

**FINANCE COMMITTEE / SELECT BOARD
Meeting Minutes**

Approved 3/10/25

Tuesday, February 25, 2025 @ 7:00 P.M.
Town Hall: First Floor Meeting Room, 173 Main Street Groton, MA

Present for the Finance Committee: Bud Robertson, Chair; David Manugian, Kristina Lengyel, Gary Green, Mary Linskey, Mike Sulprizio, Scott Whitefield

Present for the Select Board: Peter Cunningham; John Reilly; Alison Manugian, Chair; Matt Pisani, Becky Pine

Present for GDRSD: Dr. Geoff Bruno, Superintendent; Sherry Kersey, Director of Business & Finance; Lacey McCabe, School Committee Chair

Also Present: Mark Haddad, Town Manager; Hannah Moller, Treasurer/Collector; Patricia Dufresne, Assistant Finance Director; Judy Anderson, Member of the Public

7:01 P.M. Mr. Robertson called the FinCom meeting to order; Ms. Manugian called the Select Board meeting to order.

GDRSD FY26 Budget Discussion:

Mr. Robertson suggested reviewing the question-and-answer document that had been previously prepared by Ms. Kersey in response to questions submitted by FinCom members (see document attached to these minutes). He hopes to address the question of a potential tax override for FY26, and touch on how spending can be brought in line with revenue year over year.

The group began by discussing student-facing versus non-student-facing FTEs in the school district and the impact of potential reductions to those positions. Ms. Kersey noted that while the Nurse and Guidance positions were in fact restorations that had been cut in a prior year, two other positions had been combined, resulting in a net increase of 1 FTE for FY26. A discussion of the definition of Level Service versus Level Funding ensued. Dr. Bruno said that he is presenting a Level Service budget with no new positions or new services included (restoring cuts from last year should not be considered the addition of a new service). Ms. Linskey and Mr. Sulprizio disagreed, noting that additional FTEs over last year's budget is probably not a true Level Service budget. Mr. Green noted that transparency is really more important than the Level Service label.

In reply to a question from Mr. Green, Ms. Kersey said that the School Committee would be certifying the FY26 budget on March 12th, and will likely certify the Superintendent's recommendation. The group briefly discussed the three Budget Scenarios that are currently on the table (see document attached to these minutes). Dr. Bruno is hoping that tax overrides are passed in both Groton and Dunstable which would eliminate the need for budget cuts in FY26. He noted that a review of the District Agreement is currently underway. This agreement drives the annual town assessment calculations and is based on a 5-year rolling enrollment average, which helps smooth out short term enrollment spikes. This results in assessments that

do not always match what the towns can pay while remaining within their tax levies. Budget Scenario 2 matches Groton's ability to pay within the levy limit but forces a tax override in Dunstable. Changes to the district agreement that shift some of the burden to Groton, might make a budget similar to Scenario 2 more achievable, but would still require district budget cuts. Scenario 1 requires large tax overrides in both towns, but no district budget cuts. Scenario 2 requires an override in Dunstable only but requires a district budget reduction of approximately \$1.3 Million. Scenario 3 requires no tax overrides but would result in district budget reductions of over \$2.5 Million while leaving Groton with a \$900k surplus. Mr. Robertson pointed out that Groton does not usually have the capacity to provide \$1.4 Million to the district; there is an additional \$619k available for FY26 because of the one-time grant given to the district by Groton for FY25. Mr. Whitefield mentioned that changes made to the regional agreement will alter the allocation formula only, not the budget or total assessment. This will not help alleviate the underlying problem. Dr. Bruno agreed and said that our district is not alone; 211 other districts in the Commonwealth are facing similar budgetary struggles. He recommended keeping pressure on the state legislators and the governor's office. Mr. Cunningham said that the Select Board had recently met with Groton's representatives and they spoke of forming a commission to further study the problem, but this is unlikely to result in any meaningful aid anytime soon. Ms. Linskey said that it must be assumed that no appreciable help will be forthcoming from the state.

