

**Town of Sudbury ~ Finance Committee
Minutes of Meeting
January 14, 2008
Lower Town Hall – 7:30pm**

Present: Chair Chuck Woodard, Jamie Gossels, Bill Kneeland, Bob Jacobson, Jim Jacobson, Marty Ragonas, Sheila Stewart, Ralph Verni, and Debbie Zurka

Item 1: DPW – Deficit Spending Approval:

Town Manager Maureen Valente asked the committee to vote on whether or not they would support the DPW to deficit spend the Snow & Ice account. She explained the laws that allow this account to be deficit spent, and explained that it can only be done so with the Finance Committee's approval. As of last week, there was only \$26,000 remaining in the account.

VOTED: On motion, to support the deficit spending of the DPW's FY08 Snow & Ice account. On vote, motion carries 9 in support and 0 opposed.

Budget Hearing – Opening Remarks:

Chuck Woodard made a brief remark in regards to the personal/inappropriate comments that appeared in the blogs after last week's Crier articles. He stated that such comments would not be tolerated at any of the budget hearing. He also reminded the audience that if they have any questions, they may direct them to the Finance Committee via the town's website.

Item 2: LSRHS Budget Hearing:

Superintendent John Ritchie stated that he will not read the blogs, because the anonymous comments bring everyone/everything down. He stated that the good thing is that it makes you aware of what the perceptions out there are. He stated that he has received lots of emails stating that if the budget is this tight, than you have to cut back and make do with what you have. His response to the emails is that LS has cut back in the past years. The increase in staff has not kept up with student growth in awhile. There are approximately 37 academic sections that have 28 or more students.

Director of Finance Judy Belliveau presented the three budgets: Proposed, Level-Staff, and Non-Override.

Proposed Budget.....The Proposed Budget would include new positions for the large incoming 9th grade. It also includes increase to cover the costs of utilities, pensions & insurances, Special Education, transportation, and NEASC (deals with the accreditation process). General Expenses are projected at a 3% increase.

Although grades 10 thru 12 will see a decrease in enrollment, the 9th grade is expecting 28 new students. FY09 will see an overall increase of 7 students over FY08.

The total amount of the Proposed Budget is \$27,368,511, which is a 3.97% increase over FY08 excluding pensions and insurance. Salary increases account for \$738,968 of the budget, and this is 4.97% over FY08. The salary increases are 77% of the total increase amount of the budget.

Bob Jacobson asked if she could explain how and why the steps & cost-of-living increases work this way. He stated that the percentage increases in pay are very high. Judy Belliveau stated this is a very standard practice for a school district. The teachers' are required to get degrees, and then gain experience with each year of service. John Ritchie stated he wants the taxpayers to have actual knowledge of what is going on. He stated that there is a perception that the teachers are highly paid. This is not true. They are in the middle of the pack when compared to peer schools. Over the last three years newly hired teachers have been paid comparable to or less than what they received at their previous school.

The Utilities line will see a \$66,501 decrease, or 6.93% decrease compared to the FY08 budget. The bid rates for FY09 are lower than FY08.

Bob Jacobson stated that there are many comments being made about the lights being left on in the building and in the parking lot. John Ritchie stated that the system is programmed for modern efficiency. The system is watched over by an analyst and the maintenance staff. The lights are rescheduled each day, to configure with the building schedule. He also stated that by regulation for public safety, there are a certain amount of lights that need to be left on.

Level-Staff Budget.....does not include any new positions. It does take into account any negotiated increases and step increases. General Expenses are level funded.

The total amount of the Level-Staff Budget is \$26,972,067, which is a 2.46% increase over FY08 excluding pensions and insurance. Salary increases account for \$468,081 of the budget, and this is 3.15% over FY08. The salary increases are 73.9% of the total increase amount of the budget.

Non-Override Budget.....The total amount of this budget would be \$26,231,177, which is a decrease of 0.35% over FY08.

This budget would see a support staff reduction to Health Services, the library, teacher assistant positions, and a 50% reduction in the substitute line, which results in a total decrease of \$189,000. Teachers would see a reduction of 4.0 FTEs, which results in a reduction of \$240,000.

Audience member Bob Stein stated the he has seen the articles and the blogs spoken of tonight. He stated that his perception of the trust that the taxpayers have for John Ritchie is low. They look to the superintendent for answers but only now are all kinds of information coming forward. Last year the superintendent stated that without an override they would need to cut 20 positions. Now it is being found out the school offers early retirement to teachers, sabbaticals, and that the children of any employee who works for the school may attend the high school. Mr. Stein also stated that he has been by the high school at 1am and that the lights are on. As a taxpayer he is very disappointed and will not support an override.

Superintendent John Ritchie responded that the sabbaticals are not offered if the budget cannot support it. He also said that he never made a comment that 20 positions would need to cut last year if an override was not passed last year. As for the lights being left on, Mr. Stein should have listened earlier, because the comment about the lights was already addressed.

