

**Sudbury Finance Committee
Meeting Minutes
January 25, 2018**

ATTENDANCE

Finance Committee Members Present: Bryan Semple, Chairman, Jeff Atwater, Susan Berry, Joan Carlton, Adrian Davies, Tammie Dufault, Jose Garcia-Meitin,

Absent: Jeff Barker, Eric Poch

Also Present: Dennis Keohane, Finance Director/Treasurer Collector, Anne Wilson and Don Sawyer from Sudbury Public Schools, Richard Tinsley, Sudbury School Committee, Pat Brown and Susan Iliuano, Sudbury Board of Selectmen

CONVENE:

Chairman Bryan Semple called the meeting to order at 7:00 p.m. The meeting convened at Town Hall, Lower Level, 322 Concord Road, Sudbury, MA 01776.

ITEM 1: Public Comment

Chairman Semple opened this portion of the meeting for Public Comment. There were no public comments.

ITEM 2: General Business

- **Approve Meeting Minutes**

There were no Meeting Minutes to approve.

- **Transfers**

There were no Budget Transfers to approve.

- **Liaison Reports**

Adrian Davies presented a brief review of federal laws governing special education spending. He referred to the Rehabilitation Act of 1973. He stated that for every student with a disability, the decision to place that student in a typically developing classroom is based solely on what is the best-based interest for the student. He added that if this means hiring more staff and implementing programs, the law says it must be done, as much as possible for the best interest of the student.

Chairman Semple reported on the Board of Selectmen meeting. He stated that the Board of Selectmen is not taking any action on the E&D Account. He added that it would show up in the budget for LS as the equivalent of Free Cash and

that the Finance Committee would need to consider their position on this matter. Chairman Semple recapped the Selectmen discussion on the Group Insurance Commission (GIC). Chairman Semple reported that the Selectmen are assembling the Warrant. He summarized some of the pending warrant articles.

Susan Berry recapped the discussion from the Strategic Financial Planning Committee for Capital Funding meeting and the Budget Strategies Task Force meeting.

ITEM 3: SPS Budget Presentation and Deliberation

Chairman Semple opened this item for discussion and began with a review of the SPS Budget Reconciliation Sheet. A conversation ensued on salaries, benefits and out-of-district (OOD) Tuition and Transportation expenses for FY19, FY20, and FY21. The FY19 OOD expenses are projected at approximately \$600K. Joan Carlton referred to the OOD expenses and Circuit Breaker on the SPS Reconciliation Worksheet. She asked if the OOD expense was increasing and the Circuit Breaker funding decreasing. Anne Wilson referred to the document in the FinCom packet that presents an overview of Circuit Breaker. She added that Don Sawyer would explain the assumptions and philosophies going forward in building the OOD expenses and Transportation budget and the Circuit Breaker reimbursement increases/decreases. After a brief discussion, Mr. Sawyer addressed Ms. Carlton's question on OOD and Circuit Breaker. He explained that the FY19 budget reduces Circuit Breaker offsets from \$1 Million to \$500K. He stated that the increase that SPS is recommending for FY19 consist of a \$500K accounting adjustment; there are no additional services or receipt of goods for the \$500K. He added that this transaction would put the school district in compliance with state regulations as well as putting the school district in better fiscal position. The conversation veered to a lengthy discussion on the reconciliation sheet and benefits. Mr. Sawyer stated that SPS FY19 General Fund Budget appropriation, excluding benefits, is \$37,459,173. He added that benefits amount is approximately \$6,927,337 and added to \$37,459,173 is the gross FY19 budget. A brief discussion followed.

The conversation continued with a discussion on regular education transportation. Mr. Sawyer stated that the regular education transportation has been budgeted with an offset of \$450K in bus fees that had been budgeted for collection, which has created a deficit in transportation. Mr. Sawyer described increases to the FY19 regular transportation budget. He stated that increases include \$95K which would reduce the \$450K offset, contractual increases of \$29,403, \$80K for two new buses and \$8700 to accommodate changes in the ILap schedule. Dr. Wilson explained that the Sudbury School Committee voted to change the

early release days from Wednesdays to Fridays, which will result in an increase of \$8,700.00 to the regular transportation budget. A brief discussion followed. Susan Berry expressed concern that the Sudbury School Committee's vote incurs optional additional costs that are not necessary and does not enhance the educational opportunity or health and safety for its students.

