

**Budget Review Task Force  
Monday –February 25, 2008  
Flynn Building – Second Floor - 7:30 PM**

# **AGENDA**

- |         |         |                         |
|---------|---------|-------------------------|
| 7:30 PM | Item 1: | Approve meeting minutes |
| 7:40 PM | Item 2: | Meeting Schedule        |
| 7:50 PM | Item 3: | FY 09 Budget Update     |
| 8:10 PM | Item 4: | Brainstorming           |
| 9:00 PM | Item 5: | Other Business          |
| 9:15 PM | Item 6: | Adjourn                 |

## **REVENUE ENHANCEMENTS**

### **Town**

#### **Commercial Development**

1. Target the right types of business, not more restaurants and shops. We need more corporations, more medical facilities. The town needs a “salesperson” actively recruiting the right businesses to town and working with developers to provide the right facilities. (Massey)
2. Set goal to increase commercial tax base by 15 or 20% by 2010-12 (Haarde)
3. Find a theme for commercial enterprise in Sudbury (Haarde)
4. Rezone to allow more commercial development (Beeler)
5. Support the building of a corporate office park on south or north end of Rt 20 or on Rt 117 (Haarde)
6. Encourage senior housing and commercial development only to extent permissible by law. Rezone to further this goal. (DiFelice)
7. Work on incentives to encourage development of difficult parcels, especially on Rt 20 (Difelice)
8. Sell town owned parcels of land to allow development of office space only (Jacobson)
9. Create Sudbury Development Authority and accept proposals from developers to build and maintain the infrastructure necessary to expand/maximize Rt 20 (DiFelice, Jacobson)

#### **Fundraising**

1. Create a committee to pursue private donations from wealthy residents who may be interested in funding projects that could never be supported by the budget. This may facilitate a greater tolerance for tax increases (Gannon, Ragonis)
2. Provide the ability on tax bills or on website for residents to voluntarily pay an amount above tax owed to donate to town (Massey, Verni)
3. Pursue programs to create Town endowment that would produce income for the annual and/or capital budget and keep the principal growing with inflation. Fundraising programs might include an annual campaign with a check-off on qrtly tax bills for an amount (tax deductible); proceeds from the sale of Town assets, grants from foundations and behests from citizens' estates. A variation on this might be to focus on specific projects such as fire, DPW and police equipment, administrative software, school classrooms and libraries (Verni)

#### **Sewers**

1. Increase commercial tax base on Rt 20 by installing sewer system (Beeler, Haarde)
2. A detailed cost benefit analysis should be performed on whether cost of sewer system on Rt 20 is justified by the benefits that would accrue from expected expansion of commercial tax base (Pakos, Massey)
3. Establish committee to develop a formal program with goal of sewers along Rt 20 in five yrs and continue to commercially develop Rt 20 (DiFelice)

## **Utilities**

1. Investigate solar, wind power and alternative energies (Beeler, Dufault, Gannon, Jacobson, Obrien, Ragonas, Verni)
2. Install solar panels and wind turbines on town land and on school bldgs to reduce energy costs. Set a goal for schools to be energy independent by 2010 (Haarde)
3. Place photo voltaic cells on the multiacre landfill to generate electricity that could be sold back to the power grid and generate a credit on town's electric bill. (Obrien)
4. Investigate electricity wholesaling. (Ragonas)
5. Explore if the Concord Municipal Light Co can be expanded into a regional power plant for Concord, Acton, Sudbury and Wayland. If not, can we develop one for Acton, Sudbury, Wayland? (Jacobson)
6. Explore a town-wide contract for refuse pick-up with one of the huge providers so that residents would receive the same service they do now at the same or less cost (included in tax bills, therefore tax deductible), but would generate net revenue for the town which negotiated a significantly discounted rate due to making it much more efficient for the refuse collection company. (Verni)
7. Invite innovative and competitive trash collection companies to bid in Sudbury who recycle more and who turns garbage into energy such as Startech (Haarde)

## **Other**

1. Lease Loring Parsonage (DiFelice)
2. Review tax title and establish aggressive collection program (DiFelice)
3. Establish passport office (DiFelice)
4. Establish formal PILOT program guidelines and pursue higher tax payments with blue ribbon committee. Commence formal program with objectives and benchmarks (DiFelice)
5. Institute a town sales tax of some small amount like .1% or make it voluntary (Massey)
6. Continue aggressive programs to maximize town assets such as leasing cell towers, leasing buildings, sale of town land (DiFelice, Gannon)
7. Hire an experienced grant writer who gets a bonus based on grants obtained (he/she must deliver more grants than his/her cost) (Jacobson)
8. Engage a consultant with extensive successful experience to help the town maximize its utilization of Federal and state grant and loan programs (Verni)

## **Schools**

1. Accept tuition paying students from other towns to keep classrooms full, maintaining overall efficiency. (Pakos)
2. Explore advertising and branding opportunities, such as uniforms, cafeteria trays (Dufault, Jacobson)

**SPS - Charge for full day kindergarten (Dufault)**

**L-S**

1. Increase the share that Lincoln pays for L-S. Fixed costs should be shared equally by both towns. Variable costs can be calculated on number of students attending from each town. However, even on variable costs, there should be a 20% minimum from Lincoln. (Ragones)
2. Renegotiate the L-S budget split formula with the idea of allocating fixed costs that vary little with the size of the student body such as administration, some aspects of building maintenance, certain sports on a 50/50 basis. (Verni)

**Water District/Septage Facility - Pursue an understanding of both facilities to see whether new arrangement might benefit Town (Merra)**