Mr. Robertson recommended looking for possible reductions in the FY26 budget that could reduce the size of the proposed tax overrides to something that would be more palatable for voters. He went on to say that any tax override that does pass will be only a short-term fix, and continuous budget reductions will not correct the underlying problem of spending that outstrips revenue collection. Spending at 6% with revenue at 3% will result in annual tax overrides or \$1.5 million in budget cuts every year. The group discussed the steps & lane salary structure embedded in the teacher contracts (which pushes salary growth from 3% to 7%). It was generally agreed that this structure contributes to the problem but would be difficult if not impossible to correct. Mr. Haddad felt there was room for creativity when the contracts are next negotiated. The group discussed potential budget reductions, with Dr. Bruno saying that they are trying to preserve student-facing services as much as possible, but the budget is just very tight now. He noted that if para-professionals are cut, student IEP plans may have to be re-written and other special education support restructured. Mr. Sulprizio suggested consolidating buildings to merge services and reduce overhead costs. Mr. Haddad replied that he had discussed this with Ms. McCabe, and there is great reluctance to consider closing Swallow Union. Dr. Bruno said that the operational audit underway right now will address building space needs as well as identifying structural deficits. The group discussed the savings realized from the last time an operational audit was performed. These savings were only helpful in the short-term. Ms. McCabe said that while we may have a draft of the audit available by April, time will be required (possibly up to a year) to do a deeper analysis and to get perspectives from the member Towns. Ms. Lengyel said that tax overrides will be difficult for young families to afford; the Town should think about finding new revenue opportunities. Mr. Green was skeptical that sufficient revenue could be found to make a difference. Ms. Linskey reminded the group of the resistance that was met when the PILOT program was addressed this year. Dr. Bruno mentioned that activity fees are being reviewed, and Mr. Robertson reiterated that the real problem is wages & benefits. Mr. Manugian pointed out that successful tax override requests will lead the Town to approach its levy ceiling which is also problematic.

Ms. Manugian suggested focusing on what is needed for the upcoming year. She believes that the Town should accept the budget that the District Superintendent feels is required. She emphasized the importance of providing a united front when discussing the budget with the public, especially given the tax override failure last year. Ms. Lengyel noted that it may be easier to achieve a successful override request for the short-term if there is a thoughtful plan in place for the long-term.

The group turned its attention back to the Q & A memo. Mr. Whitefield asked if the 7% increases for Admin positions were contractual. Ms. Kersey assured him they were, and mentioned that this represents a market correction that was discussed during the budget process last year. Regarding the field irrigation costs, Ms. Kersey said that she is working with the Water Superintendent to refine the cost estimates for the Middle School Track (approximately \$15k). Also, the high school won't have a well going forward, resulting in higher irrigation costs (\$40k to \$50k is estimated). There is more grass to maintain on the grounds of the new FloRo building. The custodial expenses are also higher. Mr. Whitefield would prefer that these kinds of increased maintenance costs were more clearly presented during the capital planning process. Mr. Green said designing with an eye to lower operating costs is possible, for instance replacing lawns with more sustainable alternatives. Ms. Kersey explained the changes to the way annual grant funding is managed (spending more each year has led to less funding available to roll forward).

Mr. Haddad said that Dunstable plans to request an override sufficient to meet budget scenario #1 (approximately \$582k). Mr. Green replied that if override requests fail in either town, the budget will go back to the School Committee who can either make district reductions or send it back to the Towns for municipal reductions. Mr. Haddad said the school district certifies their budget at a higher rate so that they can reduce if necessary later. If Dunstable passes their override, and Groton does not, the district may have to cut \$1.3 Million, but Dunstable should not need an additional override next year. Mr. Robertson said that Town officials should request a tax override, but very clearly advertise what is being done to resolve the structural deficit problem. Ms. Manugian replied that the Town can raise taxes, allow greater density or permit more commercial & industrial development. This should be explained to residents. Mr. Haddad said he would take a look at how he could cut the municipal budget should an override request fail. The group briefly discussed combining the Fire and School override requests. Mr. Green said it is important that residents are allowed to vote for what they value. Mr. Sulprizio agreed, saying that if people want certain services more than others, we should respect that. Mr. Haddad thinks it is more appropriate to vote them separately because the School request represents a level service deficit, while the Fire request is a clear expansion of services. Ms. Linskey noted that the Fire Department is being asked to provide the same level of service without the NVMC. Ms. Pine was concerned that splitting the override requests could cause them both to fail. Dr. Bruno wondered if there was a way to scale the size of the override requests in order to make it feel more reasonable for the voters. Mr. Robertson pointed out that an override for the school would have to be repeated again next year, but gives the District time to make some reductions. An override request for the Fire Department would not have to be repeated in future years as long as the Town maintains its expense to revenue ratio. He said the Fire Chief will have another opportunity to justify his request for 6 additional Fire Fighters at the Monday evening meeting on March 3rd before a final decision is made regarding the override requests. Mr. Whitefield and Mr. Green advocated for reducing the size of the override request as much as possible. Mr. Whitefield & Mr. Manugian felt the District override should focus on student-facing expenses only as this would be most palatable to voters. Ms. Pine agreed saying that may be a strong case for eliminating administration costs from the override request. Dr. Bruno

