

**Town of Sudbury  
Finance Committee  
Minutes of Joint-Meeting with Lincoln Finance Committee  
Thursday, February 28, 2013  
7:30 p.m.**

The Town of Sudbury's Finance Committee Meeting, held in Lower Town Hall, was called to order at 7:33 p.m. by Chairman Jim Rao.

Present for this meeting from the Sudbury Finance Committee were Joan Carlton, Jamie Gossels, Doug Kohen, Mark Minassian, and Robert Stein. Bob Jacobson, Chuck Woodard and Bill Kneeland were absent.

Present for this meeting from the Lincoln Finance Committee were Karl Geiger, Peyton Marshall, Ellen Meyer Shorb, Laura Sander (Chair), Jeff Birchby (arrived at 8:15PM). Eric Harris and Sanj Kharbanda were absent.

**Item 1: Status of LS Contract Negotiations**

Nancy Marshall, Chair of the LS School Committee, gave a summary of the results of the recently concluded contract negotiations with the LS teachers union, which had been ongoing for the previous six months—she expects to get details of the contract published on the website by the end of next week. The goals of negotiations were to retain staff and faculty, restore faculty that had been previously cut and lower student loads, create more competitive compensation packages for more junior teachers, assuming fixed and modest growth in budget through FY15, and meeting state mandates.

The contract resulted in modest wage increases equal to cost of living increases of 0% in FY13, 1.15% in FY14 and 1.35% in FY15. The FY14 increase was arrived at by applying a 2% COLA at the beginning of the year but delaying steps and lane increases to the middle of the year. The FY15 increase was arrived at by incurring the normal steps and lanes increases at the beginning of the year plus a \$500 COLA for teachers that were at the top step and lane, and then enacting a 2% COLA in the middle of the year for all teachers.

Scott Carpenter and Mike Connelly from LS then gave more details about the rest of the contract. There was additional money put towards teacher development. Previously, teachers could work on curriculum for a few days over the summer, and earn "LS credits", which could advance them to change lanes (columns). These credits were not recognized outside of LS. There also was \$40K set aside as direct payment for these days (which would pay for 140 days of summer curriculum work). The new contract eliminates the LS credits (although existing credits will be grandfathered in), but adds an extra \$40K (\$80K total—280 days) to be paid as direct payment. Going forward, this should slow the movement across the lanes as teachers will need to get credits based on accredited college courses.

There was also some cost avoidance on the health care front which had been agreed to in FY12 prior to this contract, the total savings of which are ~\$807K. Plan design changes moved LS to a GIC-like plan, which saved \$200K per year. There were no rate increases in this plan for FY14 which resulted in an additional \$257K of cost avoidance. There is an opt-out incentive for teachers to opt-out of the school's health care program, which will save \$63K this year.

Ellen Meyer Shorb asked how our compensation package compares to other districts. Scott Carpenter responded that we are slightly below our peer districts for junior teachers, but we are very competitive in the top tier. That being said, we have more steps than other districts, which means it takes longer (17 years on average) to make one's way through the steps and lanes. It is challenging to hire and retain teachers on the low end. Nancy Marshall added that there are non-compensation factors that are attractive such as connections with and access to students, culture, etc. that mitigate the less competitive packages on the low end.

Ellen Meyer Shorb asked about teachers teaching 5 sections instead of 4. Scott Carpenter responded that LS provides a higher quality of life for teachers because of the lower class load, higher quality facility and the top notch culture.

Mark Minassian asked about the mechanics of the steps and lanes. Mike Connelly responded that 50% of teachers are on the highest lane, and that each step is a 4% increase except the last one, which is 6%. Movement across steps and lanes are harder to predict. Nancy Marshall added that SPS and Lincoln had 25% and 35%, respectively, of teachers on the highest step. Kevin Matthews (LS School Committee) added that it would be interesting to look at the dollar amount of the top step for comparable school districts.

Bob Stein asked about the COLA's for the highest step in the new contract. Nancy Marshall clarified that they get 0% COLA in FY13, 2% at the beginning of FY14, \$500 at the beginning of FY15 and 2% in the middle of FY15.

