

Present: Dr. Peter Botelho – Superintendent of Schools, Dr. Meg Dussault, Krishan Gupta – Finance Director, Fred Turkington – Town Administrator

Finance Committee:

Brian Collins
Daniel Lewenberg
Ira Miller

School Committee:

Tanya Lewis
Aviron Shemtov
Wenxiao Tiano

Select Board:

William Heitin
Emily Smith-Lee

Introductions:

William Heitin called the meeting to order and briefly reviewed that the Priorities Committee meets at this time of year to discuss Priorities worksheets and review revenue forecasts and available allocations for the three sectors.

1. Discussion of updated priorities worksheets dated February 14, 2022, including estimated revenue, fixed expenditure items, and range of sector allocations for FY2023 budget:

Mr. Turkington discussed that they start the budget process in the fall with preliminary revenue estimates. As new data becomes available, such as state aid, they adjust the worksheets:

Mr. Gupta discussed the revenue estimates for FY23 total for appropriation at Town Meeting of \$97,158,313:

- a. Revenue sources estimates:
 - i. FY levy base: \$73,736,939
 - ii. Tax increase up to 2 1/2%: \$1,843,423
 - iii. New growth: \$425,000
 - iv. Net debt exclusion: \$8,352,456
 - v. Excess levy capacity: (\$3,281,010)
 - vi. Net tax revenue: \$81,076,808
 - vii. Assessed valuation: \$3,955,240,010
 - viii. Levy ceiling: \$98,881,000, or 3.77%
 - ix. Cherry Street: \$11,711,962
 - x. School Construction (SBA): \$608,054
- b. Local receipts estimates include:
 - i. Ambulance Reserve Fund: \$650,000
 - ii. F/B excluded debt: \$25,293 – this is the last of the excluded debt
 - iii. Septic Loan Program receipts: \$29,215
 - iv. Gross revenue available: \$98,584,978
 - v. Offsets: (\$32,560)
 - vi. Cherry Street charges: (\$1,094,105)
- c. Local sources estimate total is \$5,091,700, for an increase of 2.99% which includes:
 - i. Motor vehicle excise: \$2,600,000
 - ii. Meals tax: \$140,000
 - iii. Cannabis excise: \$400,000
 - iv. Other (hotel tax, etc.): \$160,000
 - v. Departmental revenue – SB: Solar: \$50,000

- vi. Departmental revenue – SB: Marijuana local: \$300,000
 - vii. Investment earnings: \$350,000
 - viii. Licenses and permits: \$555,000
 - ix. Departmental revenue – Schools: \$100,000.
- d. State aid estimates include:
- i. Chapter 70: \$9,720,067, for an increase of 13.97%
 - ii. Unrestricted aid: \$1,580,060
 - iii. Total: \$1,094,105, for an increase of 9.83%
- e. Fixed costs estimate total is \$30,893,461. Major costs include:
- i. Debt service total of \$4,566,969, will borrow these amounts only if necessary: If borrow, must spend down within 24 months, per the IRS:
 - 1. High school: \$85 million + \$7.5 million
 - 2. Library: \$5 million
 - ii. Norfolk County Retirement: \$4,557,671, an increase of 6%
 - iii. Health insurance: \$10,100,000, an increase of 3.24%
 - iv. Workers compensation: \$650,000
- f. After sector change, with an increase of 3.9458% per sector:
- i. Select Board: \$585,473
 - ii. Finance Committee: \$53,358
 - iii. School Committee: \$1,876,620.
- g. These are the various areas that make up the Town's budget. Have worked hard to keep items at sustainable amounts, such as fixed costs. It is a strength that the Town makes these estimates conservative
- i. As more marijuana retail stores open nearby the marijuana revenue for Sharon may fluctuate
 - ii. Water budget will need to permanently increase at some point soon as there are new requirements for PFAS testing and well treatment.
- h. Many residents have communicated their desire for the Town of Sharon to provide fully funded full-day Kindergarten:
- i. Mr. Shemtov and others discussed that School Committee members have analyzed projections for salaries, benefits, retirement and Medicare and estimated the cost would be \$600,000 per year. Schools could come up with half of that amount over the next four years, and are wondering if the Town has the appetite to fund the other half
 - 1. Finance Committee would like to see documentation for these estimates
 - ii. Mr. Turkington and the Committees discussed that the Committees should keep in mind that based on allocations there is \$140,000 not needed for the three boards this year. These funds could be transferred to help provide this service - the committee has the option to fund full-day Kindergarten with the \$140,000 in one year by making use of unused levy capacity, which now stands at \$3.1 million. This would increase taxes by 1% and permanently increase the base budget in subsequent years.
 - iii. Should consider whether \$600,000 would actually be enough, as there are many variables, and should weigh the competing priorities of helping disadvantaged in Town
 - iv. Helpful to have this conversation in this budget cycle. Funded full-day Kindergarten may at some point be required by the State
 - v. Could in the future adjust the allocations for the three sectors to offset budget for funded full-day Kindergarten. This year could reallocate \$75,000 from Finance and School Committee sectors to the School sector this year to help defray full-day Kindergarten costs.
 - vi. Some members discussed the need to be more deliberate in making this decision and to delay a vote on it until estimates have been reviewed.

MOTION: by Emily Smith-Lee **SECONDED:** by Aviron Shemtov to approve the increase of 3.9458% for sector budget allocations adjusted for a reallocation of a one-time amount of \$75,000 from the Finance Committee and Select Board sectors to the Schools sector to help defray tuition costs of full-day Kindergarten. **Voted:** 4-2-0.

Tanya Lewis – Yes

Aviron Shemtov – Yes
Ira Miller – No
Daniel Lewenberg – No
Emily Smith-Lee – Yes
William Heitin - Yes

2. Adjournment

MOTION: by Emily Smith-Lee **SECONDED:** by Aviron Shemtov to adjourn. No vote taken.

The meeting was adjourned at 09:04 pm.