cautioned the group that even non-student facing positions impact students and their learning potential. He feels that the District is down to a minimum amount of administration positions. Mr. Robertson observed that the public doesn't pay very close attention to budget meetings. He believes that Dr. Bruno should start talking to the Herald and Town officials should agree on a plan to advocate for these overrides. Ms. Anderson said that the general public does not understand the importance of the admin positions, which should be addressed. Mr. Green said that in the end some people will vote against this because they cannot afford it. Mr. Whitefield agreed saying that if some cuts are made now, that information can be part of the messaging that helps to get public buy-in. Ms. Lengyel pointed out that both Town overrides failed last year, and many residents will feel that since the District is still functioning (without apparent disaster), that this was the right decision. The negative impacts from the failed FY25 tax overrides must be articulated publicly more often. Ms. Manugian wondered if pulling the 4 Central Office positions out of the override, could help it pass, thus saving 22 student-facing positions. Mr. Whitefield added that the District override would be more likely to pass if the amount were reduced to something less than the Fire override.

Mr. Haddad asked whether, at this point, the FinCom can be comfortable that the District budget has been fully scrutinized. Mr. Whitefield said he is comfortable with the FY26 budget, but not the spending trend as it applies to future years. Mr. Green is in favor of making additional budget cuts now in order to bring the override request down. Ms. Linskey feels that the positions that were restored are not in keeping with a true Level Service budget presentation, but otherwise, she is comfortable with it. Mr. Sulprizio thought he would not even use the word "restore," as operational budgets frequently change year over year. Mr. Sulprizio, Mr. Manugian and Ms. Lengyel were generally supportive of the District budget as presented. The Select Board agreed that the District budget is ready to be presented to the voters. The Fire Department situation complicates the messaging, but it is ultimately necessary.

Mr. Haddad said he would address the School District budget and override issues first on Monday evening, and then introduce the Fire Department budget and invite discussion afterwards. He asked the FinCom and Select Board members to forward their questions or concerns about the Fire Department budget in advance of Monday's meeting, so the Fire Chief has time to prepare. The group discussed the kind of call data that was available for analysis. The FinCom was interested in more information regarding mutual aid calls and average response time by day and hour. Mr. Green asked if Chief Cheeks could make do with fewer than 6 additional officers. Mr. Haddad said it has to be 6 in order to allow for 4 officers per shift. Ms. Pine agreed, saying that the request for 6 officers is driven not by the number of calls as much as by the shift schedule and structure. In reply to a question by Mr. Manugian, Mr. Pisani outlined the procedure for responding to mutual aid requests. He pointed out that most surrounding Towns operate an ALS model while Groton is BLS which increases Groton's dependence on mutual aid. Ms. Lengyel agreed, saying that the current need for EMS is not entirely due to the closure of the NVMC, but has only been exacerbated by that closure.

Financial Policies Discussion:

This discussion was tabled for a subsequent meeting as members are still reviewing the policies.

The Finance Committee and Select Board meetings were adjourned at 9:00 P.M.

Respectfully submitted by Patricia Dufresne, Assistant Finance Director

**Groton Finance Committee & School District
Budget Meeting February 25, 2025**

Q & A

Can we please break down the student facing vs non-student facing roles the various options proposing for tomorrow's discussion?