The committee took a five-minute break before beginning the SPS Budget Hearing.

Item 3: SPS Budget Hearing:

Superintendent John Brackett started the presentation by introducing SPS Business Director Mary Will.

He started the presentation by stating that the slides tonight will show the story they want to share with the public tonight. The audience was informed that there is more information available on the school's website (www.sudbury.k12.ma.us). The committee was informed that they were presented with both copies.

The K-8 perspective is very different than the high school. They deal with things very differently than the high school. The elementary classrooms have one teacher, and the middle school is based on a team concept.

To offer the same programs/services each year, the SPS budget will need an additional 4 to 5% revenue increase each year. 94% of the school's costs are related to salaries, benefits & mandated expenses. 73% of the total salary line is for the teachers.

The committee was informed that between FY07 and FY09 the cost-of-living increases have been 2.5%, 2.5%, and 3%. If eligible, the employees are also entitled to step increases.

Level-Staff Budget..... The total amount of the Level-Staff Budget is \$28,127,332, which is a 4.13% increase over FY08 excluding pensions and insurance.

Superintendent John Brackett stated that the total amount spent per pupil is hard to compare, because SPS is one of the largest systems in the state. He gets a lot of questions on this, but there is no real peer to compare to.

John Brackett stated that they are trying to control the costs of the special education program, but the needs of the students are what drive this budget. Sometimes it is more beneficial to place the student out-of-district. Over the past few years, it was stated that the Special Education enrollment has remained constant. This shows that residents aren't moving here just because of the Sped program.

Adopted Budget.....This budget was adopted by the school committee on December 12, 2007. The total amount of this budget without benefits is \$28,659,380, for an increase of 6.10% over FY08.

This budget would see an increase of 8.30 in FTES, and the cost increase would be \$503,255.

Non-Override Budget.....The total of this budget is 1% less than the FY08 total after health benefits and pensions are covered. It will require cuts of nearly \$1.4 million. The specific balancing plan remains in the decision making process.

In closing, John Brackett stated that he and the school committee are aware of the financial problems that town is facing, but that both of them are advocates for the kids. He stated that they have a good system and that he will not apologize for what they are asking for.

Jim Jacobson asked if there is any impact to the state aid we receive if we go over a certain class size level. John Brackett stated that there are no regulations, so we would not lose any aid because of class sizes. Some of the class sizes are contractual. He realizes some classes can run smoothly with larger numbers. Teachers will tell him that an extra two students in a class can seem like a lot more. They lose the one-on-one interaction with the students. He would not push to reduce the class sizes, but that we need to maintain them.

Ralph Verni asked if the SPS teachers have an early retirement incentive clause, and if no why they do not. John Brackett stated that they do not, and that it has not come up since he has been here. School Committee member Bill Braun stated that they were actually having the opposite problem and were losing too many teachers to retirement. They would prefer to keep the experienced teachers on to mentor the newer ones.

Marty Ragonese asked about the tenure of teachers and where they stand. John Brackett stated that 50% of the staff has less than 5 years in Sudbury, but have experience from other systems.

Chuck Woodard stated that he noticed the cost of the Special Education program was creeping up, and if Dr. Brackett could give a brief explanation. John Brackett stated that it reflects the cost of doing business. They are seeing students with more severe needs, so there are higher costs. The cost of transportation and out-of-district placements are going up.

Audience member Bob Stein asked if the teachers are offered sabbaticals or early retirement incentives. John Brackett stated sabbaticals are offered in the contract but that none has been requested since he has been here. He knows of one that was taken in the past. There are no early retirement incentives offered.

Bob Stein asked if there was any anticipation to offer full-time kindergarten. John Brackett stated that they would like to offer it, but available space is the problem.

Bob Stein asked if SPS offers any dancing or rock climbing classes. John Brackett stated that he wish they could, but are limited by time & staff. Physical Education is offered once a week for the elementary students. He is envious of the high school.

Bob Stein asked if there is any mechanism in place so that more funds can be given to the K-8 system, if it is felt that another department is just wasting the money. Bob Jacobson stated that anyone can put forward another budget proposal at Town Meeting, if they do not like what is being recommended. The Finance Committee presents what it believes is fair and equitable.

John Brackett stated that he appreciates Bob Stein's comments, but he also appreciates that all of the cost centers have worked together to try to equitably allocate available budget resources. He is only speaking for himself, but he hopes that the cost centers continue to work this way. There has been a good collaboration between each cost centers.

Ralph Verni asked if there is any rule in place on how the overrides would be split between the cost centers. Bob Jacobson stated that the proposals presented are what the cost center, Board of Selectmen, and the Finance Committee find to be in the best interest of the town.

There being no further business, the committee adjourned at 10:30pm.