan Carlton, Robert Stein, Mark Minassian, Susan Berry, and Andrew Sullivan. Those Finance Committee members not present were: William Kneeland, Robert Jacobson and Tammie Dufault.

Item 1 - General Business

Chairman Kohen introduced Rachel Ganimian, new recording secretary of the Finance Committee.

Item 2 - SPS Enrollment

The Finance Committee was joined by members of the Sudbury Public School Committee (Ellen Joachim and Lucie St. George), Dr. Anne Wilson, Superintendent and Mary Will, Director of Business and Finance. Chairman Kohen met with Dr. Wilson, Mary Will and Rich Robison in June 2013 to review data and understand the implications of enrollment changes. Chairman Kohen requested Dr. Wilson give the presentation at a Finance Committee meeting so all members could benefit from the information provided.

Slide 1: Enrollment Projections

Enrollment has been decreasing over the past couple of years.

NESDEC (New England School Development Council) who specializes in enrollment planning for schools has done a study and presented their findings to the School Committee in December of 2012. Currently, based on the real estate projections for the Town of Sudbury, in the year 2013, the school system asked NESDEC to take that information into consideration and do a revised projection. There is confidence in the next 2-3 years projection. Projections are also based upon any 40B projects even if they are planned or in the pipeline. Not expecting any huge influx but, the school system does take into account the size and type of units for enrollment planning purposes. Yearly projections are taken into account for planning purposes as well. If wild fluctuations are seen over the next couple of years, the school system will engage NESDEC once again.

Slide 2: Drivers for Building Utilization

The drivers for 'Building Utilization' that were taken into account in this study were the real estate market, full-day kindergarten, Special Education programs and other specialized instructional spaces. By building their own programs, SPS has been able to bring back students from out-of-district placement saving the district hundreds of thousands of dollars and an average of approximately \$10,000 per student for transportation. SPS just went through a coordinated program review from the district in which they look at the Special Education program, the English Language Learner program and compliance with the civil rights laws.

Although the programs received great praise they were also cited in 2 instances: not having enough space for the English language learner program or speech and language instruction.

Slide 3: Real Estate Market Impact

The Real Estate Market Impact information is provided by: Diane Johnson (Keller-Williams.) There are in-year fluctuations with student enrollment and any number of in's and out's of students. As of October, there are 67 houses for sale in Sudbury, 189 sold in the last 12 months (October to October) and roughly 16 houses are sold per month, this would explain the in's and out's

Slide 4: Percentage of K-8 Enrollment Population

This information was provided by NESDEC and shows population in the State of Massachusetts from 1990, 2000 and 2010 and percent of K-8 students. Sudbury is way above the average for K-8 students. There was an increase between 1990 and 2000 and also again between 2000 and 2010.

Slide 5: Space Utilization

There have been programmatic changes including Special Education programs and Full-Day Kindergarten. The Special Education programs have cost savings associated with them, but they require more space and staff. FTE's have gone up. Some Special Education programs have limits due to constraints on the program. Many rooms have dual purposes, such as the World Language instruction and Orchestra instruction. These classes do not happen at the same time, but happen at different times of the day.

Slide 6: Special Education

FY11 and FY14 use the same number of rooms for special instruction, but there is less enrollment. This is due to new programs being created. Out-of-district placement and finding the appropriate program for the student can be quite expensive. SPS has been successful at finding ways to accommodate some students' needs within the district. Sudbury accommodates staff members' children and METCO students. Middle school has 11 classrooms for specialized education and the elementary schools have 3,4 or 5 classrooms used for the same. Sudbury does not screen METCO or staff students for IEP's.

Slide 7: Full-Day Kindergarten

Another driver for space utilization is Full-Day Kindergarten. Classroom flexibility disappears due to Full-Day Kindergarten (Full-Day K), because 1 classroom is used all day for that class. Full-Day K is not required by law.

Slide 8: Historical Enrollment Data FY95-FY05

Data is from a previous NESDEC study. Data is highlighted when Loring School opened and the NESDEC space study was done.

Slide 9: PK-8, 2002 - 2023

Decreased enrollment anticipated.

Slide 10: Projected Enrollment FY1 - FY24

The live births in Sudbury continue to decline. But, people moving into Sudbury is up. There is not much confidence in the far out numbers.

