

Stoneham Finance and Advisory Board (FAB)

Date:	April 22, 2024
Time:	7p
Location:	Stoneham Town Hall Hearing Room
Present:	Mike Memmolo – Chair Jen Gray – Vice Chair Cory Mashburn – Secretary Ed Hurley, Adam Jacobs, Joe Joffe, John Lane, Jim Wilson
Absent:	Andrew Harmon, Jeff Moyer, Wendy Smith
Guests:	Dennis Sheehan, Town Administrator

	<p><u>AGENDA</u></p> <ol style="list-style-type: none"> 1. Meeting Minutes – Vote Required 2. FY25 budget discussions – Vote Required 3. May 6, 2024 Town Meeting Warrant Articles – Vote Required 4. Updates <ol style="list-style-type: none"> a. Capital b. School Building Committee c. Subcommittees d. Association of Town Finance Committees (ATFC) update 5. Other business – Non-deliberative: Open Meeting and Ethics Reminder 6. Adjournment - Vote required

1.	Meeting Minutes – Vote Required No meetings minutes to vote on	No votes needed
2.	FY25 budget discussions – Vote Required	

A letter and update from the Superintendent and Town Administrator came to the Select Board, School Committee, and FAB and it stated.

As a follow-up to the previous discussions held and feedback received at the Finance and Advisory Board, School Committee and Select Board meetings, we would like provide the following update:

At its Thursday, April 11th, 2024 School Committee meeting, the board discussed and debated the Superintendent's FY25 proposed budget reductions. Superintendent Ljungberg, as well as the School Committee, took into consideration the public input that was received from the March 28th, 2024 Public Hearing on the FY25 budget as well as numerous emails, letters, and phone calls from stakeholders. The Committee provided its input to Superintendent Ljungberg on what it wants restored back into the FY25 budget.

The table below lists each line item, the associated cost, and the priority level, the highest priority being 1, and then moving in descending order.

Priority List

1. Full-time nurse (add back 0.5 to SCMS and 0.5 to SHS) \$70,000
 2. Kindergarten Education Support Professionals (restore 1 for every Kindergarten class) *
\$270,000
 3. French Language Program (restore at SCMS and SHS) \$70,000
 4. Extracurricular Clubs and Activities (restore 30% reduction from SCMS and SHS) \$40,000
 5. Instructional Technology Coach / Teacher at SHS \$70,000
- TOTAL \$520,000

*Assuming K ESP's are restored, then a Kindergarten teaching position will be reduced from the budget to help offset that cost

If the Kindergarten ESP's are restored to the budget, then a Kindergarten teaching position will be taken back out of the budget with a cost savings of \$60,000. This would mean needing to allocate \$460,000 back to the FY25 School Operating budget.

Potential Funding Sources:

Medicaid: Approval of Article 16 Town Meeting would allow the School Department to work towards recouping additional Medicaid costs and then subsequently access those funds. After discussions with the Town Accountant and Town Wide Budget Director, the estimated receipts could be conservatively estimated as the FY23 amount of \$210,000 on an annual ongoing basis. The School Department would

	<p>need to reduce its operating budget expenses to then be able to charge additional costs to this newly established account.</p> <p>Additional Estimated Net State Aid: \$68,605. On April 10th, the FY25 House Ways and Means budget proposal was released which included multiple changes on both the estimated revenues and estimated charges for the Town of Stoneham. The net difference from the Governor’s budget proposal was: \$68,605</p> <p>At it’s April 9th meeting, the Select Board voted to allocate \$210,000 of ARPA funds towards educational programing.</p> <p>The sum of these additional funding sources:</p> <p>Medicaid: \$210,000 Estimated Additional State Aid: \$68,605 ARPA Allocation: \$210,000</p> <p>It is also important to note that the Stoneham Select Board allocated \$250,000 in ARPA funds toward the school technology budget. And the local delegation is pursuing multiple earmarks for School Related items to mitigate additional impacts.</p> <p>Due to the cost savings measures made across multiple Town and School Budgets, we also recommend that \$350,000 be moved from the Stabilization Fund to the Finance and Advisory Board Reserve Fund. This will provide additional flexibility during the fiscal year to mitigate any future onetime unforeseen cost impacts on the FY25 operating budget. In this regard, we have attached some sections of our fiscal policies for future reference and discussion.</p> <p>We look forward to discussing these potential changes at the meetings scheduled for the week of April 22, 2024. Please feel free to contact us directly if you have any questions in advance.</p>	
<p>3.</p>	<p>May 6, 2024 Town Meeting Warrant Articles – Vote Required --- Town Meeting book will be at the Town Meeting on May 6th. The committee discussed the following articles and made the proper votes when needed.</p> <p>Article 7 A. Move that the Town vote to raise and appropriate the sum of \$91,475,092 for a total General Fund Operating Budget, to provide for a reserve fund and to defray the expenses of the Town, and for</p>	<p>Ms. Gray introduced a motion of favorable action on Article 7. Mr. Joffe seconded; All in favor</p>

the purposes as itemized in Exhibit A, and to meet said appropriation transfer the sum of \$350,000 from General Stabilization, the sum of \$1,378,616 from Free Cash, and raise the sum of \$89,746,476 from the FY2025 Tax Levy.

