

November 28, 2022 Minutes
Open Meeting of the Town of Sharon Tri-Board Committees

I. Ann Keitner, Chair of the Finance Committee, opened the meeting and participating committee Chairs called to order

This tri-board open meeting is being held via remote means through the Zoom online platform pursuant to Chapter 20 of the Acts of 2021.

Ann Keitner, Chair, called roll call for the Finance Committee: Patricia-Lee Achorn, Anja Bernier, Brian Collins, Gordon Gladstone, Charles Goodman, Lajos Kamocsay, Daniel Lewenberg, Ira Miller, Olga Volfson, Jada Wang.

Hanna Switekowski, Chair, called roll call for the Select Board: Kiana Pierre-Lewis, Emily Smith-Lee.

Avi Shemtov, Chair, called roll call for the Schools Committee: Julie Rowe, Wenxiao Tiano, Veronica Wiseman.

Also Present: Peter Botelho – School Superintendent, Krishan Gupta - Finance Director, Fred Turkington – Town Administrator, Cheryl Weinstein – Library Trustee, Ellen Whitmore – Schools Director of Finance.

II. Finance Director and Town Administrator to review preliminary FY2024 finances

- a. Mr. Turkington discussed that estimates for non-discretionary items such as State aid, local receipts, etc. have been assigned. Levy base is the current amount able to use for basis of taxation

Version: 00 FY24 Priorities WS DRAFT 11/9/2022, 2:32 PM						REVENUE ESTIMATE FY 2024		Print Date
		FY 20 RECAP	FY 21 RECAP	FY 22 RECAP	FY 23 Budget	FY 23-22	FY 24 Estimate	FY 24-23
REVENUE SOURCES:								
TAXATION:								
1	FY Levy base:	\$66,158,287	\$68,241,180	\$70,884,940	\$73,736,939	\$2,851,999	\$76,005,362	\$2,268,423
2	Tax Increase upto 2 1/2%	1,653,957	1,706,030	1,772,124	1,843,423	71,299	1,900,134	\$56,711
3	New Growth:	425,960	937,730	1,079,875	425,000	(654,875)	450,000	\$25,000
4	Net Debt Exclusion:	3,310,074	6,858,677	7,660,061	8,352,456	692,395	9,364,700	1,012,244
5	Levy Limit:	71,548,278	77,743,617	81,397,000	84,357,818	2,960,818	87,720,196	3,362,378
6	Excess Levy Capacity:	(2,024,952)	(2,464,254)	(3,281,010)	(3,190,973)	90,037	(3,190,973)	0
8	Net Tax Revenue:	69,523,326	75,279,363	\$78,115,990	\$81,166,845	3,050,855	84,529,223	3,362,378
9	Total Tax Revenue:	69,523,326	75,279,363	78,115,990	81,166,845	3,050,855	84,529,223	3,362,378
10	Assessed Valuation:	3,659,122,400	3,684,746,130	3,955,240,010	3,955,240,010	0	4,366,348,300	411,108,290
11	Tax Rate:	19.00	20.43	19.75	20.52	0.77	19.36	(1.16)
12	Levy Ceiling:	91,478,060	92,118,653	98,881,000	98,881,000	0	109,158,708	109,158,708
13	% increase in tax levy:	2.90%	8.28%	3.77%	3.91%	0.137%	4.14%	
STATE AID:								
14	Cherry Sheet:	9,270,077	9,298,626	10,464,121	11,711,962	1,247,841	12,262,321	550,359
15	School Construction (SBA):	1,950,622	1,244,025	608,054	-	(608,054)		
16	Total State Aid:	11,220,699	10,542,651	11,072,175	11,711,962	639,787	12,262,321	550,359
LOCAL SOURCES:								
17	Local receipts:	5,132,708	4,843,953	5,121,700	5,091,700	(30,000)	6,209,000	1,117,300
18	Total Local Sources:	5,132,708	4,843,953	5,121,700	5,091,700	(30,000)	6,209,000	1,117,300
AVAILABLE FUNDS:								
19	Ambulance Reserve:	700,000	650,000	650,000	650,000	0	650,000	0
20	Free Cash:			300,000		(300,000)	550,000	550,000
21	F/B Excluded Debt	25,293	25,293		25,293	25,293	25,293	0
22	Community Ed (Debt Service - Fixed Page Reorganized)						130,537	130,537
23	Overlay Reserve Released:	200,000				0		
24	Reauthorized capital/other funding:			38,036				
25	Septic Loan Program receipts:	29,215	29,215	29,215	29,215	0		(29,215)
26	Total Available Funds:	954,508	704,508	1,017,251	704,508	(312,743)	1,355,830	651,322
27	GROSS REVENUE AVAILABLE:	86,831,241	91,370,475	95,327,116	98,675,015	3,347,899	104,356,374	5,681,359

