

Budget Strategies Task Force
BSTF Minutes, July 19, 2016

Present: Richard Tinsley, Lucie St. George, Anne Wilson, Melissa Rodrigues,
Pat Brown, Radha Gargeya, Bella Wong, Susan Berry
Absent: Joan Carlton, Patricia Mostue, Chuck Woodard
Also present: Susan Iuliano (Selectman), Susan Rothermich (SPS Business
Manager)

Susan Berry, Chair, called the meeting to order at 8:05 am.

General Business:

Selectman Chuck Woodard, who had served as Vice-Chair, had previously indicated he would serve again if no one else volunteered. Chuck was elected unanimously as Vice-Chair.

No one was willing to volunteer as Clerk for the year. Instead, a clerk is chosen for each meeting. Pat Brown volunteered to take the minutes for this meeting, July 19.

The Chair passed around a sheet to collect dates when members would be available (or unavailable) to meet in August. Generally morning times are more available than evening. Susan will try to convene a Task Force meeting in August based upon this information.

Melissa Rodrigues and Sudbury Finance Director Dennis Keohane are compiling a comprehensive budget calendar, including the capital budget timeline and deadlines for CPC recommendations. They expect to have a first draft of this early next week. They would like to incorporate the LS and the SPS budget schedules as well. Bella stated the LS schedule “works back” from the Lincoln Annual Town Meeting; once that date is known, then perhaps in early September LS will know what their budget schedule is. Radha amplified that the LS School Committee can vote on a budget at least five weeks prior to the Lincoln Annual Town Meeting. Moreover, a regional school cannot vote a budget prior to February 1. Because Lincoln Town Meeting is typically the last Saturday in March, this has meant that in practice, LS holds a budget public hearing around Feb 1, and votes on the budget a week later. However, the informal LS budget estimate presented to the Lincoln Finance Committee in mid-December and late January are public documents which LS shares with the Sudbury Finance Committee.

Changes in enrollment, particularly the change in the Lincoln/Sudbury split at LS can be estimated in October after the official enrollment numbers from Department of Elementary and Secondary Education (DESE) become available shortly after October 1.

Please send updates to the comprehensive budget calendar to Melissa.

Sudbury's Fall Town Meeting will be held October 17. The warrant will open in early September and close by mid-September (probably September 16.) Department of Revenue (DOR) will certify free cash from FY16 by October 1, 2016—after the warrant closes.

Cost Center Updates:

FY16 (ended June 30, 2016)

Melissa said the Town had no surprises here as the end-of-year transactions settle. Sudbury is getting back about 3%, primarily due to unfilled staff vacancies. Anne Wilson said due to the transition to a new Business Manager SPS doesn't have final numbers yet. SPS may be returning an amount which will definitely be less than 3%. Bella Wong also mentioned that LS had transitioned to a new business manager and the numbers are not yet final. She expects perhaps \$100,000 to \$200,000 unspent.

Susan asked for a date when the final FY16 numbers will be available to FinCom. The FinCom spreadsheet has appropriated numbers for FY16, but needs another column for actual expenditures. Susan will send out this spreadsheet to update with a new column for the FY16 actuals. This should be returned completed early in September.

FY17 (started July 1, 2016)

Melissa remarked it's only been two weeks, but the Town has observed no surprises. Bella said that, as predicted last spring, tuition for out of district students is running high due both to new placements and newly enrolled students for LS. Anne said that Special Ed and out of district placements are both running higher than budgeted for SPS.

FY18 (will start July 1, 2017)

Anne mentioned the known challenge posed for SPS by the 3% COLA negotiated under the new contracts. Bella noted that LS faces the same challenge, plus the addition of an additional staff member for the Beacon

program supporting students who have had extended absences, and potential new transportation expenses as a result of extending the school day for students at Curtis Middle School. On the capital side, she stated LS projects: LS needs \$1.2 million to replace turf fields, and money to pay for the security cameras which were not funded this year. SPS also faces potential new transportation expenses associated with extending the school day at the Curtis Middle School.

The transportation contract was put out to bid for one year. The request for buses of maximum age 5 years (to increase reliability from the current maximum age of 10 years) could not be accommodated. The option was to use new buses. The increase seems to be about 6% over the previous contract, rather than 3% as predicted. Only a single supplier responded to the RFP, prompting the effort to put this out to bid again. Susan Rothermich stated that getting only one bid is a problem statewide, and there just aren't that many providers bidding.

Melissa saw her challenges as a lack of excess levy capacity, a need for new firefighters both to run the ambulance to avoid extraordinary calls upon mutual aid and to provide for the requirements of the major new developments in plan, reorganization in the Department of Public Works, and the transition from Minuteman Regional Vocational School. The Minuteman transition requires both providing transportation to students attending a new school and creates a "pothole" year in which Sudbury will not receive the Chapter 70 aid associated with vocational students (allocated by DESE to Minuteman based on the previous year's enrollment).

Susan Berry stated that the reconciliation sheets FinCom required last year—while not a hit with the cost centers—provided valuable information to the FinCom. In particular, projections of employee costs (salary projections using the known steps, lanes, and COLA and the OPEB normal costs funded at 100% by the cost centers this year) are helpful. FinCom will distribute the reconciliation sheets to get these preliminary numbers.

Communication between the liaisons from the FinCom and the cost centers (town, SPS, and LS) is generally clearer if it occurs face-to-face, potentially with a write-up from the cost center to work from. For liaisons to specific town departments, please work directly with Melissa. The liaisons present this information in summary to the FinCom—but it's very helpful if the cost

centers are present at the mid-December FinCom meeting to clarify as necessary.

FinCom will send a draft of the guidance letter concerning the FY18 budget to the cost centers for review prior to distributing the final guidance letter. Revenue estimates from the Finance Director received as early as possible will be helpful for meeting the guidance letter schedule (late October). Given their restrictions, LS hopes to have preliminary numbers in mid-December and a draft budget in January.

Susan Berry also mentioned the FinCom is discussing requesting three year projections from the cost centers. There was significant push-back on this, citing the uncertainty associated with SPED costs, state mandates, negotiations, and other unknowns. Susan asked about more of a visioning exercise: Given that we are expecting significant new developments in town, how do you expect them to affect your budgets in the next few years?

Cost Sharing and Savings:

It may be possible to share rolling stock (trucks, mowers, etc.) across cost centers. Generally, this would show up in a decreased need to replace old equipment. To determine what effect this would have requires knowing what overlaps there are in either manpower or equipment. Melissa would like to wait until the new DPW director is onboard before committing resources to this inventory; LS and SPS will go ahead and start collecting the relevant information.

Melissa reminded all the cost centers that the Sudbury Water District would no longer offer a municipal rate for town or school water use but will bill the town and schools at the residential rate. The new increased residential rates are not yet available, but cost centers should plan for this increase.

Suggestions for Agenda Topics:

We discussed how to present the challenging FY18 budget to Town Meeting and to the voters. FinCom is required to present a non-override budget to Town Meeting; however, they recommend whatever they think is prudent. If the cost centers contemplate a budget greater than that, they need to explain the differences in what services would be available. The Selectmen

make the decision to present an override budget. We (BSTF) need to investigate this process.

Public Comments:

Susan Iuliano mentioned that LS has a stabilization fund that is meant for capital expenses.

Meeting adjourned at 8:40 am.

Respectfully submitted,

Pat Brown