

**SELECT BOARD MEETING MINUTES
MONDAY, JANUARY 12, 2026
APPROVED**

Select Board Members Present: Matt Pisani, Chair; Becky Pine, Vice Chair; Alison Manugian, Clerk;
Peter Cunningham

Select Board Members Absent: John Reilly;

Finance Committee Members Present: Bud Robertson, Chair; Jamie McDonald, Scott Whitefield;

Finance Committee Members Absent: Mary Linskey, Vice Chair, David Manugian;

Groton Dunstable Regional School Committee Members Present: Lacey McCabe, Chair; Catherine Awa, Vice Chair; An Hee Foley; Christina Andriole

Groton Dunstable Regional School Committee Members Absent: Rosanna Casavecchia; Rohit Bhasin;
Fay Raynor

Also Present: Mark Haddad, Town Manager; Kara Cruikshank, Executive Assistant to the Town Manager; Patricia DuFresne, Assistant Finance Director/Town Accountant; Megan Foster, Principal Assessor; Katie Kazanjian, Treasurer/Tax Collector; Melisa Doig, Human Resources Director; Nicole Sarvela, Council on Aging Director; Tony Serge, Council on Aging Committee Chair and Michelle Collette, Council on Aging Committee Member; Dr. Geoff Bruno, Groton Dunstable Regional School District (GDRSD) Superintendent; Sherry Kersey; GDRSD Director of Finance and Operations; Marian Dyer, GDRSD Assistant Superintendent.

Chair Pisani called the meeting to order at 6:30 p.m. and reviewed the agenda.

ANNOUNCEMENTS

Ms. Pine announced a special event titled "An Evening with the Lacks Family" in honor of Martin Luther King Jr. Day. The program will take place at the Richardson-Mees Performing Arts Center at Lawrence Academy on Monday, January 19, at 6:30 p.m. She stated that the speakers would be Victoria Baptiste, the great-granddaughter of Henrietta Lacks, and Shirley Lacks, her daughter-in-law.

Mr. Pisani announced that the Annual Christmas Tree Bonfire would take place on Friday, January 16th at Cutler Field.

PUBLIC COMMENT PERIOD

None

TOWN MANAGER'S REPORT

- 1. Consider Ratifying the Town Manager's Appointment of Robert Maloney as the Acting Water Superintendent.**

Mr. Cunningham made a motion to ratify the Town Manager's Appointment of Robert Maloney as the Acting Water Superintendent, effective immediately. Ms. Manugian seconded the motion. The motion carried unanimously.

2. FY 2027 Budget Update.

The FY 2027 Budget update will take place at 7:00 p.m.

3. Select Board Meeting Schedule through the 2026 Spring Town Meeting.

Monday, January 19, 2026	No Meeting (Martin Luther King, Jr. Holiday)
Monday, January 26, 2026 -	Regularly Scheduled Meeting
Monday, February 2, 2026 -	Regularly Scheduled Meeting
Monday, February 9, 2026 -	Regularly Scheduled Meeting
Monday, February 16, 2026 -	No Meeting – (President’s Day Holiday)
Monday, February 23, 2026 -	Regularly Scheduled Meeting
Monday, March 2, 2026 -	Regularly Scheduled Meeting
Monday, March 9, 2026 -	Regularly Scheduled Meeting
Monday, March 16, 2026 -	No Meeting
Monday, March 23, 2026 -	Regularly Scheduled Meeting
Monday, March 30, 2026	Regularly Scheduled Meeting
Monday, April 6, 2026 -	Regularly Scheduled Meeting
Monday, April 13, 2026 -	Regularly Scheduled Meeting
Monday, April 20, 2026 -	No Meeting – (Patriot’s Day Holiday)
Mon., April 27, or Sat., May 2, 2026 -	2026 Spring Town Meeting

ITEMS FOR SELECT BOARD CONSIDERATION AND APPROVAL

1. Consider Appointing Gregg Baker as a Full Member of the Zoning Board of Appeals with a Term to Expire on June 30, 2026.

Ms. Manugian made a motion to appoint Gregg Baker as a full member of the Zoning Board of Appeals, with a term to expire on June 30, 2026. Ms. Pine seconded the motion. The motion carried unanimously.

2. Consider Appointing Robert Mullins as an Associate Member to the Zoning Board of Appeals with a Term to Expire on June 30, 2026.