REVENUE SOURCES:	FY 20	FY 21	FY 22	FY 23	FY 23-22	FY 24	FY 24-23
	RECAP	RECAP	RECAP	Budget		Estimate	
28 GROSS REVENUE AVAILABLE:	86,831,241	91,370,475	95,327,116	98,675,015	3,347,899	104,356,374	5,681,359
ADJUSTMENTS TO REVENUE							
LESS ASSESSMENTS & OFFSETS:							
29 Offsets - Reserved for Direct Expenditu	(22,237)	(23,255)	(31,495)	(32,560)	(1,065)	(39,439)	(6,879)
30 Total Cherry Sheet charges:	(832,566)	(863,041)	(996,223)	(1,094,105)	(97,882)	(1,122,542)	(28,437)
31 Overlay:	(301,671)	(410,711)	(299,617)	(300,000)	(383)	(350,000)	(50,000)
32 Total Assessments & Offsets:	(1,156,474)	(1,297,007)	(1,327,335)	(1,426,665)	(99,330)	(1,511,981)	(85,316)
NET AVAILABLE FOR							
33 APPROPRIATION @ TOWN MEETING:	85,674,767	90,199,006	93,999,781	97,248,350	3,248,569	102,844,393	99,595,824
34 DOLLAR CHANGE	2,562,927	4,524,239	3,800,775	3,248,569	(552,206)	5,596,043	2,347,474
35 PERCENTAGE CHANGE	3.08%	5.28%	4.21%	3.46%	-0.76%	5.75%	2.30%

- b. Cherry Sheet has slight increases from government aid and Chapter 70, estimate of \$12.2 million
- c. Includes right-sizing estimates for excise taxes such as for marijuana
- d. Includes \$550,000 contribution to fund full-day Kindergarten for next year
- e. Total amount available for appropriation at Annual Town Meeting is \$102,844,393

FIXED, UNCONTROLLABLE OR SPECIAL EXPENDITURES:									
Budget Item	FY20 RECAP	FY 21 RECAP	FY22 RECAP	FY 23 Budget	\$ Change FY 23-22	% Change FY 23-22	FY 24 Estimate	\$ Change FY 24-23	% Change FY 24-23
1 Board of Health (partial):	99,500	110,500	118,000	118,000	0	0.00%	120,000	2,000	1.69%
2 Debt Service: Interest (exempt)	1,253,494	1,126,769	1,031,849	952,997	(78,852)	-7.64%	853,787	(99,210)	-10.41%
3 Debt Service: Interest (non-exempt)	842,573	874,102	820,923	846,219	25,296	3.08%	873,688	27,469	3.26%
4 Debt Service: Principal (exempt)	4,045,000	4,030,000	3,380,500	2,713,700	(666,800)	-19.72%	2,716,900	3,200	0.12%
5 Debt Service: Principal (non-exempt)	2,477,300	2,481,500	2,395,600	2,456,300	60,700	2.53%	2,736,114	279,814	11.39%
6 Debt Service: Library (5M); SHS (85+7.5M)		2,983,479	3,737,227	4,566,969	829,742	22.20%	5,805,506	1,238,537	27.12%
7 CASH- Capital	346,500	260,000	572,152	652,021	79,869	13.96%	645,000	(7,021)	-1.08%
8 FICA - Medicare:	735,000	780,000	780,000	780,000	0	0.00%	820,000	40,000	5.13%
9 FICA - Social Security:	10,500	10,000	10,000	10,000	0	0.00%	7,500	(2,500)	-25.00%
10 Financial Audit:	64,000	59,000	59,000	67,000	8,000	13.56%	70,000	3,000	4.48%
11 Insurance ¹	9,851,450	10,035,605	11,049,975	11,490,620	440,645	3.99%	12,241,956	751,336	6.54%
12 Norfolk County Retirement System ² :	3,842,292	4,087,106	4,246,399	4,557,671	311,272	7.33%	4,857,613	299,942	6.58%
13 Reserve Fund:	500,000	500,000	800,000	500,000	(300,000)	-37.50%	500,000	0	0.00%
14 OPEB Trust Contribution	350,000	350,000	400,000	500,000	100,000	25.00%	550,000	50,000	10.00%
15 Stabilization Fund	0								
16 SNARC (School Department):	9,916	9,916	9,916	9,916	0	0.00%	9,916	0	0.00%
17 Southeastern Regional Vocational School:	240,000	174,716	200,000	319,329	119,329	59.66%	400,000	80,671	25.26%
18 Street Lighting:	192,000	217,048	193,048	233,048	40,000	20.72%	200,000	(33,048)	-14.18%
19 Unemployment Benefits:	75,000	75,000	300,000	75,000	(225,000)	-75.00%	75,000	0	0.00%
20 Marijuana Mitigation Programs			45,000	45,000	0	0.00%	45,000	0	0.00%
21 Property Assessment/Valuation Services	50,000	55,000	50,000	60,000	10,000	20.00%	65,000	5,000	8.33%
22 Norfolk Agricultural Tuition:	9,000	12,000	12,000	29,708	17,708	147.57%	32,000	2,292	7.72%
TOTAL	24,993,525	28,231,741	30,211,589	30,983,498	771,909	2.56%	33,624,980	2,641,482	8.53%
25 Insurance Budget	FY 20 Estimate	FY 21 Estimate	FY 22 Estimate	FY 23 Estimate	F23 \$ Change	% Change	F24 Est	F24 \$ Change	% Change
Health Insurance	8,650,000	8,975,000	9,782,750	10,100,000	317,250	3.24%	10,807,000	707,000	7.00%
<u>Other Insurances: (Categories Revamped in FY 24)</u>									
Worker's Compensation	460,000	496,000	610,000	650,000	40,000	6.6%	550,000	(100,000)	-15.4%
Group Life & Disability Insurance	48,500	35,160	38,000	42,000	4,000	10.5%	42,000	0	0.0%
Group Accident (Fire, Police & Civil Defense)	82,300	47,860	71,000	55,000	(16,000)	-22.5%	50,000	(5,000)	-9.1%
Automobile	128,500	111,000	130,000	137,500	7,500	5.8%		(137,500)	-100.0%
Boiler & Machinery	319,500	207,000	235,000	235,000	0	0.0%		(235,000)	-100.0%
General Liability (includes \$40,000 for deductible p	64,600	83,920	100,000	160,000	60,000	60.0%	880,000	720,000	450.0%
Law Enforcement Liability	11,500	11,420	14,000	20,000	6,000	42.9%		(20,000)	-100.0%
Public Officials	22,500	23,600	30,000	35,000	5,000	16.7%		(35,000)	-100.0%
Boat-Hull / Ski Jet	4,400	5,955	7,000	7,500	500	7.1%		(7,500)	-100.0%
Umbrella	69,900	61,695	71,000	75,000	4,000	5.6%		(75,000)	-100.0%
Privacy & Network Security Liability	26,050	28,430	35,000	50,000	15,000	42.9%		(50,000)	-100.0%
Underground Storage Tanks	1,000	1,640	1,800	2,750	950	52.8%		(2,750)	-100.0%
Less Water Department Share	(82,050)	(91,700)	(122,575)	(136,825)	(14,250)	11.6%	(150,508)	(13,683)	10.0%
Less Municipal Solid Waste Fund Share	(9,000)	(10,000)	(13,000)	(14,805)	(1,805)	13.9%	(16,286)	(1,481)	10.0%
Sub-Total	9,797,700	9,986,980	10,989,975	11,418,120	428,145	3.9%	12,162,206	744,086	6.5%
School Liability	18,750	21,425	25,000	35,000	10,000	40.0%	38,500	3,500	10.0%
School Vehicles	35,000	27,200	35,000	37,500	2,500	7.1%	41,250	3,750	10.0%
Total	9,851,450	10,035,605	11,049,975	11,490,620	440,645	4.0%	12,241,956	751,336	6.5%

