

**Sudbury Finance Committee
Meeting Minutes
January 30, 2020**

Members of the Finance Committee present were:

Chairman, Jeff Atwater, Vice-Chairman, Eric Poch, Susan Berry, Ronald Brumback, Jean Nam, Bryan Semple, Scott Smigler

Absent: Lisa Gutch, Christopher Carmody

Also in attendance were:

Dennis Keohane, Finance Director/Treasurer-Collector, Superintendent Brad Crozier, Sudbury Public Schools, Donald Sawyer, Director of Business and Finance

CONVENE:

Chairman Jeff Atwater called the meeting to order at 7:02 p.m. The meeting convened at Flynn Building, in the Silva Meeting Room, 2nd Floor, 278 Old Sudbury Road, Sudbury, MA 01776.

ITEM 1: Public Comment

Chairman Jeff Atwater opened this portion of the meeting for Public Comment. There were no public comments.

ITEM 2: General Business

- **Approve Meeting Minutes**

There were no Meeting Minutes to approve.

- **Budget Transfers**

There were no Budget Transfers to approve.

- **Liaison Reports**

There were no Liaison Reports.

- **Review Calendar**

Chairman Atwater stated that the Finance Committee is scheduled to meet on March 3, 2020. He stated that this is a Board of Selectmen joint meeting on capital with the CIAC. Chairman Atwater also stated that the Finance Committee is scheduled to meet on March 17, 2020, which is a Board of Selectmen joint meeting on the budget. A discussion followed on scheduling a meeting with the Fairbank Working Group for February 10, 2020, or February 24, 2020. Chairman Atwater stated that he would take the budget reconciliation worksheets and combine them into a single sheet. He also stated that the Finance Committee

would have a discussion on the Town's budget and review all the warrant articles on February 24.

ITEM 3: SPS Budget Hearing

Superintendent Brad Crozier thanked the Finance Committee for the opportunity to answer any questions they may have on the SPS Budget. He remarked on the December 9th Finance Committee Meeting where he and Donald Sawyer, Director of Business and Finance addressed the SPS budget pressures and the FY20 and FY21 budgets. He stated that since then the School Committee voted to approve the FY21 Budget on January 6, 2020, and that the budget meets the Town Manager's recommended guidelines. He noted that there were things that needed to be done within the budget to meet that number, but that the FY21 budget is balanced.

The discussion continued with a conversation on the SPS budget process. Mr. Crozier stated that the SPS budget process begins with looking at student enrollment projections, contractual obligations, and level services, as well as new strategic initiatives. Mr. Crozier noted that new initiatives related to the District's Strategic Plan are not supported in FY21 because of budget constraints. Mr. Crozier mentioned the Student Opportunity Act and that the minimum contribution for Sudbury will be \$30/per student, which is \$80,500.

A lengthy discussion followed on out-of-district costs and circuit breaker reimbursement. Mr. Crozier stated that SPS received more circuit breaker funds this year than what had been received in the past. This was due to training and the efforts of Stephanie Jurianz, Director of Student Services and Jeffrey Lappin, Assistant Director of Student Services to ensure all expenses that qualify for circuit breaker reimbursement are included, resulting in approximately \$500K more in circuit breaker fund than anticipated in the FY20 budget. Mr. Crozier also stated that over the last two years there were significant decreases in out-of-district students. He added that this is because of programs built in district. He also added that percentage of students that are out-of-district is less than 1% of the overall student population.

The discussion continued with a conversation on carryover. Susan Berry asked if you have a carryover in circuit breaker funds in FY18 do you have to use it in FY19 or FY20? Don Sawyer responded that SPS collected \$1.5M this year based on FY19 expenses. SPS will have through the end of FY21 to spend those funds. Ms. Berry stated that it looks to her that next year SPS is planning to take everything out of its operating budget for out-of-district expenses. She asked how the circuit breaker funds received in FY20 will be expended. Mr. Sawyer replied that it is a safety contingency for any unanticipated special

education costs, which is its intent. Mr. Sawyer stated that SPS can spend the circuit breaker carryover on any special education expense during the year. Mr. Sawyer also stated that school districts can pre-pay tuitions for the following fiscal year, which is what SPS would do if it is not needed for unanticipated special education costs in FY21. He stated that for FY20 \$1,086,277 has been budgeted for out-of-district costs to use circuit breaker funds for \$200 of the out-of-district \$200K has already exceeded the original plan by \$100K with unanticipated out-of-district costs and there are some unanticipated out-of-district transportation costs and additional 8.7 FTEs unanticipated or unplanned for this year that circuit breaker would offset until the next budget cycle. Mr. Sawyer pointed out that SPS has used about \$750K of the \$1,086M in the middle of the school year.

