

**TOWN OF SUDBURY
FINANCE COMMITTEE
MEETING MINUTES
December 14, 2015**

ATTENDENCE

Finance Committee Members Present: Susan Berry, Chair, Fred Floru, Vice Chair, Jeff Atwater, Jeff Barker, Joan Carlton Adrian Davies, Mark Minassian, Bryan Semple

Also Present:

Andrew Vanni, Finance Director/Treasurer Collector, Ellen Winer Joachim, School Committee, SPS, Anne Wilson, Superintendent, SPS, Mary Will, Director of Business and Finance, SPS, Elena Kleifges, Chair, School Committee, LSRHS, Bella Wong, Superintendent, LSRHS, Peter Rowe, Director of Finance, LSRHS

Absent: Jose Garcia-Meitin

CONVENE:

The meeting was called to order at 7:33 p.m. by Chairman Susan Berry at Town Hall, Lower Level, 322 Concord Road, Sudbury, MA 01776

ITEM 1: GENERAL BUSINESS

Approve Minutes:

Meeting Minutes to approve - None.

Budget Hearing Schedule

Chairman Berry stated that tomorrow night the Selectmen will consider whether the mission of the Budget Strategies Task Force includes convening a joint meeting with the Finance Committee to talk about allocations. Chairman Berry stated that two joint meetings have been tentatively scheduled for January 28th and February 10th. Chairman stated that Micheal Fee has agreed to facilitate the joint meetings. Chairman Berry stated that the Finance Committee would hear budget presentations from the Town and Minuteman on the January 20th and from SPS and LSRH on January 21st. A lengthy discussion followed.

Transfers and Other Business

- Transfers - None

- Other Business:

Chairman Berry wanted to be sure that all Finance Committee members saw the email from Mark Thompson about a computer virus. A brief discussion followed.

ITEM 2: Major Cost Center Liaison Reports and Discussion

- **Town Report**

Mr. Adrian Davies presented a summary on questions in Exhibit Two of the Finance Committee Budget Guidance Letter to the cost centers. Mr. Davies reported on the town departments' response to questions one through twelve. Question one is an update on the FY16 budget pressures and the anticipated FY17 budget pressures for the town. Mr. Davies stated that FY16 appears to be on track. A cash flow issue associated with expenses and permitting fees relating to the Raytheon Property and National Development for FY17. Question two is an update on new initiatives for FY17. Mr. Davies spoke about the Green Communities Grant. Funding from this grant will be used to replace the streetlights with LED bulbs. Question three addresses grants over \$50,000 that the budget depends on. Mr. Davies spoke about the two Police Department grants that would be reinstated for FY17 and the Green Communities Grant. Question four addresses cost and events not anticipated but impacting the FY16 budget and their potential impact on the FY17 budget. Mr. Davies explained the underlying cost associated with the old police building and associated cost with re-building the Fairbanks Community Center. Questions five, six and seven are not applicable to the town. Question eight addresses the impact on the FY16 appropriated budget including cuts, staffing and services and resulting FTEs. Mr. Davies stated that there have been no cuts in staff and services for FY16. Question nine addresses the status of projected cost including benefits of all new positions hired within the budget, new positions hired but not included in the budget, and the total number of FTEs by position. Mr. Davies outlined FY16 new hires. Mr. Davies noted that the town had not hired anyone in a position for which there is not appropriation. Question ten addresses new costs and initiatives during the last budget cycle. There were no updates. Question eleven addresses new cost savings for FY17. Question twelve addresses salaries above \$100,000. The discussion that followed included clarification on permitting fees and expenses associated with the Raytheon property. It also included a discussion on increased cost associated with the vacant police building.

- **Sudbury Public Schools (SPS) Report**

Mr. Mark Minassian presented the SPS report relative to Exhibit Two of the Finance Committee Budget Guidance Letter. Mr. Minassian stated that the biggest budget pressures for SPS are costs associated with special education. Mr. Minassian noted that special education needs are fluid and constantly changing. Teacher and teacher assistant positions have been added to the FY16 budget to meet unanticipated need. Mr. Minassian stated that SPS has hired an assistant principal, adding that there is now an assistant principal at every school. Mr. Minassian reported that for FY17, SPS proposes to hire a .50 FTE to meet the needs of the 1:1 program and software support at the middle school. SPS also proposes a 1.0 FTE Science Coach to meet state mandates and a 1.0 FTE District Network Technician. Mr. Minassian reported that the Partners Program at the elementary level will be moving students to the middle school level, which will create additional instructional costs associated with programming. Mr. Minassian stated that grants in excess of \$50K were reviewed at a prior meeting. Mr. Minassian reported that budgeted student enrollment is 2802 actual student enrollment is 2822. Mr. Minassian reported that budgeted out of district special education tuition and transportation costs are \$1.7 million. Actual out of district special education tuition and transportation costs are \$1.2 million. Mr. Minassian stated that regular transportation costs were lower than budgeted. The budgeted amount is \$798,000; the actual cost is \$763,000. Mr. Minassian stated that SPS had a Circuit Breaker reimbursement carryover from FY15 to FY16. Mr. Minassian reported on cost savings initiatives. The discussion that followed included shared cost of the district technician position with town departments, as well as new initiatives contemplated for FY17.