Mr. Cunningham made a motion to appoint Robert Mullins as an Associate Member of the Zoning Board of Appeals, with a term expiring on June 30, 2026. Ms. Pine seconded the motion. The motion carried unanimously.

3. Consider Appointing Jeff Wallens to the Housing Partnership.

Mr. Cunningham made a motion to appoint Jeff Wallens to the Housing Partnership, with a term expiring on June 30, 2026. Ms. Manugian seconded the motion. The motion carried unanimously.

4. Call for and Open the Warrant for the 2026 Spring Town Meeting.

Mr. Haddad said it was that time of year to call for the 2026 Spring Town Meeting. The default date for the meeting is the last Monday in April, which falls on April 27th, unless the Select Board determines a different date in March, April, or May, with formal public notice at least six weeks prior to the date.

Mr. Haddad explained that the Town has successfully held Town Meetings on

Saturdays in the past. The Board has the option to choose Monday, April 27, 2026, or Saturday, May 2, 2026, for the upcoming meeting. He said that the Performing Arts Center is available on both dates; Monday, May 4th, is also reserved as an overflow date. Additionally, Mr. Haddad clarified that this timing will not affect the Town Election, which is scheduled for the third Tuesday of May. Given the previous success of Saturday Town Meetings, he recommended scheduling the Spring Town Meeting for Saturday, May 2, 2026.

Proposed timelines were provided to the Board if they chose to call it on either Monday, April 27th, or May 2nd. Mr. Haddad reviewed the timelines.

Ms. Manugian made a motion to call for the 2026 Spring Town Meeting to be held on Saturday, May 2, 2026. Mr. Cunningham seconded the motion. The motion carried unanimously.

Ms. Pine made a motion to open the warrant for the Spring Town Meeting on Tuesday, January 13, 2026, at 8:00 a.m. and to close the Warrant on Friday, February 20, 2026, at the end of the business day. Ms. Manugian seconded the motion. The motion carried unanimously.

5. The following list of Liquor Licenses was reviewed for consideration by the Select Board:

- a. Consider Approving a One-Day Wine and Malt Beverages License for the Friends of Prescott for A Taste of Spain to be held on Thursday, January 22, 2026, from 7:00 p.m. to 8:30 p.m.
- b. Consider Approving a One-Day All Alcoholic Beverages License for the Squannacook River Runners, for A Holiday Social, to be held on Sunday, January 18, 2026, from 3:00 p.m. to 10:00 p.m.
- c. Consider Approving a One-Day All Alcoholic Beverages License for the Friends of Prescott, for GIN-uary: A Gin and Tonic Mixology Experience to be held on Friday, January 30, 2026, from 7:00 p.m. to 9:00 p.m.
- d. Consider Approving a One-Day Wine and Malt Beverages License for the Friends of Prescott's Open Mic Night to be held on Friday, February 13, 2026, from 6:30 p.m. to 9:30 p.m.
- e. Consider Approving a One-Day Wine and Malt Beverages License for a Bridal Shower at the Groton Grange on Saturday, January 17, 2026, from 4:00 p.m. to 8:00 p.m.

Ms. Manugian moved to approve all Special One-Day Liquor licenses as presented. Ms. Pine seconded the motion. The motion carried unanimously.

6:15 p.m. Council on Aging -Committee Update

Mr. Tony Serge, Council on Aging (COA) Chair; Michelle Collette, Member; and Nicole Sarvela, COA Director, were present to provide their Annual Report to the Board.

Mr. Serge provided an update on the Council on Aging Board, highlighting its goals and accomplishments over the past year. The Board has two major roles: serving as a strong advisor to the Director and representing the interests of Groton Seniors. Mr. Serge reviewed the Board's two key goals for this year, including a strategic plan that was reduced from a 3-year timeline to a one-year operating plan. The COA's bylaws were also revised into regulations, making it easier for the Board to implement changes. He also explained that he, as Chair, and Ms. Collette visited the centers of five surrounding towns to learn about the events they host and to look into implementing similar events here in Groton. Mr. Serge proposed holding a luncheon at the Center with Select Board members to discuss how the town and its government operate. Ms. Sarvela shared statistics on transportation outreach for FY25-26 (a copy of these statistics is included in these minutes for reference).

Ms. Sarvela took a moment to thank the Friends of the Groton Elders for their help with the delayed Fuel Assistance during the extended government shutdown. Mr. Serge thanked everyone for their support. Mr. Cunningham said it was incredible what was happening at the Center, and Mr. Haddad thanked Ms. Sarvela for leading the charge.