Chairman Semple commented that the SPS Budget Reconciliation Worksheet does not include additional FTEs, critical needs, or reductions. Chairman Semple asked for a breakdown of "Other Cost." Dr. Wilson stated that she would send a detailed description of "other cost" to the Finance Committee. A brief discussion followed on benefits.

Dr. Wilson and Mr. Sawyer continued with the presentation of the SPS FY19 School Operating Budget. Dr. Wilson began the presentation by highlighting the SPS Theory of Action as well as the Overarching Educational Managerial Goals, which have been determined by the Strategic Plan. Dr. Wilson outlined the FY19 Budget Drivers, which are enrollment, staffing, special education, and transportation. She also outlined the challenges the district will face in FY19. Chairman Semple noted that special education costs are increasing and one of the drivers for the increase is the percentage of students on an IEP's and the number of students in out of district programs. Mr. Sawyer noted that special education costs are increasing. He added that the program costs are set by the Operational Service Division. He added that SPS includes a 5 or 6% assumption in the yearly budget reconciliation. The conversation continued with a discussion on tuition and transportation costs after Circuit Breaker offsets. Dr. Wilson outlined salary and expenses in the approved FY19 proposed budget, which is an increase of approximately \$1.3 Million or 3.6%. Dr. Wilson stated that what is not included in the approved FY19 proposed budget is administrative recommended needs/restorations, Walker Report recommendations, and no new initiatives or programs. A brief discussion followed. The Finance Committee deliberated this item and discussed next steps.

Chairman Semple recognized Richard Tinsley from the Sudbury School Committee. Mr. Tinsley explained the process that led to the Sudbury School Committee's decision to change the ILap days. He stated that a survey was administered, and parents overwhelmingly expressed a need for the change. A discussion ensued. Finance Committee members expressed their concern for the overall SPS budget, noting that the change did not contribute to the instructional experience nor the health and safety of its students. Mr. Tinsley will submit the specific cost of this change to the Finance Committee.

Chairman Semple recognized Janie Dretler, Goodmans Hill Road. Ms. Dretler stated the survey that was put out by the School Committee did not indicate that there would be a cost related to the change in the ILap schedule. Ms. Dretler asked about other possible increased costs associated with moving the ILap schedule, for instance for Parks and Recreation because they have a program that is staffed by high school students. She also added that she would like to fully understand the impact of this decision on Town departments.

Motion, Discussion, and Vote

Tammie Dufault moved, and Joan Carlton seconded the motion that SPS absorb 100% of the cost associated with moving ILap days from Wednesday to Friday.

The motion carried. The vote was 5 yes, 2 no.

Chairman Semple recognized Richard Tinsley, Sudbury School Committee. Mr. Tinsley stated that he would strongly encourage benefits to be included in the SPS budget. He explained that when the schools put forth added FTEs, they do not include the benefits. He added that it is important that the Sudbury School Committee see the benefits associated with additional FTE when the Sudbury School Committee is making financial decisions based on the budget.

ITEM 4: OPEB Update - Town and SPS

Chairman Semple deferred the discussion on this item to a future meeting.

ITEM 5: Balancing of reconciliation sheets

ITEM 6: Discuss annual report

Chairman Semple stated that he will fill in the percentages for this report. The Committee will discuss this report at their next meeting.

ITEM 7: Future Agenda Topics

ITEM 8: Public Comment

Chairman Semple recognized Susan Iuliano, Sudbury Board of Selectmen. Ms. Iuliano referred to the recent Board of Selectmen packet and offered additional information on the DART report.

Chairman Semple recognized Pat Brown, Sudbury Board of Selectmen. Ms. Brown expressed her appreciation to the Finance Committee for splitting out the COLAs and benefits. She stated that although the numbers are folded into the Town's budget, they are two separated contracts.

Chairman Semple recognized a Lakewood Drive resident who shared her opinion on the Finance Committee's attention and representation of special education costs. Members of the Finance Committee responded to the residents' concerns and noted that much of the discussion was spent on out of district costs which are variables and can drive the budget, as well as understanding the effects of Circuit Breaker, which is an accounting issue. Members also stated that it is important to understand the year over year changes within the budget and that special education has gotten a great deal of attention because it is one of the larger cost items.

ITEM 9: Adjournment

Motion and Vote:

Susan Berry moved, and Tammie Dufault seconded the motion that the January 25, 2018, Finance Committee meeting adjourns at approximately 10:45 p.m.

The motion carried. The vote was unanimous.

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Next scheduled meeting of the Finance Committee is Thursday, February 1, 2018, at 7:30 p.m.

Respectfully Submitted: Cheryl Gosmon, Recording Secretary