Scenario 2

3.0 FTE	Central Office	Not student facing
1.0 FTE	Nurse	Would be student facing (restoration, not an FY25 FTE)
1.0 FTE	Guidance	Would be student facing (restoration, not an FY25 FTE)
7.0 FTE	Paraprofessionals	Student facing
2.0 FTE	Teacher/Unit A	Student facing
\$980,000	Personnel (76.6%)	
\$300,000	Non-Personnel (23.4%)	

Scenario 3

4.0 FTE	Central Office	Not student facing
1.0 FTE	Nurse	Would be student facing (restoration, not an FY25 FTE)
1.0 FTE	Guidance	Would be student facing (restoration, not an FY25 FTE)
12.0 FTE	Paraprofessionals	Student facing
8.0 FTE	Teacher/Unit A	Student facing
\$2,025,000	Personnel (80.2%)	
\$500,711	Non-Personnel (19.8%)	

Also, we briefly talked about how to articulate future impact of the reduction which is hard to do. However, is there a way to articulate the impact the position had looking at results before we hired the role vs since we have the role filled?

Clarification - will discuss tonight

I would appreciate an update on the RFP process.

Assuming that this refers to the Independent Operational Audit, this is where we are.

- The Abrahams Group was selected to perform the audit. They are the same group that did the operational audit in 2017 so they are familiar with our district.
- There are 3 different consultants that are working on the three areas under review in the audit.
 - Administration staffing

- Looking at contracts
- Job descriptions
- Student Support
 - Review all Special Education roles w/ job descriptions
 - Review substantially separate programs
 - Review IEP's based on services
 - Review inhouse caseloads and contracted services (OT, PT, SLP, ELL, psychological services, etc.)
- Building Use
 - Close/move Boutwell?
 - Close/consolidate Swallow Union?
 - Any other possible consolidations?

The consultants have preliminary data that they requested and are working with our staff to answer additional questions.

1) What is the breakdown of total teacher salary increases by COLA, step changes, lane changes, and longevity (both in \$ and by % of the overall budget)? Same question for any other type of employee that has the same COLA / step / lane construct.

Unit A - Total Salary and Longevity = \$909,918 or 1.77% of proposed budget

	FY 2024-2025	FY 2025-2026	\$ Increase	% Increase
COLA (3%)	\$14,654,842	\$15,530,760	\$439,645	3.0%
Step Movement			\$436,273	2.98%
Lane Movement*	\$0	\$75,945	Incl in base	
Longevity	\$74,500	\$108,500	\$34,000	45.6%

Unit D - Total Salary and Longevity = \$167,420 or 0.33% of proposed budget just COLA
-Total Salary in GF increase = \$520,043 or 1.02% of proposed budget

	FY 2024-2025	FY 2025-2026	\$ Increase	% Increase
COLA (3%)	\$2,736,267	\$2,818,355	\$82,088	3%
Step Movement			\$86,082	3.15%
Longevity	\$24,000	\$23,250	-\$750	-3.23%

Maintenance Union - Everyone top step, so just COLA expense (CBA expires 6/30/24)

2) Numerous administrative positions - such as the HR Director, Assistant Superintendent, Director of Technology, Admin Salaries in MS, FR & SU - all seem to have a 7% increase in salary from 25 to 26. Are these increases contractual? If not, what is the rationale behind these increases as they seem high compared to the 3-4% standard merit increase?

Last budget cycle (for this fiscal year), Dr. Chesson presented at several meetings when compared to our market basket, most of our Central Office Administrators were at the bottom compared to peer positions in other districts. The goal was not to make our Administrators the highest paid, but to strive for the middle of the pack to keep the school district competitive and support retention. These comparisons were in the "District by the Numbers" slide deck often referred to last year. These increases are contractual.

Of the Administrative positions that are Central Office, the budget increase is 4.46%.

Of the School Administrative positions, the budget increase is 6.39%

3) Page 47 of the budget book - what is driving the 892% increase (~\$140K increase) in "Water - Athletic Fields"?

The irrigation budget contains the following budget:

- \$100K for the high school - This was the estimate from the Facility Director. Last year, the district spent about \$40K for water to be trucked in specifically for irrigation. We were very conservative with our watering to keep costs down but also foster grass growth on the new stadium field. We also received complaints about not taking care of the grass. Working collaboratively with Tom Orcutt, he estimates that the summer billing for irrigation at the high school to be around \$50K.
- \$40K for Florence Roche - The new building has a lot more grass than the old building that needs to be maintained and watered using the new irrigation system.
- \$15K for the Middle School track area. Last year, we spent \$14K+, this should be an accurate estimate.

