

**Town of Sudbury
Board of Selectmen & Finance Committee
Minutes of Meeting
Monday – December 15, 2008
Lower Town Hall – 7:30pm**

Finance Committee: Chairman Chuck Woodard, Jaime Gossels, Todj Gozdeck, Bob Jacobson, Bill Kneeland, Marty Ragonas, Jim Rao, Sheila Stewart, & Debbie Zurka

Board of Selectmen: Chairman Larry O'Brien, John Drobinski, and Bill Keller

Opening Remarks:

Larry O'Brien opened the meeting at 7:40pm, and thanked all for attending. Chairman O'Brien introduced the Board of Selectmen and the Town Manager, and gave an explanation as to why the location of the meeting had been changed so late in the day. He gave a brief explanation as to the objective of tonight's meeting and the format that will be followed.

Item 1: Budget Review Task Force report on cost savings:

Marty Ragonas started the discussion by explaining how the Budget Review Task Force (BRTF) came into being, and what their objectives and goals are. It was explained that the BRTF is made of up 18 members: 9 Sudbury citizens, 1 selectman, 4 Finance Committee members, and 2 members from each of the SPS & LSRHS school committees. It was explained that the group was divided into two sub-committees: Revenues and Expenses.

Bob Jacobson started the BRTF presentation by stressing that the report being presented tonight is a preliminary report. It is being presented in order to solicit comments & input from all affected parties. The BRTF requested that the finance directors from the cost centers review all of the historical data that is being presented in the preliminary report. The finance directors were asked to inform the BRTF of any concerns so that the group can be certain that what is reported in the final draft that will be issued at the Annual Town Meeting is accurate.

Bob Jacobson stated that most of the recommendations being presented have to do with changes to the administrative structure only. This is being recommended in an attempt to protect core services.

In closing, Bob Jacobson stated that the BRTF will welcome comments from the public. He asked that all comments be put in writing, so that they can be distributed to all the sub-committee members for their review.

Recommendation – Consolidate Administration of LSRHS & SPS:

Paul Fuhrman presented the first recommendation on behalf of the BRTF. He started his presentation by informing the audience that the items being presented, if accepted, would have an effect on the BRTF members as well as many citizens of Sudbury. He has three children in

the school system, and he has no intention of moving his family out of town. If LSRHS & SPS are consolidated in the future, it will affect his children.

Although the first recommendation is to consolidate the administration at SPS & LSRHS, the BRTF is not trying to imply that the school systems have intentionally overstaffed their schools. This is strictly being looked as a potential cost-saving. The projected annual savings for the consolidation is approximately \$1 million dollars, with Sudbury's share being \$980,000.

The primary objective is to consolidate the SPS & LSRHS administration staffs into a Superintendency Union, which would operate under one superintendent. It was explained what a Superintendency Union is, and how the BRTF performed two analyses to arrive at their potential savings figure.

There were a couple of discussions involving the legality of consolidating the two school systems. Gary Taylor, Lincoln Selectman, stated that they have received legal advice that votes taken by both committees are not all that is needed to amend the regionalization agreement between the two towns. He believes this matter will need an approval vote at both the Lincoln & Sudbury Annual Town Meeting. Eric Harris, LS School Committee, stated they have received legal advice as well stating that this recommendation cannot proceed until it receives approval at the Annual Town Meeting in both towns. Selectman O'Brien asked if Gary Taylor and Eric Harris were willing to share a copy of the legal advice they had both received. Both agreed to send a copy to Selectmen O'Brien.

Concerns were brought up from Lincoln Finance Committee and LSRHS school committee members. Peter Braun, Lincoln Finance Committee, stated that there is no legal basis for this recommendation and that it is fundamentally flawed. He stated that the Lincoln FinCom members should have been invited to participate in this study from the very beginning. Patricia Mostue, LS School Committee Chairperson and Lincoln resident, stated that the information needs to be shared with Lincoln sooner than the night it is presented. As a courtesy, she requested that all future information be sent to all members of the school committee. It should not just be sent to Jack Ryan.

There were comments from two audience members. Karen Madden, a Sudbury resident, thanked the group for bringing this information forward, and believes the group should be commended for the work they have done. She reminded everyone that this needs to be looked at further, and everyone needs to continue to work together. Robert Stein, a Sudbury resident, stated that he believes the schools should have been consolidated years ago. He asked that the Selectmen put this recommendation on the fast track. If the choice is between cutting teachers and having larger class sizes or cutting administration, he would rather administration positions be cut.

John Ritchie, LSRHS Superintendent, applauds the work done by the BRTF. He stated that it is hard to come up with a way to change processes that have been in place for a long time. His main concern is that the public should not be left with a feeling that there is a large cost-savings here and it cannot be obtained because of legal issues.