7:00 p.m. In Joint Session with the Finance Committee- Continue Review of FY 2027 Budget Guidance

Mr. Haddad stated that there was no quorum for the Finance Committee that evening due to some members having to cancel. He also thanked the School Committee and Administration for attending. Mr. Haddad provided an update since the December 22nd Select Board meeting. He explained that the Finance Committee and Select Board asked him to make some adjustments to the current status of the Municipal Budget. Mr. Haddad explained that he adjusted the Police and Highway Departments' Budgets by eliminating funding for the current vacancies in each Department (one patrol officer position and one equipment operator/laborer). Additionally, Mr. Haddad eliminated funding for Sunday Hours and the Summer Reading program from the Library Budget. The subsidy from the Stormwater Utility for the DPW Administrative Assistant (in the Town Manager's Budget) was increased from 4 hours to 20 hours. This would free up approximately \$30,000 within the Budget. Mr. Haddad reviewed and provided a Chart that summarizes the budget, comparing the original guidance with what he and the Finance Team prepared and where it stands now (see included with these minutes). After implementing those proposed adjustments, the current proposed increase in the Municipal Budget would amount to \$353,782, or 22% of the new revenues. Mr. Haddad explained that, even after the proposed increase, the School District would still face significant reductions in its operating budget next year. Mr. Haddad said they will continue to collaborate with the School District and the Town of Dunstable to crunch the numbers and develop a final assessment.

Ms. McCabe, Chair, called the School Committee to order.

Ms. Sherry Kersey, GDRSD Director of Finance and Operations, Dr. Geoff Bruno, the GDRSD Superintendent, and Ms. Marian Dyer, Assistant Superintendent, were in attendance. Ms. Kersey shared

that the current Operating Budget for GDRSD is \$54,045,663, a 6.46% increase. She then shared a PowerPoint Presentation with the Boards.

Ms. Kersey reviewed three Assessment Scenarios for the Groton Dunstable Regional School District's Budget (see attached documents).

Scenario 1 - No reductions (Level Services) - Requires additional \$ in both towns.

Scenario 2- Reduce the budget by \$907,891- Requires additional \$ in Groton only.

Scenario 3- Reduce budget by \$1,353,528- Balanced budget with funding.

This funding is based on placeholders in both towns as of 1/7/26.

Ms. Kersey explained that these assessments cannot be fully funded with preliminary town revenues. The cost drivers for the school district include: Total Salaries (up 5.42%); Benefits: Middlesex County Retirement (an increase of 9.15%) and Health Insurance (an increase of 8.9%); New Phonics Program (\$70K, mandatory); Increased substitute usage (up \$200K); Athlete Program Support (an increase of \$150K); Maintenance Expenses (an increase of \$145K or 15%); and Out-of-District Placements (up 11%). Ms. Kersey reviewed the changes and actions they made for FY26 and FY28 in response to the operational audit. Potential Additional Revenues were also discussed, along with the potential reductions that would result under the three given Assessment Scenarios.

Mr. Haddad noted that under Scenario 1, the level-service budget does not restore the 30 positions cut over the past two years, nor does it account for the three positions that will remain unfilled this year. In Scenarios 2 and 3, there would be an additional reduction of 7 to 10 Full-Time Equivalents (FTEs), resulting in a total reduction of 43 FTEs over the past three years.

Mr. Haddad stated that the proposed budget for Groton aims to reduce the proposed positions and set aside \$1.2M for the School District. Mr. Haddad plans to refine the budget in February and March after receiving state aid and health insurance numbers. He will also explore options to increase revenues for the School District in both towns. Mr. Haddad also wanted the Finance Committee and Select Board to hear the Schools' presentation that evening regarding their budget and to understand the significance of the \$1.2 million and what it means for Groton. Mr. Robertson suggested implementing Mr. Haddad's proposal and leaving Groton unchanged. He said they need to think strategically about how to address the funding gap going forward. As part of the budget process, he recommended reviewing FY27 and FY28 to explore different ways to reduce costs and balance the budget. Mr. Robertson said the schools cannot continue to lay people off. He proposed a solution: a one-year contract with no raises. He suggested that they should look at what other towns are doing. Ms. Manugian disagreed with Mr. Robertson and assumed that other towns had already considered solutions. Ms. McCabe expressed that they are aware of the issue and are open to exploring different solutions. However, she noted that having potential solutions does not guarantee that everyone supports them.