This may be an area that we could look for a reduction, but it is taking a risk that we would not have sufficient budget to take care of the new investments.

4) What is driving the large 18% cost increase in MS Coaches (page 51 of budget book)?

The athletic budget is developed by first estimating the revenues we expect to collect from athletic fees. The expenses that are charged to the revolving athletic account (page 68-69 of budget book) can not exceed that revenue amount, otherwise the revolving account would be in a deficit. The remaining expenses are planned for in the general fund. Overall, the general

fund is up 7%, as we anticipate fewer paying participants due to increased athletic fee as well as an increased number of students requesting scholarships based on financial need.

5) The increases in the high school budget, middle school budget, and swallow union budget seem reasonable (all <4%). The FloRo increase of 12% and the Boutwell increase of 23% are outliers - what is driving that given that enrollment in both elementary and pre-K is flat?

The line item driving the 12% and 23% increase at FloRo and Boutwell is the paraprofessional line. See explanation below.

5a) Seems like a large chunk of the FloRo increase is in the "Special Ed Paras" line - can you explain why the increase is so large if the para headcount is remaining neutral? I know the contractual salary increases are higher (8%?) but an increase of 67.85% (>\$400K) seems way beyond that. Same question for Boutwell.

Paraprofessional salaries have traditionally been paid out of 2 funding buckets - the general fund and the federal IDEA grants. In the past, the school district strategically reserved grant funding to carry over to the next year to cover paraprofessional salaries. Over the past 3 fiscal years, in order to balance the general fund budget, the school district charged salaries to the prior year carry over grant, the current grant and the general fund. At this time, we have very little reserve in the grants to carry forward and offset general fund expenses, thus more needs to be planned for in the general fund. Additionally, our grant amounts were slightly lower this year.

At the preschool, our enrollment is made up of students who qualify for preschool services and the balance is made up of peer students (who pay tuition). Since COVID, there has been a disproportionate increase in the number of students who qualify for services and their IEP's indicate they have paraprofessional support. Thus, the number of paraprofessionals have increased. This is an area that is being examined in the operational audit.

At FloRo, the increase is attributable to less paraprofessionals being charged to grant funds.

6) What % of the FloRo operating budget increase is the result of either A) the new, larger building (such as heating) or B) shifting students from Swallow Union to FloRo?

Estimated increases in utility cost for the new FloRo were incorporated into the current fiscal budget. Looking at costs so far this year, the heating costs for next year are estimated to be less (-12K), electricity a little higher (\$6K) and the other utilities relatively flat with modest increases totaling just over \$1K.

Any costs associated with shifting students from Swallow Union to FloRo occurred in this current fiscal year 2024-2025.

The budget increase at FloRo is directly related to the number of paraprofessional salaries being charged to the general fund. Assume the 2024-2025 para budget increased at 8% (5% step plus 3% COLA). The overall increase for FloRo would have been 6% instead of 12.24%.

6a) For increases due to the shift of students from Swallow Union, how much of that increase has been offset with a corresponding decrease in the Swallow Union budget? For costs that could not be offset, why?

100% of the cost of personnel and specialized programming relocated from Swallow Union to FloRo is now reflected as an increase at FloRo and decrease at Swallow. No additional personnel or programming was added to accommodate the move.

6b) Was any increase in recurring operational cost of a new building (whether it be due to the larger space or the shifting of students) evaluated and /or communicated to the public when the proposal for a new FloRo was on the warrant several years ago? If so, how does that estimate compare with actuals we are experiencing?

It was expected that utility costs would increase, as the square footage of the old building vs. the new building was almost doubled. However the operating efficiency of the new systems keeps the costs relatively the same. Heating is about the same as the old building, electricity is a little more expensive.

7) Overall question (piggy-backing on what Bud and Gary raised Saturday): Assuming that the state funding formula does not change meaningfully in the future, it seems to me that there is no way to get the YoY growth rate of the school budget down to the 3-4% level we will need to achieve sustainability given the COLA / step / lane / longevity construct that many of the districts employees currently have. Would Geoff agree, or are there other options to be explored? If sustainability cannot be achieved under the current construct, what "out-of-the-box" ideas does that district have to reach sustainability without the need for continuous overrides?

Revisit the regional agreement: proportionality of what is assessed to each town.