Selectman O'Brien asked if the SPS school committee had any thoughts on this recommendation. Susan Iuliano, chair of SPS school committee, stated that legally there might be a problem with this recommendation. She believes it will be a long process, because of the regionalization system already in place. The SPS school committee would like to continue to be included in discussions that will take place in the future on this matter.

Selectmen O'Brien will work on setting up a meeting with all of the appropriate parties within the next 30 days to continue to discuss to the consolidation of the school systems.

The Sudbury Finance Committee unanimously agreed to support this recommendation.

The Sudbury Board of Selectmen unanimously agreed to support this recommendation.

Recommendation – Regionalize Public Safety Administration:

Paul Pakos, BRTF member, presented the next four recommendations. The first recommendation he discussed involves regionalizing the Public Safety Departments with a group of neighboring towns. He started his presentation by reminding everyone again that this is a preliminary report. They picked the fire, police, and DPW, because that is where the large budgets are.

The potential annual savings for this recommendation is approximately \$600,000. This recommendation does take into consideration that administrative and dispatch positions would be consolidated. While preparing their recommendation, it was noted that neither the police nor fire chief were asked for information/input.

Selectmen O'Brien stated the Town Manager had sent a copy of the preliminary report to both chiefs. It was reported that the chiefs were intrigued by the report, and that they believe there are some possibilities that can be obtained.

Maureen Valente, Town Manager, stated the town is currently looking at regionalizing systems. She reminded everyone that the Sudbury departments are already very lean, but believes this is a recommendation worth looking into further.

Gary Taylor, Lincoln Selectman, stated that the two towns do a good job of covering each other now. It would need to be researched more as to where joint savings might be achieved.

Tom Conroy, State Representative, was asked for his input. He stated that this is a good concept, and is something the state is really pushing. At the state level, they are encouraging communities to discuss such possibilities.

The Sudbury Finance Committee unanimously agreed to support this recommendation.

The Sudbury Board of Selectmen unanimously agreed to support this recommendation.

Recommendation – Regionalize Road Maintenance:

The potential annual savings for this recommendation is approximately \$500,000. This item is one to the town's most significant expenses. The BRTF analysis focused on potential savings from consolidating the administrative and engineering functions only.

Maureen Valente, Town Manager, informed everyone that when you contract a project out, it can cost up to three times more than if it had been completed in-house.

Larry O'Brien stated that the Town Managers and Selectmen from the Town of Wayland have previously met, and have already begun the discussions regarding the possibility of combining some services.

Recommendation – Expand Lincoln-Sudbury to include the Town of Wayland:

The potential annual savings for this recommendation is approximately \$500,000. Currently, the Town of Wayland is looking into building a new high school. Without expanding, LSRHS can accommodate an additional 221 students.

Jamie Gossels stated that we need to think of the education experience for the students before making a decision. She finds it hard to believe it will be a good experience for the 221 students from Wayland.

Recommendation – Regionalize the Lincoln and Sudbury K-8 Systems:

The potential annual savings for this recommendation is approximately \$1,000,000. This recommendation looked into the possibility of creating a regional K-12 school district by regionalizing all schools within Sudbury and Lincoln. It was agreed that more detailed analysis would need to take place.

Both the Finance Committee and Board of Selectmen agreed that this is preliminary work, and the possibilities need to be looked into further. Larry O'Brien stated he will bring the matter up at future meetings.

Recommendation – Collective Bargaining:

Karen Massey, BRTF member, presented this recommendation. The purpose of this recommendation is to request that the town and school administrators develop a collective bargaining strategy which will attract and retain quality employees as well as reduce the long-term liabilities that are contributing to the town's structural deficit.

The BRTF concentrated on the teachers' contracts, since they make up the majority of the employees.

The BRTF proposed the following recommendations for all future collective bargaining negotiations:

- Evaluate salaries concurrently with healthcare reform (ex: adopt GIC)

- Increase LSRHS course load from 4 to 5 classes
- Migrate from individual to district allowance for professional development
- Revisit ILAP
- Develop comprehensive K-12 collective bargaining strategy. SPS & LSRHS Teachers' contracts should be negotiated together.

Jamie Gossels asked how ILAP is related to cost-savings; she believes this will affect the education of the students. Tammie Dufault, BRTS member, stated that the task force thought it was worth looking at since it is related to negotiations. Larry O'Brien agreed that this is a negotiation issue.

Susan Iuliano, SPS School Committee, stated that this is not a negotiation issue for SPS. It is just a shift of time. This has been the process for the last two-years. An outside analysis was completed after the first year.