Slide 11: Budget Implications

The way that enrollment is going to impact SPS' budget is maintenance and enhancement, class size, special education and staffing (instruction leadership), technology enhancements (a 1:1 pilot program with Chrome Books.) Also, the State of Massachusetts is going to implement a new assessment (that moves away from MCAS) that will be computer only and students must be ready with technology to succeed.

Sudbury is using coaches as extra teachers in the building to work in the classroom co-teaching with the teacher. These coaches do not have their own classrooms so that they are able to move about the building and help many students and teachers. A question was asked - Are the coaches factored into the student to teacher ratio? No. Ratio is determined by teacher:classroom.

Dr. Wilson was asked to produce worksheets as to what is practical for downsizing schools or closing a school. Re-districting was also brought up. Sudbury has been through this recently. It is an arduous process. It requires a lot of analysis. Dr. Wilson would not sign up for looking at that yearly. The town can not lose sight of the impact on certain students that redistricting would cause. Two years ago, redistricting was the right thing to do. Even if the Town could get to the point where there were 7 classrooms closed at a school, these buildings are not designed that the heat could be shut off to those classrooms, in essence SPS would still be paying full price for the principal, nurse and janitorial staff.

Item 3 - FY15 Budget Planning

1. Annual letter to cost centers

This letter outlines the initial request for a "No Override" budget (increase no greater than 2.50%) as well as the option to submit a "Level Service" budget. The letter included deadlines, general construction of budgets and scheduling for budget submissions, it also shows the components of revenue which include: tax levy, state aid and local receipts (excise tax, licenses and permits.)

New growth has been consistent in the last years. FY15 tax levy for general use will be approximately 3.3%. This makes up the largest portion of the revenue. State aid has fluctuated in past years, but for budgeting purposes, flat growth is assumed. LS has decided not to continue with the practice of reapportionment, so those revenues are not available as an offset. The Sudbury Finance Committee would like to have LS school committee come and confirm the stopping of reapportionment.

Local Receipts have been significantly above budget for the last 4 years. For FY15, FinCom is looking more concretely at trends for motor vehicle excise and building permits but not for the one time revenues.

The result of all of these budget drivers is a +2.5% increase from FY14, which is slightly down from prior years. This may cause some cost centers to have to make some deeper cuts than expected. Letter expected to be sent out in 7-14 days.

2. Preliminary budget schedule

Chairman Kohen presented the preliminary budget hearing schedule; slight change proposed this year where each cost center will get 1.5 hours and they are able to walk through their no-override

budget and their level service budget at the same time. Andrea Terkelsen suggested pre-taping as a kick-off to the budget. These tapes would replay with broadcasts throughout the budget season.

3. Budget Working Group

There was a discussion about bringing back the budget working group. The group would meet publicly with posted meetings. The goal would be to bring the cost centers together prior to the budget season (Nov-Dec-Jan timeframe) so that everyone can be made aware of common pressure points from a budget perspective. The school system would like to see an equal representation from each cost center, which would include an elected official, administrative official and finance director. The objective of the Budget Working Group would be to bring the cost centers together to see the larger picture of awareness and possibly some negotiations.

Motion: To propose the formation of the Budget Working Group lead by the Sudbury Finance Committee to facilitate conversations between cost centers and adhering to open meeting laws; consisting of 2 finance committee members, the superintendent of each of the schools, 1 school committee member, the finance director of each school, 1 Board of Selectman member, the town manager and town finance director.

Motion moved by Susan Berry, 2nd by Andrew Sullivan. No further discussion VOTE: Unanimous vote.

These meetings are to ask Cost centers to talk about pressure points in their budgets only, not present budgets in general. This will help in guidance as budgets are developed. Historically, discussions have been after budgets were developed, currently, the conversations will be held prior to budgets being created. Frequency of meetings suggested: 2-3 meetings prior to and 1-2 meetings after the budget process. Further discussions should include whether the same 2 Finance Committee members should facilitate all Budget Working Group meetings.

1. Other items

None.

Item 4 - Agenda for Joint Meeting with Board of Selectmen

The purpose of the meeting is to share strategic goals. The Finance committee's strategic goals are: long term planning, both from a capital perspective and OPEB (other post-employment benefits), cost center allocation, transparency in communications.

Discussion about asking the Board of Selectman what their opinion is on the financial aspects of 40B and how it affects school planning, sewer planning and town growth strategy.

Item 5 - Public comments

None.

Item 6 – Adjourn

Motion moved by Joan Carlton, 2nd by Andrew Sullivan. All were in favor and the meeting adjourned, 9:24 PM