

**TOWN OF SUDBURY
FINANCE COMMITTEE
MEETING MINUTES
January 28, 2016**

ATTENDANCE

Finance Committee Members Present: Susan Berry, Chair, Fred Floru, Vice Chair, Jeff Atwater, Jeff Barker, Jose Garcia-Meitin, Joan Carlton

Also Present:

Andrew Vanni, Finance Director/Treasurer Collector, Melissa Rodrigues, Town Manager, Anne Wilson, Superintendent, and Mary Will, Director of Business and Finance, SPS, Ellen Winer Joachim, and Lucie St. George, School Committee, SPS, Bella Wong, Principal/Superintendent, and Peter Rowe, Director of Finance and Operations, LSRHS, Radha Gargeya, LSRHS, School Committee, Pat Brown, Leonard Simon, Chuck Woodard, and Susan Iuliano, Sudbury Board of Selectmen

Absent: Adrian Davies, Mark Minassian, Bryan Semple

CONVENE:

The meeting was called to order at 7:09 p.m. by Chairman, Susan Berry at the Flynn Building, 278 Old Sudbury Road, Sudbury, MA 01776

**ITEM 1: Follow-up Questions and Discussion about FY17 Budgets:
Town, SPS, and LSRHS**

The conversation on the FY17 budget request included a discussion on follow-up questions from the Finance Committee.

Melissa Rodrigues responded to Chairman Berry's question on the effect to the town's budget if it were increased by contractual mandates only. Ms. Rodrigues explained that if the FY17 budget were to increase by contractual mandates only the increase would actually be larger than the need. Ms. Rodrigues added that in order to stay within the no override guideline of 2.6%, the budget has increased by \$581,000. She could not incorporate \$720,721 in mandated contractual increases. Ms. Rodrigues stated that cuts were made through many of the budgets, which resulted in a reduction of \$139,721. This keeps the FY17 budget request within the 2.6% no override guideline.

Anne Wilson stated that SPS has a similar situation to that of the Town. She explained that she has made specific cuts to expenses and salary items to stay within the 2.6% no override guideline. Dr. Wilson stated that the SPS budget would be higher if it were increased by the contractual mandates only.

Peter Rowe referred to the Budget Reconciliation Worksheet. After outlining COLA's, steps and lane changes he noted the offsets for capacity in the LSRH FY16 budget for benefits and salary growth. Mr. Rowe outlined funding for OPEB cost as well as out-of-district tuition and transportation cost. Mr. Rowe stated the circuit breaker funding increase would offset these costs. Mr. Rowe outlined mandated items, critical need items and program changes. A brief discussion followed.

Chairman Berry noted that even with the 2.6% increase the budget is still over the allowable amount for the levy limit. She asked Ms. Rodrigues, Dr. Wilson and Ms. Wong if there were items within their budgets that they could do without.

Ms. Rodrigues noted that a great deal of reductions has been made. She added that to do more would be very difficult, but that she would be willing to cut the engineering budget by \$10,000 and the information technology budget by \$5500. She noted that these items are included in the critical need items for FY17.

Dr. Wilson stated that SPS would not be able to make further adjustments. She referred to the Budget Reconciliation Worksheet, and noted that the first four items refers to items within the needs budget that total \$277,097. Dr. Wilson outline reductions associated with staying within the 2.6% no-override guideline. Ms. Will outlined items that remain within the needs budget. A brief discussion followed on items within the SPS needs budget.

Ms. Wong stated that the LSRHS budget is a fiscally responsible budget with some conservative assumptions. Ms. Wong stated that the expense items are level funded or reduced with the exception of salary accounts and out of district tuitions. Ms. Wong referred to the Budget Reconciliation Worksheet. She stated that despite having above average out-of-district cost, the budget is reflective of a conservative effort to control all other cost. Ms. Wong outlined reductions associated with staying within the 2.6% no-override guideline. She noted that with the OPEB liability out and the debt service reduction out, the budget would be 2.04%. She added that if she were to further reduce the FY17 budget request it would bring LSRHS below service. A discussion followed on restorations to FY15 level.

