

**Town of Sudbury  
Finance Committee ~ Budget Hearing  
Thursday – February 5, 2015  
Lower Town Hall – 7:00pm**

**Present:** Jeff Atwater, Susan Berry, Jeff Barker, Adrian Davies, Fred Floru, Jose Garcia-Meitin, Bill Kneeland, and Mark Minassian

**Absent:** Joan Carlton

**Item 1: General Business:**

Susan Berry opened the meeting at 7:00pm

**Item 2: Presentation of FY16 Budget for Minuteman Regional High School**

The presentation was made by Superintendent, Dr. Bouquillon and Assistant Superintendent, Kevin Mahoney. Each committee member was provided with a handout “Minuteman FY16 Budget”.

Dr. Bouquillon informed the committee that the proposed FY16 budget amounted to \$19,831,003, which resulted in a 0.9% increase in the overall budget. He warned the committee these figures could change depending on what the Governor’s budget comes out at. He reminded the FinCom that the school committee had voted to create a smaller school atmosphere, and that the FY16 budget will be the first budget that reflects that vote. The FY16 budget reflects a transition to an enrollment of 628 students and the establishment of an OPEB Trust Fund (\$50,000).

Jeff Barker questioned the reduction in programs from 19 to 16. He asked if programs were completely eliminated or if they were merged with others. Dr. Bouquillon explained that the marketing program is currently being closed and telecommunications will be closing next year. The following programs will be merged: HVAC into Plumbing, Hospitality to Culinary Arts, and Welding & Metal Fabrication to Advanced Manufacturing.

Mark Minassian asked for the actual FY15 enrollment. Dr. Bouquillon responded that there are 673 high school students and if you include the post-graduate students the enrollment increases to 745. They are projecting the same enrollment figures for next year.

Susan Berry questioned what the plan is to get the enrollment from 745 to 628. Dr. Bouquillon stated that as they start to close certain programs no new students will be allowed to enroll in them. Susan Berry questioned the number of students in the programs that are currently slated to close. Dr. Bouquillon responded that Marketing has 25 to 30 & that no freshmen were allowed to enrolled, HVAC has 10, and Hospitality has 5.

Adrian Davies questioned the increase in revenues. Slide 12 shows the combined increase in revenues is approximately \$186,000 and Slide 9 shows an approximate increase of \$150,000 in Sudbury’s assessment. He asked if the majority of the increase in revenues was due to Sudbury. Kevin Mahoney responded that there was a net increase of 3 students, and this includes the post-graduates. The number of high school students increased by 5, from 19 to 24. We are seeing an increase in high school students but we are seeing a drop in the total enrollment for FY15. This resulted in a shift in the operating assessment due to the change in enrollment figures.

Susan Berry asked for the total budget increase in dollars. Kevin Mahoney responded that the increase is \$185,938. The assessments in total are going up for the district in the amount of \$619,347. This is because of the reduction in the prior year tuition figure. A decrease in non-assessment revenues will cause an increase in assessments. The school is taking in less out-of-district students.

Mark Minassian stated that we are seeing an increase of \$150,000 in our assessment, but only an increase of three students. He questioned why the increase was so large for just three students. Kevin Mahoney responded that you cannot look at just the number of students. You need to look at how the assessment is actually calculated and look at the total enrollment figure. There is actually an increase of 5 students.

Fred Flora questioned in 2015 out of the number of students, how many were high school students. Kevin Mahoney reported that out of the 22 Sudbury students, 19 were high school students. Fred Flora questions the cost of the post-graduate students. Kevin Mahoney responded that the sending community sends an additional \$3,375. He advised the committee that pages 12 & 13 of the budget book shows a history of post graduate students.

Mark Minassian stated that non-member tuition and student counts are decreasing, so the member tuition is increasing because the denominator is decreasing in that fraction. We will be over staffed for the next four years with dropping enrollments. Dr. Bouquillon stated that is a good assessment based on the Chapter 74 requirements and school committee's vote.

Bill Kneeland asked where the school stands in terms of contracts. Is FY16 a new contract year? Kevin Mahoney stated that the teachers' are the only union contract, which is currently being negotiated for FY16. Bill Kneeland questioned where they will get the funds to cover the negotiated increases. Kevin Mahoney responded the increases are covered in the proposal.

Bill Kneeland asked for clarification on the lag year for out-of-district tuition being collected. He asked if it is safe to say all tuition collected for out-of-district students only go to offset the assessment in the calculations and that the tuition is not being used anywhere else in the operating budget. Kevin Mahoney stated that the tuition is only used to offset the assessments in the calculations.