## **EXPENSE REDUCTIONS**

### **Benefits/Collective Bargaining**

1. Self insure for unemployment compensation, other coverages (DiFelice)
2. By using insurance companies and HMOs, the current system of self-insurance requires premium payments that are independent of the actual cost of care. Explore the potential cost difference associated with true self insurance, whereby through a 3<sup>rd</sup> party, the town and L-S pay the actual bills associated with the costs. (Catastrophic insurance should still be maintained.) (Pakos)
3. L-S should bring health insurance costs more in line with town and SPS (L-S costs \$13,952/employee, more than \$2000 more per employee than town and SPS (Pakos)
4. New teachers entering the system should be moved from defined benefit to defined contribution system. If law prohibits this, add to list for legislative discussion. (Pakos)
5. Move town and school administrative staff pension funds to PRIM whose record, staffing and oversight are exemplary vs Middlesex. (Verni)
6. Evaluate municipal debt issuance to fully fund pension fund (spread on earnings should easily service and eventually pay off the debt). (Verni)
7. If override is defeated, schools should seek to renegotiate employment contracts to soften the impact of teacher layoffs. (Pakos)
8. Reform of public employee salary and benefit packages to align more with private sector (Massey, Ragonos)
9. Move toward participation in Group Insurance Commission (GIC) (Crary)
10. Offer incentives for employees to use spouse's health plan (Crary, DiFelice)
11. Force the transition from defined benefit to defined contribution plans and the establishment of a VEBA by threatening mediation/arbitration if the concept is not accepted (Gannon, Jacobson, Pakos)
12. Streamline healthcare options (for premium reductions), do cost shifting (higher copays and deductibles) and offer healthy outcome incentives to employees (Jacobson)
13. Reduce benefits of public employees while increasing salaries (Haarde)
14. Union reform (radically speaking, no longer a need for unions in the modern economy since their founding principle was to protect workers from unsafe work environments) (Massey)
15. Eliminate early retirement incentives (DiFelice)
16. Eliminate paid sabbaticals for teachers, vacation time is sufficient for self-discovery (DiFelice)
17. Reduce tuition reimbursement annually to the extent other towns do not do it (DiFelice)
18. Negotiate lower benefits pkgs, convert to system of manageable salary costs (DiFelice)
19. Pension/retiree benefit reform, replace outdated benefits with modern ones with grandfather provisions (Massey)
20. Can a group of communities hire a professional negotiator to negotiate with different unions? Key: health insurance, early retirement, retiree benefits, pensions (Massey)

21. Prior to FY10-12 contract negotiations, BRTF studies possible changes to agreements that might be used as ideas in negotiations to reduce the town's structural deficit (Merra)

### **CPA**

1. Eliminate CPA for upcoming yrs particularly if state does not match 100% (DiFelice)
2. Use CPA funds to avoid any capital expenditures, encourage use restrictions rather than outright purchase with CPA funds, rezone to discourage development other than senior housing if possible (DiFelice)

### **Finance/Accounting**

1. Ensure latest cash mgmt and investment programs are aggressively pursued (DiFelice, Jacobson, Ragonese, Verni)
2. Explore a pooling of cash mgmt funds with other towns in a special trust fund that would permit greater liquidity and yet permit longer maturities, enhancing income. (Verni)
3. Ensure payments for expenses not deferred to next budget cycle (Dufault)
4. Develop more accurate estimates of free cash to avoid surprises (Pakos)

### **Finance Committee**

1. Raise town awareness of structural deficit through public discussions on benefits, judicious capital planning; discourage spending on limited use projects (Crary, Gannon)
2. Require increased transparency of budgets by having budgets submitted by SPS by Program, Function and by Facility and L-S by Program and Function (Pakos)
3. Require cost centers to develop and submit appropriate measures of efficiency trends along with submitted budgets (Pakos)
4. Require schools to submit sensitivity analysis which reveals marginal cost savings associated with marginal increases in class size (Pakos)
5. Take a long range view of future revenues and expenses and communicate to the cost centers the amounts that can be reasonably expected in future years with no override. (Pakos)
6. School committees should bargain accordingly so there is no disconnect between future teacher contract compensation requirements and funds expected to be available. (Pakos)
7. Review by a joint panel of the Finance Committee and School Committee members of existing employment contracts with the objective of providing guidance to the schools to eliminate or modify aspects of those contracts that the Finance Committee considers to be an obstacle to cost control. (Pakos)
8. If state aid for schools increases beyond what has been experienced in recent yrs, Finance Committee should recommend that the town contribution to the schools be reduced in similar amounts in order to freeze or reduce property taxes, helping to reimburse taxpayers for the yrs they made up the shortfall. (Pakos)

### **Legislative Efforts**

1. Create a committee to lobby the legislature to increase state aid, correct inequities, allow additional local taxes (Beeler, Ragones)
2. Lobby the legislature to allow for negotiation rather than bidding of individual town purchases <\$500K to help with equipment town purchases. (Jacobson)
3. Invite our representatives to a BRTF session (Massey)
4. Enlist our representatives to give us relief from mandates (Massey, Pakos)
5. Join the Mass Municipal Association in an effort to fund education more from state revenues and less from property taxes. (Pakos)
6. Lobby for changing the law (Chapter 32B, Section 10) which prevents a town from ever altering its contribution to retiree health insurance (Pakos)
7. Support the movement to eliminate the requirement for police to be assigned to construction detail. While the contractor foots the immediate bill, the ultimate cost goes to the town and taxpayers. (Pakos)
8. Form a coalition with other Metrowest towns to strengthen everyone's voice in lobbying efforts for relief (Massey)
9. Make Town Meeting later in the year to cost centers can budget on actual data (Beeler)

**Outside Services** - Enlist audit/consulting assistance for 6-18 mo engagement to evaluate cost reductions, paid for with a voluntary contribution from taxpayers (Massey)

### **Regionalization**

1. Initiate discussions with surrounding towns to implement a regional approach to public safety, where all facilities, staff and operating and capital expenses in the region would be subject to a regional public safety commission. This commission would present budgets to various towns for approval, much like the Sudbury Water District. (Just as most residents don't care who provides the water, most would not care what uniform a policeman or fireman wore as long as they showed up when called. (Pakos)
2. Consolidate departments/functions/facilities to save costs on duplicative efforts (DiFelice)
3. Fire, police chiefs, school and town administration (Massey)
4. Explore opportunities for regionalization wherever feasible (Jacobson, Ragones, Verni)
5. Explore opportunities for consolidation of "back office" (payroll, bill paying, etc) svcs for Town, SPS, L-S (Jacobson)
6. Establish committee to aggressively review regionalization opportunities with other towns (DiFelice)
7. Regionalize fire and police dispatch, town maintenance, animal control (Crary, Dufault)
8. Shared service police dep't at low risk times (Dufault)
9. Through regionalization, each town could downsize one station. Keep ambulances at full capacity (Dufault)
10. Outsource prisoners to Acton or Wayland (Dufault)

11. Centralize maintenance of all facilities and outsource to 3<sup>rd</sup> party supplier (Dufault)
12. Implement town and school wide comprehensive energy mgmt program (DiFelice)
13. When Dr. Ritchie retires, investigate one superintendent for both school systems, House Master becomes HM/principal, business manager positions for schools combined, Transportation Office/coordinators combined, HR functions consolidated within Sudbury HR (Obrien, Ragonos)
14. If some L-S/SPS regionalization occurs and new police station built, renovate old police station to become SPS administration bldg, senior center expand into former school administration space (Obrien)

