

## **BILLERICA FINANCE COMMITTEE MINUTES**

**April 13, 2023**

A meeting of the Billerica Finance Committee was held on Thursday April 13, 2023, at 7:00 p.m. in Room 210 in the Town Hall.

Present: David Gagliardi, Chairman; John Mulloy, Vice Chairman; Mary McBride, Secretary; Douglas Fogerty, Member; Sharon Healey, Member; Patrick Logue, Member; Doug Meagher, Member; Philip Newfell, Member; Larry Norman, Member; Darlene Torre, Member; Brian Dorrington, 2<sup>nd</sup> Associate; Paul Watson, Ex-Officio Town Accountant; and Joyce MacMillan, Recording Clerk.

Excused: Donald Damon, Member

### **CALL TO ORDER:**

Chairman Dave Gagliardi called the meeting to order at 7:00 p.m.

### **PUBLIC COMMENT:**

None

### **FY24 BUDGET:**

**Shawsheen Tech – Tony McIntosh, Superintendent and Jenna Lesko, Director of Communications and Human Resources**

Along with Mr. McIntosh and Ms. Lesko are two of their School Committee members, Taryn Gillis, and Ron Fusco. Mr. McIntosh had sent hard copies of the Budget docs prior to the meeting. He also presented a PowerPoint presentation that went over every aspect of their budget. This budget reflects a substantial increase that is associated with an immediate building concern that needs to be addressed. Two non-structural walls located above the pool area need to be removed and replaced. That project has added \$475,000 to the budget. Plus, other building maintenance needs to be taken care of. There are Operating Budget increases due to supplies and material price increase which is a 7.92% increase. The finalized teacher contract is a 3% increase for FY24 and a 2.75% increase for FY25. There is an increase to the Paraprofessionals for FY24 and a 3% Cost of Living increase for all clerical, cafeteria, and non-union staff. Also adding 3 new positions. Added an English Language Learner (ELL) Program per a mandate. Increases in health insurance costs and to their transportation contract. Currently they are still waiting for their Excess and Deficiency funds (E&D) to be certified. They have been waiting since October for this to be completed by the DOR.

Chairman Gagliardi opened the floor to the committee for questions or concerns. Chapter 70 funds, why such a considerable difference between Billerica and the other towns? How did they come up with \$30 per student? The state bases it on the wealth of the community, what DESE (Department of Elementary & Secondary Education) determines the communities can afford to pay and student demographics, percentage of low-income students, percentage with disabilities, the tax pays on property and business etc. Communities receive a base of \$30 per pupil, with some communities getting more based on these components. DESE uses a Wealth Aggregate Model to determine the amounts.

The grants you spoke about, are they pending? No, they were already awarded and spent and are not in the FY24 Budget. Is the Operating Budget dictated from Boston? The minimum contributions are dictated from Boston. The Capital Budget is the only place with some play in it? Yes. Looking at the big items you have listed; athletic complex, computers, pool walls, lab

equipment, projectors, and repairing shop areas. Could you prioritize and put some of these off a year or two? The other big-ticket items are the building repairs; roof top units, heating system, plumbing repairs, we have an aging building that needs repair. Maybe the school can look into seeing if they are eligible for CPA money, possibly for fields and outdoor/recreation items. 2.5% is the number we like to stay around in this town, we have gone slightly over but this amount is quite a bit higher. Why can't you spready some of the capital repairs out over a three-to-four-year span? This is spread out over three years. How much did you get in Chapter 70 funds last year? The website says it was \$7.495 million. They may have added busing to that. The website says an estimated \$7.7409 million, the increase there is about \$245,000. Billerica is down about 20 students, what date is that as of? As of October 1, 2023. How many students have moved back to BMHS? They have lost about 25 ninth graders but do not have the breakdown by community but can get that to them later. The ELL Program, you said it was a mandate, how many of those students are from Billerica? They do not have that number available but can find out for them. The committee member said she already knows it is two. Billerica will be picking up a huge portion for this. The state sets the rates. We didn't see any mention of your revolving accounts, do you have any? Yes, for Child Care, Transportation, Automotive Program, there are dozens of revolving accounts. The Child Care revolving account pays for the Child Care Coordinator, her salary is covered out of the Operating Budget. All the costs for operating the daycare, material, supplies, and salaries for all the providers are paid for from the tuition.

What grants are currently pending for FY24? A Capital Skills Grant which is about \$375,000. What happens if the Finance Committee votes no on this budget tonight? There are five communities that vote on this budget, if three or more vote no they would have to go back to the drawing board. If three or more votes yes, it will go on to Town Meeting. What is the Genocide of \$11,000 for? It is a grant for professional development for our English and History teachers to partner with other schools that have already done a lot of this work, so they can come back with resources and developmental tools. What genocides are they dealing with? Not sure. Hanscom Air Base sends kids to Shawsheen by way of the Town of Bedford. What number of the Bedford students are from Hanscom? Roughly half. The spreadsheets have a lot of information but maybe it could be grouped together better and broken down a little better in the next budget. When will the E & D be certified? Hoping for it to be done by the first of May. Will it be before the Town Meeting? We cannot promise that. Last year it wasn't certified until June 6<sup>th</sup>. There's no guarantee that once you get the funds certified that it would reduce this budget. Maybe the committee can vote on its intent prior. Could your committee make a decision for us by April 27<sup>th</sup> as to what their intent is for the E & D funds? We can try to pursue that, but we cannot allocate funds prior to them being certified.