Eric Harris stated that the LSRHS teachers come in early, stay late, and let students email them. There will need to be trade-offs if you push them too much.

Larry O'Brien stated that it is agreed that teachers do the job they do for the love of the job, and that they are not in it for the money. He stated that maybe changing from 4 to 5 classes is unobtainable, but we might be able to look elsewhere for savings.

Robert Stein, Sudbury citizen, stated pay freezes are needed. Of the short-fall that SPS is looking at, \$900,000 can be addressed by limiting salary increases. If there is a pay freeze, there will be no need for larger classes.

It was agreed that there was no need for the Board of Selectmen or the Finance Committee to endorse this recommendation.

Recommendation – Health Insurance:

Tammie Dufault, BRTF member, presented this recommendation. The annual savings opportunity for the recommendation is approximately \$2.5 million. Between LS, SPS, and the town, 600 employees have insurance coverage. The 2009 health care costs are expected to be in excess of \$9 million, or equivalent to 14% of Sudbury's operating budget.

The following recommendations are proposed:

- Discontinue the Harvard Pilgrim Healthcare Plan. The town's contribution for the Harvard plan is 46% more than the next benefit plan offered.
- Adopt Massachusetts GIC Program. The year 1 savings is estimated at \$2.5million.

Karen Madden, Sudbury resident, asked if they could discuss the strategy of how this issue will be brought up in negotiations. Maureen Valente, Town Manager, stated she cannot promise anything will change. It will on depend on the unions. She stated that they are asking for the state to change the legislation that allows towns to join GIC or change health benefits without going through negotiations.

Judy Belliveau, LSRHS Finance Director, stated that they have looked at ways to reduce insurance costs. They purchase group insurance, and the school has just adopted Section 18. They are trying to make changes, but it is frustrating because everything has to be negotiated.

Recommendation – Full-Day Kindergarten:

Tammie Dufault, BRTF member, presented this recommendation. This recommendation proposes the creation of an optional fee based full-day kindergarten program. The net revenue opportunity has not yet been quantified.

The following reasons were presented as reasons to support the full-day program:

- Greater reading & mathematic gains than those in half-day classes
- Produces long-term educational gains
- Offers social, emotional, & intellectual benefits

A Pilot Program is being recommended for FY10. It is agreed that space & availability will be an issue.

John Brackett, SPS Superintendent, stated that this has been a goal of the school committee for the last 3 or 4 years. The limited space available has been the major factor in why a full-day program is not currently being offered. Is it estimated that another 9 or 10 classrooms would be needed to offer the program.

It was unanimously agreed that the SPS school committee should look into this recommendation further.

Recommendation – Town Services, Comparative Analysis:

Due to the time, only a couple of points were made in regards to this recommendation.

The following points were noted:

- Sudbury has ranked 5, 6, 7, or 8th for the highest property tax bills in the state since 2000.
- Sudbury ranked 65th in spending for total expenditures, excluding education
- No conclusion can be achieved as of yet, as insufficient work has been completed for this analysis.

In closing, the Board of Selectmen unanimously agreed that the recommendation of creating the Superintendency Union be the first priority. All three selectmen thanked the BRTF members for all of their hard work, thought and time put into preparing this report. Larry O'Brien stated that the Selectmen will have a copy of the report with a preamble on the website within a couple of days.

The Board of Selectmen adjourned for the night at 10:40pm. The Finance Committee took a break for a few minutes for the audience to break-up before continuing their meeting.

Item 2: Discussion regarding aid reduction for FY10 Budgets:

Chuck Woodard explained that the town is expecting up to a 10% reduction in State Aid. If this happens, this would only allow a 1% increase in operating expenses under a no override budget. It was requested that departments be prepared to discuss the impact of this at the budget hearings.

Chuck Woodard explained in more detail as to what the January 26th budget hearing would involve. The “Taxpayer Presentations” is being offered as a way for any citizen to come and make any comments or recommendations that they would like.

Chuck Woodard stated he would like to take some of the budget data that is being presented to the FinCom and post it on the town website in a format that would be understandable and useful for the average taxpayer. Only facts will be posted. The committee unanimously agreed to this idea. Maureen Valente asked that the committee consider showing the information they plan to post on the website to the cost centers before the information is posted.

Item 3: Approve meeting minutes:

Postponed until the January 8, 2009 Budget Hearing.

Item 4: Transfers:

There were no transfer requests to be voted on.

Item 5: Cash Reserves and Stabilization fund policies:

Postponed until the January 29, 2009 FinCom meeting.

Item 6: Adjourned:

There being no further business, the committee adjourned at 10:50pm