## **Town General**

1. A broad examination of space needs should be performed, examining the long term costs of staying in inefficient historical buildings vs a lease/purchase of modern office space with more efficient layout (Pakos)
2. Raise Park and Rec/other department fees and permits to better reflect market rates and cost of providing svcs (DiFelice)
3. Increase the fee for new residential construction building permits to a % of the estimated value of the completed project. (Verni)
4. Limit building permits for new single family non-age restricted dwellings including tear downs (Massey)
5. Replace town/public safety equipment and vehicles less frequently (Massey)
6. Develop online permitting, self check out in library and other automated processes (DiFelice)
7. Encourage centralized purchasing of bids over \$5K (Dufault)
8. Don't take on add'l costs because we get state or fed dollars to cover a portion. Practice more frugality (Massey)

## **Police Station**

1. Pay architect set fee for plans and construction oversight, not a % of construction price (Massey)
2. Look at costs for public safety buildings in other towns, parts of the country...we are probably 200-400% above the average (Massey)
3. Put the project out to bid to a broader pool of contractors (Massey)
4. Buy in to Wayland's new public safety building and house our officers there, retaining and remodeling the current location as a satellite office (Massey)

## **Public Safety**

1. Consider going to a volunteer fire dept (Beeler)
2. Reduce costs of fire department, benchmark to communities with far lower costs (Dufault)
3. Perform a sensitivity analysis on the marginal cost savings if policy and fire time targets were increased from current standard (Pakos)

## **Public Works**

1. Output measures for DPW should be established (cost/mile road maintenance, cost/mile of snow removal) and trends measured. (Pakos)
2. Reduce road paving scope. Minor cracking and potholes should not result in repaving. (DiFelice)
3. Require developers/others to pay cost and post bond for multi-yr maintenance fees in the event an area of roadway requires repaving resulting from utility connections or in any new or rehab project (DiFelice)
4. Monitor snow removal with benchmark payments for various rates of snowfall so “overplowing” does not occur (DiFelice)

## **Schools – General**

1. SPS has 412 FTEs, L-S 210 FTEs. These numbers indicate that there should be some room for efficiencies without impacting class size. (Pakos)
2. Raise school fees to reflect a near market cost (buses sports, instrument, parking) (DiFelice, Gannon, Massey, Ragonis)
3. Determine the minimal educational program required by law. Everything in excess of those levels should have a near market fee attached (DiFelice)
4. Eliminate art and sports programs such as metalsmithing, golf, jewelry or charge near market rates for them. Savings may not be substantial, but these draw unneeded criticism. Class sizes for remaining programs can be large, not as critical as small class sizes in core academic subjects (DiFelice)
5. Look at ratio of administrators to teachers and administrators to students, compare to other towns and bring that ratio in line (Haarde)
6. Initiate a Continuous Improvement Initiative in both systems where primary benchmarks for measuring progress are the schools’ past performance based on the following:

**SPS:** Superintendent could delegate more cost/performance reporting responsibility to principals of schools, such as: (1) cost/student (broken down by SpED, and regular Ed) tracked by each school and compared to each other; (2) specify which K-5 programs are associated with primary mission and which are support programs. Previous cost/student should be broken down in these components; (3) require Curtis to conduct an entry educational and fitness exam and publish results, broken down into various K-5 schools

**L-S:** (1) Specify which programs are associated with the primary mission and which are support programs. Annual computation of cost/student should be broken down into these components and costs monitored; (2) Conduct an educational and fitness exam for freshman entrants and publish the comparative aggregate results for students from Curtis, Lincoln and other; (3) Using the foregoing as a baseline for entering students, measure the aggregate fitness of seniors in order to assess progress in this aspect of the L-S mission; and (4) Establish a means for measuring the aggregate academic performance progress while attending L-S compared to their peers in other high schools (Pakos)

**L-S**

1. Increase the use of Lecture Rm for some senior classes...increase # of students without increasing teachers (Jacobson, Pakos)
2. Set a future date where all students are required to have laptops (Pakos)
3. Put a "tuition surcharge" for AP (above 2 per student). Families with insufficient income would get some type of aid based on the higher ed format. This would help L-S maintain its excellent programs in an environment where the town cannot afford to pay for all these programs. (Verni)

**SPS** - Assign an SPS school committee member to liaise with Stand for Leadership Center, an organization whose mission it is to advocate for relief and reform in public education (Gannon)

## **BRTF Compilation of Ideas – Revenue Enhancement/Expense Reduction**

### **Jeff Beeler**

Solar and wind power. Hull has two wind turbines and is trying to put up 4 more that will provide all of their electricity. The first windmill they had was at their High School. We should look into both alternatives. This would probably entail the creation of a municipal light department. Once up and running, it would save \$ on energy bills for all residents while potentially generating revenues.

Install a modern sewer system. This would ease restrictions on growth (residential and commercial) and yield additional revenues while protecting our water.

Aggressively lobby the legislature to remove the current impediments to Sudbury doing more to help itself. While the particular areas that need to be addressed need to be examined more closely (e.g., allowing additional taxes, increasing state aid, fixing c. 70, etc.) what we need is a standing group to develop and advocate the ideas with the legislature.

Rezone to allow more commercial development.

Consider going to a volunteer fire department.

Change the date of Town meeting to a later date that will allow all cost centers to budget based on actual data rather than informed guesses. We as a Town waste an enormous amount of time, energy and money on this process every year. While this is probably not a top 5 idea in either category, it should be discussed.

### **Miner Crary**

1) Increase efforts to regionalize services:

--Elementary schools, fire and police dispatching, town maintenance, animal control, etc.

Sudbury has a strong history of working well with Lincoln and economics of scale are powerful.

2) If we haven't already done so, begin discussions with unions on how to move toward participation in the Group Insurance Commission.

3) Offer incentives for town employees to use their spouse's health plan.

4) Step up efforts to raise the Town's awareness of the structural deficit and its causes.

-- Public discussions on effects of rising benefits and insurance costs will focus the town dialogue on addressing the issues, especially with unions;

-- Promote benefits of open space purchases; judicious capital planning;

-- Discourage spending on special interest/limited use projects.

## **Dan DiFelice**

I have attached a list of measures for cost reduction and expense control. In thinking about what the committee has experienced so far, I've come to conclude that there are limited opportunities to lower costs/raise revenues in broad strokes. I believe that we should revisit the committee's mission statement to broaden the number of objectives to far beyond five. I believe our success will depend upon many small areas of savings and revenue enhancement rather than five large areas, which I believe are hard to find. Our success as a committee will be greatly enhanced by identifying many more opportunities with real impact. If we stick with a five limit, I fear that we will come up primarily with ill defined, long term suggestions which require significant follow through with limited chances of success.