Bob Stein asked about cost savings if we had moved to the GIC. Mike Connelly responded that we would have had \$120K in lower costs in FY13 if we had moved to the GIC, but that would have influenced other parts of the contract negotiation. They did extract other benefits on health care prior to the negotiations, including lower contribution rates for the indemnity plans—they were advised that they'd be less able to predict whether people would migrate to these plans prior to the new contribution rates being established.

Bob Stein asked whether every teacher that was eligible did, in fact, receive the Master Teacher Stipend. Scott Carpenter responded that they did—and that is still part of the contract.

Jamie Gossels asked about professional development funds for summer curriculum development. Scott Carpenter responded that course reimbursement is separate—this is for paid collaborative curriculum work. The new program should somewhat slow down

the growth in salaries due to slowing the pace at which teachers move through the lanes. The LS contract has always had monies set aside for this type of program.

### **Item 2: LS Reapportionment**

Mike Connelly explained the current reapportionment process – LS reapportions monies back to the respective towns (~85% to Sudbury/15% to LS), who then apportion that money to each of the respective cost centers based on historical allocations (~25% for LS within Sudbury). Scott Carpenter mentioned that they wanted to look at changes to reapportionment to allow them to fund the operating shortfall.

Scott provided analysis that showed if they increased the E&D fund through not reapportioning, they could grow the E&D fund by \$76K in FY14, and be able to put \$170K into the OPEB trust from funds that were in the medical claim, provide for the \$240K shortfall in operating funds to reach the level service budget, and provide \$115K of the additional \$332K needed for the partial restore budget, leaving a balance to be funded by override of \$227K.

Laura Sanders said that while the Lincoln Fincom was in support of building reserves, they were not in support of the process by which the LS school committee got there.

Ellen Meyer Shorb asked if we are putting money aside for capital needs. Scott Carpenter responded that they have a stabilization account, but can't add to it. They have used funds for minor things but the funds are not nearly enough to account for their needs. Within the next year they will have a more comprehensive, longer-term capital plan.

Jim Rao reiterated that reapportionment is at the discretion of the school and school committee—and that the finance committee has no authority over reapportionment. Nancy Marshall responded that the committee voted not to reapportion in FY14. Jim Rao mentioned the dangers of using E&D to fund operations, and some of the trouble Sudbury got in in the mid 2000's doing exactly that.

### **Item 3: LS Capital Needs**

Radha Gargeya (LS School Committee) discussed the need to upgrade the network backbone. They got quotes of \$650K to do the work, and are currently vetting assumptions on the specs. Nancy Marshall mentioned that the timing of town meetings makes it difficult because they would ideally like to get the work done in the summer, but town meeting is too late to be able to secure a vendor to do this work in the right time frame. They would ideally like to have a special town meeting in the next year to vote on this budget to give the proper time to select a vendor and get the work done prior to the FY15 school year.

Bob Stein brought up the issue of capital allocation in the town. Mike Connelly responded that it is based on enrollment (not the statutory method of allocating operating budget).

#### **Item 4: General Updates**

Nancy Marshall discussed Lincoln, and mentioned that the Lincoln town meeting was on March 23, they are presenting a \$33M no-override budget which had growth guidance of +2.5% prior to the impact of benefits. That will result in a +3.4% tax increase.

From a capital perspective, their town offices project is almost done. They have a new capital planning committee that is creating a 25 year capital needs plan. Their plan for the K-8 school building plan to receive MSBA funds was voted down, and now they need to go to the back of the MSBA line.

A few years ago, there was some discussion about withdrawing from the regional agreement, but that has subsided in recent times. Ellen Meyer Shorb mentioned that there was still some concern amongst some of the town that Sudbury would not pass overrides and would not be the right partner for a regional agreement.

Kevin Matthews brought up the concept of a consolidated K-12 system. Bob Stein asked about the State of the Town Forum – in the fall, usually about a specific topic, and it is driven by the selectmen (with input from the town).

Jim Rao discussed Sudbury, and mentioned that we are at the midpoint of our budget process. He discussed some of the key issues facing Sudbury, including:

- Move from 3 to 5 selectmen
- CIPC bylaw changes (and the resulting impact on process for capital needs for LS)
- Dropping enrollment in our K-8 system

#### **Item 5: Public Comments**

There were no public comments.

**There being no further business, the committee adjourned at 9:55p.m.**