- f. Placeholder on line 6 for borrowing funds for the Library and high school
- g. Major area of change in insurance includes property and casualty and health insurance. Currently carrying a 7% change with 1% being the transfer from the revolving fund for full-day Kindergarten and 6% increase in claims. Projected increases in liability for property and casualty, reductions to workers compensation, etc.
- h. Continue to increase OPEB contributions

ALLOCATION OF PROJECTED NET OPERATING BUDGETS:

Available at the Annual Town Meeting:

AFTER SECTOR CHANGES IN FY 19

	FIXED COSTS	Select Board	Finance Committee	School Committee	TOTAL
(A) FY23 appropriations for operating budgets:	\$30,983,498.0	\$15,423,206	\$1,405,596	\$49,436,050	\$66,264,852
FY23 Adjustment		(\$68,735)	(\$6,265)	\$75,000	\$0
FY 23 Actual Allocation		\$15,354,471	\$1,399,331	\$49,511,050	\$66,264,852
FY23 % Sector Allocations:		23.2751%	2.1212%	74.6037%	100.0000%
FY22 % Sector Allocations:		23.2751%	2.1212%	74.6037%	100.0000%
% change from FY22 to FY23:		0.0000%	0.0000%	0.0000%	0.0000%
(B) Available funds for allocation to operating sectors:					
Total funds allocated: (FY 23 based)	\$33,624,980.00	\$16,110,883.00	\$1,468,268.00	\$51,640,263.00	\$69,219,413.00
\$ difference (FY24-23 base):		687,677	62,672	2,204,213	2,954,562
Tentative FY 2024 base:		16,110,883	1,468,268	51,640,263	69,219,414
% growth (\$ difference / FY23 base):		4.4587%	4.4587%	4.4587%	4.4587%
(C) <u>One Time Adjustment:</u>					
		Select Board	Finance Committee	School Committee	TOTAL
FY2024 Base Allocation		16,110,883	1,468,268	51,640,263	\$69,219,414
Adjustment		(164,013)	(15,667)	179,680	
Revised FY 24 Allocation - Priorities dt:		15,946,870	1,452,601	51,819,943	\$69,219,414
FY2024 % One Time Revised Sector Allocations:		23.0381%	2.0985%	74.8633%	100.0000%
Additional dollars over FY 22		\$523,664.00	\$47,005.00	\$2,383,893.00	\$2,954,562
% Over FY 22		3.40%	3.34%	4.82%	4.46%