### **1. School Fees**

- increase high/middle school sports and activity fees to reflect a near market cost to provide them. This is particularly true for sports fees which are well below market.
- grade school should charge fees for after school music and other activities at near market rates, e.g. violin lessons should be charged at near market rates
- increase high school student parking fees substantially to discourage private use of automobiles and encourage bus usage
- Look at all areas of school system to determine what is the minimum educational program and level of services required by law for ALL taxpayers to fund. Anything in excess of these levels should have a near market fee attached.

### **2. Road Paving**

- reduce program scope substantially. Most roads in Sudbury have much, much longer life span before repaving is required. Such extensive repaving is simply not necessary. Minor cracking and potholes should not result in repaving miles of roadway. Repave only minor sections of roadway when necessary. Require developers/others to pay cost and post a bond for multi-year maintenance fees in the event an area of roadway requires repaving resulting from utility connections. Require developers to pave nearby roadways and post multi-year maintenance bond in any new project or rehab.

3. Consolidate departments/functions/facilities in town to save costs on duplicative efforts.

4. Increase park and rec/ other department permits and fees to better reflect market rates and costs of providing services

5. Implement town and school wide comprehensive energy management program

6. Switch to state pension investment program

7. Eliminate CPA for upcoming year(s), particularly if state does not match 100%

## 8. Snow Removal

-establish program to closely monitor contractors to ensure that there is not excessive “overplowing,” that is, plowing beyond what is necessary for health and safety. I’ve seen cases where minor snowfalls result in overcharging. In large snowfalls, contractors pass many times more than necessary for health and safety. All contractors should be aware of benchmark payments for various rates of snowfall.

9. Establish subcommittee to review regionalization opportunities with adjacent and area towns. Aggressively contact and begin meeting process with these towns to identify cost saving opportunities.

10. Develop on line permitting and other town functions, self check out in library, and any other automated processes

11. Self insure for unemployment compensation, other coverages

12. Offer cash incentives to move to a spouse’s insurance program outside of Sudbury program.

## 13. Schools General

- Eliminate early retirement incentives, decisions usually based on life choice, not on the after tax amount of Sudbury incentive
- Eliminate arts and sports programs such as metalsmithing, golf, jewelry, or alternatively, charge near market rate for them. Savings may not be substantial, but this draws unneeded criticism. Class sizes for remaining programs can be large, not as critical as small class sizes in core academic subjects.
- eliminate paid sabbaticals for teachers, vacation time is sufficient for self discovery
- negotiate lower benefits packages, convert to system of manageable salary costs
- reduce tuition reimbursement annually to the extent other towns do not offer it

14. Use CPA funds to avoid any capital expenditures, encourage use restrictions rather than outright purchase with CPA funds, rezone to discourage any development other than senior housing development if possible.

## REVENUE ENHANCEMENT

1. Encourage senior housing and commercial development ONLY to the extent permissible by law. Rezone to further this goal. Work on incentives to encourage development of difficult parcels, especially on Route 20.

2. Lease Loring Parsonage

3. Review tax title and establish aggressive collection program

4. Establish passport office

5. Establish formal PILOT program guidelines and pursue higher tax payments with blue ribbon committee. Commence formal program with objectives and benchmarks.
6. Ensure latest cash management and investment programs are aggressively pursued.
7. Continue aggressive programs to maximize town assets such as leasing cell towers, leasing buildings, sale of town land.
8. Establish town development subcommittee to reach out to, and maintain relationships with, commercial developers/users and senior housing developers.
9. Establish subcommittee to
  - (a) develop a formal program with a goal of septic service along Route 20 within 5 years. Objectives of committee are to pursue all opportunities for septic by meeting with other towns, review of all sites for locations, develop business coalition leverage contacts, etc.
  - (b) develop development plan for Route 20 to tastefully and carefully develop Route 20 corridor, meet with developers, architects, engineers, end users to stir interest in plan, etc. Work on incentives to encourage development of difficult parcels on Route 20.

**Tammie Dufault**

finance	ensure payments for expenses are not "deferred" into next budget cycle.
finance	centralized purchasing of bids over 5K, discussions lead to believe there are conflicts of interest leading to inefficiencies and increasing risk of fraud.
maintenance	outsource maintenance to 3rd party supplier
maintenance	centralize maintenance of all facilities
revenue	wind farm, possibilities of long-term leases or other sell-back options before everyone else gets them first. Could also increase tourism
revenue	Charge for full-day kindergarten if necessary.
revenue	Get large corporations to sponsor things for advertising (school uniforms, other areas of advertising). New area is advertisements on cafeteria trays.
safety	regionalize police department and/or outsource "inmates" to Acton or Wayland
safety	regionalize fire departments or shared services so each town could downsize 1 station? Leave ambulances at full capacity.
safety	reduce costs of fire department, benchmark to other communities that reportedly have far lower costs to ours.
safety	shared services police department on low risk times of day.

**Paul Gannon**

- Assign a SPS member to liaise with the Stand for Children Leadership Center ([www.stand.org](http://www.stand.org)), a non-profit organization, whose mission is to advocate for relief and reform in public education thru immediate financial relief to school districts and long term education funding reform at the state level. As was highlighted during the education process of our group, the Massachusetts state legislature has a profound impact on municipal budgets and working with grassroots organizations

- to favorably influence the control the state has, focuses directly on arguably, the most leveraged structural problem the town has.
- In all future collective bargaining negotiations, force the transition from defined benefit to defined contribution plans and the establishment of a VEBA by threatening mediation /arbitration if the concept is not accepted as a threshold issue.
  - Move more towards a pay for services model (school bus, athletic teams, after school clubs, etc ) and consider increasing the fees currently being charged for these services as well as for the rental of town facilities
  - Create a small committee to evaluate whether there are revenue and cost benefits to be realized in the development of a windmill farm?
  - Create a small committee to continually publicize that Prop 2.5 was not intended as a benchmark for a reasonable level of tax increase but rather as a check for reasonableness..use the structural deficit document which Maureen prepared, and highlight the extraordinarily high % of school age children in Sudbury relative to all neighboring or comparable towns
  - Create a small task force to pursue private donations from those living in Sudbury with significant financial capacity who may be interested in funding projects which would never be included in the town's budget in lean fiscal times. Donations directed towards services benefiting the senior citizens of Sudbury may facilitate a greater tolerance for tax increases in the form of Prop 2.5 overrides on the part of that citizenry.