Chairman Berry asked the cost centers what saving are they showing in the FY17 budget request that would not be reflected in the following year.

Both Ms. Rodrigues and Dr. Wilson stated that they do not

anticipate savings in FY17 that would be reflected in FY18. Ms. Wong stated that LSRHS has reduced utility cost for FY17. This would permanently adjust the utility base. She noted that this is also true of the insurance base.

Chairman Berry asked Ms. Rodrigues, Dr. Wilson and Ms. Wong how they feel about decreasing the OPEB normal cost by 1/3. A brief discussion followed.

Chairman Berry asked if there were positions in the FY16 budget that were not filled. Ms. Rodrigues outlined FY16 unfilled positions for the Town of Sudbury per spreadsheet that was distributed to the Finance Committee. Dr. Wilson stated that SPS does not have unfilled positions in FY16. Ms. Wong outline FY16 unfilled positions for LSRHS.

Chairman Berry asked Dr. Wilson and Ms. Wong what percentage are they calculating for Circuit Breaker. Ms. Wong stated that LSRHS is not using a percentage. Dr. Wilson stated that she is using 73%. Chairman Berry suggested that LSRHS do a calculation at 73%. Chairman Berry asked what percentage the two school systems were using for transportation cost increases. Ms. Will stated that SPS uses 3%. Chairman Berry suggested that LSRHS use a 3% calculation as well.

Chairman Berry asked Ms. Rodrigues to outline the Full Time Equivalency (FTE) that are being reduced, and how that list relates to FTE's that are added to FY17. Chairman Berry also asked Ms. Rodrigues if the snow and ice line item increased. Ms. Rodrigues explained that the snow and ice line item is level funded for FY17.

Chairman Berry asked for clarification on the actual cost of SPS out-of-district tuition and transportation for FY16. Ms. Will referred to her handouts in the Finance Committee packet. She explained that the offsets came about as a result of a FY15 carryover from circuit breaker in the amount of \$481,937, which resulted in an overage of \$152,071 for out-of-district tuition and, \$372,743 over for sped transportation. Ms. Will outlined new out-of-district tuition cost for FY16. Ms. Will stated that she added \$200,000 to the circuit breaker to offset FY17 expenses. Chairman Berry stated that the Finance Committee would need to see more detail on that transaction. Discussion followed.

Chairman Berry asked if SPS budget included an anticipated State-aid increase as a result of the implementation of Full-Day Kindergarten. Dr. Wilson explained that the increase would not be in the SPS budget, funding for this from the state goes directly to the Town. Chairman Berry noted that the increase

would be conservatively added to the Town budget. Chairman Berry also asked how many of the 4 to 5 FTE reductions would be teachers. Dr. Wilson responded that it would be a combination of teaching and non-teaching positions. Dr. Wilson outlined how this could potentially happen.

Chairman Berry also asked for clarification on the cumulative totals of FTEs. Ms. Will explained that cost relating to the plant manager position and electrician position would be shared with the town. Ms. Will provided additional information on staffing.

Chairman Berry stated that additional cuts would be needed to get to a no override budget. She thanked everyone for participating in this discussion. She added that it was very helpful and that it gives the Finance Committee more information. Chairman Berry stated that next steps would include a joint meeting with the Budget Strategies Task Force and the Finance Committee.

ITEM 2: GENERAL BUSINESS

- Approve Minutes: There are no meeting minutes to approve.
- Transfers: There are no transfers to approve.

ITEM 3: Public Comment

Chuck Woodard asked if the Finance Committee is planning to defer the next 1/3 OPEB normal cost increase to the coast center's budget.

Susan Iuliano asked about the baseline for allocations. Chairman Berry responded that FY16 allocations are the base.

ITEM 4: Adjournment

Motion and Vote:

Jeff Barker moved and Joan Carlton seconded the motion that the January 28, 2016 Finance Committee meeting adjourn at 8:38 p.m.

The motion carried. The vote was unanimous.

Next scheduled meeting of the Finance Committee is Monday, February 1, 7:30 in the Flynn Building.

Respectfully Submitted: Cheryl Gosmon, Recording Secretary