

FINANCE COMMITTEE  
MINUTES OF MEETING  
TUESDAY, FEBRUARY 5, 2002  
FAIRBANK SENIOR CENTER  
7:30 PM

Present: Co-Chair Sheila Stewart, Co-Chair Jim Carlton, Bob Hurstak, Mike Grosberg, Larry Rowe, Don Hutchinson, Tracy Billig, and Rebecca Corkin. Also present: Kerry Speidel, Finance Director.

Item 1. Update from Capital Improvement Planning Committee on FY 2003 Capital Expenditure Recommendations.

The following members of the Capital Improvement Planning Committee were present for this item: David Wallace, Chair, Ted Pasquarello, Miner Crary, Jose Garcia-Meitin, and Dan Messina.

Chairman Wallace stated that the committee had decided to revise its earlier recommendation, given the budget situation, as follows. Under the No Override, the committee recommends total capital funding of \$68,000 for the replacement of DPW vehicles Units 6 & 18. Under the Small Override, the committee recommends total capital funding of \$112,800, to be divided as \$68,000 for the replacement of DPW vehicles Units 6 & 18, \$4,800 for the replacement of Library terminals with personal computers, and \$40,000 for the replacement of Fire vehicle Unit 3. Under the Middle Override, the committee recommends total capital funding of \$120,100, to be divided as \$68,000 for the replacement of DPW vehicles Units 6 & 18, \$12,100 for replacement of Library terminals with personal computers, and \$40,000 for the replacement of Fire vehicle Unit 3.

The Committee thanked Chairman Wallace and his committee for their work.

No action was taken on this item.

Item 2. Discussion & Possible Action on FY 2003 Budget and/ or Monied & Petition Articles

Kerry Speidel, Finance Director, advised the Committee that she had been requested by the Town Manager for forward some information on behalf of the Board of Selectmen. Speidel stated that the Board of Selectmen felt strongly that: 1. under the No Override, each cost center should receive the same dollar amount as in FY 2002; 2. under an Override scenario, the additional dollar amount should be divided up so that each cost center receives an amount equal to their percentage of the FY 2002 budget; and 3. only one-(1) override question be presented to the voters.

Co-Chair Jim Carlton opened the floor up to discussion of the FY 2003 Budget. Members of the Committee stated concern with Superintendent Bill Hurley's printed

statement in the February edition *Loring Link* school newsletter that the Town was assessing the K-8 system \$500,000 in FY 2003. Larry Rowe responded, as the Committee's liaison to K-8, that he would contact the Superintendent and ask that he print a correction in the March edition of the newsletter. The Committee agreed that this was acceptable and also asked that a copy of the printed correction be provided to each member.

Carlton asked Speidel to provide the Committee with an overview of revenue, debt, and the financial forecast. With respect to revenue, Speidel stated that first Motor Vehicle Excise commitment had been received and that it was nearly \$100,000 higher than the first commitment last calendar year. However, Speidel's recommendation was to only increase the estimate by \$50,000 as she was still uncertain that the remaining commitments would keep pace with last year. In addition, Speidel mentioned that the Governor's Budget recommendation for Chapter 70 is \$218,000 higher than what was used by the Town in its revenue projection. Speidel also mentioned that a petition article was being prepared to increase Building Permit fees from \$5.00 per \$1,000 of valuation to \$10.00 per \$1,000 of valuation. It is estimated that this fee change will raise approximately \$100,000. The proposed fee is also in line with what surrounding towns charge.

Speidel advised the Committee that would be paying a total of \$10,213,389 in long-term debt in FY 2003. \$576,388 of that total would be included in the Lincoln-Sudbury Regional High School Assessment. Debt will also be offset by a SBA grant of \$3,169,449. An additional \$187,200 is projected for interest on short-term debt. Even factoring in the new high school construction project, total debt service is projected to go down over the next several years.

The Committee next discussed the Cost Center presentations. Bob Hurstak over only providing the Town with the same dollar amount as FY 2002 as he felt that the Town had "lost out" to the schools for too long. He stated that you can advance inequitably and decrease equitably. Hurstak further stated that the \$546,325 cut to the Town under the No Override should be distributed between the two-(2) school cost centers. Becky Corkin agreed stating that the 80/20 split of schools to town was no longer acceptable and that she is concerned about the cuts in Public Safety. Sheila Stewart also agreed in being concerned about the cuts in Public Safety.

Larry Rowe stated that he felt the Committee agreed to a percentage split last year and that it should stand again this year in the No Override Scenario. He felt that he didn't have enough information on cost center impacts to recommend cutting any of the cost centers below the proposed percentage split. Becky Corkin stated that she was not as concerned about knowing the additional impact to the school (under a further cut) as they have bottom-line budgets and can move funds around during the year to address issues. Larry Rowe suggested that the Committee address potential inequities in the Override Scenario.

**VOTED: Move to recommend a No Override budget as outlined in the *Financial Forecast Spreadsheet* dated February 5, 2002, under *FY 03 No Override Scenario* column. (This recommendation provides each of the three-(3) cost centers with the same dollar amount as provided in FY 2002, full funding of the Minuteman Regional School Assessment in the amount of \$378,971, an additional \$92,995 for the Retirement Assessment, and \$1,500 for Finance Committee expenses.) On vote, motion carries 5 in favor, 3 opposed (Hurstak, Billig, Corkin), and 1 absent (Nikula).**

The Committee next discussed the Override Scenario.

Speidel provided a brief overview of the three-(3) proposed Override Scenarios. The first is a total Override in the amount of \$3,535,552, with an estimated tax impact on the average assessed home of \$588.34. Under this scenario, the Town would be allocated \$906,348 and would still need to cut \$67,132 from the submitted Level Effort Budget. This cut would not require any staffing reductions. Sudbury Public Schools (SPS) would be allocated \$1,727,312 and would still need to cut \$905,711. This cut would result in the loss of 3 – 16 positions, depending upon what is done with transportation. Lincoln-Sudbury Regional High School (LSRHS) would be allocated \$789,774 and would need to cut \$223,892. Under this scenario LSRHS would be able to increase student fees enough so that no staffing cuts would be necessary.

The second is a total Override in the amount of \$2,971,848, with an estimated tax impact on the average assessed home of \$494.63. Under this scenario, the Town would be allocated \$770,234, and would need to cut \$203,246, resulting in a loss of 3 positions. SPS would be allocated \$1,467,907, and would need to cut \$1,165,116, resulting in a loss of 30.95 positions. LSRHS would be allocated \$661,860, and would need to cut \$351,806, resulting in a loss of 4.85 positions.

The third is a total Override in the amount of \$2,621,653, with an estimated tax impact on the average assessed home of \$436.35. Under this scenario, the Town would be allocated \$664,403, and would need to cut \$309,077, resulting in a loss of 5.5 positions. SPS would be allocated \$1,266,214, and would need to cut \$1,366,809, resulting in a loss of 35 – 44 positions, depending upon what is done with transportation. LSRHS would be allocated \$578,948, and would have to cut \$351,806, resulting in a loss of 6.85 positions.

The Committee discussed the various Override scenarios.

**VOTED: Move that the Committee will not support the \$3.5 million Override. On vote, motion carries 8 in favor, 0 opposed, 1 absent (Nikula).**

It was the general consensus of the Committee that it needed additional information to make any further decisions.

Item 3: Other Items

No other items of business were presented.

There being no further business, the committee adjourned.

Submitted by:

Kerry A. Speidel, Finance Director