

FINANCE COMMITTEE
MINUTES OF MEETING
TUESDAY, JANUARY 15, 2002
FAIRBANK SENIOR CENTER
7:30 PM

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

Item 1. Reserve Fund Transfer Request to Veteran's Benefits- \$720.

Kerry Speidel, Finance Director, stated that the Veteran's Agent is making a request for a Reserve Fund Transfer in the amount of \$720 to cover the cost of two-(2) months worth of medical payments and for emergency food. She stated that since it is never known when the Town will need to provide veteran's benefits, that it has been our practice to not fund anything in the Veteran's Agent Budget for veteran's benefits, and go to the Reserve Fund for a transfer when needed. This way, the Town does not tie up money unnecessarily and maintains the maximum flexibility.

VOTED: To approve a Reserve Fund Transfer for Veteran's Benefits (0155432/ 527820) in the amount of \$720. Motion made by Nikula, seconded by Hurstak. On vote, motion carries 7 in favor, 0 opposed.

Item 2. Salary Contingency Fund Transfer to Unclassified Retirement- \$17,041.

Kerry Speidel, Finance Director, stated that the Assistant Town Manager is requesting a transfer from the Salary Contingency Fund in the amount of \$17,041 to fund Town provided retirement benefits for two-(2) retirements. Each year, the Personnel Office tries to identify who may be retiring during the fiscal year and to calculate what each would receive in sick-leave buyback. The Town benefit is up to fifty-(50%) percent of the value of unused sick leave up to a maximum of 120 days. In order to be entitled to this benefit, the employee must be retiring into the Middlesex Retirement System. Speidel stated that this is always a guessing game as people's retirement plans change. The amount budgeted in FY 02 has already been expended. This request is for additional funds for one-(1) person who retired 12/31/01 and for another who will retire before the end of the fiscal year. A Salary Contingency transfer is being requested rather than a Reserve Fund transfer as this request qualifies for Salary Contingency and there is a balance in this account of \$56,000 and all other significant claims to this account for FY 02 have already been made and settled.

VOTED: To approve a Salary Contingency Fund transfer to Unclassified, Retirement line (0199002/ 527070) in the amount of \$17,041. On vote, motion carries 8 in favor, 0 opposed.

Item 3. Monied & Petition Articles.

Kerry Speidel, Finance Director, recommended that the Committee make recommendations on several warrant articles.

VOTED: To approve the following recommendations. On vote, motions carried 8 in favor, 0 opposed.

- 1. FY 02 Budget Adjustments- to report at Town Meeting**
- 2. Unpaid Bills- to report at Town Meeting**
- 3. Street Acceptances- to recommend approval**
- 4. Council on Aging Revolving Fund- to recommend approval**
- 5. Goodnow Library Revolving Fund- to recommend approval**
- 6. Bus Revolving Fund- to recommend approval**
- 7. Early Childhood Revolving Fund- to recommend approval**
- 8. Youth Commission Revolving Fund- to recommend approval**
- 9. Recreation Programs Revolving Fund- to recommend approval**
- 10. Teen Center Revolving Fund- to recommend approval**
- 11. Cable Television Revolving Fund- to recommend approval**
- 12. Conservation Revolving Fund- to recommend approval**
- 13. Dog Revolving Fund- to recommend approval**

Item 4. FY 2003 Budget Presentations- Lincoln-Sudbury Regional High School: Operating & Capital.

John Ritchie, Superintendent, and Pauline Paste, Finance Director/ Treasurer, made the presentation.

Superintendent Ritchie identified the FY 03 Budget Components. He stated that Debt traditionally has been 2% of the budget, in FY 03 it's 4%. Fixed costs are up 1%, while salaries are up 1.5%. The overall budget increase within the levy is 8.1%, and is broken down as follows.

Regional Fixed Costs	1.6%
Level-Effort Budget	4.9%
Level Effort with enrollment	1.6%
Total:	8.1%

Modest improvements have not been included in the budget request for several years. FY 03 Budget Drivers include: SPED Circuit Breaker Law; Insurance Costs (up 22%); Year 3 of Collective Bargaining agreement; impact of new building; and 75 new students. From FY 95 to 02, student enrollment has increased 40%. Increases include:

SPED	+10%
Instructional Supplies	+3.15%
Teaching Staff	+4.17 FTE
Clerical Staff	+2 hours/ day
Academic Support Center Tutor	+.5 FTE

The driving forces affecting assessment are:

1. higher reapportionment (got \$80,000 more in state aid)
2. budget ratio
3. State Aid (got \$60,000 less in 02 than projected)
4. Debt Service

Lincoln-Sudbury Regional receives funding from the following sources:

State Aid	13%
Lincoln	13%
Sudbury	72%
Receipts	2%

A No-Override Scenario means a \$1.2 M budget (not assessment) reduction. Superintendent Ritchie stated that L-S is at a fantastic place, and that it's thriving, and that a budget cut of \$1.2 M would be devastating.

Pauline Paste stated the staff impact of the No-Override Budget as: loss of 20 to 25 employees (not all teachers, it's a mixture of teachers, staff, administrators), in addition to the 4.15 FTEs that they need in FY 03 that will not be filled.

The Class Size impact as: avg. dept. class size is 21 to 22, but there are several classes that have 10 to 12 students- but these sizes are needed for the types of students they serve. If the budget has to be cut, all classes will have to be increased to 25. SPED students will need to be placed in other schools which will cost the Town also.

The Committee asked a variety of questions regarding class size, the number of classes per day each teacher could teach according to their contract, and student fees.

Co-Chair Stewart stated that its not the job of the FinCom to tell L-S to lay off teachers or to increase class sizes, or anything else. She further stated that the FinCom's job is to listen to what L-S needs and to understand the impact of the budget cuts. She said she would like to hear how the 3.5, 5.0, and 6.96% increases over FY 02 would impact LS.

Superintendent Ritchie stated that no one at L-S thinks that we should propose a \$4.8 M override. Any override that succeeds is better than a failed override. He further stated that if there is a successful override in the \$2 M range, L-S could figure something.

The Committee thanked Superintendent Ritchie and Pauline Paste for the information they provided.

Item 5. Follow-up Items and Other Items.

There was nothing to report on Follow-Up Items. No action was taken on this item.

No other items of business were presented.

There being no further business, the committee adjourned.

Submitted by:

Kerry A. Speidel, Finance Director