Ms. Pine emphasized the importance of the public understanding that increasing state aid per pupil aid would help close the funding gap. Ms. Manugian struggles with the timing and wonders whether they should find out if folks would consider supporting an override. Ms. Pine believes they have committed to

the town that they wouldn't consider an override this year. Mr. Cunningham believes the public should have the opportunity to weigh in.

Mr. Haddad reviewed the upcoming budget process and suggested that any changes to the strategy should be made soon. Mr. Pisani said it would be great to have the Town's State Representatives present when the budget is presented.

OTHER BUSINESS

Authorize the Town Manager and One Member of the Select Board to Sign Warrants for the Next Thirty Days.

Ms. Manugian made a motion to authorize the town manager and one member of the select board to sign warrants for the next thirty days. Ms. Pine seconded the motion. The motion carried unanimously.

On-Going Issues

- A. PFAS Issue – None
- B. UMass Satellite Emergency Facility – None
- C. Fire Department Staffing –None
- D. West Groton Dam— Mr. Haddad met with Mr. Delaney earlier that day regarding the dam. He explained that the bid for the repair of the West Groton Dam has been advertised, with bids due on February 5, 2026. This discussion will take place with the Select Board during its February 15th meeting.

SELECT BOARD LIASON REPORTS

None

Approval of the Regularly Scheduled Meeting of December 22, 2025

Ms. Pine made a motion to approve the regular meeting minutes of December 22, 2025. Mr. Cunningham seconded. The motion carried unanimously.

The Select Board adjourned at 7:55 p.m.

Respectively submitted by Kara Cruikshank, Executive Assistant to the Town Manager.



Groton Council on Aging

163 West Main Street

Groton, MA 01450

Tel (978) 448-1170

Council on Aging Director Nicole Sarvela

FY24	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>TOTAL</u>
Event Sign Ins	1137	1389	1416	1663	1715	1464	1470	1444	1611	1449	1535	1388	17681
Transportation	11	396	355	389	336	343	306	305	328	392	381	340	3882
Outreach	40	66	45	56	85	82	257	308	143	40	50	48	1220

FY 24	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>TOTAL</u>
Unduplicated													
Event Sign In's	261	250	295	317	473	337	274	295	317	295	298	273	3685
Transportation	4	60	51	53	41	53	39	43	41	47	60	40	532
Outreach	27	38	25	35	40	42	222	277	110	30	36	38	920

FY25	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>TOTAL</u>
Event Sign Ins	1645	1484	1424	1751	1439	1399	1603	1525	2103	1950	1698	1663	19684
Transportation	408	408	349	391	331	350	379	343	453	400	356	370	4538
Outreach	78	32	57	64	89	128	293	342	156	75	31	40	1385

FY 24	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>TOTAL</u>
Unduplicated													
Event Sign In's	270	272	278	337	365	273	286	323	353	320	329	298	3704
Transportation	48	47	43	43	46	50	37	37	48	47	39	33	518
Outreach	55	19	35	41	47	55	206	219	105	54	25	30	891

FY26	<u>JUL</u>	<u>AUG</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
Event Sign Ins	1744	1551	1770	1888	1647	1457	10057
Transportation	435	445	421	449	289	298	2337
Outreach	33	23	67	34	41	16	214
FY 26 Unduplicated	<u>JUL</u>	<u>AUG</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL</u>
Event Sign In's	258	248	288	297	406	263	1760
Transportation	38	36	44	53	36	35	242
Outreach	25	21	38	18	31	17	150

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2. Continued:

The following Chart shows the summary status of the budget, comparing the original guidance with what the Finance Team and I originally prepared to where it stands now:

<u>Category</u>	<u>FY2027</u>
Anticipated Increase in Other FY2027 Funds	\$ 10,199
Anticipated FY2027 Levy Increase (\$21.5 Million in New Growth)	\$ 1,307,950
Anticipated FY2027 Local Receipts Increase (3.5% Estimated Increase)	\$ 255,875
Anticipated FY2027 State Aid Increase (2% Estimated Increase)	\$ 23,654
Available New Revenue for Fiscal Year 2026	\$ 1,597,678
Initial Set Aside for Municipal Budget (40%)	\$ 639,071
Initial Set Aside for GDRSD Operational Assessment (60%)	\$ 958,607
Initial Proposed Municipal Budget Increase (36.8%)	\$ 588,156
Initial Proposed GDRSD Operational Assessment Increase (61.8%)	\$ 986,810
Initial Proposed Set Aside for Nashoba Tech (1.4%)	\$ 22,712
Initial Proposed Budget Increase	\$ 1,597,678
Current Proposed Budget Increase (22.2%)	\$ 353,782
Current Proposed GDRSD Operational Assessment Increase (76.4%)	\$ 1,221,184
Current Set Aside for Nashoba Tech (1.4%)	\$ 22,712
Current Proposed Budget Increase	\$ 1,597,678

