

**Sudbury Finance Committee  
Meeting Minutes  
FY18 BUDGET HEARING  
January 9, 2017**

**ATTENDENCE**

**Finance Committee Members Present:** Susan Berry, Chair, Joan Carlton, Vice Chair, Jeff Atwater, Jeff Barker, Adrian Davies, Tammie Dufault, Fred Floru, Jose Garcia-Meitin, Bryan Semple

**Absent:**

**Also Present:** Dennis Keohane, Finance Director/Treasurer Collector, Anne Wilson, Superintendent, Sudbury Public Schools, Susan Rothermich, Director of Business and Finance, SPS, Chuck Woodard, Board of Selectmen, Bella Wong, Superintendent-Principal, Lincoln-Sudbury Regional High School (LSRHS), Sherry Kersey, Director of Finance, LSRHS

**CONVENE:**

Chairman Susan Berry at Lower Town Hall, 322 Concord Road, Sudbury, MA 01776, called the FY18 Budget Hearing to order at 7:04 p.m. The meeting was televised and broadcast live.

**ITEM 1: Public Comment**

There were no comments

**ITEM 2: Update on Revenue Forecast**

Chairman Berry introduced this item and referred to the Joint Budget Letter from the Cost Centers as presented in the FY18 Preliminary Budget and Financing Plan on a potential third budget. Chairman Berry noted that this information is available online at the Town website. Chairman Berry stated that the Joint Budget Letter from the Cost Centers refers to higher than anticipated town revenue. Chairman Berry invited Mr. Keohane to present an overview on the updated revenue forecast to the Committee.

Mr. Keohane stated that new growth came in substantially higher than originally estimated. He added that in October 2016 new growth was estimated at approximately \$600K, the real number came in at \$1.2M. Mr. Keohane explained that the vast majority of the new growth is from the Eversource Substation and approximately \$600K is from personal property taxes. The net

result is a 3.57% increase in anticipated revenue compared with the 2.75% as previously estimated. A brief discussion followed.

**ITEM 3: Presentation of the Sudbury Public Schools (SPS) FY18 Proposed Budget and Discussion**

Chairman Berry introduced this item. Chairman Berry stated that the SPS presentation would be approximately fifteen minutes. Chairman Berry described procedures for the Budget Hearing and subsequent discussion from Finance Committee. She noted that Public Comment would be taken after Finance Committee deliberation. Chairman Berry welcomed Anne Wilson and Susan Rothermich and invited them to present the SPS FY18 Operating Budget.

Dr. Wilson reviewed her agenda with the Committee and presented three potential budgets for Finance Committee consideration: FY18 Proposed Budget; 2.25% increase budget and Cost Centers Non-override Budget (based on increased revenue forecast).

Ms. Rothermich explained the increases for each budget. She stated that SPS FY18 Proposed Budget is a 9% increase over FY17. She stated that one difficulty with this budget is the number of FTE's that would need be decreased to conform to the 2.25% makes the benefits line jump significantly to cover the unemployment liability. The FY18 Cost Center Budget would still necessitate FTE reductions and there would be an increase in the unemployment liability, but smaller increase than needed with the 2.25% budget.

Dr. Wilson spoke about possible cuts in order to meet the 2.25% increase without deficits. She outlined mandated additions in each budget proposal. Dr. Wilson summarized the possible additions and or positions that would be added back to Cost Centers Budget proposal. Dr. Wilson presented a summary of needs that were not included in any of the proposed budgets. Dr. Wilson shared an analysis on SPS salaries and salaries in comparable school districts. Dr. Wilson presented an overview on enrollment history from 2006 to 2018. The SPS Proposed Budget presentation is available on the SPS website at [www.sudbury.k12.ma.us](http://www.sudbury.k12.ma.us) under School Committee Presentations and Plans.

The discussion that followed included a conversation on out-of-district enrollment, increased staffing, and decreasing enrollment.

**Public Comment**

During this portion of the Public Hearing Chairman Berry took questions from members of the audience.

Chairman Berry recognized Sudbury resident Bob Stein. Mr. Stein expressed concern for declining student enrollment and an increased staffing as well as use of the LS E&D account to fund the fields and security cameras. Mr. Stein also spoke about bringing driver education services in house to create revenue for LS.

Matthew Poujansky, Old Lancaster Road was also recognized. He observed that chart of 14 towns presented showed SPS as lowest per pupil expenditure. Could be seen as frugal or that the town is not spending enough on education of our kids.