B. Move that the Town vote to appropriate the sum of \$7,548,675 for costs of operations of the Sewer Enterprise Fund as itemized in Exhibit A, and to meet said appropriation transfer \$300,000 from Retained Earnings and raise \$7,248,675 from Sewer Receipts.

C. Move that the Town vote to appropriate the sum of \$5,563,760 for costs of operations of the Water Enterprise Fund as itemized in Exhibit A, and to meet said appropriation transfer \$375,000 for Retained Earnings and raise \$5,188,760 from Water Receipts.

The committee wrote the below recommendation to be read for Article 7 on Town Meeting on May 6, 2024.

Recommendation:

The Finance and Advisory Board voted 8-0 favorable action on Article 7.

Description:

After discussions with town leaders, department heads, through board meetings, tri board meetings, and public comment, the Finance & Advisory Board recommends favorable action from Town Meeting on Article 7.

We acknowledge that this is not an ideal budget and many hard decisions had to be made by numerous departments in order to reach a balanced budget. Priority lists were put together after many meetings, and decisions were made to meet as many of the town's needs as possible. Expenses continue to grow at a rate that exceeds our revenue growth. It is a trend that we have seen year after year and this budget represents a compromise based on our current revenue.

Article 2

Move that the Town choose necessary Town Officers for Fiscal Year 2025.

The committee wrote the below recommendation to be read for Article 2 on Town Meeting on May 6, 2024.

Recommendation:

The Finance and Advisory Board voted 8-0 favorable action on Article 2.

Description:

These are administrative functions of the town and occur every year.

Ms. Gray introduced a motion of favorable action on Article 2. Mr. Lane seconded; All in favor

Article 3

Move that the Town vote to receive the reports of Town officers and committees.

The committee wrote the below recommendation to be read for Article 3 on Town Meeting on May 6, 2024.

Recommendation:

The Finance and Advisory Board voted 8-0 favorable action on Article 3.

Description:

These are administrative functions of the town and occur every year.

Article 4

Move that the Town vote to fix the salaries of the Town Moderator at \$200, members of the Board of Assessors at \$1,200, members of the Select Board at \$3,000, and Town Clerk at \$95,159 as set forth in the May 6, 2024 Annual Town Meeting Warrant.

The committee wrote the below recommendation to be read for Article 4 on Town Meeting on May 6, 2024.

Recommendation:

The Finance and Advisory Board voted 8-0 favorable action on Article 4.

Description:

These are administrative functions of the town and occur every year.

Article 9

Move that the Town vote to appropriate the sum of \$350,000 to defray the cost to meet Fiscal Year 24 departmental budgets approved under Article No. 9 of the May 1, 2023 and to meet this appropriation transfer the sum of \$350,000 from General Stabilization and with said sum apportioned to said budgets by the Town Administrator, Town Treasurer and/or Town Accountant to Fiscal Year 24 departmental budgets approved under Article No. 9 of the May 1, 2023 Annual Town Meeting.

The committee wrote the below recommendation to be read for Article 9 on Town Meeting on May 6, 2024.

Recommendation:

The Finance and Advisory Board voted 8-0 favorable action on Article 9.

Description:

This is a yearly, recurring Article. Its purpose is to allow the Town to reallocate funds at the end of the fiscal year as unanticipated surpluses or deficits are detected. It is preferable to provide the Town with a mechanism where surplus funds in a given budget area can be shifted to other areas that experienced a deficit. These changes would need to be approved by the Finance and Advisory Board prior to the end of the fiscal year.

Ms. Gray introduced a motion of favorable action on Article 3. Mr. Lane seconded; All in favor

Ms. Gray introduced a motion of favorable action on Article 4. Mr. Joffe seconded; All in favor

Ms. Gray introduced a motion of favorable action on Article 9. Mr. Lane seconded; All in favor

Article 10

Move that the Town vote to appropriate the sum of \$600,000 from the PEG Access Enterprise Fund, and that said sum be transferred to Stoneham Community Access Television for the support PEG access services consistent with the cable franchise agreements during Fiscal Year 2025 as set forth in the table in Article 10 of the May 6, 2024 Annual Town Meeting Warrant.

The committee wrote the below recommendation to be read for Article 10 on Town Meeting on May 6, 2024.

Recommendation:

The Finance and Advisory Board voted 8-0 favorable action on Article 10.

Description:

This fund is necessary to maintain a communication channel via cable TV. There was no change in funding levels from last year. The funding is supported through cable licensing fees.