In addition, as stated above, attached is a summary of the status of the District's Budget. GDRSD Director of Business Sherry Kersey will go over this in more detail at Monday's meeting. I look forward to discussing this in more detail with the Select Board and Finance Committee at Monday's meeting.

3. Please see the Select Board's Meeting Schedule that will take you through the 2026 Spring Town Meeting:

Monday, January 19, 2026	No Meeting (Martin Luther King, Jr. Holiday)
Monday, January 26, 2026 -	Regularly Scheduled Meeting
Monday, February 2, 2026 -	Regularly Scheduled Meeting
Monday, February 9, 2026 -	Regularly Scheduled Meeting

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Groton-Dunstable Regional School District

Memorandum

To: FY27 Budget Financial Working Group
From: Sherry Kersey
RE: Update on Preliminary FY27 Budget & Assessments
Date: January 6, 2026

The School District's initial budget represented all department requests increased the operating budget by just over \$4 million, or an 8% increase.

Since our last meeting, we have reduced the preliminary operating budget:

November 6, 2025	\$54,672,144
December 15, 2025	\$54,080,238
January 6, 2026	\$54,045,663

Preliminary Operating budget as of today is 6.46% higher than FY26

Groton's Assessment is 8.0% higher than FY26

Dunstable's Assessment is 8.5% higher than FY26

Groton Assessment Comparison	FY 2026	FY 2027	\$ Difference	% Difference
Operating Assessment (includes transportation)	\$28,247,632	\$30,506,160	\$2,258,528	8.00%
Operating Grant (one time FY25)	\$0	\$0	\$0	100.0%
Capital Assessment	\$278,643	\$500,000	\$221,357	79.4%
Debt Assessment	\$110,389	\$108,143	-\$2,246	-2.0%
Total Assessment	\$28,636,664	\$31,114,303	\$2,477,639	8.7%

Dunstable Assessment Comparison	FY 2026	FY 2027	\$ Difference	% Difference
Operating Assessment (includes transportation)	\$8,641,782	\$9,379,518	\$737,736	8.5%
Capital Assessment	\$83,607	\$125,000	\$41,393	49.5%
Debt Assessment	\$36,424	\$33,945	-\$2,479	-6.8%
Total Assessment	\$8,761,813	\$9,538,463	\$776,650	8.9%

These assessments cannot be fully funded with preliminary town revenues.

Groton stated that they may be able to fund up to an increase of \$1.2M (4.32%) increase. Dunstable would have sufficient funding in their budget to meet Groton's proportionate share. The school district would have a deficit of \$1,353,528.

Groton Assessment Comparison	FY 2026	FY 2027	\$ Difference	% Difference
Operating Assessment (includes transportation)	\$28,247,632	\$29,468,816	\$1,221,184	4.32%
Operating Grant (one time FY25)	\$0	\$0	\$0	100.0%
Capital Assessment	\$278,643	\$500,000	\$221,357	79.4%
Debt Assessment	\$110,389	\$108,143	-\$2,246	-2.0%
Total Assessment	\$28,636,664	\$30,076,959	\$1,440,295	5.0%

Dunstable Assessment Comparison	FY 2026	FY 2027	\$ Difference	% Difference
Operating Assessment (includes transportation)	\$8,641,782	\$9,063,334	\$421,552	4.9%
Capital Assessment	\$83,607	\$125,000	\$41,393	49.5%
Debt Assessment	\$36,424	\$33,945	-\$2,479	-6.8%
Total Assessment	\$8,761,813	\$9,222,279	\$460,466	5.3%

Dunstable stated that they have \$518,507 (6.0%) increase in their preliminary budget. Groton would need to increase their funding to \$1,539,278 (5.45%) to match the proportionate share to Dunstable. The school district would have a deficit of \$907,891.

