

Sudbury Finance Committee
Meeting Minutes
December 17, 2018

ATTENDANCE

Finance Committee Members Present: Bryan Semple, Chairman, Jeff Barker, Vice-Chairman, Susan Berry, Adrian Davies, Lisa Gutch (arrived at 7:28 pm), Jean Nam, Glenn Migliozi, Eric Poch

Absent: Jeff Atwater

Also Present: Dennis Keohane, Finance Director/Treasurer-Collector, Lincoln-Sudbury Regional High School Principal/Superintendent Bella Wong and Sherry Kersey, Finance Director, and Radha Gargeya, Chair, Lincoln Sudbury Regional District School Committee, Sudbury Public Schools Superintendent, Brad Crozier, Donald Sawyer, Director of Business and Finance, Lisa Kouchakdjian, Chairman, Sudbury School Committee, Sudbury Board of Selectmen, Pat Brown

CONVENE:

Chairman Bryan Semple called the meeting to order at 7:01 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

Vice Chairman Barker 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.

● **Transfers**

There were no Budget Transfers to approve.

● **Liaison Report**

Susan Berry stated that the Strategic Financial Planning Committee for Capital Funding is working on a draft report that they may get to the Board of Selectmen soon.

● **Review Calendar**

The Finance Committee reviewed open dates in January and February.

2018**ITEM 3: Town Meeting Review - worked, didn't work**

Chairman Semple opened this item for discussion. He stated that the Finance Committee presentations went well as did the overall process. A brief discussion followed.

ITEM 4: LS Budget Pressures

Chairman Semple opened this item for discussion and welcomed, Lincoln-Sudbury Regional High School Principal/Superintendent Bella Wong and Finance Director, Sherry Kersey.

Sherry Kersey began with question one from Exhibit II. She reported that to date there are no budget pressures in the FY19 budget that would impact the FY20 budget. She reported on FTEs that were added in FY19, budgeted and actuals, as well as the total offsets. She stated that with all the positions added there were no additional benefit costs. She also stated that a new position that was added but not included in the FY19 budget was a 1.0 Teaching Assistant and there were no additional benefits incurred with this position.

Ms. Kersey continued with question two. She reported that the LS Academy is a new initiative designed to support students with special needs. She added that this program will save money and enhance revenue for the district. Ms. Kersey also reported on cost-saving initiatives relative to health care. She explained that LS went out to bid for health care providers and re-convened their Insurance Advisory Committee to review the bids. She stated that a high deductible plan and benchmark plan is being considered. She described the choices and explained the potential cost savings for the district as well as enhanced revenues. A general discussion followed on rates and E&D funds.

Ms. Kersey stated that LS is looking at its special education transportation costs. She stated that LS is currently with Case Collaborative but are reviewing potential cost savings by looking at what other collaboratives have to offer. Ms. Kersey stated that over the past five years there has been a 24% increase in transportation costs, which does not match the percentage of students utilizing the services.

Ms. Kersey continued with question three, details on the use of grants in excess of \$50,000 received for FY19. She stated that there are two of them. The first is the IDEA Special Education Grant, which is used for instructional salaries and clerical staff, supplies, and materials as well as professional development. She stated that the grant amount is \$331,960.00 and that it is an entitlement grant. The second grant is the METCO

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grant, which is used for the Director's salary, instructional staff, transportation, supplies, and materials as well as a travel scholarship fund and contracted services. She stated that the grant amount is \$543,114.00 and is expected to continue.

Ms. Kersey continued with question four, an update to the compensation on employees paid over \$100,000. She noted that the Finance Committee has a copy of the list of this employee compensation.

Ms. Kersey continued with question five and reviewed the three-year forecast of service/program needs and potential cost/savings. She added that another potential change is the school start time, for Sudbury Public Schools. She stated that the Lincoln Sudbury Regional District School Committee will receive the results of the Traffic Study which will have the optimal times for school buses to be on the road. She added that if there are no changes there would be no impact on the budget and if there are changes it could lead to additional busing cost.

Ms. Kersey continued with question six, seven and eight. In terms of actual student enrollment statistics vs. budget, she stated that LS had projected 1533 students for this school year and as of October 1, 2018, there were 1528. Ms. Kersey stated that the out-of-district costs are on target in terms of what was budgeted. She stated that \$4,940,810 is the budgeted costs and the out-of-district tuition to date is \$4,813,297. Ms. Kersey stated that the number of students budgeted for out-of-district tuition is 58 and the actual number of students as of October 1, 2018, is 51. A brief discussion followed on the rate of growth for out-of-district students.

Ms. Kersey concluded her presentation with question nine, FY16, FY17, and FY18 actual circuit breaker amounts received and the amount carried over into the following year. She noted that the Finance Committee has the information on FY16 and FY17. She stated that FY18 reserves have been updated. She stated that the reserve is \$683,628 at the end of 2018. A brief discussion followed on the reserve fund balance.