Article 11

Move that the Town vote to set Fiscal Year 2025 total expenditure limitations for the for the revolving funds established in the town by-laws for certain departments, boards, committees, agencies or officers in accordance with Massachusetts General Laws Chapter 44, Section 53E1/2 as set forth in the chart in Article 11 of the May 6, 2024 Annual Town Meeting warrant.

The committee wrote the below recommendation to be read for Article 11 on Town Meeting on May 6, 2024.

Recommendation:

The Finance and Advisory Board voted 8-0 favorable action on Article 11.

Description:

This article establishes the FY25 revolving fund spending limits. The proposed limits are the same as FY24 except for a \$10,000 spending limit increase to the Health Services Revolving Account. The increase for the Health Services Revolving Account is necessary to assist the facilitation of department programming.

Article 12

Move that the Town vote to appropriate the sum of \$20,000 for the purpose of funding the planning and implementation of the Town of Stoneham’s 300th Anniversary events and activities as well as to defray its costs and expenses, and to meet this appropriation, transfer said sum from Free Cash.

The committee wrote the below recommendation to be read for Article 12 on Town Meeting on May 6, 2024.

Recommendation:

Ms. Gray introduced a motion of favorable action on Article 10. Mr. Joffe seconded; All in favor

Ms. Gray introduced a motion of favorable action on Article 11. Mr. Joffe seconded; All in favor

Ms. Gray introduced a motion of favorable action on Article 12. Mr. Joffe seconded; All in favor

<p>The Finance and Advisory Board voted 8-0 favorable action on Article 12.</p> <p>Description: This article allocates \$20,000 to the Stoneham 300th Anniversary Committee to continue necessary planning and preparation for future events.</p> <p>Article 13 Move that Town vote to appropriate the sum of \$55,016 to be used in accordance with §8(c)(i) of Chapter 187 of the Acts of 2016 for the Stoneham Shuttle Pilot program, and to meet this appropriation transfer said funds from Transportation Network Companies (TNC) special revenue fund with said funds being expended under the direction of the Town Administrator.</p> <p>The committee wrote the below recommendation to be read for Article 13 on Town Meeting on May 6, 2024.</p> <p>Recommendation: The Finance and Advisory Board voted 8-0 favorable action on Article 13.</p> <p>Description: This appropriates previously collected funds that are required to be used for transportation. These funds will be used to secure matching dollars for an already awarded grant.</p> <p>Article 14 Move that the Town vote pursuant to Chapter 77 of the Acts of 2023 to terminate any stabilization funds dedicated to Opioid Settlement Funds and authorize the Treasurer to create a special revenue account under Mass. Gen. L. c. 44 §53 for the purpose of holding funds related to Opioid Settlement; and further to dedicate those funds to said special revenue account.</p> <p>The committee wrote the below recommendation to be read for Article 14 on Town Meeting on May 6, 2024.</p> <p>Recommendation: The Finance and Advisory Board voted 8-0 favorable action on Article 14.</p> <p>Description: This is to comply with state law. This would allow these funds to be deposited in a special revenue account which would allow their expenditure without the approval of Town Meeting, allowing the town to address critical needs in a timely manner.</p> <p>Article 16 Move that the Town vote to accept the provisions of Massachusetts General Laws Chapter 40, Section 13E allowing the town to establish and appropriate or transfer money to a reserve fund to be utilized</p>	<p>Ms. Gray introduced a motion of favorable action on Article 13. Mr. Lane seconded; All in favor</p> <p>Ms. Gray introduced a motion of favorable action on Article 14. Mr. Joffe seconded; All in favor</p> <p>Ms. Gray introduced a motion of favorable action on Article 16. Mr. Joffe seconded; All in favor</p>
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	<p>in the upcoming fiscal years, to pay, without further appropriation, for unanticipated or unbudgeted costs of special education and recovery high school programs, out-of-district tuition or transportation.</p> <p>The committee wrote the below recommendation to be read for Article 16 on Town Meeting on May 6, 2024. Recommendation: The Finance and Advisory Board voted 8-0 favorable action on Article 16. Description: This article allows the School Department direct access to Medicaid reimbursement generated by the School Department, in perpetuity. These funds are currently directed to local receipts which could be used for any town department. This change may incentivize the school to recoup funds at a higher collection rate in the future.</p>	
<p>4.</p>	<p>Updates</p> <ul style="list-style-type: none"> a. Capital b. School Building Committee c. Subcommittees d. Association of Town Finance Committees (ATFC) Update <p>No big updates</p>	<p>No votes needed</p>
<p>5.</p>	<p>Other Business – Non deliberative</p>	<p>No votes needed</p>
<p>6.</p>	<p>Adjournment</p>	<p>Mr. Lane then introduced a motion to adjourn; Mr. Joffe seconded; all in favor.</p>