

Finance Committee Meeting

March 29, 2023, 7:00 PM EST
Veterans Memorial Building – Room #229
900 Main Street Millis, MA 02054
Participation Via Zoom Remote Platform

Committee Members In Attendance:

Pete Berube, Chair
Jodie Garzon, Vice Chair
Peter Underhill, Clerk
Joyce Boiardi
Michael Krone
Jonathan Loer
Cathy MacInnes
Sara Reyes
John Steadman

Invited Guest:

Michael Guzinski, Town Administrator
Carol Johnston, Finance Director
Craig Schultze, Select Board Vice Chair
Ellen Rosenfeld, Select Board Clerk
James Donovan, IT Director
John McVeigh, Board of Health Director
Steven Catalano, School Committee Chair
Nancy Downs, Ocean Conservation Group
James Duffy, Millis Resident

Pete Berube called the Finance Committee Meeting to order at 7:01 PM.

Craig Schultze called the Select Board Meeting to order at 7:03 PM.

IT FY24 Budget Presentation:

Jim Donovan was appointed the first paid Town of Millis IT Director in June 2021; previously, IT Support was provided by a volunteer, Peter Jurmain. The position is shared with the Town of Norfolk under a mutual agreement between both communities. After consultation with the Town Administrator and extensive review of the Municipal IT needs, an Above-Level Staffing request would increase the position's hours from 20 per week to 35. In doing so, the town would not be reimbursed 43% of the overall salary and benefits from the Town of Norfolk. The increased hours would assist IT services to the Police, Fire and Library as well as Town Hall. IT Consulting Fee Expenses of \$40,000.00 were first included in the FY23 Budget and will continue through FY24. Software Maintenance Expenses have increased for FY24. The overall budget includes:

| | |
|-----------|---------------------|
| Salaries: | \$ 85,092.00 |
| Expenses: | <u>\$270,977.00</u> |
| Total: | <u>\$356,069.00</u> |

The Director will provide the committee with a list of projects/initiatives that will enhance the Municipal IT System provided the additional hours are appropriated.

Plastic Bag Warrant Article:

In 2019, the Town of Millis adopted a Plastic Bag Reduction ByLaw effective July 1, 2020. The ByLaw eliminated the use of "thin filmed" grocery bags, with the exception of newspapers, in an effort to encourage patrons to use their own reusable bags. The local grocery store, Roche Bros., provided an alternative to "thin filmed" bags but were given a Cease and Decease Order from the Board of Health. This article will amend the ByLaw to further clarify what plastics violate the ByLaw. Roche Bros. was amenable to the ByLaw Amendment and is providing their customers with paper bags.

Petitioned Article Discussion:

John McVeigh was not prepared to address this article until consultation with the Board of Health at their next meeting in April.

School FY24 Budget Deficit Presentation:

Marc Conroy and Steven Catalano provided a summary of the impacts to the School Department after COVID-19 and the ever-growing cost of Special Education Cost. The presentation is available at the link below:

https://www.millisma.gov/sites/g/files/vyhlf901/f/uploads/millis_school_department_fy24_shortfall.pdf

In FY21, the School Department received \$156,924.00 in COVID-19 Staff Funding, in FY22, \$334,273.00. Funding has ceased and the FY21 Staff Positions have been eliminated as well as three positions funded in FY22. All other staffing has been funded in FY23 by new revenue sources and does not contribute to the FY24 Deficit. In addition, the School Department received COVID-19 Expense Funding of \$243,900.00 in FY21 and \$420,785.00 in FY22.

The FY24 School Department Operating Budget Request totals \$20,964,080.00. Based on the 4% Growth Rate established by the town several years ago, this leaves a deficit of \$2,082,927.00 for FY24. The 4% Growth Rate covers contractual agreements and an increase to expenses of 38%. SPED Transportation Mandates will require additional School Busses and Drivers.

SPED Out of District Tuition Rates have risen 14% which has left the School Department in dire straits; it's mandated, not an option. Additional funding of \$361,000.00 for FY23 was approved by the Select Board for SPED Costs. The School Department has seen an increase of SPED Students; 13 – 15% additional students with IEPs (Individual Education Plans). Circuit Breaker Funding for SPED Expenses is 75% and is not received until the next Fiscal Year. SPED Service Mandates for FY23 include \$316,644.00 for staff and transportation. Marijuana Impact Fees of \$143,268.00 are utilized for funding an SEL (Social Emotional Learning) Teacher and Adjustment Counselor.

If the town does not assist with the deficit, the following reductions to staff will be necessary:

- Seven FTEs (Full Time Employees)
 - This will be required if \$1.4 million is funded by the town and the department is only faced with a \$500,000.00 shortfall.
- Seventeen FTEs
 - This will be required if there is a \$1.2 million shortfall
- Twenty-seven FTEs
 - This will be required if the town does not assist and the department is faced with a \$2 million shortfall.

The School District has 65 students that Choice In to the District and 27 that Choice Out. Historically, the district has had more students Choice In than out. The Choice Program is for Public Districts only and does not include Private, Charter Schools or Tri-County Vocational. The revenues to Choice In and cost to Choice Out of District are \$5,000.00 each. Students who Choice Out of District effect the town's Chapter 70 Funding. The School Committee has had meetings with Elected Officials to discuss the SPED Unfunded Mandate. Letters have been sent to the Governor's Office requesting aid for increased SPED Costs. State Funding will not be available for FY24; hopefully for FY25.

