

**Sudbury Finance Committee
Virtual Meeting Minutes
February 15, 2024
7:00PM**

ATTENDANCE

Members of the Finance Committee present were: Co-Chair Eric Poch, Colin Wang, Henry Sorett, Mike Ferrari, Susan Berry, Ryan Lynch

ABSENT

Co-Chair Mike Joachim and Maura Carty

ALSO ATTENDING THE MEETING

Brad Crozier, Superintendent of Schools, Don Sawyer, Director of Business and HR

ITEM 1: Welcome and Member Roll Call

Co-Chair Poch called the meeting to order at approximately 7:00PM, declared a quorum present and roll-called members present. He read the Municipal Remote Meeting Disclaimer.

Opening Remarks by Co-Chairs

Co-Chair Poch advised members to sign up on the DLS distribution list. The Healey administration has announced its **Municipal Empowerment Act** that will offer improved tools and resources to promote efficiency for municipalities' boards and commissions.

ITEM 2: Public Comment

There was no public comment.

ITEM 3: SPS FY25 Budget Hearing

School Committee Chair Nersessian called the SPS School Committee meeting to order at 7:05PM by roll call vote: members Sarah Troiano-Y, Meredith Gerson-Y, Nicole Burnard-Y, and Chair Nersessian-Y. Quorum present.

Superintendent Crozier reviewed the PowerPoint presentation on the SPS FY25 budget including the following highlights:

- Budget is built from the bottom up.
 - Enrollment considerations
 - Contractual obligations
 - Level services
 - New strategic initiatives
- FY25 NESDEC enrollment projection based on 2,503 students
 - Classroom sections
- Base budget
- Budget drivers
- Only Tier 1 budget initiatives are partially met
- Some Tier 2 Budget items need priority but funding does not currently exist
- DESE expense function code
 - DESE object code summary
- Additional funds

- FY25 federal and state grants
- FY25 general fund operating budget
- Other funding expense assumptions

Superintendent Crozier and Business Director Sawyer responded as follows to questions:

- Circuit breaker monies of \$350K are being tracked above and beyond out-of-district tuition, some of which has come to fruition and some pending; not known at this time if this is the actual number.
- Should the tuition expense not reach \$350K, the residual will be used toward pre-payment to FY25.
- This money could be used for Tier 1 expenses but “things can change quickly,” and from February to September a lot can happen. If available, it would be used for SPED costs with one item being student support.
- FTE increases of 4.13 were mapped to the Esser grant funding (now expired) in prior years and have now moved into the budget.
- Overall FTE increases since FY22 were close to 30.5 due to recovery support. It is hard to tell at this point whether there will be any decrease in FTEs which are determined based on need.

Ms. Berry noted that the following questions have to do with multiple-year data comparisons:

- \$1.1M is anticipated to be received this year in circuit breaker funds that must be spent next year. SPS has indicated it will use \$320K of those funds for identified expenses, leaving \$800K potentially left over to prepay for FY26 expenses. Mr. Sawyer stated it was too early to determine actual numbers. The district has committed to the budget \$320K allotted to one of the in-district programs in lieu of out-of-district tuition.
- In FY25 there is a 1% increase in utilities from FY24 that is expected to suffice for FY25 utility expenditures; Speech and language costs from Esser 2 and 3 and ARPA funding were absorbed back into the operating budget.
- The forecast for FY26 is an increase of 3.72%, and is much higher than what is expected to be available; long-term planning forecast will give time to make corrective actions outside of the normal operating budget window of the standard budget cycle. Any corrections next year will roll into future years.
- The large decrease in expense for English as a Second Language was due to an error; the budget was higher than it needed to be in FY24.
- SPED transportation increased by 5.84% and provides services for the entire collaborative; it does not include any possible expenses that outside vendors might need to supply.
- FY24 funding of the ELA Curriculum initiative was for professional development; FY25 will be pilot year of curricular materials.
- The intention going forward is to have \$50K in the budget in future years for curriculum review.
- Mr. Sawyer will verify the funding for the 7.4 positions funded by ESSER and ARPA in FY24.
- The number of English language learners has increased from 65 in FY23 to 74 as of October 1, 2023; Current actual expense is \$390K for current year; FY23 was \$318K.
- Transfers from the transportation revolving account last year were \$450K; current balance as of October was \$939K.
- Bus fees are \$350K each year and spending from the Bus Revolving Fund is \$450K. At this rate the surplus will be exhausted in nine years. As of the close of FY23 in June, the fund was \$900K.

Co-Chair Poch summarized the tone of the discussion of the as follows:

- Although generally satisfied with the FY25 budget, the school noted a few “nice to haves.”
- There was a fair amount of squeeze on Tier 1 initiatives in trying to get funding to plan for them requiring making many changes to include in the budget.
- Some school classroom equipment has reached the end-of-useful lives.

