

Town of Sudbury ~ Finance Committee
Minutes of Meeting
Monday - September 19, 2005
Fairbanks Senior Center - 7:30pm

Present: Co-Chairs Bob Jacobson & Marty Ragonas, Tracy Billig, Michael Grosberg, Bill Kneeland, Sheila Stewart, Larry Rowe, and Ralph Verni. Also present: Suzanne Petersen, Finance Director, and Robin Porcella, Recording Secretary.

Item 1: Opening Remarks

Bob Jacobson opened the meeting at 7:31pm.

Item 2: Approve Minutes

Bob Jacobson asked the Committee to review the minutes from the September 1st meeting, and to state any concerns they might have. Marty Ragonas suggested that resuming the practice of sending the minutes in advance of the meetings in the Committee's packets will be helpful.

VOTED: On motion to approve the minutes of the September 1, 2005 meeting. Motion made by Bill Kneeland and seconded by Sheila Stewart. On vote, motion carries 7 in support, 0 opposed, and 2 absent (Billig, DeLuca).

Item 3: FY07 Budget Guidelines

Preliminary revenue and expenditure projections for FY07 were discussed by the Committee. Bob Jacobson stated the projections used in the spreadsheet prepared by Finance Director Sue Petersen were based on 1%, 3%, and 5% scenarios in order to give the Committee an idea of what percentage increase the levy limit will support without an override and how much additional revenue would be required to support various scenarios. Except for the dates and percentages, he does not expect the guidelines letter to the cost centers to change much from last year.

In regards to the Projected Revenue figures, the Committee was informed that the figures are very preliminary. The local receipts and free cash figures are based on the average of the past three years. Sue Petersen has been informed by the Assessor, that they do not expect the growth figures to increase much For FY07 as growth has been leveling off.

The pension and benefits projections assumed a 15% increase. All other expenditures were based on the 1%, 3%, and 5% scenarios. The Committee was advised that Pauline Paste, LSRHS Business Manager, said that she may end up using a 12% increase for pension and benefits, but

that she would know more as she got further into her budget preparation. Sue Petersen stated that the Town Manager, Maureen Valente, recommends using the 15% for the pension and benefits estimates. Sue Petersen agrees with that for a couple of reasons: The insurance rates are not set until the end of October or early November and the exact number of employees in each group will not be known until November following open enrollment and, although we probably will not see increases of 15% in the health insurance, reinsurance increases have been particularly high.

Ralph Verni, a new member of the Committee, had several questions regarding the budget process and why certain figures are submitted and analyzed. The Co-chairs and other Committee members explained to Ralph something of how the process works and the reasons certain procedures are followed. Further discussion regarding pension and benefits assumptions followed, leading Mike Grosberg to suggest reducing the increase even further to 10%. The Committee decided to use 12% as an assumption for pension and benefits in the projections for FY07.

Bob Jacobson asked Sue Petersen to complete a new analysis showing pension and benefits increasing at 12% and all other expenditures showing whatever increase can be supported by 2 and ½, (approximately 1.5%) and another scenario showing other expenditures increasing at whatever percentage would result from raising \$1,000,000 in additional revenue over and above the levy limit. The Co-chairs will enclose these projections with the guidelines to be sent to the cost centers during the last week of September. The Co-chairs will e-mail a draft of the letter to members of the Committee before mailing to the cost centers. The budget hearings will be scheduled, as they were last year on Monday and Thursday evenings throughout January.

Item 4: Liaison Updates

Bob Jacobson stated the LS High School is constantly having meetings to discuss what has not been completed at the new school. Approximately \$11 million will be permanently bonded.

There being no further business, the committee adjourned at 8:17pm