

Town of Sudbury  
Finance Committee  
Minutes of Meeting  
Thursday, February 26, 2015

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

In attendance were Susan Berry, Joan Carlton, Jeff Barker, Mark Minassian, Fred Floru, Jeffrey Atwater, Jose Garcia-Meitin, Bill Kneeland, and Adrian Davies.

#### 1. General Business

There were no minutes to approve.

Budget Transfer Request 15-8 was presented by Chuck Woodard and Interim Town Manager Maryanne Bilodeau. The request entails an amount of \$5,000 being transferred from the reserve fund to account title 0111711/5111000 to cover temporary technical assistance in the Conservation office due to the extended absence of a department head.

Budget Transfer Request 15-6 was presented by Chuck Woodard and Interim Town Manager Maryanne Bilodeau. It involves the costs of transitioning to a new town manager. The cost of hiring a search consultant, currently estimated to be \$17,000 should be transferred from the reserve fund to account title 0111222/522100 for such purpose, and an amount of \$33,000 should be transferred to account title 0111221/511000 for the purpose of hiring temporary help for Maryann Bilodeau. Note that the salary account 0111221/511000 was drawn down as outgoing Town Manager Maureen Valente was entitled to pay on unused vacation.

Budget Transfer Request 15-7 was presented by Chuck Woodard, Interim Town Manager Maryanne Bilodeau, and DPW Head Bill Place. The request is that \$100,000 be transferred from the reserve fund to Highway Vehicle Maintenance (0144202/522330) for the repair of numerous vehicles. Two snow plows were damaged in recent storms requiring \$12,000 each to repair. Other vehicles are requiring maintenance as well.

Maryanne Bilodeau confirmed that after these transfers, the reserve fund would be reduced to \$62,010. Bill Place mentioned that the budget for removing snow and ice is also in deficit by the amount of \$400,000 so far. These requests do not request additional funds for snow and ice removal.

Bill Kneeland motioned to approve Budget Transfer request 15-6. The motion was seconded by Joan Carlton and was passed unanimously.

Jose Garcia-Meitin motioned to approve Budget Transfer request 15-7. The motion was seconded by Jeff Barker and passed unanimously.

Joan Carlton motioned to approve Budget Transfer request 15-8. Bill Kneeland seconded the motion and it passed unanimously.

Susan Berry proposed that the Finance Committee meet with the Board of Selectmen on Tuesday, March 10. There will be a regular meeting of FinCom scheduled for Monday, March 16th.

## 2. Finance Committee Budget Deliberations and Vote

The FinCom looked at three possible scenarios to allocate \$450K surplus among the three cost centers: 1) \$250K to LS, \$100K to SPS, \$100K to the Town. Susan Berry was concerned that the FinCom might pass a budget that would force LS to lay off teachers. Even with an additional \$250,000 contribution to the budget of LSRHS, there would still be a \$400,000 shortfall to their level service budget. For practical purposes the gap may not actually be \$400,000 because LSRHS appears to have some circuit-breaker reserves as well as Excess and Deficiency funds to draw upon. Susan Berry also noted that the SPS level services budget includes 4 new FTEs (Full Time Equivalent Employees).

Jose Garcia-Meitin pointed out that the second and third scenarios prepared by Town Treasurer Andrea Terkelsen upon request of the FinCom leave SPS and the Town more money than requested under their proposed level service budgets.

LSRHS School Committee Chair Radha Gargeya commented that Charlie Baker's new state budget, due to be announced Monday, March 2nd, will provide important guidance in telling the school districts how much money will be coming from the State. He acknowledged that LSRHS could draw down \$250,000 from its circuit breaker reserve, but that would allow for little budget tolerance going forward. He further pointed out that LSRHS is expected to maintain an Excess and Deficiency fund equal to 5% of its operating budget.

Town Finance Director Andrea Terkelsen pointed out that SPS and LSRHS are using different assumptions for what level of reimbursement they expect from the state circuit breaker fund. LSRHS is assuming the state will pay 66% of the calculated amount and SPS is assuming 72%. FinCom is asking LSRHS and SPS to check with the forthcoming state budget guidelines and make their reimbursement rate assumption consistent. The districts also should agree on the cut-off level of spending per student at which the circuit breaker becomes effective. Susan Berry pointed out that going forward, FinCom needs to track the Out-of-District expense line at the schools, so as to be able to reduce the total school budgets by appropriate amounts when these expenses decline.