- i. Select Board and Finance Committee contributed a combined total of \$75,000 which was transferred to the School Committee for a partial pay-down to adjust the amount parents are paying for Kindergarten. This amount combined with \$550,000 from free cash will fund full-day Kindergarten for the year
- j. Ultimately will review these numbers with the Priorities Committee for agreement on the baseline for planning the FY24 budget
- k. State aid estimates indicate the percentages Sharon is carrying, including Chapter 70, etc. Won't have firm numbers until potentially sometime in January or even March due to State elections

STATE AID

EDUCATION

- 1 Chapter 70:
- 2 School Transportation Programs:
- 3 Retired Teachers' Pensions:
- 4 Charter Tuition Assessment Reimbursement:
- 5 Charter School Capital Facility Reimbursement

Offset Items - Reserved for Direct Expenditure:

- 7 Racial Equality:
- 8 Lunch Programs:
- 9 School Choice Receiving Tuition
- Sub-Total, All Education Items:

GENERAL GOVERNMENT

Distributions and Reimbursements:

- 1 Unrestricted Aid
- 2 Additional Assistance:
- 3 Additional Meals & Hotel Tax
- 4 Regional Public Libraries:
- 5 Police Career Incentives:
- 6 Urban Renewal Projects:
- 7 Veterans' Benefits
- 8 Exemptions: Vets, Blind, & Surviving Spouse:
- 9 Exemptions: Elderly
- 10 State Owned Land:

Offset Items - Reserved for Direct Expenditure:

- Public Libraries:
- Sub-Total, All General Government:

TOTAL ESTIMATED RECEIPTS:

TOTAL ESTIMATED OFFSETS:

NET ESTIMATED RECEIPTS:

%Δ:

FY 20	FY 21	FY 22	FY 23	FY 24	Notes
RECAP	RECAP	RECAP	Budget	Estimate	% Change FY 24/23
7,449,437	7,469,972	8,528,536	9,720,067	10,108,870	4.00%
4,689	27,906	43,702	99,624	104,804	5.20%
7,454,126	7,497,878	8,572,238	9,819,691	10,213,674	4.01%
1,486,493	1,486,493	1,538,520	1,580,060	1,670,248	5.71%
28,184	22,744	48,626	21,597	21,597	0.00%
115,862	106,235	89,433	74,346	74,346	0.00%
163,175	162,021	183,809	183,708	243,017	32.28%
22,237	23,255	31,495	32,560	39,439	21.13%
1,815,951	1,800,748	1,891,883	1,892,271	2,048,647	8.26%
9,270,077	9,298,626	10,464,121	11,711,962	12,262,321	4.70%
22,237	23,255	31,495	32,560	39,439	21.13%
9,247,840	9,275,371	10,432,626	11,679,402	12,222,882	4.65%
2.69%	0.30%	12.48%	11.95%	4.65%	

STATE ASSESSMENTS

A. County Assessment, County Tax

B. STATE ASSESSMENTS & CHARGES

- 1 Retired Employees Health Insurance:
- 2 Retired Teachers Health Insurance:
- 3 Mosquito Control Projects:
- 4 Air Pollution Districts:
- 5 Metropolitan Area Planning Council:
- 6 Old Colony Planning Council:
- 7 RMV Non-Renewal Surcharge:

C. TRANSPORTATION AUTHORITIES

- 1 M.B.T.A.:

D. ANNUAL CHARGES AGAINST RECEIPTS

- 1 Multi-Year Repayments Program:
- 2 Special Education:
- 3 STRAP Repayments:

E. TUITION ASSESSMENTS:

- 1 School Choice Sending Tuition:
- 2 Charter School Sending Tuition:

TOTAL ESTIMATED CHARGES:

%Δ:

FY20	FY 21	FY 22	FY 23	Notes	FY 24	Notes
RECAP	RECAP	RECAP	BUDGET	% Change FY 23/22	Estimate	% Change FY 24/23
(155,547)	(159,436)	(157,137)	(161,066)	2.50%	(167,509)	4.00%
(94,530)	(97,924)	(98,591)	(101,060)	2.50%	(108,159)	7.02%
(6,606)	(6,855)	(6,844)	(6,890)	0.67%	(7,235)	5.01%
(9,731)	(10,169)	(10,410)	(10,374)	-0.35%	(10,374)	0.00%
(10,420)	(10,160)	(10,160)	(9,100)	-10.43%	(9,100)	0.00%
(411,625)	(424,292)	(427,938)	(428,938)	0.23%	(446,096)	4.00%
(40,550)	(14,661)	(5,402)		-100.00%		
(27,798)	(29,358)	(118,119)	(103,493)	-12.38%	(131,168)	26.74%
(75,759)	(110,186)	(161,622)	(273,184)	69.03%	(242,901)	-11.09%
(832,566)	(863,041)	(996,223)	(1,094,105)	9.83%	(1,122,542)	2.60%
5.55%	3.66%	15.43%	9.83%		2.60%	

LOCAL RECEIPTS ESTIMATE

	LOCAL SOURCES:	FY 19	FY 20	FY 21	FY 22	FY 23	% Change	FY 24	% Change	\$ Change
	General Fund	Actual	Actual	Actual	Budget	Budget	FY 23/22	Estimate	FY 24/23	FY 24/23
1	Motor Vehicle Excise:	3,114,625	2,863,149	2,516,336	2,500,000	2,600,000	4.0%	3,000,000	15.4%	400,000
2	Meals Tax	132,454	126,891	108,207	100,000	140,000	40.0%	170,000	21.4%	30,000
3	Other excise (including Hotel tax):	188,780	156,292	113,048	110,000	160,000	45.5%	160,000	0.0%	-
	Cannabis Excise			325,431	320,000	400,000	25.0%	375,000	-6.3%	(25,000)
4	Penalties & interest on taxes:	237,900	141,348	176,618	160,000	150,000	-6.3%	160,000	6.7%	10,000
5	Payments in lieu of taxes:	1,755	1,752	1,763	1,700	1,700	0.0%	4,000	135.3%	2,300
6	Other charges for services:	46,024	49,576	34,927	30,000	30,000	0.0%	30,000	0.0%	-
7	Fees:	157,927	118,850	195,023	190,000	190,000	0.0%	225,000	18.4%	35,000
8	Rentals:									
9	Departmental Revenue - Schools:	207,575	106,606	106,263	100,000	100,000	0.0%	200,000	100.0%	100,000
10	Departmental Revenue - Libraries:		-							
11A	Departmental Revenue - SB: Marijuana local			228,541	220,000	300,000	36.4%	675,000	125.0%	375,000
11	Departmental Revenue - SB: Solar	-	-			50,000		50,000	0.0%	-
12	Other departmental revenue:	22,069	26,215	59,520	50,000	25,000	-50.0%	20,000	-20.0%	(5,000)
13	Licenses & permits:	624,485	564,175	605,994	550,000	555,000	0.9%	800,000	44.1%	245,000
14	Special assessments:									
15	Fines & forfeitures:	56,946	69,424	41,342	28,000	40,000	42.9%	40,000	0.0%	-
16	Investment earnings:	712,688	903,875	855,820	750,000	350,000	-53.3%	300,000	-14.3%	(50,000)
17	Miscellaneous recurring:									
18	Miscellaneous non-recurring:	10,021	4,555	52,430	12,000					
19	TOTAL:	5,513,249	5,132,708	5,421,261	5,121,700	5,091,700	-0.59%	6,209,000	21.9%	1,117,300
%Δ:		12.84%	-6.90%	5.62%	-5.53%	-0.59%				

- l. Surge this past year of residents replacing cars, so have seen an increase in excises taxes, as well as in meals, marijuana, etc.
- m. Investment earnings drop as we spend the money borrowed for the high school

LOCAL RECEIPTS HISTORY

DOR		FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 22
LR		Actual	Actual	Actual	Actual	Actual	Actual	Recap(Budget)	Actual 8/30/22
1	Motor Vehicle Excise	3,058,804.00	3,115,048.20	3,026,100.06	3,114,625.38	2,863,148.93	2,516,335.78	2,500,000.00	3,329,715.23
2A	Meals Excise Tax	114,750.00	110,912.65	117,800.84	132,453.88	126,891.05	108,206.65	100,000.00	164,611.12
2B	Room Excise Tax	219,394.00	211,053.11	202,999.52	188,780.05	156,291.67	113,048.00	110,000.00	147,919.85
2C	Other Excise								
2D	Cannabis Excise						325,430.73	320,000.00	378,158.56
3	Interest on Taxes and E	215,492.00	140,803.55	283,350.07	237,899.50	141,347.73	176,618.22	160,000.00	161,270.05
4	PILOTS		3,517.84	1,754.96	1,755.28	1,752.00	1,763.44	1,700.00	3,777.50
9	Other Charges for Serv	39,932.00	37,139.51	40,824.10	46,023.94	49,575.53	34,926.73	30,000.00	30,673.96
10	Fees	147,946.00	148,925.22	147,547.48	157,926.91	118,850.49	195,023.35	190,000.00	243,928.75
10A	Cannabis Impact Fee						228,540.65	220,000.00	375,939.63
10B	ST Rental Impact Fee								
	Rentals	15,284.00							
12	Departmental - Schools			188,205.79	207,574.93	106,605.52	106,262.54	100,000.00	375,743.11
16	Other Departmental	990,440.00	1,384,155.78	21,290.98	22,068.75	26,214.91	59,519.62	50,000.00	431,771.21
17	Licenses and Permits	539,953.00	483,794.49	477,412.42	624,485.15	564,175.48	605,993.53	550,000.00	851,970.10
19	Fines	66,464.00	67,594.48	80,231.37	56,946.17	69,424.44	41,341.64	28,000.00	45,997.78
20	Investment Income	384,407.00	269,040.72	279,563.86	712,688.24	903,875.38	855,819.82	750,000.00	419,457.50
21	Medicaid Reimbursements								
22	Misc Recurring								
23	Misc Non-recurring Rev	257,508.00	30,113.49	18,617.12	12,020.73	4,520.94	52,430.00	12,000.00	6,736.10