Groton Assessment Comparison	FY 2026	FY 2027	\$ Difference	% Difference
Operating Assessment (includes transportation)	\$28,247,632	\$29,786,910	\$1,539,278	5.45%
Operating Grant (one time FY25)	\$0	\$0	\$0	100.0%
Capital Assessment	\$278,643	\$500,000	\$221,357	79.4%
Debt Assessment	\$110,389	\$108,143	-\$2,246	-2.0%
Total Assessment	\$28,636,664	\$30,395,053	\$1,758,389	6.1%

Dunstable Assessment Comparison	FY 2026	FY 2027	\$ Difference	% Difference
Operating Assessment (includes transportation)	\$8,641,782	\$9,160,289	\$518,507	6.0%
Capital Assessment	\$83,607	\$125,000	\$41,393	49.5%
Debt Assessment	\$36,424	\$33,945	-\$2,479	-6.8%
Total Assessment	\$8,761,813	\$9,319,234	\$557,421	6.4%

Groton and Dunstable both have a deficit in their preliminary budgets with the placeholders outlined above.

What are the major cost drivers?

Wages Up 5.42%
 Benefits Up 7.92%

Middlesex County Retirement	Up 9.15%
Health Insurance (active & ret.)	Up 8.9%
Mandated Phonics Program	\$70K in consumable materials
Student Services	
Therapeutic Contractors	Up \$180K or 82% (fed funding worry)
Medical Contractors	Up \$50K or 42% (student need)
Athletic Program Support	Up \$150K (working on this)
Substitutes	Up \$200K (working on this)
Transportation	Up 5% (no revolving fund offset)
Maintenance Expenses	Up \$145K or 15% (playing catch-up)
Out of District Placements	Up 11% (many move-ins)

What have we done to reduce budget?

- We have reduced two (2) 1.0 FTE student service positions this year (unfilled vacancies) that will carry into FY27. We have also not filled a few paraprofessional positions when possible. This fluctuates greatly throughout the year.
- We have reduced our regular transportation fleet from 18 buses to 17 in FY26. This reduction saved the district \$86,000 and will continue into FY27.
- Negotiated in FY 25 to shift and additional 3% of health insurance premiums to employees in FY26 and an additional 2% in FY27.
- We have contracted with a consultant to review the school district's scheduling to improve the efficiency of delivery of our student services. This was a long-term recommendation of the operational audit. Any changes that are ultimately suggested will most likely not be implemented in FY27.
- Filled a maintenance vacancy with a licensed electrician. This is reducing our outside contracted services. We plan to do a HVAC technician hire when another vacancy becomes available.
- At this time, there are no known professional position retirements. When/if we become aware of retirement, we will assess whether or not to fill the vacancy or fill with a newer professional.

Will there be more revenue to offset the deficit?

- Currently, the budget contains minimum per pupil aid at \$150 per student. For every \$50 added to that amount, the district will receive an additional \$110,000.

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- Circuit Breaker Reimbursement Fund is offsetting \$2million of OOD expenses. In the event projected FY26 reimbursement is higher than anticipated, we reduce additional expenses in the general fund.
 - Regional Transportation Reimbursement is estimated using an 80% reimbursement rate. FY25 ended up around 85%. For every 1% additional reimbursement, that will add \$13,000 of revenue.
 - School Committee could revisit reducing E & D by another \$100K to meet the FY26 usage.

What are possible operating expense reductions?

- Health Insurance is budgeted for a 12% increase. We are currently trending below the benchmark for FY26. As our renewal gets closer (Feb/Mar) in the event we have a lower than 12% renewal, for every 1% we can reduce our budget it will reduce our expenses by \$50,000.
- Move a student services position to be funded from the non-resident tuition revolving account. This is risky. Although we have had at least 1 student from another community attend our specialized programs, this is not guaranteed to be replenished in future years.
- The school district is currently reviewing athletic fee revenue and the costs of operating the athletic program. Any increases in revenue projection or efficiencies in programs will reduce the operating deficit. It is difficult to estimate what that amount will be at this time.
- Substitute costs have been underbudgeted in the past as they are difficult to predict. With a younger teaching staff and more maternity/parental/FMLA time lawful availability, utilization has increased. Thus, the projection is up \$200K or 64% from FY26 budget. We are working on trying to lower this number to close the deficit.
- The reductions above would happen prior to any positions being reduced or eliminated. Based on a current deficit range of \$908K-\$1.354M, it is estimated that perhaps 7-10 positions throughout the district will be vulnerable to budget reductions using some combination of the non-salary reductions previously noted.