Chairman Semple referred to conversations that took place last spring among the Lincoln and Sudbury Board of Selectmen and School Committees to bring down education costs for its district. Radha Gargeya, Chairman of Lincoln Sudbury Regional District School Committee stated that LSRHS, SPS, and Lincoln district School Committee Chairs meet regularly and have

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discussed options that would bring down education costs for the regional school district.

Susan Berry asked what the major budget pressures are. Bella Wong explained that out-of-district tuition is a major budget pressure and the \$200K operational adjustments are needed to close the gap for out-of-district costs as well as an additional \$180K from Circuit Breaker reserve. Ms. Wong stated that an additional \$150K in staff reductions would be needed as well.

ITEM 5: SPS Budget Pressures

Chairman Semple welcomed Brad Crozier, Superintendent of Sudbury Public Schools and Donald Sawyer, Director of Business and Finance and invited them to present the SPS Budget Pressures.

Superintendent Crozier stated that the SPS School Committee was presented with his recommended budget at their last School Committee meeting. He added that the SPS School Committee has not voted on the budget but are going through the budget process.

Mr. Sawyer began with question one from Exhibit II and provided an update on the FY19 budget pressures that were not anticipated this year. He stated that SPS is forecasted to close within the FY19 Town Meeting appropriation. He added that in terms of the FY20 budget a recommendation has been submitted to the SPS School Committee who will act on the recommendation in January. Mr. Sawyer stated that the SPS proposed budget directly correlates to the Town Manager's budget guidance, a 2.87% increase over FY19 or \$1,076,479. Mr. Sawyer stated that the FY20 proposed budget includes the addition of 10.6 new FTES.

Superintendent Crozier continued with question two and outlined FY20 new programs/services/initiatives. Superintendent Crozier spoke about the Cooperative Partners Classroom (CPC) Extension Program proposed for Curtis Middle School. He stated that this program is extending from the elementary schools to the middle school and would support students with moderate to severe autism. Superintendent Crozier explained the process that would place students in this program as well as program costs. A brief discussion followed.

Superintendent Crozier described the Bridges Program. He stated that it is a program that supports regular education and special education students, and a program that supports students who have been out of school for an extended time due to illness, hospitalizations, concussion and/or extended evaluations. The

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program is designed to minimize returning students' stress and anxiety when transitioning back to the Curtis Middle School while encouraging their academic progress. A brief discussion followed on existing services which as noted by Superintendent Crozier are not systemic or sustainable.

Mr. Sawyer continued with question three, details on the use of grants in excess of \$50,000. Mr. Sawyer provided details on the IDEA SPED Entitlement, METCO, Title I and Title II grants. He stated that SPS anticipates all grants will continue at approximately the same funding levels in FY20.

Mr. Sawyer continued with question four, employees paid over \$100,000. He referred to the list provided to the Finance Committee.

Mr. Sawyer continued with question five, 3-year forecast of services/program needs and potential cost. He described costs associated with new school start times. He stated that any changes with school start times won't affect buses until 2021.

Mr. Sawyer continued with question six, actual student enrollment statistics vs. budget. He referred to the NESDEC Report. He noted that as of October 1st the report to DESE was 2654 students. He also noted that as of November 1st the SPS enrollment was 2668 students.

Mr. Sawyer continued with questions, seven, eight and nine, Special Education out-of-district tuition, the actual number of out-of-district students vs. budgeted, and actual Circuit Breaker amounts received. Mr. Sawyer provided actual amounts in Circuit Breaker received since 2016. He recapped last year's discussion on weaning off the budgeted use of Circuit Breaker funding. A lengthy discussion followed on the actual Circuit Breaker funding for FY18. Superintendent Crozier stated that special education costs are volatile and SPS will need to wean off its dependence on the Circuit Breaker and have a reserve for a special education allocation when families move into Sudbury with children needing special education services that would severely impact the budget. Mr. Sawyer stated that for the current year SPS is on target as budgeted but are evaluating pending placements for the current year. The conversation veered to questions on teacher salaries.

ITEM 6: Budget Process

Chairman Semple led the discussion on this item. The Finance Committee engaged in a lengthy discussion on the budget process.

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The conversation included a discussion on the Town Manager's proposed budget and guidance for a 2.5% tax increase, Cost Center's proposed budgets, including salaries, COLAs/benefits, and the possibility of a Finance Committee modified budget. The Finance Committee also engaged in a discussion on Sudbury's property tax rate. Dennis Keohane, Finance Director/Treasurer-Collector provided insight on what would cause taxes higher than 2.5%.

ITEM 7: Possible Future Agenda Topics

Eric Poch provided a brief update on the Community Preservation Committee's (CPC) consideration of the Sewataro property and other options associated with this property. Mr. Poch suggested that the Finance Committee include this matter for a future Agenda Topic.

ITEM 8: Adjournment**Motion and Vote:**

Lisa Gutch moved, and Jeff Barker seconded the motion that the December 17, 2018, Finance Committee meeting be adjourned at approximately 10:30 p.m.

The motion carried. The vote was unanimous.

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Next scheduled meeting of the Finance Committee is Monday, January 14, 2019, at 7:00 p.m.

Respectfully Submitted: Cheryl Gosmon, Recording Secretary