



Town of Medway

FINANCE COMMITTEE

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Wednesday, March 11, 2020 – 7:00 PM
Sanford Hall, Town Hall
155 Village Street

Present: Frank Rossi, Chair; Todd Alessandri, Vice Chair; Brian Cowan; Ellen Hillery, Clerk; Will Lane; Jeff O' Neill; Sue Segarra; Jim Sullivan.

Absent: Michael Schrader.

Staff Present: Michael Boynton, Town Administrator; Carol Pratt, Finance Director; Armand Pires, Superintendent of Schools; Donald Aicardi, Director of Finance and Administration, Medway Public Schools.

Others Present: John Foresto, Chair, Board of Selectmen; Cindy Sullivan, School Committee.

Call to Order

At 7:01 PM Chairman Rossi called the meeting to order. A quorum of eight (8) members was present.

Introduction of New Committee Member

Chairman Rossi introduced the new member on the Finance Committee, Mr. Brian Cowan. There was a meeting of the Finance Committee Appointment Committee, and Mr. Cowan was interviewed and appointed. Mr. Cowan stated he has lived in Medway for five years, served on several boards and committees, and is married with two young sons. Chairman Rossi introduced members of the Finance Committee as well as the municipal leaders in attendance.

Discussion/Review – FY21 Budget

Debt Service – Carol Pratt, Finance Director

The following information was received: (1) MGL sections regarding debt service; and (2) Handout – Impact of Van Purchase, Year 1, for Summer Transportation (for school budget discussion).

Ms. Pratt distributed a handout listing basic rules on how municipal borrowing can occur as the associated MGL references. She briefly reviewed Equalized Valuation and Limit of Indebtedness as well as various uses for debt within the Limit of Indebtedness. Following that, she reviewed the current debt

as of June 30, 2019, authorized or proposed new debt, and the totals of authorized debt inside and outside the debt limit. Ms. Pratt explained the individual items listed under authorized or proposed new debt.

Responding to a question from Ms. Segarra, Ms. Pratt stated that half of the debt was borrowed after the Town became a AAA community, and half was before that time. Every time the Town seeks to borrow, it is evaluated as to whether the Town qualifies under the AAA rating or not. All borrowing has to be approved by Town Meeting action.

At this time, the committee reviewed debt expense total as projected in the proposed FY21 budget. The excluded debt amount is offset with Exelon funds, reflected on the budget summary as a source of funds. Use of these funds in this way reduces the impact to the taxpayer. Brief discussion followed during which it was emphasized that as debt rolls off, new debt should go on the list in order to keep up with maintenance of buildings and other big-ticket items that are coming up.

Schools -- Armand Pires, Superintendent, and Don Aicardi, Director of Finance

The following information was received: (1) Preliminary FY21 Budget Discussion – Medway Public Schools; and (2) Preliminary FY Medway Public Schools Budget Book

Dr. Pires reported that the Budget Book has not been updated since the last presentation, so he will focus on the PowerPoint for tonight's discussion. They look at the budget development process with the lens of looking at opportunities and exploring efficiencies from year to year for efficient operation of programs as cost effectively as possible.

Dr. Pires emphasized that student needs can change dramatically from year to year. We are as transparent as possible throughout the district as those needs change. The budget presented tonight is not inclusive of all costs associated with educating Medway students. There are new obligations associated with the Student Opportunity Act, recent legislation that infuses new resources within Chapter 70 funding; unfortunately, Medway does not see much of it.

Utilizing a PowerPoint presentation, Dr. Pires reviewed many factors that impact budget development such as student enrollment, teacher and staff FTE, increases connected with full day kindergarten, and addition of paraprofessionals. He reported that the district tries to share staff between buildings as much as possible when it is appropriate, based on program and student needs. He emphasized that there is strong support from the community of the relatively low class sizes, especially in the K-2 grades. He reported that one FTE reduction may be replaced by use of grant funds. Elective courses at the higher grades may end up being offered every other year on some kind of staggered schedule so that students have access to all electives, just not in the same year. We approached budget development with the definition being "everything we are doing this year is rolled over to next year, offset by cost savings to allow new items". Naturally, attention must be given to steps and lanes as well as existing contractual obligations.

At this time, Mr. Aicardi took over the presentation, and briefly reviewed their level service budget. He reminded everyone that the budget is comprised of many components such as circuit breaker funding, Federal IDEA grant, hosting ACCEPT classes which brings in funding, School Choice, Vacancy Factor and Community Education Support. It was emphasized that some expenses associated with the schools are not included in the school budget but instead live in the municipal budget. This includes things like health insurance, Medicare, workers comp, retirement, and related topics. There are also some things

that are privatized such as transportation costs for out of district placements and the transport of students with disabilities who cannot ride the regular school buses.

Mr. Aicardi continued, briefly reviewing special education tuitions with a proposed increase of slightly over \$1 million, various efficiencies/changes, a proposed increase in athletic fees as well as a vote to include a facility fee for those events we have to travel to, and additional budget supports. He gave special attention to the requested purchase or lease of two special education vans. Discussion about the purchase of one vehicle being an appropriate use of a reserve fund transfer as well as discussion on summer transportation needs. Mr. Boynton spoke briefly about insurance coverage. Chairman Rossi expressed concern that the Reserve Fund may be needed to fund expenses associated with the corona virus (COVID-19).

Regular Municipal Budget – Michael Boynton, Town Administrator

This section of the budget review was postponed due to the lateness of the hour. There was brief discussion on the current virus situation and how Town officials are keeping a watch on it.

Miscellaneous

Due to the lateness of the hour, the Chairman's Report, Clerk's Report, and Liaison Reports were postponed. Chairman Rossi did, however, distribute a list of Common Municipal Finance Terms he thought would be helpful and informative for committee members.

Approval of Minutes

Draft minutes from February 12, 2020 were reviewed.

Due to the lateness of the hour, review of the minutes was postponed.

Upcoming Meetings

At this time, Chairman Rossi stated that the committee should hold additional meetings on March 25 and April 1 for budget and warrant review. Discussion followed on member availability for those meetings. The March 25 meeting will be in Sanford Hall; a location is being sought for April 1 as Sanford Hall is booked.

Adjourn

At 8:56 PM Mr. O'Neill made a motion to adjourn; Mr. Alessandri seconded. No discussion. VOTE: 8-0-0.

*Respectfully submitted,
Jeanette Galliardt*