

**Town of Sudbury
Finance Committee
Minutes of Meeting
Monday, 23 February 2015**

The Town of Sudbury's Finance Committee (FinCom) Meeting was held at the Flynn Building and was called to order at 7:32 PM by Chairman Susan Berry.

FinCom Attendance

- Present: Jeff Barker, Susan Berry, Joan Carlton, Adrian Davies, Fred Floru, Jose Garcia-Meitin, William Kneeland, Jeff Atwater
- Absent: Mark Minassian

Others Attending:

- LSRHS – Elena Kleifges, Bella Wong, Radha Gargeya, Patrick Collins, Kevin Matthews:
- Town of Sudbury: Maureen Valente and Maryanne Bilodeau (2nd half), Andrea Terkelsen, Jim Kelly,
- Board of Selectmen: Chuck Woodard

1: General Business

- The annual report was circulated for signatures
- 1/12/2015 meeting minutes were approved.
- Transfers and other business
 - No transfers
 - Other business
 - Reminder that Fincom is meeting three times this week
 - All members asked to notify Susan by 2/24 of their availability to meet on March 2 and March 9, if needed.

2. LSRHS Q&A Follow Up

FY16 Budget

- a handout from Pat Collins and Bella Wong was distributed and reviewed.
- Topics covered included the out of district (OOD) headcount used in the budget (line 54), variations on budget line 58 for planned OOD reimbursements, model assumptions for calculating expected FY16 and FY17 OOD reimbursements. PDF copy attached.
- For FY16, the estimate state reimbursement amount is \$1.1M based on 67 students, and a 66% reimbursement rate on amounts over \$40K.
- \$1.1M is expected to be sufficient in case of level service funding. In case of funding at 2.5%, OOD reserves would be used to pay at least part of the difference.
- The governor's budget expected March 4.

LSRHS Q&A , continued

- The \$40K threshold is 4X foundation costs (per pupil costs). Bella Wong explained how the circuit breaker formula works, using a 66% reimbursement rate for the amount over the foundation threshold per individual. Max is 75%..
- You can carry forward one year's circuit breaker reimbursement one year.
- \$ 145K explanation for FY17 reimbursement for additional students. LS is getting reimbursed for FY16 costs. Applying this money to current expenses, using projected # of students and tuition costs, creates the \$145K. It's an estimate.
- In FY15, \$250K was taken from reserves for OOD costs.

Other LSRHS Discussions

Fire Alarm Panel

- See PDF for information
- CIAC described this to Fin Com
- Existing unit's service is discontinued

Teacher Salary Comparison Data

- Teacher salary comparison among schools in 16 surrounding districts using 6 data points (3 degrees – step 1 and top step)
- All ranges are defined by other districts salary points
- Percentage increase step to step relative to other districts – comparison not done for this meeting
- LS has no PhD column
- Health insurance payment to premiums could be compared, too
- Over half the LS teachers are at the top step (in each of the three degrees)

Turn Over – Retirements and Replacement Salaries

- Data shows replacements at lower salaries (except for the teacher that is coming back)
- As expected

State of the Budget at LS

- E&D was not voted for use to lower the assessment. LS is committed to building the E&D. FY14 amount not certified yet – best current guess on amount is \$380K
- Assessments figures will likely change in March when governor's budget comes out
- \$175K is now in the LS budget (1% COLA). It wasn't a couple of weeks ago (2/4). So the level service budget increase (including debt service) went from 5.1 to 5.7%. Assessments at 4.8%
- This puts the variance between level service and 2.5% at \$915K – *in subsequent discussion, this figure changes*

- Chuck pointed out that absent a signed contract, it's difficult (impossible) to come to budgetary conclusions. Case in point - COLA

8:40 pm Fin Com Budget Deliberations

Submitted budgets at level service require an override. We agree to stop looking at 2.0% and focus on 2.5% and level service. We want to create a no-override budget.

At 2.5%, there is an estimated surplus – roughly \$ 237K, The full tax levy wasn't used last year. This year's tax increase will be closer to 4% because left over 'levy' from last year can be used.

Summary

Cost Center	Difference between 2.5% and Level Service	COLA included
LS	740K (915 – 175 COLA)	No
SPS	\$ 748K	Yes
Town	Just under \$90K	No

- OPEB # is based on \$675 per employee – there is some flexibility here.
- For LS, 4.5% increase in salaries and other cash compensations. This includes the cost of the full amount of a 2% half-year increase in FY15. FinCom members suggested that LS might use some E&D money to address the gap.
- Salaries and OOD expenses are the main increase drivers – salaries at around \$778K (COLA not included) and increased net OOD expenses and increased cost of bus monitors at about at about \$ 715K
- FinCom members discussed whether to and ways to help LS with their OOD costs

SPS

- Looks close to level services at 2.5%, including full day kindergarten (\$ 650K), no COLA Half day kindergarten is approaching extinction. Full day looks like a given for next year. We should ask tomorrow if the program can be phased in over 2 years.
- Enrollments are declining but there have been non-classroom FTE. Special Ed programs that take place in SPS schools save money for the town.

Other Considerations

- Consider lowering the OPEB contribution, add the balance to the budget surplus and look at how far that goes to balance the budgets based on a 2.5% guideline.
- We could reduce the OPEB contribution to \$275 (about 1/3 of the cost). That frees up \$220K for FY16 (but that delays the catch up)
- Consider changing the distribution percentages – now 50/25/25 – in the allocation of the surplus
- Minimum contribution figures come with the governor's budget soon which may affect the assessment allocation.
- BOS working on list of capital items for capital exclusion and free cash. No plan to recommend debt exclusions

FinCom Meeting Minutes
2/23/2015

Due to weather and a number of challenging issues, Fin Com will meet with BOS on 3/10.

Bill Kneeland moved that the meeting be adjourned, seconded by Adrian Davies. The motion passed unanimously and the meeting was adjourned at 10:02.