- With personnel expenses being the largest portion of the budget, there are significant pressures that will “start to clash and bump heads with each other in two or three years.” This situation will need to be figured out to keep on a steady state moving forward with new upcoming requirements such as ESL curriculum programming and other things that need to be addressed.

Superintendent Crozier stated that, while there is a “bit of tension” to do some things on the Tier 1 initiatives and get them into the budget, the district has made progress in identifying extremely beneficial student support that have seen grant funding end and now are in the budget like the summer program. The district will continue to monitor student needs. There is a positive outlook for FY25 knowing what is in the base budget and he is proud of what has been accomplished so far with the intention of addressing future needs like equipment, capital items and modernizing curriculum.

Co-Chair Poch stated that the Town is fortunate to have a town meeting that is supportive of a forward-thinking district able to capture items that would have been extra expense into the core budget. The district has responded to the learning needs of children and things being dictated by the state and elsewhere as well as funding considerations. Mr. Crozier stated that there were more items on Tier 1 this year than last year.

In answer to Co-Chair Poch’s question on the status of the capital requests, Ms. Nersessian responded that, notwithstanding ARPA money being allocated, the two warrant articles will proceed to town meeting for approval and vote.

Ms. Berry thanked the Committee for their presentation and summarized the items that require follow-up response to the Committee’s questions as described above.

Upon motion duly made by Ms. Burnard and seconded by Ms. Troiano, it was unanimously voted that the School Committee adjourn from the Finance Committee. Roll call vote: Sarah Troiano-Y, Meredith Gerson-Y, Nicole Burnard-Y, and Chair Silvia Nersessian-Y. Motion passed 4-0, unanimously. School Committee adjourned at 8:09PM.

ITEM 4: FY25 Budget Discussion **Discuss SPS and LS budget hearing**

Ms. Berry stated that, while FY25 “seems in the ballpark,” she has concerns about the estimates of increases needed going forward to FY26. With pandemic recovery support, it is hoped that staffing will decrease over time. Co-Chair Poch indicated that with out-of-district and SPED increases there are high cost pressures in some areas, and it seems like SPS may be at risk of falling behind in core delivery if we can’t adjust.

Mr. Sorett noted the lack of concrete financial information from LS on the solar contract in order to determine the actual benefit or lack thereof. Mr. Ferrari noted that the Finance Director is compiling data for a presentation.

Co-Chair Poch noted that the Town Manager has responsibility to pull together a consolidated budget including capital. Aligning the budget to be in sync with suggestions from the DLS report is difficult in the face of getting more money into levy. The process is hampered by the fact that there are three different cost centers and line items like OPEB and health insurance and determining over time what goes where. Additionally, the Town Manager does not have exclusive authority to oversee all operations since the two school districts are their own entities. With inflation there is less money for the capital budget because of project increases. A structural adjustment will be needed to address the \$75M Capital Improvement Plan forecast and add discipline to the process annually with more transparency into what is coming down the pike.

Town Budget Hearing

The Town budget hearing is scheduled for February 26th. Co-Chair Poch asked members to submit their questions by February 20th for the Co-Chairs to consolidate and submit to the Town Manager. Discussion ensued on the number of warrant articles and the need for additional meetings in March. It was decided to schedule meetings every Monday in March and conduct only as needed.

Mr. Sorett renewed his suggestion from last year that the full budget be included in the town warrant in order that Town Meeting can move to amend a line item or motion to amend by deleting from the large budget category. Co-Chair Poch stated that the budget gets approved by large categories, but ultimately the preparation of the budget is under the authority of the Town Manager by Town Charter.

Discussion ensued. Co-Chair Poch stated that, while sufficient budget detail was contained in the warrant, with further details available electronically, he recognizes that some residents may not have access to the internet or town website and may need access to the information in printed form. If this printed information would enable more residents to participate and be fully informed, he is in favor of making this extra information available in smaller quantities at several locations across Town, like the Library, Town Hall, Police Station, etc.

Ms. Berry stated that Mr. Sorett's suggestion was clearly in the minority and simply finding a way to get more information in printed format could be solved as Co-Chair has suggested.

ITEM 5: General business

- **Transfers and other business**
There were none.
- **Liaison reports**
There were none.
- **Calendar**
February 26 - budget hearing for Town
Month of March - every Monday as needed

ITEM 7: Public comment

There was none.

ITEM 8: Adjournment

Upon motion duly made by Mr. Sorett and seconded by Ms. Berry, it was unanimously voted to adjourn. Mr. Wang-Y, Mr. Sorett-Y, Mr. Ferrari-Y, Ms. Berry-Y, Mr. Lynch-Y, Co-Chair Poch-Y and Mr. Bettinelli-Y. Motion carries 7-0, unanimous.

The meeting adjourned at 8:47PM.

Respectfully submitted,

Christine Martin Barraford
Recording Secretary