6,050,374.00	6,002,099.04	4,885,698.57	5,515,248.91	5,132,674.07	5,421,260.70
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5,121,700.00	6,967,670.45
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Includes Billboard receipts	735,135.53	1,150,000.00
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6,591,927.34

Net of Billboard receipts	5,315,238.47	4,852,099.04
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375,743.11

Marijuana local receipts included in 'Other Departmental'

III. Program costs related to full-day Kindergarten in FY2024 (2023-24 school year) – Dr. Botelho and School Committee

Dr. Botelho discussed that Schools need approximately \$590,000 to cover the cost of funding full-day Kindergarten for FY24, in addition to the \$126,000 in fringe benefits that will be taken over by the Town. In FY25 he anticipates that we will see an increase from Chapter 70 of approximately \$714,000, which will allow the School to fund the entire program within the operating budget. He has not seen Chapter 70 decrease in the past, but it should be noted that we never know what the increase will be. Calculations are based on last year's enrollment numbers. If Sharon pays for the first year in full the State will contribute in perpetuity, based on enrollment. Funds from Chapter 70 are changed automatically because children are categorized into groups, with all-day Kindergarten being a specific group. With Sharon planning to fund full-day Kindergarten in FY24, we should then qualify for State funding. The State aid for this program will operate as other State aid does.

IV. Updates of pending and proposed capital projects and potential operating budget initiatives

- a. Library project financing and timing (Town Administrator and Finance Director)
 1. Letter received from Director of MBLC with the date of June 30 as the hard deadline. Mr. Gladstone, as Chair of the Standing Building Committee, feels this is a reasonable date.
 2. Summary judgment motion has been filed by the Select Board's attorney and the opposition has replied. Currently waiting for the judge's next decision and the Town is hopeful to have an update by April, which will be in time for the next Sharon Annual Town Meeting, in case additional funding is needed
 3. Free cash stabilization fund and debt service associated with the library funding. Looking at funding the litigation. There may be additional borrowing costs for building the library
 4. OPM and the architect did an estimate of how much additional expenses there would be - approximately \$7 million. However, a different library had a similar estimate and the actual costs came in lower
- b. East Elementary School modular replacement (Dr. Botelho and School Committee)
 1. This is the biggest initiative we are looking at for capital
 2. Last year, we looked at renovating the modulares but realized that wasn't feasible due to their age and condition. Wanted solid estimates of costs for replacements as well as for a new addition. A new addition would cost approximately \$6.9 million, and a new modular replacement would be approximately \$5.9 million. Looking to internally fund an enrollment study in the spring looking at the next 10-20 years. If money was appropriated, we would start a master plan for the Schools in order to get options on what we can do based on the enrollment projections, for short- mid- and long-term. If monies are approved in 2023, we would break ground potentially in December 2023, and a portion of the new construction/modulars would be ready for use the following fall (2024). We are at capacity across all school buildings. Special education programs and offices are already using extra spaces, and some programs are being done on the stage at East due to the modulars being unusable, except for storage
 3. Last master plan for the Schools was done in 1997, which was then implemented by work on Cottage and East schools. This needs to be updated. This master plan is part of the Capital ask of \$30,000 and limited to a review of the elementary schools. Want to get a wholistic view of our needs
 4. Estimates for new construction and modulars come from the Flansburgh Architects firm. Ms. Whitmore had them provide an estimate, having worked with them in the past. Will have more concrete estimates before Town Meeting
 5. It would be a Standing Building Committee project because it requires construction and borrowing of more than \$500,000, as stated in the bylaws. Funds would need to be appropriated by a Town Meeting vote
 6. Not looking at MSBA funding for this project because they have such a lengthy process - February 2024 would be the earliest the Town would be invited to a partnership with them and the process would potentially be five years long
 7. The Committee discussed looking at this request in the context of the other requests from Schools
 8. Must follow the process for funding and building. Would go to Town Meeting asking for funding to engage an OPM who would engage an architect. That architect would then design the building, etc.

