

Budget Review Task Force
Monday June 2, 2008
Flynn Building – Second Floor - 7:30 PM

AGENDA

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|---------|---------|---|
| 7:30 PM | Item 1: | Approve 4/28 and 5/12 minutes if available |
| 7:40 PM | Item 2: | Form membership of Revenue/Cost Sub-Committees, appoint Chair, Rec Sec'y for each |
| 7:45 PM | Item 3: | Choose topics for Revenue/Cost Sub-Committees to study |
| 8:15 PM | Item 4: | --Decide summer mtg schedule
--Decide mode of reporting to larger group
--Discuss methods to research topics,
--Decide date for research to be completed
--Target date to begin report writing. |
| 8:30 PM | Item 5: | Break up into sub-committees and begin research process |
| 9:30PM | Item 6: | Adjourn |

Flynn Bldg Monday Evening Summer Availability (Lg and Sm Conf Rms):

6/9, 6/23, 6/30

7/7, 7/21, 7/28

8/4, 8/11, 8/18, 8/25

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 a volunteer 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) **(Legality?)**
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 qtrly 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) **(Investigate what other towns do, get info from local non-profits, fdns as to their missions so no duplication of efforts.)**

Sewers (Citizens committee exists that is charged with picking solutions and moving forward. Get Status.)

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) **(There is a blue ribbon committee charged to explore this and make decision. Get status.)**
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) **(Leased to L-S Credit Union. Add'l options?)**
2. Establish passport office (DiFelice) **(Maureen looking into this, keep on list to check status.)**
3. Establish formal PILOT program guidelines and pursue higher tax payments with blue ribbon committee. Commence formal program with objectives and benchmarks (DiFelice) **(Some possibilities like SVT, but not large \$.)**
4. Continue aggressive programs to maximize town assets such as leasing cell towers, leasing buildings, sale of town land (DiFelice, Gannon)
5. Hire an experienced grant writer who gets a bonus based on grants obtained (he/she must deliver more grants than his/her cost) (Jacobson) **(Schools do a good job of this, town could have a better process.)**
6. 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. Explore advertising and branding opportunities, such as uniforms, cafeteria trays (Dufault, Jacobson) **(This gives a strong message to students. Must be very careful on chosen sponsors. Coke—bad message on health.)**
2. 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)
3. 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)
(L-S rep made strong point that it is time for L-S regional agreement to be looked at.)

Water District/Septage Facility - Pursue an understanding of both facilities to see whether new arrangement might benefit Town (Merra)
(Worth exploring. With wastewater issue, good idea to replenish our supplies.)

EXPENSE REDUCTIONS

Benefits/Collective Bargaining

1. 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 3rd party, the town and L-S pay the actual bills associated with the costs. (Catastrophic insurance should still be maintained.) (Pakos)
2. Evaluate municipal debt issuance to fully fund pension fund (spread on earnings should easily service and eventually pay off the debt). (Verni)
3. Reform of public employee salary and benefit packages to align more with private sector (Massey, Ragonos) **(Do research to find good model.)**
4. Move toward participation in Group Insurance Commission (GIC) (Crary)
5. Offer incentives for employees to use spouse's health plan (Crary, DiFelice)
6. Streamline healthcare options (for premium reductions), do cost shifting (higher copays and deductibles) and offer healthy outcome incentives to employees (Jacobson)
7. Reduce benefits of public employees while increasing salaries (Haarde)
8. Pension/retiree benefit reform, replace outdated benefits with modern ones with grandfather provisions (Massey) **(For new hires.)**
9. 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)

Finance/Accounting

1. Ensure latest cash mgmt and investment programs are aggressively pursued (DiFelice, Jacobson, Ragonos, Verni)
2. Ensure payments for expenses not deferred to next budget cycle (Dufault)
3. 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)
(Permanent Bldg. Comm – Elaine Jones)
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)
10. Move town and school administrative staff pension funds to PRIM whose record, staffing and oversight are exemplary vs Middlesex. (Verni)
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) **(Contrary to state law.)**
12. 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)
13. Institute a town sales tax of some small amount like .1%, or make it voluntary. **(Not legal currently – would have to pass state legislature.)**

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, Ragonas, 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 3rd 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, Ragonas)
 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. Consider transfer fees on real estate. (DiFelice)
4. Replace town/public safety equipment and vehicles less frequently (Massey) **(Metrics will help with this.)**
5. Develop online permitting, self check out in library and other automated processes (DiFelice)
6. Encourage centralized purchasing of bids over \$5K (Dufault)

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) **(Establish standards.)**
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)

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)