

## Budget Subcommittee Meeting Minutes

January 11, 2023

**Present:** Lynn Cavicchi; Frank DelVecchio; Diana Bren; Sara Walsh; and Walter Wilk. Jennifer Walsh was not present at the start of the meeting but arrived at 6:09PM.

**Also Present:** Kevin Dumas, Teresa Murphy, Barry LaCasse and Ed Donoghue

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2023 MAR 22 P 7:39

### 1. Open Meeting

Ms. Sara Walsh called the Budget Subcommittee meeting to order at 6:00PM with five members present.

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### 2. Consideration to Approve Meeting Minutes from October 12, 2022

**Motion:** To approve the meeting minutes of October 12, 2022. (DelVecchio/Wilk) **Passes 5:0**

### 3. Discussion and Consideration of the Special Education Stabilization Fund Policy

Ms. Murphy stated that there have been revisions and is now recommended by the Schools Budget Subcommittee and two School Finance Committee liaisons. The policy now needs approval from each individual Board. Ms. Sara Walsh asked Ms. Murphy if the policy could be resent so that everyone could review the final draft.

### 4. Initial budget position of the Town/School and initial drafts of presentations and data points

Ms. Sara Walsh stated that tonight the committee would review the initial position of the Town and School budgets and stated that everyone knows that is going to have overage. She stated that she expects that it is going to take several meetings and that everyone should be thinking about where cuts can be made.

Mr. LaCasse began his presentation of the Towns preliminary FY2024 budget. He stated that it has been known that this will be a difficult year because of the normal inflation and with the loss of the ARPA funding that was part of FY23 budget as revenue replacement. He stated that departments were asked to create a level service budget which is defined as providing the same level of service from last year and providing the same services that residents expect. That is not more full-time employees and not less. There are contractual obligations and departments provided those requests into MUNIS. Mr. LaCasse then stated the goals of the budget which included not having an override, improve delivery through efficiency, maintain fair employee benefits and continue investing in CIP. Mr. LaCasse then went through the spreadsheet where he showed that based on some assumptions the projected FY2024 new money would be \$2,597,656. Mr. LaCasse then presented the budget pressures which included five union contracts that expire on June 30, 2023, Health insurance and dental insurance increases that all are in the Town side of the budget along with OPEB and Cyber insurances which are also all within the Town budget. Mr. LaCasse then presented the fixed costs increases and the expenses by major cost centers which leads to a budget shortfall of \$5,330,696.94.

Mr. Wilk asked how FY2023 receipts are doing and Mr. LaCasse responded that they are running normal and further noted that marijuana sales were tracking higher and ambulance receivables were running well. Ms. Sara Walsh asked how many new positions for Town there were and Mr. Dumas responded that there were two but the requests will not be filled because they are not essential.

### Schools presentation:

Mr. Donoghue began the school presentation stating that their budget is level service and maintains the same staff. He noted that negotiations have just started with the teacher's union. Mr. Donoghue continued his presentation stating that the Schools budget is \$59 million and it is a 5% increase over last years budget. He noted that the biggest drivers in the budget are contractual obligations, loss grant revenues, tuition increases

to special education, regional assessments and increased energy costs. He also noted that bus transportation costs \$2.1 million and that students who pay to ride contribute only ten percent of that. He then explained that the ESSER III which is the COVID relief funds for the schools creates a shift of those staff and resources into the budget. Ms. Sara Walsh asked for clarification because she thought all the money was going away however Mr. Donoghue explained that grants are extended through September 2024. Mr. Donoghue stated that he would do an additional slide to make it clearer. Ms. Sara Walsh also stated that it is important to explain why these new positions are still needed like social and emotional support.

Mr. Dumas noted that when Kurt Gaffney and Lee Azinheira retired there was overlap for the employees so there was training and that will not be the case for the upcoming retirements of several department heads and it will be a big challenge to train. He also stated that he is working and trying to look at things differently for Fiscal Year 25 and 26. He noted that it is important for the bond rating to have things consistent.

Ms. Sara Walsh stated that the goal for this meeting tonight is to get to a consensus of where reasonable, rational cuts can be made. The goal is to maintain the services that the residents like and what strategies can be discussed like using some stabilization funds but with a plan to replace it. Mr. DeVecchio commented that we don't know what the realistic delta is and we do not really know "what the specs of the bridge are that we need to build." Mr. LaCasse stated that he has some ideas and places that cuts can be made however those cuts do not include cutting employees. Ms. Sara Walsh stated that phase one is to look at the budget and see how can the budget be reduced without cutting positions. Ms. Cavicchi asked how would the schools make reductions without getting rid of bodies. She also noted the importance of understanding timeline because by May 15<sup>th</sup> notice has to be given to the teacher's union if there are going to be layoffs. Mr. DeVecchio commented that government finance is about building a resilient budget and being able to go beyond one year. Mr. Wilk believed that everyone needs to do a worse case scenario budget. The reserve fund is available for times like this, to use in the short term to "build a bridge." Mr. LaCasse stated that revenue hasn't come back but expenses have gone up and everyone is experiencing this in their personal life. Mr. LaCasse stated that his next step is to meet with department heads and explain that they are not getting some of their requests. Mr. Feeley stated that we are creating the narrative and showing residents the work that was done. He added that it will be important to take incremental steps and communicate. Ms. Sara Walsh stated that all three Boards will meet on February 8<sup>th</sup> and she asked that the Town and School add a slide with their reductions.

The Committee then discussed future dates and how frequently the committee needs to meet. February 8<sup>th</sup> is already booked for a consensus meeting with the full Select Board, School Committee and the Finance Committee. February 16<sup>th</sup> the Budget Subcommittee will meet at Town Hall in meeting room 2 A/B prior to the Finance Committee meeting and if available March 8<sup>th</sup> and March 22<sup>nd</sup> at Public Safety.

#### 5. Any Items Not Known within 48 Hours

There were no items.

#### 6. Adjourn

**Motion:** To adjourn the Budget Subcommittee meeting of January 11, 2023 at 7:34PM. (DeVecchio/Walsh)

**Passes 6:0**

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Signature

3/22/23  
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Date

*Minutes prepared by Carrie Champagne*