### **Bob Haarde**

- Increase commercial tax base via Rte 20 sewer system and traffic bypass to incent restaurants and other commercial enterprises to open up along route 20 in Sudbury. Set a goal to increase the Commercial tax base in Sudbury to 15% or 20% by 2010 or 2012 or something like that
- Support the building of a corporate office park on the south or north end of route 20 or route 117 in Sudbury
- Install solar panels and wind turbines on town land where appropriate and especially on school buildings to reduce the cost of electricity and heat for our schools, which is a considerable line item. Set a goal to make the Sudbury Schools energy independent by 2010.
- Invite more innovative and competitive trash collection companies to bid in Sudbury, such as those who offer refunds for customers who recycle more and those who can turn garbage into energy, such as Startech.
- Reduce the benefits of public employees while increasing their salaries to become more in line with like towns, to get less family members off the Town benefits budget
- Look at the Ratio of administrators to teachers and administrators to Students and compare to other towns. Administrators include Principals/Superintendent/Housemasters and bring that ratio in line if it is not already.
- Find a theme for commercial enterprise in Sudbury, Wellesley has restaurants, Waltham has high tech, Marlboro is going after Sports, etc..

## **Bob Jacobson**

### Revenue

- Explore selling any town owned parcels of land (including a deed restriction) to allow commercial development of office space only or purchase future parcels with the goal of selling them for this purpose (if no owned parcels are presently applicable).
- Explore advertising and branding opportunities at the schools.
- Make sure we are maximizing investment returns (with proper risk evaluation) on town and LS funds.
- Hire an experienced grant writer who also gets a bonus based on the amount of grants they obtain (they keep their job as long as they deliver more in grants than they cost).
- Create Sudbury Development Authority and accept proposals from developers to build and maintain (and be able to charge for) the infrastructure necessary to expand/maximize current route 20 commercial district.

### Cost

- Explore opportunities for “regionalization”, wherever it may be feasible.
- Explore opportunities for consolidation of “back office” (e.g. – payroll, bill paying, etc.) services between the Town, SPS and LS wherever feasible.
- Streamline healthcare options (for premium reductions), do some cost shifting (higher copays and deductibles) and offer healthy outcome incentives to employees [Collective Bargaining Matter].
- Make a push with the Legislature (if they are the roadblock) to allow for negotiation (rather than bidding) of individual purchases < \$500K. This would help with a lot of equipment that the town purchases.
- Explore moving from defined benefit to defined contribution (with an employer match) retirement plans. [probably a near impossible sell with the unions]
- Explore if there is anything we can do to expand the output of the Concord Municipal Light Company and turn it into a regional power plant for Concord, Acton, Sudbury and Wayland.
- If Concord power plant expansion is not feasible, can we develop one with either Acton, Wayland or both?
- Explore the use of alternative energy for town and school owned properties.
- Increase the use of the Lecture Room at LS for some senior classes (increase the number of AP students without needing additional AP teachers?).

## **Karen Massey**

It appears to me that there are 3 areas providing the most financial pressure on the town:

1. benefits (including current and retired employees, health insurance, pensions, etc. etc.)
2. declining state aid
3. imposing state/federal requirements

There is no quick fix for any of these items – radical change is mandatory. Given my level of knowledge on town finance and operations, I would recommend exploring the following to address the 3 issues above:

- Enlist outside audit/consulting assistance
  - Likely a voluntary contribution from taxpayers, not town expense
  - Likely a 6-18 month engagement
  - Highlight areas for cost savings opportunities and bring experience from public and private sectors
- Benefits (long term solution):
  - We need a reform of public employee salary and benefit packages to align more to the private sector.
  - Detroit and the airlines, for example, were killed by pensions, other benefits, and unions. Therefore we need:
    - Pension/retiree benefit reform
    - Union reform (radically speaking, there really is no longer a need for unions in the modern economy since their founding principle was to protect workers from unsafe work environments and from being taken advantage of)
    - Replace these outdated benefits with modern ones (401(k), etc) with grandfather provisions.
- Regionalization:
  - Collective bargaining (shorter term solution) – is there an opportunity for a group of communities to **hire a professional negotiator** to negotiate with the different unions? Key areas to address: health insurance, early retirement, retiree benefits and pensions.
  - Regionalization of fire and police chiefs
  - Regionalization of school administration & town administration
  - I think we need to be careful in our comparisons to “comparable” towns- if they’re all falling off the same cliff, do we want to do the same? We should also be looking at communities such as Andover, Hingham, etc., who are also similar to Sudbury to gain further knowledge and ideas.
- Sudbury and our peers in Middlesex county and across the state, maybe even the country, need to have a bigger voice at the state and federal level. We need to enlist our representatives to address key financial issues of declining state and federal aid while requirements increase. Although we are a wealthy town, we should not accept unnecessary mandated burdens. Special education is a perfect example. We should be fighting back on what the state tells us we should do vs what we propose to do so that these special interest programs can flourish while not bankrupting the towns.
  - Invite our representatives to a BRTF session!
  - Major reform is required here, and the town should be starting these conversations with other towns that are in the same conundrum.

- New Police Station:
  - Pay the architect a set fee for the plans and construction oversight – NOT a % of the construction price. Currently, the architect is incited to increase building costs – not decrease them.
  - Look at construction costs for public safety buildings in other towns or parts of the country. I believe you'll find we're in the neighborhood of 200-400% above the average.
  - Put the project out to bid to a broader pool of contractors.
  - Buy in to Wayland's new public safety building and house our officers there – retaining and remodeling the current location as a satellite office.
- Replace town equipment, including police cars, less frequently
- It appears as though we take on additional costs because we can get some state or federal \$ to cover a portion of it. An example is the additional police officers hired last year because the state covers a portion of their salary. This is like buying something just because it is on sale – we should practice more frugality in this area.
- Building permits
  - The town should limit building permits for new single family non-age restricted dwellings, including tear-down/rebuilds that will increase the capacity of the home.
- Public Sewer:
  - Is it the right answer. There aren't a lot of development opportunities on rt 20 that could be unleashed from public sewer. The potential tax revenue may not justify the expense. What businesses have rejected locating in Sudbury because of private septic?
- Revenue enhancement:
  - Target the right types of businesses – not more restaurants and shops. We need more Raytheons – more corporations – more medical facilities. The town should have a “salesperson” actively recruiting the right businesses to town, and working with developers to provide the right facilities for them.
- Provide the ability on tax bills or on the website for residents to voluntarily pay an amount above their tax owed.
- Shift some of the school expenses from the taxpayers as a whole to the taxpayers who use them. For example, charge parents/custodians for the bus instead of the town funding it, sport equipment or uniforms, etc. Also increased fee opportunities at park & rec and pool programs.
- Institute a town sales tax of some very small amount like .1%, or even make it voluntary.