**ITEM 4: Presentation of the Lincoln-Sudbury Regional High School FY18 Proposed Budget and Discussion**

Chairman Berry introduced this item. Chairman Berry welcomed Bella Wong and Sherry Kersey and invited them to present the LSRHS FY18 proposed budget.

Ms. Wong presented for Finance Committee consideration three proposals: LSRHS FY18 Proposed Budget, 2.25% Finance Committee Guidance budget, and Cost Center non-override Budget (based on increased revenue forecast).

Ms. Wong stated the LSRHS FY18 Proposed Budget total without OPEB funding is a 3.20% increase over FY17 and with OPEB funding is a 4.43% increase over FY17. Ms. Wong described adjustments that would meet the Finance Committee Guidance Budget and the Cost Center's Non-override Budget Request. Ms. Wong stated that the Finance Committee Guidance Budget has a gap of \$687,791 and the Non-Override Budget has a gap of \$371,669. Ms. Wong outlined the challenges to funding allocations. Ms. Wong presented data on student enrollment projections for a five and ten year period. Ms. Wong spoke briefly about how the budget supports core values and school goals. She outlined programs that the LSRHS FY18 Proposed Budget would support and presented an overview on the educational programming and described the financial assumptions of the LSRHS FY18 Proposed Budget. Ms. Wong summarized some of the sustaining efficiencies and improvements. Ms. Wong stated that out-of-district tuitions is decreasing, utilities are level funded, debt service is going down and other expenses went down a modest amount. Ms. Wong stated that the LSRHS FY18 Proposed Budget Circuit Breaker assumes \$1.5M for FY17, which represents a 70% reimbursement rate for FY17. Ms. Wong stated that OPEB has increased by \$120,593.00 to bring LS to 100% of the OPEB normal cost. Ms. Wong presented a summary of out-of-district placements and expenses for FY2015-2018. Ms. Wong stated that the LSRHS FY18 Proposed Budget exceeds the Finance Committee guidance, slightly reduces out-of-district tuition, has increased health insurance expenses, regular Transportation expenses are increased by 5%,

the Middlesex Retirement System assessment increased by 6%, contractual increases are included, incorporates 1.25 FTE professional staff to complete program initiatives and fund a position previously funded through a grant, and debt service continues to decrease. Ms. Wong described the formula used to apply the assessment from both towns to operate LSRHS. Ms. Wong stated that the Lincoln 2016 March Annual Town Meeting and Sudbury 2016 October Annual Town Meeting approved funding for replacement and upgrade of LS Security Cameras. This project will be completed over February school vacation. Ms. Wong also stated that the Sudbury October 2016 and Lincoln Board of Selectmen November 2016 approved the use of LS E&D to fund replacement of lower Turf Fields One and Two. This project will be completed during the summer break. A lengthy discussion ensued.

### **Public Comment**

During this portion of the Public Hearing Chairman Berry again took questions from members of the audience.

Chairman Berry recognized Elena Kleifges, LS School Committee. Ms. Kleifges asked for a timeline on when the Finance Committee would approve the proposed budgets. Chairman Berry outlined the budget schedule, which would culminate in a final vote from the Finance Committee no later than February 27, 2016.

### **ITEM 5: General Business**

- **Approve Meeting Minutes**

There were no minutes to approve.

- **Transfers**

There were no transfers to approve.

- **Other Business**

Chairman Berry stated that Saturday, January 21, 2017 is the Town Forum. She also stated that a portion of the meeting would include a discussion on the budgeting process.

### **ITEM 6: Discussion of Finance Committee Guidance to Fairbank Task Force and Possible Vote**

Mr. Semple stated that he would like suggestions from the Finance Committee on guidance to the Fairbank Task Force on what the Finance Committee would need to evaluate the project in terms of its cost and or operating model.

Mr. Garcia-Meitin stated that he has a general concern having attended several of the Fairbank Task Force meetings as it relates to the operating expense for a new or refurbished facility. Mr. Garcia-Meitin stated that it looks as if the

operating expenses would be more than 2.5% annually, which may or may not be agreeable to the Finance Committee.

After a brief discussion Chairman Berry asked the liaisons to bring to the next meeting a draft of their specific recommendations on what Finance Committee's guidance should be on this matter.

**ITEM 7: Public Comments**

There were no comments.

**Item 8: Adjourn**

**Motion and Vote:**

**Fred Floru moved and Bryan Semple seconded the motion that the January 9, 2017 Finance Committee meeting adjourns at 10:29 p.m.**

**The motion carried. The vote was unanimous.**

**Next scheduled meeting is Thursday, January 12 at 7:00 pm, in Lower Town Hall**

*Respectfully Submitted: Cheryl Gosmon, Recording Secretary*