

Town of Sudbury ~ Finance Committee
Minutes of Meeting
Thursday – February 7, 2013
Lower Town Hall – 7:00pm

Present: Joan Carlton, Jamie Gossels, Bob Jacobson, Bill Kneeland, Douglas Kohen, Mark Minassian, Jim Rao and Robert Stein

Absent: Chuck Woodard

Opening Comments

Jim Rao opened the meeting at 7:05pm. He reviewed the agenda of the meeting. He stated that the cost centers will first present their budgets, and the FinCom will be given an opportunity to ask questions first to be followed by questions from the public.

Budget Hearing: Lincoln-Sudbury Regional High School

Scott Carpenter, Superintendent, and Michael Connelly, Business Director, presented the FY14 Level Staff Budget for Lincoln-Sudbury Regional High School (LSRHS).

The committee members were provided with packets containing copies of the LSRHS slide show presentation: “Lincoln-Sudbury Regional High School FY14 Budget presentation”.

Before presenting the budget, Scott Carpenter introduced Michael Connelly. Scott Carpenter reviewed Michael’s previous work experience with the towns of Wakefield and Wellesley school business offices. He stated that Michael has done a great job dealing with some of the office issues, but they still face challenges moving forward.

Doug Kohen wondered if LSRHS have a thought on the relationship between the average class size and the number of out-of-district special education placements. Thinking long term do you wonder if there is a correlation between the reductions in the number of teachers to the number of students in out-of-district placements? Scott Carpenter responded absolutely. We had years were we were laid off staff. He stated that there are parents of 8th grade students who are concerned in regards to whether to the school can meet the needs of their child. We need to address the class sizes, so that the school can meet the needs of all students. Doug Kohen responded he just did the calculation and it looks like Sudbury’s percentage of students is going up.

Joan Carlton questioned the Sudbury calculation that goes from 83.9 to 86.1, when the number of children from Lincoln increases from 198 to 214. It looks like the percentage of kids from Lincoln is higher in FY14 from FY13. Michal Connelly responded that Joan is looking at the minimal required contribution percent. Enrollment counts do not affect the minimal contribution amount.

Jim Rao questioned it seems that the solar panel project is not taken into consideration with this budget. Scott Carpenter responded that the project was not taking into consideration when the budget was prepared. There are still too many unknowns with the project. Gerald Quirk, LS school committee, responded that there could be some delays. First they need a PILOT agreement (payment in lieu of taxes). If they get taxed on the project, it is possible it might not more forward with it. They also need to get a warrant article passed on this project.

Bob Jacobson questioned the debt service and stated that the amount looks like it is starting to go down. Michael Connelly stated that the debt starts to go down at the end 2014. Some bonds are maturing, so they should see a reduction. They will be looking into refinancing.

Robert Stein stated that the Supreme Court ruled that the Town of Lincoln was not paying their fair share towards the agreement. He stated that they paid approximately \$100,000. He wonders if any calculation was done going back for 5, 10, or 20 years. Scott Carpenter responded they have not, for the reason that by the court ruling it was not retroactive.

Robert Stein stated that 2 to 3 years ago Patty Mostue did an analysis showing the top schools that the students of LS of getting into. He wondered if there has been an update to this analysis. Patty Mostue responded that she just received all of the information and will be putting an analysis together.

Jim Rao questioned what positions would be the priority in the level service budget if the 4.5 FTE were granted. Scott Carpenter stated that they would have to take a much closer look to determine the priority. All are additional FTEs are a priority, but they would need to go through the scheduling process to narrow down where the FTEs would be best suited.

Robert Stein questioned if there is any trend between Lincoln and Sudbury 8th grades that leave the system to go to a private school. Scott Carpenter responded that Lincoln has the high number of students who opt to go to a private school. This is taken into consideration when the budgets are prepared. Student Services do follow up with the families to find out why the child has gone to another school.

There being no further questions for LSRHS, their budget hearing ended at 8:10pm.

Budget Hearing: Town of Sudbury

Maureen Valente, Town Manager, and Andrea Terkelsen, Finance Director presented the FY14 Level Staff Budget for the Town of Sudbury.

The committee members were provided with packets containing copies of the town's slide show presentation: "Town of Sudbury FY14 Level Staff Municipal Budget Proposal".

Jaime Gossels asked if Maureen would explain what be happening with the vehicle leases. Maureen Valente stated for the last couple of years the vehicle leases have been in the Capital Budget. They are going to put these back into the DPW budget.

Bob Jacobson questioned the number of culverts the town has. Bill Place, DPW Director responded that the town has 2,515 catch basins, 788 manholes, 275 headwalls, and 57.7 miles of pipes.

Mark Minassian questioned if the current staff in the assessor's office will be able to process the work that will be needed for the senior tax exemption. Maureen Valente responded that they are already in the process of doing the work. Andrea Terkelsen stated that since this a new project, it is hard to gauge the number of applications that they will receive. Whatever work is involved will get done. Maureen Valente stated that it is possible that they might request a transfer at a later date to hire a consultant. Andrea Terkelsen reminded the committee that the Board of Assessors is responsible for reviewing and approving the applications.

Doug Kohen asked what would happen with the budget if the town was to move from leasing to out-right purchasing the vehicle. Maureen Valente responded that the DPW budget would be decreased as they would not be responsible for a lease.

Robert Stein stated that he has trouble with amounts of overtime for the Police and Fire. He questioned why we don't just hire new officers and get rid of this overtime. Maureen Valente responded that you have to remember that with each new officer come additional benefit costs. There are times when overtime is unavoidable. You do not really want to hire someone to cover when a current employee calls out sick or goes on vacation. She also reminded the committee that new officers require other additional costs such as clothing, training and benefits.

