

Finance Committee

Meeting Minutes
November 14, 2023
7:30 PM

Present: Christi Andersen (Chair), Jason Cole (Vice Chair)(Remote), Steve Noone, Esha Gangolli, Dave Wellinghoff, Adam Nolde, Christine Russell, Scott Sullivan, Vlad Kan, and Roland Bourdon

Ms. Andersen called the meeting to order.

1. Citizen's Concerns

None

2. HIT Update

HIT voted on November 8, 2023 to increase all Non-Medicare Plans by 22,8%. In addition, voted \$2m to be given by the Town and School (to be split pursuant to /Town and School agreement).Savings does not yet reflect any Plan Design changes. Cost savings will occur in FY24 and FY25. Pharmacy Benefit Manager, for example, could be effective July 1, 2024. \$2.9m impact going into FY25, but that is changeable dependent on Plan Design changes.

3. School Budget Update

Superintendent Light spoke about a level-services budget. With that exercise, they updated all employees proposed salaries for FY25.

Expenses projected to exceed revenues by \$7m - \$8m
\$1.2m in FY24 for the health insurance deficit using one-time funds that rolls into FY25.

Special Education and associated transportation - State sets allowable services model each year: 14% increase this fiscal year and 4.69% for upcoming FY25 year.

Ch 70, they took a conservative approach. Not anticipating to receive same amounts for FY25 from the State. Projecting \$30/student for State Aid, which results in \$300,000 more needed to supplement State Aid.

Level E&D, down to \$1.75m after using FY24 money.

Assessments: Take Acton Assessment, increase by 3%, then calculate the Boxborough portion. \$3.2m available for FY25 if staying within the 3%.

Reserve Usage: On the plus side, investment income has done well

Circuit Breaker Reserve: Very specific. Reimburse Districts that are required to spend money on Special Education services. Tightly regulated. (See below for definition.)

Summary of Costs for FY25:

Legally required to properly staff Special Education Staff.

Looking for proper staffing for Substitute Teachers.

Vacancy Factor - want to reduce that amount over time, about \$200,000 in FY25.

Fringes - Includes Health Insurance, MCRS and OPEB. For OPEB, limit to 6.5% each fiscal year.

Health Insurance - approximately \$1m additional cost.

Special Education - \$1.2m.

Facilities - thought getting subsidy, not getting it, so making up \$200,000. Also, capital needs included in this need.

Assessments - Charter Schools, Sewer - going up about 20%, about \$200,000.

Additional Items that total approximately \$11m in expenses

Also, talked about incoming funds from Grants, etc.

Working with Leadership Team to devise different options to solve this deficit.

Have not yet added any new FTE's to the FY25 Plan.

Enrollment was discussed, a slight decrease. Minuteman has been experiencing the increase but now leveling off.

How the Circuit Breaker works: started out as the “50/50” in the early 90’s. There is a foundation total tuition budget, this year is \$49,000. If goes beyond, ABRSD is eligible for up to a 75% reimbursement from the State. This year, for example, the reimbursement is 57%.

4. ALG Update

The Spending: Projections, Spending: Available Increases and Reserves: Recommendations Increase POV slides were shown

Capital Plan - take into account deferred maintenance and/or additional maintenance costs to maintain properties. Safety concerns, like sidewalk construction, was also discussed when factoring in capital needs. Need to maintain current sidewalks as well.

Discussion ensued about service changes may need to happen.

Agenda for next Monday’s, 11/20 ALG Meeting:

3% budget

Level-services budget

Then, sometime after that meeting, if needed a “C” budget: What the Town and Schools feel they need to maintain services, with cost-savings measures, but not too much “damage” to level-services.

Select Board Member David Martin explained the procedural steps of the Operating Budget Article at Annual Town Meeting.

Discussion ensued by FinCom members expressing their thoughts on whether or not they can support an override. Included in this conversation was the issue of 2.5% tax levy increase isn’t sustainable based on inflation and other factors.

Can not sell Real Estate to fund Operating shortfall.

Mr. Bourdon mentioned the Transportation Program, for the town to review those costs when reviewing all town department costs.

5. Point of View (POV) Discussions

The override slide was changed to reflect that enough evidence to support a conservative override has been submitted, no decision yet by the Finance Committee to support the override.

6. Finance Committee Business

Members gave their liaison reports

Next Meeting is November 28, 2023

Mr. Sullivan moved to adjourn. Mr. Bourdon seconded. The motion was approved unanimously by vote call vote.

Documents and Exhibits Used During this Meeting

ABRSD PowerPoint Presentation

ALG forecast

POV