It was proposed that the FinCom convene a meeting with representatives from the three cost centers present, so that each cost center can better understand the constraints on other cost centers. It was proposed that this meeting take place on Friday, March 6th at 4 pm. There will also be a regular meeting on Monday, March 9th.

Adrian Davies asked Dr. Ann Wilson to explain the need for four new FTEs in the SPS FY16 budget. Dr. Wilson pointed out that SPS was reducing staff by four elsewhere, so even with the four new positions, staffing levels would be flat.

Dr. Wilson reviewed the four positions. 1 FTE is for a Psychological Counseling/ABA Support position. The position is to meet the needs of existing students, not forecasted needs. The second FTE is to have a full time assistant principal at each of the elementary schools. Currently, two of the schools share an assistant principal. Spending part time at each school, the assistant principal can't provide the appropriate level of student supervision. The third FTE would support SPS's co-teaching model. Dr. Wilson asked that we review the video of the School Committee meeting dated February 25th for an explanation of why this position is important. The fourth FTE was for a Data Analyst position. The Data Analyst will help to optimize the resources that are available and propose making changes in the curriculum to better address student needs. These four positions have been needs for a long time. In a pinch, the co-teaching position and the psychologist positions could be cut.

Joan Carlton reminded the cost centers that at the March 6th meeting they should come with new budgets, adjusted to include the new information provided by the release of the state budget. The budget should be further adjusted to include the reallocation of additional revenue as provided under scenario 1 provided by Andrea Terkelsen for the FinCom meeting including \$250,000 to LSRHS, \$100,000 to SPS, and \$100,000 to the Town. Furthermore, the two school programs should work together to make sure their assumptions for FY16 are internally consistent.

FinCom discussed budget exhibits for the Town's three enterprise funds. The \$184,800 capital expense item for Transfer Station will come from the Transfer Station's retained earnings. The expenditure is for roll-off equipment, which helps to move the large trash dumpsters. The CAIC approved this expenditure. The Transfer Station's free cash certified at the end of FY14 was \$238,868.

Jeff Barker motioned to approve the Transfer Station Enterprise Fund's budget of \$514,956. Fred Floru seconded the motion. The motion passed unanimously.

In FY16, the Pool Enterprise Fund is assuming the full cost of the salary for Director Nancy McShea. Previously, we were sharing Nancy McShea with the Town of Wayland. The town of Sudbury asked her to work full time here. In Sudbury, her salary was split between the Pool Enterprise Fund and the Parks & Recreation budget.

The certified Free Cash of the Pool Enterprise Fund is \$82,446, and they are proposing to use all of it in FY16. Beyond FY16, they may have to ask for more funds from the town.

Bill moved to approve the budget of \$578,043 for the Pool Enterprise Fund. Joan Carlton seconded the motion and the motion passed unanimously.

Within the Recreation Field Maintenance Enterprise Fund, Field Maintenance does not have any independent employees. Instead, 50% of 4 FTE's salaries and benefits are allocated from the DPW. These four people help to maintain the fields and also work for the DPW. There will be a transfer of revenue from the Recreation Field Maintenance Enterprise Fund to the town.

The Recreation Field Maintenance Enterprise Fund has retained earnings of \$160,703. The fund will use \$36,000 of retained earnings to cover capital expenses, including a new piece of field mowing equipment shared with Parks & Grounds.

Jose Garcia-Meitin moved to approve a budget of \$239,586 for the Recreation Field Maintenance Enterprise Fund. Fred Floru seconded the motion, and the motion passed unanimously.

Bill Kneeland asked FinCom to consider how student enrollments have trended over time and how it compares to the number of employees and total salaries for each of the sub-groupings delineated in the school budgets. Fred Floru suggested that there is a bulge of kids moving through the school system. The largest class is currently the sophomore class at LSRHS.

No members of the public were present, so there was no public comment period.

Bill Kneeland motioned to adjourn the meeting. Jeff Barker seconded the motion. The vote passed unanimously at 9:35 pm.