Jim Rao stated that we have a warrant that needs to be printed, but will not have the information from the GIC until mid-March he asked if the town could give a sense where we might be. Maryanne Bilodeau, Asst. Town manager, responded that the town hopes to have a better sense by early March as to what is going on the GIC. They have gone out to bid, so hopefully if more HMO plans join the GIC our employees might switch. We currently have approximately 170 employees on PPO plans that cost both the employee and the town more. Open enrollment for the GIC runs from mid-April to early May. Maureen Valente reminded the committee that the GIC tends to not have large increases with their premiums.

Maureen Valente stated that the budget presented tonight will be the same one to she will presented at Monday night's budget hearing. She asked Jim Rao is he felt that she or the department heads need to be present for Monday's meeting. Jim Rao requested that she be present to have a quick discussion since this topic has already been posted on the agenda.

Andrea Terkelsen provided a very quick overview of what has been going on the town's revenues.

There being no further questions for the town, their budget hearing ended at 9:05pm

Budget Hearing: Sudbury Public Schools

Anne Wilson, Superintendent, and Mary Will, SPS Director of Business/Finance presented the FY14 Level Staff budget for the Sudbury Public School system.

The committee members were provided with packets containing copies of SPS's slide show presentation: "Sudbury Public Schools Level Staff Budget FY14".

Robert Stein stated he is having trouble wrapping himself around the numbers. Over the last few years administrative costs have gone up 18%, elementary instruction 21%, middle school instruction 15%, curriculum & technology 65%, and special education 23%. We have also seen the head count for the Administration & Support Staff increase by 8.7% and teachers have been reduced by a half of a percent. He is having trouble comprehending how we have massive pay increases, and yet just a 10% decrease in the student count. There has been no change in the teachers' count. He would like to know what he is missing. Anne Wilson stated that she has just reviewed what the school wants to add for next year, plus they have added teachers for the current school year. She stated she needs to see what he is looking at in order to answer properly. Robert Stein responded that it is a document that she provided. Anne Wilson responded that she has provided a lot of documents but would be happy to go over with it him. She stated that the school is trying to revive what has been lost in the past.

Jim Rao responded that you have to include the benefit costs. You need to look at the total compensation. There has been a shift from salary to benefits.

Doug Kohen responded that Robert Stein provided total not annualized counts. When looking at the annualized figures, the student count is going down by 3%.

Robert Stein stated the school district could be redistricted and we could lay off a couple of teachers. Anne Wilson responded that you need to be very cautious when considering redistricting. Each school has the opportunity for growth because of the number of homes for sale in the area.

Robert Stein stated that the LSRHS school year is starting one week earlier than SPS. He wonders what the additional cost is resulting because of this. Anne Wilson responded that for the children there is only a two day difference; one day at the beginning of the year and the other at the end of the school year. The additional cost is \$5,000 per day. Scott Carpenter responded that he agreed with Anne regarding the amount of the additional cost per day.

Robert Stein questioned why the schools are starting at different times. Anne Wilson responded that the change in dates let them realize more 5-day weeks. Due to the age of the students at SPS, they also tend to take more snow days. Scott Carpenter responded that you also have to take the age of the high school students into consideration. They have a lot of students that need to leave school in June to begin their summer employment opportunities. By starting the year earlier, this prevents people from being put into awkward positions in regards to reporting to school or their summer jobs.

Mark Minassian stated that it seems the legal fee lines have been increased by 117%. He questioned why the large increase. Anne Wilson responded that they have done a 10-year analysis and that they have under budgeted this line. They want to get to an average amount. If need be they could always lower this amount if the increased funds are not needed for legal fees.

Robert Stein questioned the number of children in the school system that are dependents of current teachers. Anne Wilson responded that there are 40 students. Robert Stein stated that this results in 40 available spaces being taken and their families are not paying anything to support the school. He recommended moving them to different schools, so that a couple of positions could be laid-off. Anne Wilson responded that they try to put the children into the same school as their parent, only if there is an available space at the school. She stated that it becomes very disruptive to the education process when you start to continuously move students to different schools.

Jim Rao questioned if they have ever looked to see what enrollment figure they need to get down to so that they could possibly close a school. Rich Robinson, SPS school committee, responded that they are very far from being able to close a school. Rich Robinson reminded the committee that the school system has gone through redistricting before and it causes huge issues. Redistricting becomes very disruptive for the families.

Robert Stein recommended that the Metco students and employees' children who are entering kindergarten should only be put in a school where there is room. Anne Wilson responded that they already do this. Bob Jacobson stated that is not good for the children to be moved around to different schools. Not only is it disruptive, but that the kids do not want to leave the friends that they have made.

Bill Kneeland stated that the health benefits were being projected at an increase of 7.5%. He questioned what the savings would be if these benefit figures came in 1% less than what is being projected. Mary Will stated she would need to refer to Maryanne Bilodeau. No answer was provided as Maryanne had previously left the meeting.

There being no further questions from the committee, Jim Rao asked the audience if they had any questions or comments to make. Dan DePompei, Haynes Road, thanked everyone who helped with the articles discussing OPEB (Other Post-Employment Benefits) that appeared in the newspaper. He stated the articles were very helpful. He stated that he noticed that OPEB figure for LSRHS is much greater than

the town, but that LS has fewer employees. Jim Rao stated that the town & SPS employees moved to the GIC, which reflected a greater savings for retirees. Jim Rao stated that a copy of the OPEB report is available on the town's website.

Dan DePompei questioned that if LSRHS were to move to the GIC, than they could realize a savings. Jim Rao responded yes for the retirees' portion. Bob Jacobson reminded everyone that LS covers more of the premium costs.

There being no further business, the committee adjourned at 10:05pm.