John Mulloy, seconded by Patrick Logue made a motion to postpone the Shawsheen budget vote to April 27, 2023.

It was voted:

9 – In favor  
2 – Opposed – Norman,  
McBride

**Capital Budget – John Curran, Town Manager and Paul Watson, Town Accountant**

This is a fluid document that is constantly being updated. There are two components to it, a long-term capital plan and short-term capital plan. Right now, our revenue capacity is

projected to be \$206 million in total for all our different revenue sources, which includes free cash. Debt Stabilization is a healthy account with \$21 million. We generally put more money in than take out of that account annually. That account is used to decrease the adverse impact on the levy for the capital debt. In the budget book on page 300 is a table (table 2) that projects where our will go over the next 20 or so years, up to year 2049. The largest amount that comes out of this is for WasteWater to offset the impact to debt service. Debt Service should be close to 10% but not over. Mr. Curran went over the short-term capital plan (5 years or less), long-term capital plan and how projects are added to the capital plan.

Chairman Gagliardi opened the floor to the committee for questions or concerns. The sewer contracts, we see up to contract 38, are there more after that? Yes. Is the project close to being finished? There is about \$83 million that still needs to be done. The last stretch is always the most expensive and hardest to complete. There are about 1,000 parcels left in town to be sewer. It's not practical to think every single one will be connected. It gets the least amount of discussion, and it is the Town's biggest financial burden, the debt from sewer construction. The Town does not get any matching funds such as MSBA, and it's also our biggest future burden. We are always trying to re-evaluate and hone it down to what exactly needs to be done so we can assign a cost as much as we can with 20-year projections. Shawsheen talked about possibly doing a new building in 5 years, is that in this budget? No, not part of our budget. A project of that scale would take a vote of all the participating towns and Billerica would probably pick up 30 to 35% of the cost. It would be a significant hit for our Debt Services. Mr. Curran's thoughts are, the Town should do one of the schools outside the MSBA (Mass. School Building Authority), it would be less costly in the long run and completed sooner and provide great parity in the school system.

What is the Town's bond rating? We are at an AA+/AA2. What is the highest rating? Triple A is the highest. We are one away from AAA. Are we heading upward or downward? Mr. Curran believes we are headed upward. The sewer enterprise project began in 2012 and so far, we have had a pretty good track record of keeping the taxes down. How is it monitored on which roadways are completed each year, how are they chosen? There is a list near the end of the budget book, page 310 to 321 is a Roadway Management Plan. It lists whether the road is being treated or paved. Do the AAA Bond ratings go to communities of wealth? The only thing keeping Billerica from the AAA Bond rating is the OPEB and the pension fund (Middlesex Retirement). The pension liability is somewhat out of our control because we don't manage it. Middlesex Retirement is doing a better job managing pensions these days, and employees are paying a higher percentage into the Fund. The rating agencies are taking into consideration the amount of debt all the communities are taking on and how the debt is structured. They look more favorably on debt exclusion because it is guaranteed revenue to fund that project.

Jon Mulloy, seconded by Larry Norman made a motion to accept the Capital amount.

It was voted:

11 – In favor  
0 – Opposed

**WARRANT ARTICLES:**

**Article 35 – To Amend Article 9 Section 3 of the General By-Law: Building Department – Mark LaLumiere, Building Commissioner**

To see if Town Meeting will Vote to amend the Billerica General By-Law as amended in May of 2022 to be further amended by deleting the existing Language under Article IX, Section 3, which reads as follows: See Warrant Article for wording.

Mr. LaLumiere stated the building fees have not been updated for many years. This Warrant Article will be the first step for us to take to raise the fees. The fees have not been raised in over 30 years.

John Mulloy, seconded by Larry Norman, made a motion to recommend Article 35 as printed in the Preliminary Warrant.

It was voted: 9 – In favor  
2 – Opposed – Logue & Dorrington

**Article 39 – To Vote to Accept Chapter 41, Section 110A of the Massachusetts General Law – John Curran, Town Manager and Clancy Main, Asst Town Manager**

To see if the Town will vote to accept Chapter 41, Section 110A of the Massachusetts General Law.

Mr. Main stated this Article was submitted due to sometimes signatures are due on a Saturday, Town Hall is not opened on Saturdays. If passed, this would make the signatures due on Friday.

John Mulloy, seconded by Larry Norman, made a motion to recommend Article 39 as printed in the preliminary warrant.

It was voted: 11 – In favor  
0 – Opposed

**Article 41 – Recording of Public Meeting Policy – John Burrows**

To see if the Town will vote to amend the Town's General By-Laws, XV, procedures, by inserting therein the new subsection 6, "Recording of Public Meetings", as follows: See Warrant Article for wording.

This article has been moved to the next Finance Committee meeting.

**MINUTES: March 21 and 28, 2023**

John Mulloy, seconded by Patrick Logue, made a motion to accept the minutes of March 21, 2023.

It was voted: 11 – In favor  
0 – Opposed

John Mulloy, seconded by Patrick Logue, made a motion to accept the minutes of March 28, 2023.

It was voted: 11 – In favor

0 – Opposed

**Miscellaneous Correspondence:**

Next Finance Committee Meeting Tuesday April 18, 2023

The Town Manager's Office and Firefighters negotiations came to an agreement today, has not been ratified yet.

**ADJOURNMENT:**

John Mulloy, seconded by Larry Norman, made a motion to adjourn.

It was voted:

11 – In favor  
0 – Opposed

Chairman David Gagliardi adjourned the meeting at 9:21 pm.

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Joyce MacMillan, Recording Clerk