9. HVAC discovery in the modulars during the Covid pandemic led to the modulars no longer being used for classrooms. Now just being used for storage
 10. Schools anticipate several other capital items coming up this year. Have approximately \$3-5 million available, with about \$500,000 of that spoken for already. Won't know final costs and potential savings for the high school project until 2024. Taxes for residents may not be increasing as much as anticipated due to savings on this project.
- c. Town operating budget potential initiatives (Town Administrator and Select Board chair)
1. Exploring an initiative to improve communications to residents as we witness the decrease of local newspapers. Exploring doing a newsletter, emails, etc. to get information out to residents through electronic means
 2. Fire Department has recommended boosting their firefighting team from 7 to 8 to handle the increase in EMS calls. This will probably not be in this fiscal year but may emerge in the next couple years
 3. The Select Board is committed to continuing infrastructure replacement and improvements and taking advantage of grants for sidewalks, etc.
 4. The Water Management Advisory Committee will be giving a presentation at the next Select Board meeting. They were asked to take a look at the feasibility of building the water treatment plant for PFAS versus the MWRA option
 5. Capital Outlay meetings have begun and encourage public attendance. Will be reviewing projects to bring to Town Meeting. Collaboration is incredibly helpful for Town projects.
- d. School operating budget potential initiatives (Dr. Botelho and School Committee)
1. Beginning the process of reviewing our needs such as Special Education, expanding programs at the high school, services and other programs. Learned recently that the Operational Services Division of the State Offices Administration and Finance has told school districts they're expecting a 14% rate of inflation for private Special Education placements. This would be a need of approximately \$540,000 which we will need to absorb next year. Typically, the increase is around 2%. Starting contractual obligations as well.

V. Future meeting topics (Finance Committee chair to lead discussion)

- a. Opportunities to consolidate Town/school support functions (e.g., HR payroll, employee benefits; accounting/purchasing/finance; building management; information technology, communication with residents) to achieve efficiencies and cost-savings:
1. Looking to create synergies across departments for financial savings, potentially lining up Town and school support functions.
 2. Accessibility discussed including brick sidewalks in the Town which have a financial impact. Discussed Capital Building requests to redo brick sidewalks especially in heavily used areas near the lake. Requests to Chapter 90 for roads and sidewalks. Some easements may be required because some are on private property. This is a public process, and may depend on the size of sidewalk whether an easement would be required.
 3. Future school facility needs (demographic trends, school enrollment, form of use and care of existing buildings, athletic fields). Looking to work together to evaluate future facilities and infrastructure needs for the longer term. Benefits to having these departments and committees meeting together to find resource and cost efficiencies.
 4. It may make sense to hold an additional Tri-Board meeting due to the number of projects occurring.
- b. Mr. Turkington encouraged everyone to look at the data that Mr. Gupta put together in the Town's status of the Stabilization fund, free cash, debt capacity, etc. Those tables are important to give overall context and to understand ramifications of going forward with funding full-day Kindergarten and what that does to the Operating budget. May want to use reserve capacity we have built over the years to help mitigate tax increases due to debt service. Options for debt exclusions. We have options for free cash which requires appropriation at Town Meeting and is typically used one-time opportunities like capital projects.

c. Mr. Gupta reviewed the Town's Reserve balances:

Town of Sharon						
Reserve Balances						
	<u>6/30/2017</u>	<u>06/30/18</u>	<u>06/30/19</u>	<u>06/30/20</u>	<u>06/30/21</u>	<u>6/30/2022</u>
Free Cash- GF	\$ 2,709,166	\$ 3,918,278	\$ 5,644,979	\$ 5,871,797	\$ 6,872,981	\$ 6,872,981
Stabilization Fund - GF	\$ 724,761	\$ 816,162	\$ 885,549	\$ 938,694	1,013,185	1,002,491
Health Insurance Reserves	\$ 1,806,617	\$ 2,497,251	\$ 2,882,047	\$ 2,445,824	2,208,798	2,932,142
OPEB	\$ 325,806	\$ 553,234	\$ 919,017	\$ 1,296,433	2,065,781	2,296,483
Total	\$ 5,566,350	\$ 7,784,925	\$ 10,331,592	\$ 10,552,748	\$ 12,160,745	\$ 13,104,097
Excess Levy capacity	\$ 2,075,990	\$ 2,017,487	\$ 2,024,952	\$ 2,464,254	\$ 3,281,010	\$ 3,281,010
Free Cash - WTR	\$ 1,218,702	\$ 1,113,964	\$ 1,748,363	\$ 2,646,210	\$ 4,162,052	\$ 4,162,052

d. Mr. Gupta also discussed the Town's debt service projections. Overall debt service to the Operating budget ratio is approximately 12%. Assuming approximately \$2 million of borrowing for revenue capital needs at about 5% for 15 years. Ratio will increase to approximately 13.5% not including additional borrowing for the library. Assume bond rating will stay as it is even if the ratio increases to that level. This number is high due to the high school project – will see a decrease in FY27.

