



Town of Medway
FINANCE COMMITTEE
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Monday, December 11, 2023 – 6:00 PM
Presentation Room, Medway Middle School
45 Holliston Street

Joint Meeting of the School Committee with the Select Board and Finance Committee

Finance Committee Members Present: Brian Cowan, Chair; Sue Segarra, Vice Chair; Members Bruce Carbone; Nick Fair; and Jim Sullivan.

Finance Committee Members Absent: Ellen Hillery, Clerk; Chris Lagan, Will Lane, and Michael Schrader.

Select Board Members Present: Glenn Trindade, Chair; Frank Rossi, Vice Chair; Members Todd Alessandri, Dennis Crowley, and Maryjane White,

School Committee Members Present: Cindy Sullivan, Chair; Melissa Greenfield, Vice Chair; Members Preston Gales, Lauren Nassiff, and Kailene Simon.

Others Present from Medway Public Schools: Superintendent Armand Pires, Assistant Business Manager Kristyn DeDonato, Assistant Superintendent Gabrielle Abrams, and Ellen Quinn, Secretary to the School Committee.

Others Present: Michael Boynton, Town Manager; Carol Pratt, Finance Director; Allison Potter, Assistant Town Manager.

Call to Order

At 6:02 PM Ms. Sullivan called the meeting of the School Committee to order with all five members present.

At 6:03 PM Mr. Trindade called the meeting of the Select Board to order with all five members present.

At 6:03 PM Mr. Cowan called the meeting of the Finance Committee to order with five members present. Four members were absent.

At this time, Dr. Pires reported that Ms. Leonhardt, Director of Finance for Medway Public Schools was unable to be at the meeting. Members from all boards present introduced themselves.

Discussion – FY23 School Budget Reconfiguration

The following information was reviewed: (1) Memorandum, dated December 4, 2023, from Patricia Leonhardt, Director of Finance and Operations, FY24 Budget Status Update; (2) Budget Advisory Committee – FY24-FY25 Budget Offsets [draft]; (3) Budget Advisory Committee, Budget Offsets by Function; (4) Budget Advisory Committee, Revolving Fund End-of-Year Balances; and (5) Budget Advisory Committee, FY24-FY25 Projected End-of-Year Balances for School Choice and Circuit Breaker.

Dr. Pires explained that this revised FY24 budget represents the kickoff for FY25 budget planning. This realigns the budget to reflect all sources of funding that were not available in the spring. Documents in the packets are in the order in which he would like to cover the information. Attendees were encouraged to ask questions.

At present, there is a \$70,000 surplus, leaving the school district in a much better position than last year at this time. One thing that helped shore up our current budget was a transfer from the utilities line. There are a couple lines are running over budget, specifically, out-of-district tuition by \$13,000 (related to transportation), and facilities by \$100,000. Some of the transportation cost is due to fuel costs and additional surcharges. Dr. Pires added that some out-of-district students have now returned to their school district so costs associated with those students have disappeared, though costs for other students going out of district will have occurred.

The anticipated offset of \$347,627 was a carry-over from FY23 circuit breaker funds and is no longer available. Brief discussion followed during which position vacancies and related salaries were labeled as significant budget drivers.

FY24-FY25 with Budget Offsets compares current expenses and budget lines with proposed FY25 amounts for the same lines. This represents work from the Budget Advisory Committee in budget preparation. He pointed out that the “steps and lanes” used in salary calculation for teachers as they gain experience and additional education impacts the salary line item by almost 5%. Dr. Pires noted that costs associated with potential retirements were considered during collective bargaining discussions last year. Discussion followed.

Budget Offsets by Function – There is a change in School Choice. Reimbursement comes from the state in the amount of \$5,000 for each student who is accepted in this program in addition to any special education costs, and those estimated costs are billed back to the student’s residential school district. However, reimbursement is not at 100%. Individual costs will vary greatly depending on where the student lives and any IEP requirements. Dr. Pires expressed concern that costs come out of resources that the district currently has (circuit breaker) but that will run out within the next couple of years. The district also gets reimbursed for specialized transportation, and that figure comes in at 75% of eligible expenses, and the district is responsible for the rest. A decrease in students accepted into School Choice would have an impact on revenues. Discussion followed.

Dr. Pires noted that a particular challenge to budget planning is that families are moving in and out of the district in an unanticipated manner, i.e., not always at the beginning or end of the school year. The student population is in a state of flux almost all year long. It was noted that a number of data factors are compared with surrounding communities.

The student population increases and decreases in cycles which affects the staffing. Dr. Pires noted that the high school used to be at 800 and now it’s at around 650. Knowing these shifts in numbers helps

the administration project costs on a per-student basis. It was noted that the district's understanding of how students will age out or matriculate is built into the budget projections.

Revolving Fund End of Year Balances -- These reflect balances from FY19 through FY23 as a "look back". The circuit breaker funds are all at zero with the exception of FY23 which was carried over to FY24.

Dr. Pires emphasized that this is a level service budget. School administration will revisit in January and begin looking at ways to reduce costs. The Budget Advisory Committee makes a recommendation to the School Committee regarding transportation; the district will also engage the parent population for its perspectives and to share information on how this budget recommendation was developed.

Projected End of Year Balances for School Choice & Circuit Breaker -- This table displays the projected FY24 end-of-year balance for these items as well as FY25 projected income, expenses and end-of-year balance.

Selectman Crowley theorized that the district's problem could in fact be FY26, pointing out that rumors within the community are bouncing around a deficit of \$1.5 million. New growth coming into Medway may help mitigate this hit, but paying close attention to FY26 is crucial. Dr. Pires responded that they will be working on a five-year projection which will highlight the important components. From a strategy perspective, is there a one-time correction? During the pandemic, we were able to put more into surplus. Will the state give us what they say they will? We have no way of knowing what that will be in order to boost the Special Education Stabilization Account. Discussion followed.

Dr. Pires emphasized that his responsibility is to the students, and the obligation that we put forth a budget that is the best for our students. When the future is clear with regard to the battery storage facility, we will have a discussion with that component as a significant factor relative to revenue coming to the Town. It was noted that some of these discussions need to take place community-wide as families are moving to Medway because of the school system. Brief discussion followed.

In conclusion, Dr. Pires stated that school administration will try to get answers to all the questions out to the boards by the end of the week. In January the five-year projection will come forward.

At 7:50 PM Mr. Sullivan made a motion to adjourn the Finance Committee meeting; Mr. Carbone seconded. No discussion. VOTE: 5-0-0. The Select Board and the School Committee adjourned their respective meetings.

*Respectfully submitted,
Jeanette Galliardt
Night Board Secretary*