- **Lincoln Sudbury Regional High School (LSRHS) Report**

Mr. Jeff Barker presented LSRHS report relative to Exhibit Two of the Finance Committee Budget Guidance Letter. Mr. Barker stated that the FY16 budget is on track as projected. Mr. Barker noted that the wild card for the FY16 budget is out of district tuition expenses. Mr. Barker reported that the outlook for new initiatives for FY17 is positive and that LSRHS could add capacity that would help reduce the number of out of district placements. These changes would lower special education tuition expenses. Mr. Barker stated that LSRHS has three grants meeting the criteria of grants over \$50K. Mr. Barker reported that actual student enrollment is 1616; 64 are out

of district placements. Mr. Barker reported that special education and regular transportation costs are on track as projected. Out of district special education tuition and transportation is slightly over budget. Mr. Barker reported that the Circuit Breaker reimbursement budgeted amount is on track as projected. Mr. Barker stated that the budgeted number for out of district students is 64; the actual number of out of district students is 63. Mr. Barker reported that the LSRSH FY16 budget does not have unanticipated costs that would have an impact on the FY17 budget. Mr. Barker stated that the FY16 appropriated budget for salary savings, health insurance, and utility costs are on schedule as projected. There have been no new positions added to the FY16 budget. Mr. Barker reported that LS has initiated a refinancing of the debt on the existing building. This will reduce the debt service, which will reduce the payments. The discussion that followed included cost savings related to the solar array, out of district cost, debt service and OPEB cost.

ITEM 3: Free Cash Policy Discussion and Vote

Chairman Berry introduced this item. Finance Committee members considered whether or not they would make a recommendation on the use of Free Cash or if they would develop a policy that the Board of Selectmen would adopt. Chairman Berry summarized the previous discussion on this matter. A general discussion followed. It was the general consensus of the Finance Committee to make recommendations, as a body, to the Board of Selectmen on how the Finance Committee would use Free Cash.

A review of the Free Cash Policy ensued. The Committee discussed how they would prefer their view to be represented in the policy.

Motion and Vote:

Jeff Barker moved and Fred Floru seconded the motion that Finance Committee would use the word 'guideline' in the Free Cash Recommendations.

The motion carried. Five yes. Three no.

ITEM 4: Other Liaison Reports

Mr. Semple presented an update on the Fairbanks Community Center Study Task Force meeting. Mr. Semple stated this committee is considering a financial model and a planning model. The goal of this committee is to pursue a 60ft model with a goal of keeping the increase in the average tax bill at \$500/per household, which would include the debt and any incremental operating costs. Mr. Semple stated that he doesn't think the financial model is ready for the 2016 Annual Town Meeting. A general

discussion followed on logistics around operating costs and planning.

ITEM 5: Joint Sudbury/Lincoln Finance Committee Meeting

Chairman Berry introduced this item. Chairman Berry stated that the Finance Committee traditionally meets with the Lincoln Finance Committee on an alternating schedule between Lincoln and Sudbury. After a brief discussion it was decided that Chairman Berry would invite the Lincoln Finance Committee to a Sudbury Finance Committee meeting on either January 11th or February 8th.

ITEM 6: PUBLIC COMMENTS

Radha Gargeya addressed the Finance Committee, speaking as a Sudbury resident and not as a member of the LSRH School Committee. Mr. Gargeya shared history on Free Cash during FY07. At this time funds from Free Cash was used to support the operating budget. Mr. Gargeya stated that the following year was the recession and Sudbury's Free Cash decreased considerable. Mr. Gargeya stated that the Finance Committee should consider a level that is safe to ensure adequate balance in the Free Cash Account.

ITEM 7: ADJOURNMENT

Motion and Vote:

Jeff Barker moved and Jeff Atwater seconded the motion that the December 14, 2015 Finance Committee meeting adjourn at 9:11 p.m.

The motion carried. The vote was unanimous.

Next Meeting is scheduled for January 11, 2016 at 7:30 pm in the Flynn Building.

Respectfully Submitted: Cheryl Gosmon, Recording Secretary