## **Sam Merra**

### **Expense Reductions:**

Recent Events That Impact Costs to the Taxpayers and Town:

- Property Tax Increases 4.3%.
- SPS Non-Override Budget could result in cutting 27 classroom teachers.
- LSRSC requests 4.8% increase that would require an override.
- LSRSC Non-Override budget could result in eliminating 24 staff positions.
- Large Snow Removal Costs.
- Anticipate Decreased State Revenues.

The latest contract agreement between LSRSC and the towns lists under Article XXV, "Negotiations to amend this agreement may be initiated *at any time* by mutual consent of the parties." I did not find similar language in the SPS contract, however, many months after signing the agreement, numerous amendments were approved. I believe the BRTF should also have a copy of the contract between the Town and various parties that also impacts the SPS. I suggest the following for consideration by the BRTF.

- Prior to renewal dates of the contracts, the BRTF study changes to the agreements that might be used as ideas for the Finance, Town and School Committees to consider in resolving the continuing structural deficit.

### **Revenues:**

- Expand our understanding of the Water District to see whether a new legal arrangement might benefit the Town.
- Pursue an increased understanding of the Septage facility operation to reinforce or modify present strategies.

### **Larry Obrien**

#### Revenue:

The town of Sudbury should investigate the possibility of placing photo voltaic cells on the multi-acre landfill area for the purpose of generating electricity that would be sold back into the power grid and generate a credit against the town's electric bill. Wind turbines might be an option to consider as well.

#### Savings:

In my capacity as Selectman I have heard that Dr. Ritchie may be getting close to retiring. If / when this happens it would be prudent for the Town in conjunction with LS & SPS to investigate the consolidation of duplicate positions. I would suggest that we look at the following positions as potential candidates for restructuring.

SPS Superintendent is enhanced and expanded to include responsibilities for Superintendent at LS.

House Master at LS is promoted to dual role of HM and Principle. This might require the addition of one Assistant HM to lighten the load on the HM/Principle position.

Business manager positions at LS & SPS are consolidated into one Schools Business manager position.

Transportation Office / coordinators could be reviewed for consolidation.

HR functions should be reviewed for consolidation within the Sudbury HR operations.

#### Indirect Savings Opportunity:

With the reduction in duplicate staff the possibility of generating some additional benefits might be possible. Between the admin space at LS and the future construction of a new Sudbury police station the opportunity to relocate the remaining SPS administration personnel down to the current police station would need to be considered. The P&R department and the senior center would be able to expand without any new construction needed. Cost of renovation and rehabilitation of both spaces would need to be calculated as part of the cost to generate savings.

#### **Paul Pakos**

#### **Caveats:**

Given the volume of information that we BRTF members have been asked to digest, it's fair to say that my 'education' is not yet complete. Therefore, some of the initiatives listed below may in fact already be taking place within the town or schools, may have been tried in the past with no success, or may simply be impractical given considerations that I am not aware of. It is clear that all those involved in the operation of the Town and school systems are carrying out their responsibilities in a very professional manner, and these recommendations are not meant in any way to suggest otherwise.

#### **Philosophy:**

The philosophical basis for the subsequent recommendations rests upon the following broad views:

- a. The dominant focus in the town and schools is on financial and staffing inputs, with much less emphasis on organizational outcomes or the efficiency with which services are delivered.
- b. Benchmarking with other towns and school systems may be interesting, but relies on the untested assumption that all of the other entities are operating at the same level of efficiency and effectiveness. That may or may not be the case, and unless one measures performance, the conclusions that result from such benchmarking may not be valid.
- c. Another reason to view such benchmarking with suspicion is that the various labor bargaining units in the towns undoubtedly talk to each other, so what comes out of a bargaining in one town is likely to impact other neighboring towns the next time they engage in bargaining.
- d. The notion that town government is unlike the private sector appears to be used as a frequent excuse. There is no reason why every organizational entity should not be required to measure and track the efficiency with which services are delivered and wherever possible, measure their effectiveness. Such measures would indicate whether or not progress is being made, and the trends would be valid benchmarks,
- e. The School Committees are strong advocates for the schools. From a taxpayer perspective, advocates bargaining with other advocates is not the best way to protect the taxpayers' interests. The fact that the L-S or SPSS School Committees have *never* gone through the processes of progressive mediation, fact-finding, and arbitration, all allowed for under State law, should be ample evidence of this.
- f. There is a need to *aggressively* seek out more regional solutions.

- g. Responsibility and incentives to improve performance (once valid measures are tested and in place) should be delegated as low in the organization as possible to get all employees working toward the same goals.
- h. Where it is possible to do so, and when structured and administered with care, mild competition among organizational entities can lead to improved performance.

The recommendations below are broken down into Local Initiatives (with a further breakdown by Town Government and by Schools) and Legislative Initiatives.

**Local Initiatives:**

**Town**

1. Initiate discussions with neighboring towns to implement a regional approach to public safety (fire and police), whereby all facilities, staff, and operating and capital expenses in the region would be subject to a regional public safety commission. The regional commission would present its budgets to the various towns for approval, much as the Sudbury Water Commission does. There should be significant efficiencies in adopting such an approach. (Just as most residents don't care who provides the water, most would not care what uniform a policeman or fireman wore, as long as they showed up when called.)
2. In the short term, perform a sensitivity analysis on the marginal cost savings if police and fire response time targets were increased from the current standard (4 minutes, I believe).
3. By using insurance companies and HMO's, the current system of self-insurance requires premium payments that are independent of the actual cost of care. Explore the potential cost difference associated with true self insurance, whereby through a 3<sup>rd</sup> party, the Town pays the actual bills associated with the costs (Catastrophic insurance should still be maintained).
4. Explore moving to a defined contribution pension scheme vs a defined benefit scheme for new employees. . If current law prohibits this, it should be added to the list of legislative initiatives.
5. A broad examination of space needs should be performed, examining the long term costs of staying in inefficient historical buildings vs. a lease/purchase of modern office space with a more efficient layout.
6. A detailed benefit cost analysis should be performed on whether the cost of a Town sewer system along Rte 20 is justified by the benefits that would accrue from expected expansion of the commercial tax base.
7. Output measures for the DPW should be established (cost/mile of roads maintenance, cost/mile of snow removal, etc.) and trends measured.
8. FinCom should require increased transparency of budgets by having the Town routinely submit budgets by Program, by Function, and by Facility.
9. FinCom should require the Town to develop and submit appropriate measures of efficiency trends along with the submitted budgets.
10. To avoid surprises, the Town should find a way to develop more accurate estimates of free cash.