Susan Berry asked the audience if they had any questions or comments. David Manjarrez, Minuteman School Committee member, asked for an opportunity to provide the committee with a handout that contains information that will give you an additional prospective of the budget and other factors that will have an effect on the budget. He reviewed the information that he provided to the committee members. He stated that he has voiced his concerns over the last three years regarding the high cost-per-student at Minuteman. Member enrollment has been declining, yet the school operating cost is not being reduced. He stated he is not happy with this budget. He stated that the school is not obligated to enroll tuition students.

Mark Minassian stated that as the non-member student count decreases our subsidy for these students is increasing. David Manjarrez agreed, stating this is part of the reason why our assessment is so high.

Mark Minassian questioned what steps the FinCom could take to reject this budget. David Manjarrez stated that they could ask the citizens at the Annual Town Meeting to reject the budget. Mr. Manjarrez also stated that the town could request that the school stops accepting tuition students. He stated that the school has had the ability to already reduce some staff.

### **Item 3: Presentation of FY16 No Override Budget & Level Service Budget for Town Departments**

Maureen Valente started her presentation by explaining some of the unique aspects to the town budget. She reviewed the laws & three lawful purposes that allow a community to deficit spend. She also reviewed General Fund revenues and the Receipts Reserved for Appropriation (Ambulance receipts). The FinCom members were provided a handout "Town Manager's FY16 Proposed Budget". Maureen Valente informed the committee that the town's budget is made up of 7 clusters that include 36 separate budgets. They all have different issues and different laws that they are mandated to follow. She will be

reviewing three separate budgets tonight: 2.5% Budget, Level Services Budget, and 2% Budget. She will not be reviewing every department, but will go over the departments that have major changes.

Jeff Barker questioned Bill Place, DPW Director, about the cost of replacing culverts. He asked if there is a significant savings doing these repairs on a proactive approach rather than waiting until an emergency repair needed. Bill Place responded the summer is best time to do these repairs. When it is emergency you have inclement weather to deal with. Doing repairs in the summer has less inconveniences on traffic.

Susan Berry questioned how the \$675 per employee figure (for the Normal Cost of OPEB) was arrived at. Maureen Valente responded that taking on the full liability would be too hard. The committee felt strongly that this was reasonable and that we need to start addressing this issue.

Susan Berry questioned the \$8,000 in the Facilities budget that will be used to take care of the additional costs to the new police station. She asked if it is safe to assume that that a full-year would bring the amount to \$16,000. Maureen Valente deferred the question to Jim Kelly, Facilities Director. Jim Kelly responded no. They have the funds to maintain and pay for the existing station.

Mark Minassian questioned if the town has looked into hiring another DPW mechanic. Maureen Valente stated the request was not put forward this year. There have been more complex issues that are causing the trucks to be sent out. This was a very tough week to keep up with maintenance regardless of how many mechanics are on staff.

Jose Garcia-Meitin asked for clarification on the annual required contribution that would allow us to prefund our existing liability. Is it approximately \$1.9 million. Maryanne Bilodeau responded that the annual required contribution, if we keep doing it the way we have, is \$3.3 million. If we prefund, like we are trying to, the annual contribution becomes \$2.1 million. Our overall OPEB liability is \$36 million. If we prefund it, it will reduce by \$16 million over a 30-year period.

Jose Garcia-Meitin stated that the \$675 per employee is only 25% of the prefunded annual required contribution. Maryanne Bilodeau stated she would need to double check the math, but believes he is correct. This only addresses the current employees for the current year. She informed the FinCom that the OPEB report is available on the town's website under the Human Resource section. The committee is proposing three ways to deal with the OPEB issue: use meals' tax revenues, close out the health Trust & fund the normal OPEB costs.

Jose Garcia-Meitin stated he understand the OPEB funding is not mandated, but asked what the outlook is. Maureen Valente stated the town is in a good situation compared to other communities. Reasons being is that we joined the GIC and the town only pays 25% of retirees' insurance costs. She stated that we need to start setting aside some funds.

### **General Business**

Maureen Valente stated that there is \$7,066 total available in the Snow & Ice accounts. We cannot deficit spend these accounts without the FinCom's permission.

Voted: Adrien Davies moved to approve the authorization to deficit spend for fiscal year 2015. The motion was seconded by Bill Kneeland and was passed unanimously.

Mark Minassian questioned the cost of the recent big 3ft snow storm. Bill Place stated that a State of Emergency was declared and the approximate cost was \$155,817. Maureen Valente stated the town might be able to receive a state reimbursement and Andrea Terkelsen iterated that the funds will probably not be received prior to the close of FY15.

**Item 4: Public Comments**

There were no comments from the public.

Adrian Davies moved to adjourn the meeting and Mark Minassian seconded the motion. There being no further business, the committee adjourned at 8:55pm.