

Joint Meeting of the Lincoln Finance Committee and Sudbury Finance Committee

January 24, 2008

Lincoln Finance Committee

Present: S. Haber, M. Hartman, J. Koenig, J. Robinson, E. Shorb, R. Steinbrook (chair)

Absent: P. Giese

Sudbury Finance Committee:

Present: R. Jacobson, J. Jacobson, S. Stewart, D. Zurka, M. Ragonese, W. Kneeland, J. Gossels, C. Woodard (chair)

Absent: R. Verni

Minutes submitted by: R. Steinbrook and C. Woodard

The meeting was called to order at 7:30 pm in the Donaldson Room at Lincoln Town Hall.

Following introductions of the committee members, Robert Steinbrook welcomed the Sudbury Finance Committee. He expressed the hope that the site of this annual meeting would continue to alternate between the towns. The purpose is to share information about the status of the deliberations with regard to the budget of the Lincoln-Sudbury Regional High School (LSRHS) and about the general financial situations in which these deliberations are taking place.

Robert Steinbrook said that Lincoln had been able to fund a FY '09 base (non-override) budget that provides for a 3% increase for budgeting agencies, exclusive of certain fixed costs, primarily pensions & insurance. For LSRHS, Lincoln had adjusted this 3% budget guideline to 3.22%, to synchronize it with the level staff budget that had been presented by the LSRHS School Committee as the middle of three alternatives in terms of cost. Lincoln recognized that the Sudbury budget, when it is finalized, might provide for a lower level of funding for the high school, in which case the Lincoln assessment would be determined by the percentage change that matched the Sudbury budget. There would likely be a warrant article at Lincoln town meeting that would allow for a vote on whether Lincoln should grant to LSRHS the difference, if any, between the assessment and the appropriation for LSRHS.

Lincoln has not yet determined whether or not to seek a "Proposition 2 ½" override to support its operating budget but is considering modest additional spending requests from the Town, the K-8 schools and the Library that could be funded without an override.

Chuck Woodard said that both the Sudbury Board of Selectmen and Finance Committees are concerned about the projected need for an override again this year to support the level staff budget. Contributing to the size of the override are the lack of excess free cash, which was available last year to reduce the amount of that override, the assumption of continued level funding from the State, and a reduction in local

receipts and fees. A working group of representatives from the Board of Selectmen, Finance Committee, Town Departments, LS School Committee and K-8 School Committee has been meeting to discuss the financial picture, determine whether to seek and override, and, if so, the amount of the override. The final meeting of this group, at which time a decision will be made, will be scheduled for early the week of February 4.

The Sudbury Board of Selectmen and Finance Committee are also concerned about the potential for annual requests for sizeable overrides next year and beyond given the current cost structure of Town and School operations and the fact that state funding has been flat. We have agreed to extend the charter of the working group past the resolution of the override question to review and discuss a Finance Committee plan to set a three year target on the annual rate of growth in operating expenses (all expenses except debt service). In the absence of major changes in circumstances or major increases in uncontrollable costs, the Finance Committee would plan to recommend against any override to pay for expenses in excess of the target. The objective is to provide top down spending guidance to the town Cost Centers and to demonstrate to the taxpayers that town management is moving proactively to control expenses.

Following these overviews, the committees discussed matters related to LSRHS, including the maintenance of the high school building and computer technology, the availability of financial reserves, and the potential impact of the state budget on budget planning. Both committees stated their commitment to maintaining the quality of LSRHS, consistent with the fiscal challenges for each town.

It is anticipated that Lincoln and Sudbury will reach final decisions about their proposed FY '09 budgets by the first week of February, and will share this information as it becomes available.

The joint meeting was adjourned at 8:10 pm.