Jim Duffy inquired if the 6% increase to the Base Budgets for both the Municipal and School Departments will be subject to the 4% Growth Model for FY25; Craig Schultze confirmed it would. At this point, reductions to Administrative Staff and School Bus Drivers are not an option. Dependent on FY24 Funding the School Committee will review staff reductions. Ed Reform is an Operating Budget Line Item in the School Department Budget to fund upcoming contractual obligations and is adjusted during CBA Negotiations. Reductions to School Staff will most likely not be replenished without an Operational Override.

Craig Schultze made a motion to adjourn the Select Board meeting at 8:47 PM; Ellen Rosenfeld seconded. Vote: 2/0 motion carries unanimously.

Spring 2023 Town Meeting Warrant Article Review:

The May 2023 Town Meeting Warrant will be reviewed by the Select Board at their upcoming meeting.

Article #4 Contract Ratifications:

Municipal CBA's (Collective Bargaining Agreements) are required by law to be approved at Town Meeting. The CBAs include staff from Fire and Rescue, DPW, Town Hall and Library.

Article #9 Community Preservation Open Space/Recreation Reserve Fund:

This article would fund Phase II of improvements to the Oak Grove Farm Trails.

Article # 10 Capital Items:

The Capital Planning Committee is finalizing its report which will be presented to the Finance Committee on April 5, 2023. The Select Board will be discussing the Capital Items Warrant Article at their upcoming meeting and hope to have the list finalized.

Article #11 New School Bus Lease:

This article is to authorize borrowing; funding of the lease is included in the FY24 Operating Budget.

Article #12 New Police Cruiser Lease:

This article is to authorize borrowing; funding of the lease is included in the FY24 Operating Budget.

Article #13 Establish Millis Net Zero Goal:

This article was proposed by the Millis Energy Committee. It is anticipated the language will be revised prior to Town Meeting.

Article #15 Unemployment Fund:

The article would appropriate \$25,000.00 to the Unemployment Fund which would be sufficient until the November 2023 Town Meeting.

Article #16 OPEB (Other Post Employment Benefits) Fund

This is a standard article included in Town Meeting Warrants. The Select Board will consider removing it from the May 2023 Town Meeting Warrant due to lack of funding. Jodie Garzon requested information of annual expenditures for OPEB. The Finance Director will provide the information which is 90% Retiree Healthcare Costs.

Article #17 Special Education Stabilization Fund:

This article would establish the fund. Appropriating funds will be considered at the November 2023 Town Meeting. Carol Johnston confirmed the fund would be limited to 2% of SPED Costs.

Article #18 Stabilization Fund:

This is a standard article included in Town Meeting Warrants. The Select Board will be discussing the Stabilization Fund and Policy at their upcoming meeting. The Stabilization Fund Policy's goal is to maintain 5% of the General Fund Expenditures. The fund should typically be used for unforeseen and emergency purposes. The Finance Committee will discuss the Stabilization Fund Policy at their April 5, 2023 meeting.

Article #19 Petition Article:

The purpose of the article is to encourage the town to write representatives at both the state and federal level urging changes be made to address the impact of 5G Technologies. Citizen Petitions are required to be presented to Town Meeting. Wording of the Petition cannot be amended.

The Design and Construction of Sidewalks and Roads as well as the Tree Removal Maintenance articles were removed from the May 2023 Warrant but will be reconsidered at the November 2023 Town Meeting.

Members from the Energy Committee and Oak Grove Farm Commission will be invited to an upcoming meeting.

Stabilization Fund Police Review and Discussion:

The Town's Stabilization Fund Policy requires a 5% balance of General Fund Budgets. Jodie Garzon requested the amount to maintain the FY24 Operating Budget and an update on the current balance. Carol Johnston noted the Finance Committee's Agenda reflects the current amount and an additional \$10,000.00 will be needed for FY24. Investments of the Stabilization Fund have been volatile recently which resulted in the \$10,000.00 deficit. The November 2022 Town Meeting appropriated \$300,000.00 to the fund and it will most likely be revisited at the November 2023 Town Meeting.

The committee was provided with the Stabilization Fund Policy and will review and discuss it further at next week's meeting.

Board and Committee Liaison Updates:

Mike Guzinski outlined the process for requesting information from the town under the Freedom of Information Act. If the information is readily available, the town has ten days to respond. Any member of a board or committee has a right to do so as a

private citizen. However, if a board or committee, as a whole, requests the information then the town will endeavor to provide that information as soon as possible. Requests from board or committee members should be requested through the Chair.

The Finance Committee's Policy and Procedures voted and adopted on April 14, 2021 are available for review:

https://www.millisma.gov/sites/g/files/vyhlf901/f/uploads/finance_committee_operating_policies_and_procedures_2021.pdf

The committee was provided a couple of documents including the Norfolk County Collections of Community Preservation Funds as well as letter from Tri-County regarding the FY24 Assessment.

Finance Committee Meeting Minutes Approval:

Jodie Garzon made a motion to approve the March 15, 2023 Finance Committee Meeting Minutes; Cathy MacInnes seconded. Vote: 8/0 1 abstained motion carries.

Adjourn Meeting:

Sara Reyes made a motion to adjourn the Finance Committee Meeting at 9:49 PM; Joyce Boiardi seconded. Vote: 9/0 motion carries unanimously.

Respectfully submitted,
Deirdre Gilmore