The discussion veered back to a conversation on new initiatives. Scott Smigler asked if he heard correctly that there are no funds available for strategic initiatives. Brad Crozier responded that the School Committee has undertaken a seven-year Strategic Plan and is in the middle of the plan and is not able to fund any of the strategic initiatives through the operating budget, but will continue with some of the strategic initiatives that are aligned with professional development and teacher development, but initiatives that cost dollars SPS is not able to fund. Mr. Crozier reviewed the pieces that he would like to do that are not in the budget but are listed on the bottom of the Reconciliation Worksheet under Tier II and Tier III initiatives. Chairman Atwater stated that it looks like Tier II and Tier III are headcount. Mr. Crozier responded that it is headcount and/or hours. Mr. Crozier mentioned that the METCO Bus is a high priority item. He stated that SPS is trying to reduce the overall time students are riding the bus. He stated that the current school bus run is two hours each direction and this is for some of the youngest students. He added that SPS would like to add another bus. He stated that a pilot was performed last year, and it decreased that time by a half-hour each direction.

Scott Smigler asked about long-term technology planning and big items that SPS is considering. Mr. Crozier talked about hands-on learning initiatives and the Washington DC trip for civics learning in the nation's capital. Mr. Crozier also mentioned the Maker Space for Learning initiative. He stated that this initiative expanded the Marker Space at Curtis and made learning studios at each one of the elementary schools in partnership with the PTOs using the one-time Meadow Walk funds. He added that a lot of programming is done in those spaces and he is starting to see requests for 3-D printers for those spaces. Mr. Crozier stated that he would like to go further by putting

educational instructional software, that was cut a few years ago back in the budget.

The Finance Committee referred to the Reconciliation Worksheet and clarification on salaries, asking for COLAs, steps, and lanes to be broken out separately. Mr. Sawyer said approximately \$540K of the increase is for steps and lanes and the trend is \$1.1M increase for total salaries year over year. Chairman Atwater asked if the \$600K in personnel line increase from FY20 to FY21 is for headcount. Mr. Sawyer responded that it is. Chairman Atwater confirmed that assuming the funding stays relatively the same, the capacity to increase spending on personnel will be eaten up by the steps and lanes and SPS will not have much capacity for headcount increases in FY22. The discussion continued with a conversation on the number of FTEs for FY21 as well as revenue and funding sources as listed on the Reconciliation Worksheet. The Finance Committee requested an addition to the worksheet that would show the FTE's funded by grants, revolving funds, etc. Also mentioned was enrollment, class size, and what determines additional sections. Superintendent Crozier confirmed that no additional sections were needed to accommodate students from the Meadow Walk Development.

The discussion turned back to revenue sources and clarification on grant funding. Mr. Sawyer provided details on federal and state grant cycles. He stated that the grants are consistent year after year, and he looks at the historical trend and that is what is projected year after year. Increased transportation costs were mentioned, which are both contractual as well as increases in out-of-district transportation costs.

Susan Berry asked about trends showing large increases and decreases over the last five years in a few of the items in the Multiyear Data Comparison Spreadsheet. Superintendent Crozier and Mr. Sawyer noted that there were changes in FY20 that were introduced to provide for consistency across the elementary schools where costs of equipment, software, materials, etc. are charged. These changes explain the trends; budgeting for the actual items was neither unusually increased nor decreased.

Scott Smigler asked if there are any major capital expenses over the next three years. Mr. Sawyer summarized capital equipment replacement items which are items under \$50K. The discussion veered to a conversation on out-of-district placements. Bryan Semple asked if the difference in the number of out-of-district students that are projected for LS is the same amount as projected for SPS. Mr. Crozier stated that he did not have that information in front of him but that he would get to Mr. Semple as soon as possible. A general discussion followed.

ITEM 4: Town Meeting Articles (if available)

There was no discussion on this item.

ITEM 5: Review and Vote on Finance Committee Annual Report Letter

Chairman Atwater opened this item for discussion. The Committee fully discussed the details and issues regarding the Finance Committee Annual Report.

Motion and Vote

Susan Berry moved, and Bryan Semple seconded the motion to approve the Finance Committee Annual Report as amended.

The motion carried. The vote was unanimous.

ITEM 6: Public Comment

There were no Public Comments.

ITEM 7: Possible Future Agenda Topics

There was no discussion on this item.

ITEM 8: Adjournment

Motion and Vote:

Bryan Semple moved, and Jean Nam seconded the motion that the January 30, 2020, Finance Committee meeting be adjourned at approximately 9:30 p.m.

The motion carried. The vote was unanimous.

The next scheduled meeting of the Finance Committee is Monday, February 10, 2020 at 7:00 p.m.

Respectfully Submitted: Cheryl Gosmon, Recording Secretary