	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35
GF - Exempt - Other	3,666,697	3,570,687	3,476,529	3,364,747	2,843,977	2,639,102	2,560,382	2,481,322	2,402,010	1,449,363	1,409,263	1,369,163	1,206,563
GF - Exempt - HS	4,392,188	5,498,188	6,451,188	7,134,188	7,243,688	7,511,188	7,417,938	7,365,688	7,487,338	7,337,938	6,787,888	6,508,638	6,384,213
GF - Exempt - Lib	305,319	307,319	308,819	309,819	305,319	305,569	305,319	309,569	305,369	305,969	308,619	305,969	305,444
Total Exempt	8,364,203	9,376,193	10,236,535	10,808,753	10,392,983	10,455,858	10,283,638	10,156,578	10,194,717	9,093,269	8,505,769	8,183,769	7,896,219
GF - Non-Exempt	3,302,519	3,609,802	3,370,951	3,217,945	2,746,096	2,381,407	1,943,262	1,780,985	1,600,402	1,427,019	1,182,669	1,051,594	883,463
Total Current GF Debt Service	11,666,722	12,985,995	13,607,486	14,026,698	13,139,079	12,837,265	12,226,900	11,937,563	11,795,119	10,520,288	9,688,438	9,235,363	8,779,681
New Non-Exempt Debt \$2 M/yr @5% term 15 years			233,333	460,000	680,000	893,333	1,100,000	1,300,000	1,493,333	1,680,000	1,860,000	2,033,333	2,200,000
TOTAL NON-EXEMPT DEBT SVC	3,302,519	3,609,802	3,604,284	3,677,945	3,426,096	3,274,741	3,043,262	3,080,985	3,093,736	3,107,019	3,042,669	3,084,927	3,083,463
TOTAL DEBT SVC	11,666,722	12,985,995	13,840,820	14,486,698	13,819,079	13,730,598	13,326,900	13,237,563	13,288,452	12,200,288	11,548,438	11,268,696	10,979,681
Total Budget	97,248,350	100,926,864	104,533,727	107,934,860	110,432,874	113,496,945	116,415,958	119,472,868	122,790,495	125,066,921	127,958,630	131,220,216	134,623,759
DE	(8,364,203)	(9,376,193)	(10,236,535)	(10,808,753)	(10,392,983)	(10,455,858)	(10,283,638)	(10,156,578)	(10,194,717)	(9,093,269)	(8,505,769)	(8,183,769)	(7,896,219)
Non-Exempt Budget	88,884,147	91,550,672	94,297,192	97,126,108	100,039,891	103,041,088	106,132,320	109,316,290	112,595,778	115,973,652	119,452,861	123,036,447	126,727,541
(Yearly growth) 3.00%													
Non-Exempt debt svc/ non exempt budget	3.72%	3.94%	3.82%	3.79%	3.42%	3.18%	2.87%	2.82%	2.75%	2.68%	2.55%	2.51%	2.43%
Total debtstvc/total budget	12.00%	12.87%	13.24%	13.42%	12.51%	12.10%	11.45%	11.08%	10.82%	9.76%	9.03%	8.59%	8.16%
Additional Debt Exempt Borrowing of \$7 Million @ 5% for 20 Years for East Elementary Modular Space													
Additional exempt debt service			700,000	682,500	665,000	647,500	630,000	612,500	595,000	577,500	560,000	542,500	525,000
REVISED NON-EXEMPT DEBT SVC			3,604,284	3,677,945	3,426,096	3,274,741	3,043,262	3,080,985	3,093,736	3,107,019	3,042,669	3,084,927	3,083,463
REVISED EXEMPT DEBT SVC			10,936,535	11,491,253	11,057,983	11,103,358	10,913,638	10,769,078	10,789,717	9,670,769	9,065,769	8,726,269	8,421,219
REVISED TOTAL DEBT SVC			14,540,820	15,169,198	14,484,079	14,378,098	13,956,900	13,850,063	13,883,452	12,777,788	12,108,438	11,811,196	11,504,681
Revised total debt svc/ total budget			13.91%	14.05%	13.12%	12.67%	11.99%	11.59%	11.31%	10.22%	9.46%	9.00%	8.55%

VI. Adjournment of Select Board, School Committee and Finance Committee

Motioned: by Kiana Pierre-Lewis, **Seconded:** Emily Smith-Lee to adjourn. **Select Board voted:** 3-0-0.
Motioned: by Veronica Wiseman, **Seconded:** Wenxiao Tiano to adjourn. **School Committee voted:** 5-0-0.

Absent any objection, the Finance Committee Chair assumed unanimous consent to adjourn the Finance Committee meeting.

Meeting adjourned at 9:13pm.