## **Schools**

- 11.** SPSS apparently has 412 FTE, of which 229 are teachers, and of which 145 are in the classroom. Clearly, there is more to running a school system than classroom teachers, but to a layman, the numbers seem to indicate that there should be *some* room for efficiencies without severe impact upon classroom size or teacher load. (L-S has 210 FTE but I couldn't find a similar breakdown.)
- 12.** Given the forecast of a lower # of SPSS students in the coming years, efforts should be made to reach out to neighboring communities to keep the classrooms full, thereby maintaining the overall efficiency of the schools and providing a new revenue source.
- 13.** Similarly, L-S is not operating at capacity (1620 vs 1850). The regional High School should promote acceptance of other students from Towns willing to reimburse L-S for the costs.
- 14.** FinCom should require LS and SPSS to submit a sensitivity analysis which reveals the marginal cost saving associated with marginal increases in class size.
- 15.** Set a date in the future (2 or 3 years perhaps), where all L-S students are required to have their own laptops. (The technology has advanced to the point that they are as ubiquitous as calculators.)
- 16.** To reduce the # of teachers required, L-S seniors should be transitioned to more lecture hall educational sessions, since they will experience that educational approach when they enter college.
- 17.** As is the case with the Town, L-S should explore 'true' self insurance and compare that to the existing costs associated with the regional health insurance purchasing group.
- 18.** Unless and until self insurance is adopted, the L-S School Committee should work to bring health insurance costs to be more in line with that of the Town and SPSS (L-S cost reportedly are \$13,952/employee, almost \$2,000 more per employee than SPSS and the Town).
- 19.** L-S should seek to move *new* teachers entering the system from the existing defined benefit pension system (which reportedly is not negotiable) to a defined contribution system. If current law prohibits this, it should be added to the list of legislative initiatives.
- 20.** FinCom should take a long range view of future Sudbury revenues and expenses, and communicate to the School Committees the amounts that the schools can reasonably expect in future years with no override. The School Committees should bargain accordingly to ensure there is no disconnect between future teacher contract compensation requirements and funds expected to be available.
- 21.** A joint panel of FinCom members and School Committee members should review existing employment contracts thoroughly with the objective of providing guidance to the School Committee to eliminate or modify aspects of those contracts that FinCom considers to be an obstacle to cost control.
- 22.** Based on the foregoing, when engaged in the next round of collective bargaining, School Committees should attempt to impose new contract terms. Failing that, they should attempt to apply new terms to new teachers, while grandfathering existing teachers if necessary. Failing that, they should not be hesitant to initiate

- the progressive steps of mediation, fact-finding, and non-binding arbitration as allowed by State law.
- 23.** Prior to the next round of collective bargaining, if a proposed Override Budget is defeated, the School Committees should seek to renegotiate the employment contracts to soften the impact upon teacher layoffs.
  - 24.** It appears that SPSS teachers are not generic in the sense that they do not seem to be required to teach any grade other than the one assigned. The SPSS School Committee should explore this possible cost savings.
  - 25.** The SPSS Superintendent should consider delegating more responsibility to Principals for the cost and performance of their particular schools. Specifically:
    - a)** The overall cost/student (perhaps broken down by Sp Ed and Regular Ed) should be tracked for each of the K-5 schools and compared to each other. Annual trends should be monitored.
    - b)** The Superintendent should specify which K-5 programs within SPSS are associated with the primary mission and which are considered to be support programs. The foregoing cost/student for each school should be broken down into these components.
    - c)** In that the objectives of the K-5 schools are presumably to produce well educated, physically fit children into the middle school system, require Curtis Middle School to conduct an entry educational and fitness examination (such as a Body Mass Index measurement) each year and, while respecting privacy rights, publish the aggregate results, broken down into the various K-5 schools that feed into Curtis.
  - 26.** Similarly, the Superintendent of L-S should consider taking the following action:
    - a)** Specify which L-S programs within L-S are associated with the primary mission and which are considered to be support programs. Annual computations of cost/student should be broken down into these components and the trends monitored.
    - b)** Conduct an educational and fitness examination for freshman entrants each year and publish the comparative aggregate results for students coming from Curtis, Lincoln, and 'Other'.
    - c)** Using the foregoing as a baseline for entering students, measure the aggregate physical fitness of seniors in order to assess progress in this aspect of the L-S mission.
    - d)** Establish a means for measuring the aggregate academic performance progress while attending L-S, compared to their peers in other high schools (such as a cohort analysis of percentile ranking in MA upon entrance to L-S vs ranking upon graduation from L-S)
  - 27.** The foregoing actions should form the basis for a Continuous Improvement Initiative in both L-S and SPSS where the primary benchmarks for measuring progress are the schools' past performance.
  - 28.** FinCom should require increased transparency of budgets by having SPSS routinely submit budgets by Program, by Function, and by Facility, and L-S to submit budgets by Program as well as Function.
  - 29.** If State aid for schools increases beyond that which has been experienced in recent years, FinCom should recommend that the town contribution to the schools

be reduced in similar amounts in order to freeze or reduce property taxes, thereby helping to reimburse taxpayers for the years when they had to make up the shortfall in State aid.

### **Legislative Initiatives:**

- 30.** Lobby local representatives and join the Mass Municipal Association in efforts to fund education significantly more from State revenues and less from regressive local property taxes.
- 31.** Lobby for changing the law (Chapter 32B, Section 10) which prevents a Town from ever altering the Town's contribution to retiree health insurance (apparently even for new hires, which is absurd).
- 32.** Support the movement to eliminate the requirement for police to be assigned to construction details. While the contractor may foot the immediate bill, the ultimate cost goes to the town and the taxpayers.

### **Marty Ragonas**

#### **Revenue:**

- 1. Investigate electricity wholesaling and/or municipally owned cable and electricity entities.**
- 2. Investigate wind power.**
- 3. Create a committee that lobbies on the State level for Sudbury's interests**  
This is a long term effort, but volunteers on current boards don't have time to do this as well as doing the job they volunteered for. This committee should set a strategy, get to know the players on Beacon Hill and settle in for a long-term effort.
- 4. Explore fundraising possibilities for donations to towns and schools. (Town, L-S, SPS)** Many wealthy individuals live in this town. If presented with the option, perhaps items could be donated on a regular basis.

#### **Expenses**

- 1. Evaluate Cash Management (Town, L-S)** The town on two of its boards has cash management experts who have volunteered their time to make sure the town is taking advantage of all possibilities to do this function in the most economical way. An effort should be made to take advantage of these experts.
- 2. One Superintendent of Schools, one Director of Finance positions (Town, L-S, SPS)** Instead of looking to merge school districts, begin with having one superintendent and one Director of Finance for both systems. When this happened, these two administrators would be able to look for more ways to combine and create efficiencies.
- 3. Increase the share that Lincoln pays for L-S** Fixed costs should be shared equally by both towns. Variable costs can be calculated on number of students attending from each town. However, even on variable costs, there should be a 20% minimum from Lincoln.
- 4. Increase fees. (Town, L-S, SPS)** Increases in fees for users make sense. People who are using the service pay the bill.

5. **Reduce Health Insurance Costs (Town, L-S, SPS)** Although this would have to be accomplished through collective bargaining, it is well beyond the time that this issue needs to be addressed. Once costs such as co-pays and percentage paid by the employer have begun to come down, initiate a program with incentives for a healthier work force that will further reduce costs. Also initiate incentives to not participate in the health insurance plan.
6. **If possible, reduce cost of post retirement health benefits** When looking at costs for active employees, retiree health benefits should be looked at with the same goal of reducing costs.
7. **Exploration of regionalization of public safety and public works** Recognize that this will entail a huge change in the mindset of public officials. However, it's time to research the possibilities.

### Ralph Verni

1. **Endowment** – Pursue one or more programs to create Town endowment funds that would produce income for the annual and or capital budget and keep the principal growing with inflation. Fund raising programs might include an annual campaign with a check-off on the quarterly tax bills for an amount (that would also be tax-deductible); proceeds from sale of Town assets; grants from foundations; and behests from citizens' estates. A variation on this might be to focus on specific projects, such as fire, DPW and police equipment, administrative software, school classrooms (like colleges and libraries (including Sudbury's) do).
2. **Building Permit Fee** – Since new construction with its associated new families requires instant services beyond their respective tax contribution, increase the fee for new residential construction building permits, with some obvious exceptions, to a percentage of the estimated valuation of the completed project, e.g., 2%.
3. **Consultant** - Engage a professional consultant, with extensive successful experience, to help the Town maximize its utilization of Federal and State grant and loan programs to support its annual and capital budgets.
4. **Energy Revenue** – Explore creating solar, wind, and/or fossil fuel electricity co-generation facilities to produce revenue for the Town.
5. **Municipal Refuse Collection** – Explore a Town-wide contract for refuse pick-up with one of the huge providers so that residents would receive the same service they do now at the same or lesser cost (included in their tax bills and therefore tax deductible), but that would generate net revenue for the Town which negotiated a significantly discounted rate due to making it much more efficient for the refuse collection company.
6. **Cash Management** – Explore Town's current cash management system to see if there are investment approaches that could enhance income without significantly adding to risk. Associated with this would be to explore a pooling of cash management funds with other Towns in a special trust fund

that would permit greater liquidity and yet permit longer maturities, thus enhancing income.

7. **Pension Fund** – A.) Aggressively move any town and school administrative staff pension funds to PRIM whose record and staffing and oversight are exemplary vs. Middlesex. B.) Evaluate municipal debt issuance to fully fund pension fund (spread on earnings should easily service and eventually pay off the debt.)
8. **Service Consortiums** – Explore combining various Town services with other nearby Towns to effect efficiencies and possibly better quality services through the increased scale. Safety would be the logical one with which to begin, one chief serving two or more towns with captains and lieutenants also serving more than one town. Services like maintenance, training, etc. would be provided by a central unit. It would provide greater flexibility to move staff from one station to another to maximize coverage given staffing levels and priorities as determined by the Chief s at various times throughout the year. Expanding the DPW’s informal effort in this regard should be included in this study. All of this is trying to spread the fixed cost of overhead over a bigger base as well as apply simple queuing techniques to provide equipment and service more reliably at less cost per unit.
9. **Renegotiate Lincoln–Sudbury Budget Split Formula** – This idea which has been broached several times in the recent past needs the push of some organizational body to break the inertia. The concept is that with the split having gotten so skewed (approximately 15-85 today) and likely to stay skewed or worsen, the formula should be revisited with the idea of allocating fixed costs that vary little or not at all with the size of the student body population, e.g., administration (superintendent, department heads, health services), some aspects of building maintenance, maintenance of certain sports and special programs, on a 50-50 basis or possibly something close, like 40-60.
10. **Charging Fees For Extra Educational Programs** – In addition to fees for athletics, etc., the idea to charge a “tuition surcharge” for AP courses (maybe for any above 2 per student) and other special programs should be explored. Any such activity would require a procedure for families with insufficient income, that is, not charging all or some of the fee based on a simple aid form filed with the school using the higher education standard format. The idea is to maintain the excellent programs that LS currently offers in an environment where the Town as a whole cannot/will not pay for everything the school says it wants. In other words a very good education would still be provided free in Sudbury. Extras however would have to be directly paid for at the margin.

### **Radha Gargeya (L-S School Committee Member)**

I spoke to a long-serving (15 years) Hudson School Committee member about their finances. Hudson did not have a Prop. 2 ½ override since 1992 or so. This year there is [talk](#) about an override but the sentiment is not unanimous. I realize that Hudson is different from Sudbury and the town and school district vary from Sudbury, SPS and L-S. I am also new to municipal finances. But, at the same time, there might be some noteworthy items that could be applicable to us in the future.

Cost containment measures in place:

- Employees (town and school) pay 50% of health care premiums. (It has been this way for a very long time. He said that it might be hard to negotiate it down.)

Cost containment measures being contemplated:

- Under Chap. 32B Sec. 11 E, life and health insurance for retired teachers can be covered by the state general insurance plan or by the town. Currently, they are covered by the state. It is felt that if the town covers it under a local plan, the costs might be lesser.

Alternate revenue sources:

- The school district has four curriculum specialists who aggressively seek funding through grants from federal and private agencies. They have a good grant from National Science Foundation for their science, technology and mathematics programs.
- They also get support from Intel, which has a big facility in town.
- They use EdNets Inc. for their school [web site](#). It has discrete links to an on-line mall and as an early adoptee, it costs the school district less and they receive a percentage of online purchases. (North Reading also uses EdNets, but they have found the financial returns to be minimal. Triton Regional considered EdNets, but did not adopt it, as they had recently restructured their web site and did not want to conform to EdNets template.)
- The school district has developed a program over which they just started collecting royalties (in the range of \$50 K - \$100 K).

Other factors that reduce the pressure on their school district:

- Over-55 housing development.
- 1 and 2 bedroom apartments that attract younger people with a few or no children.
- Senior teachers have been retiring at a rate of 5% to 7% per year and, if possible, are being replaced by younger teachers.

Other interesting features of the school district:

- Sick day buy back, capped at 200 days at \$60 per day.
- Longevity bonus for teachers at 12 years and 20 years of service.
- When they have to choose, they aim for smaller class sizes in core areas.